GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
AND INDEPENDENT AUDITORS' REPORT

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Gulf Union Alahlia Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, comprising 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 the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the 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 judgment, 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 to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
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Valuation of liability for incurred claims and loss component

The estimation of the liability for incurred claims and loss component involves a significant degree of judgment. This entails estimating the present value of future cash flows and risk adjustment for non-financial risk (forming part of liability for incurred claims) and loss component (forming part of liability for remaining coverage). The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. Such loss component is remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the general measurement model relating to the future service and the carrying amount of the liability for remaining coverage without the loss component.

The Company uses an external actuary ("Appointed Actuary") to provide them with the estimate of such liabilities. A range of methods were used to determine these liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

As at 31 December 2023, the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component amount to Saudi Riyals 280.1 million, Saudi Riyals 7.0 million and Saudi Riyals 8.4 million, respectively, as disclosed in Note 11 to the financial statements.

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We performed the following procedures:

- Understood, evaluated and tested key controls around the claims handling and provision setting processes;
- Evaluated the competence, capabilities and objectivity of the Appointed Actuary based on their professional qualifications and experience and assessed their independence;
- Performed substantive procedures, on a sample basis, on the amounts recorded for claims notified and paid, including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claims;
- Checked the completeness of the underlying data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data used by the Appointed Actuary in estimating the present value of the future cash flows, risk adjustment for non-financial risk and loss component by comparing it to the accounting and other records;
- Involved our actuarial specialists to evaluate the Company's actuarial practices, adequacy of the provisions maintained and to obtain comfort over the actuarial report issued by the Appointed Actuary. Our actuarial specialists also performed the following:

  (i) Evaluated whether the Company's actuarial methodologies were consistent with the generally accepted actuarial practices;

  (ii) Assessed the appropriateness of the calculation methods and approach along with the key actuarial assumptions used and sensitivity analysis performed; and

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Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the Key audit matters
Valuation of liability for incurred claims and loss component (continued) We have considered this as a key audit matter due to the inherent estimation uncertainty, and complexity and subjectivity involved in the valuation of the estimates of present value of future cashflows, risk adjustment for non-financial risk and loss component arising from insurance contracts. Refer to Notes 3 and 6 for the material accounting policies and significant accounting judgements, estimates and assumptions related to insurance contract liabilities.	(iii) Performed independent projections on present value of future cash flows, risk adjustment for non-financial risk and loss component for significant product lines to compare them with the amounts recorded by management; and • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
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Adoption of IFRS 17 and IFRS 9

The Company has adopted IFRS 17 “Insurance Contracts”, as endorsed in the Kingdom of Saudi Arabia (“IFRS 17”), which replaces IFRS 4 “Insurance Contracts”, and is effective for annual periods beginning on or after 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance, reinsurance and investment contracts with direct participation features (“DPF”). The Company has applied the full retrospective approach to each group of these contracts.

The adoption of IFRS 17 resulted in a transition adjustment to the Company's equity as at 1 January 2022 amounting to Saudi Riyals 4.0 million.

Further, effective 1 January 2023, 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”. IFRS 9 requires 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. The Company had applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. For the transition to IFRS 9, the Company applied a retrospective approach to be in line with the transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9.

The adoption of IFRS 9 resulted in a transition adjustment to the Company's equity as at 1 January 2022 amounting to Saudi Riyals 74.9 million.

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We performed the following procedures:

- Obtained an understanding of the Company's implementation process for determining the impact of adoption of IFRS 17 and IFRS 9, including understanding of :

(i) the changes to the Company's accounting policies, systems, processes and controls; and
(ii) the transition adjustments recorded by management upon adoption of these two standards, and assessed their completeness and appropriateness;

- Evaluated the competence, capabilities and objectivity of the management’s experts based on their professional qualifications and experience and assessed their independence;

- Involved our actuarial specialists to evaluate and assess the appropriateness and adequacy of the transition methodologies, assumptions and accounting policies adopted upon transition to IFRS 17 in relation to, amongst others, the following:
(i) use of premium allocation approach;
(ii) expense allocation methodology;
(iii) risk adjustment for non-financial risk;
(iv) estimation of the present value of future cash flows ;
(v) loss component determination; and
(vi) test of the related transition adjustments on the retained earnings as at 1 January 2023 and 1 January 2022;

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Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the Key audit matters
Adoption of IFRS 17 and IFRS 9 (continued) The Company also engaged the services of their Appointed Actuary and other technical and valuation experts (together the "management's experts") to support them with the implementation process for adoption of these two standards including, amongst others, preparation of technical papers and identifying and determining the transition adjustments required to be recorded. We have considered this as a key audit matter as the first year of adoption of IFRS 17 and IFRS 9, 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. Refer to Notes 3 and 6 for the accounting policies and significant accounting judgements, estimates and assumptions in relation to IFRS 17 and IFRS 9. Also, refer to Note 4 for the impact of transition.	• Evaluated and assessed the appropriateness and adequacy of the transition methodologies, assumptions and accounting policies adopted upon transition to IFRS 9, in relation to classification, recognition, and measurement of different financial instruments and tested the related transition adjustments on the retained earnings as at 1 January 2023 and 1 January 2022. Also involved our valuation experts to support us in testing the valuation of certain of these financial instruments at these dates and reviewing the models developed by management for determining the ECL allowance on the significant financial assets; • Checked the completeness and accuracy of the underlying data used as inputs in estimating the transition impacts of IFRS 17 and IFRS 9, and tested on sample basis, the accuracy of the underlying data used; and • Evaluated and assessed the adequacy and appropriateness of the related disclosures made in the financial statements.

Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

Other information

The Board of Directors of the Company (the "Directors") are responsible for the other information. The other information comprises information included in the Company's 2023 annual report, but does not include the financial statements and our auditors' report thereon, which is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 2023 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

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 the 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 the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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, actions taken to eliminate threats or safeguards applied.

Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or 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.

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Kingdom of Saudi Arabia

Ali H. Al Basri
License Number 409

31 March 2024
21 Ramadan 1445 H

Al Kharashi & Co. Certified Accountants and Auditors
P.O. Box 8306
Riyadh 11482
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Abdullah AlMsned
License Number 456

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص ٣٢٣/١١/٢٥/٢
س.ت ٢٠٥١٠٦٢٣٨٤
PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTS
Lic No. 323/11/25/2
C.R. 2051062384

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

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)	1 January 2022 (Restated - Notes 3 and 4)
ASSETS				
Cash and cash equivalents	7	**55,114,476**	100,318,382	114,978,248
Term deposits	8	**342,772,700**	160,086,124	40,032,877
Investments:				
Financial assets at fair value through profit or loss ("FVTPL")	9	**135,144,967**	126,929,573	117,362,818
Financial assets at fair value through other comprehensive income ("FVOCI")	9	**86,968,505**	79,406,254	74,065,119
Financial assets at amortised cost	9	**156,102,104**	155,998,139	161,262,083
Prepaid expenses and other assets	10	**39,912,855**	43,378,142	35,273,987
Reinsurance contract assets	11	**50,362,725**	74,727,022	106,535,108
Right-of-use assets	12	**10,255,189**	7,447,736	7,584,087
Property and equipment	13	**8,420,561**	7,565,938	8,854,908
Intangible assets	14	**42,407,211**	45,468,473	43,378,547
Accrued income on statutory deposit	15	**3,233,205**	8,954,696	7,738,807
Goodwill	5	**67,697,750**	67,697,750	67,697,750
Statutory deposit	15	**68,834,222**	68,830,314	34,412,591
TOTAL ASSETS		**1,067,226,470**	946,808,543	819,176,930
LIABILITIES				
Accrued and other liabilities	16	**24,023,006**	36,550,750	14,500,496
Insurance contract liabilities	11	**437,355,990**	438,760,786	550,287,559
Employee benefit obligations	17	**19,719,701**	18,256,354	16,927,680
Lease liabilities	12	**11,107,691**	6,776,329	6,732,810
Zakat and income tax payable	26	**23,795,052**	22,072,948	20,072,948
Accrued commission income payable to Insurance authority	15	**3,233,205**	8,954,696	7,738,807
TOTAL LIABILITIES		**519,234,645**	531,371,863	616,260,300
EQUITY				
Share capital	18	**458,949,280**	458,949,280	229,474,640
Statutory reserve	19	**5,347,858**	4,885,691	4,885,691
Retained earnings (Accumulated losses)		**1,848,668**	(122,726,516)	(101,494,313)
Fair value reserve	9	**83,122,349**	75,560,098	70,218,963
Remeasurement reserve of employee benefit obligations	17	**(1,276,330)**	(1,231,873)	(168,351)
TOTAL EQUITY		**547,991,825**	415,436,680	202,916,630
TOTAL LIABILITIES AND EQUITY		**1,067,226,470**	946,808,543	819,176,930

The accompanying notes from 1 to 39 form an integral part of these financial statements.

Abdulaziz Ali Al Turki Chairman of the Board of Directors	Mesheal I. Alshayea Chief Executive Officer	Faris Al Habbad Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	2023	2022 (Restated -Notes 3 and 4)
		Year ended 31 December	
Insurance revenue	20	**624,483,382**	506,772,116
Insurance service expenses	20	**(510,819,908)**	(497,924,175)
Net expense from reinsurance contracts	20	**(44,991,914)**	(22,346,622)
Insurance service result from Company's directly written business		**68,671,560**	(13,498,681)
Share of surplus from insurance pool	25	**35,730,359**	14,961,115
Total insurance service result		**104,401,919**	1,462,434
Interest income from financial assets not measured at FVTPL	21	**22,340,776**	14,518,826
Interest income from financial assets measured at FVTPL	21	**2,540,677**	5,013,568
Expected credit loss reversal (loss) on financial assets	7,8,9,15	**500**	(2,667)
Net gains (losses) on financial assets measured at FVTPL	9,21	**12,127,512**	(9,982,432)
Dividend income	21	**866,183**	345,250
Net investment income	21	**37,875,648**	9,892,545
Finance income from insurance contracts issued	22	**3,262,115**	7,853,583
Finance income (expense) from reinsurance contracts held	22	**1,020,832**	(2,161,015)
Net insurance finance income		**4,282,947**	5,692,568
Net insurance and investment result		**146,560,514**	17,047,547
Finance costs	24	**(532,083)**	(267,977)
Other operating expenses	23	**(18,991,080)**	(33,079,273)
Total profit (loss) for the year before zakat and income tax		**127,037,351**	(16,299,703)
Zakat expense	26	**(2,000,000)**	(2,000,000)
Income tax	26	**-**	-
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**125,037,351**	(18,299,703)
Earnings (losses) per share (expressed in Saudi Riyals per share)			
Basic earnings (losses) per share		**2.72**	(0.47)
Diluted earnings (losses) per share		**2.72**	(0.47)

The accompanying notes from 1 to 39 form an integral part of these financial statements.

Abdulaziz Ali Al Turki	Mesheal I. Alshayea	Faris Al Habbad
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	Year ended 31 December 2023	2022 (Restated - Notes 3 and 4)
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**125,037,351**	(18,299,703)
Other comprehensive income			
Items that will not be reclassified to the statement of income in subsequent years			
Remeasurement loss on employee benefit obligations	17	**(44,457)**	(1,063,522)
Net change in fair value of FVOCI investments	9	**7,562,251**	5,341,135
Total other comprehensive income		**7,517,794**	4,277,613
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**132,555,145**	(14,022,090)

The accompanying notes from 1 to 39 form an integral part of these financial statements.

Abdulaziz Ali Al Turki Chairman of the Board of Directors	Mesheal I. Aishayea Chief Executive Officer	Faris Al Habbad Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	(Accumulated Losses) Retained earnings	Remeasurement reserve of employee benefit obligations	Fair value reserve on investments	Total
Balance at 31 December 2022		**458,949,280**	**4,885,691**	**(111,651,745)**	**(1,231,873)**	**(16,359,076)**	**334,592,277**
Adjustment on adoption of IFRS 17	4	-	-	**(14,597,661)**	-	-	**(14,597,661)**
Adjustment on adoption of IFRS 9	4	-	-	**3,522,890**	-	**91,919,174**	**95,442,064**
Balance at 1 January 2023 (Restated – Notes 3 and 4)		**458,949,280**	**4,885,691**	**(122,726,516)**	**(1,231,873)**	**75,560,098**	**415,436,680**
Total comprehensive income (loss) for the year							
Net profit for the year attributable to the shareholders		-	-	**125,037,351**	-	-	**125,037,351**
Remeasurement loss on employee benefit obligations		-	-	-	**(44,457)**	-	**(44,457)**
Net change in fair value of FVOCI investments		-	-	-	-	**7,562,251**	**7,562,251**
Total comprehensive income (loss) for the year attributable to the shareholders		-	-	**125,037,351**	**(44,457)**	**7,562,251**	**132,555,145**
Transfer to statutory reserve		-	**462,167**	**(462,167)**	-	-	-
Balance at 31 December 2023		**458,949,280**	**5,347,858**	**1,848,668**	**(1,276,330)**	**83,122,349**	**547,991,825**
Balance at 31 December 2021		229,474,640	4,885,691	(111,242,809)	(168,351)	9,075,951	132,025,122
Adjustment on adoption of IFRS 17	4	-	-	(4,010,075)	-	-	(4,010,075)
Adjustment on adoption of IFRS 9	4	-	-	13,758,571	-	61,143,012	74,901,583
Balance at 1 January 2022 (Restated – Notes 3 and 4)		229,474,640	4,885,691	(101,494,313)	(168,351)	70,218,963	202,916,630

(Continued)

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY (continued)

(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Retained earnings (Accumulated Losses)	Remeasurement reserve of employee benefit obligations	Fair value reserve on investments	Total
Total comprehensive (loss) income for the year (Restated - Notes 3 and 4)							
Net loss for the year attributable to the shareholders		-	-	(18,299,703)	-	-	(18,299,703)
Remeasurement loss on employee benefit obligations		-	-	-	(1,063,522)	-	(1,063,522)
Net change in fair value of FVOCI investments		-	-	-	-	5,341,135	5,341,135
Total comprehensive (loss) income for the year attributable to the shareholders		-	-	(18,299,703)	(1,063,522)	5,341,135	(14,022,090)
Issuance of share capital	18	229,474,640	-	(2,932,500)	-	-	226,542,140
Balance at 31 December 2022 (Restated – Notes 3 and 4)		458,949,280	4,885,691	(122,726,516)	(1,231,873)	75,560,098	415,436,680

The accompanying notes from 1 to 39 form an integral part of these financial statements.

Abdulaziz Ali Al Turki
Chairman of the Board of Directors

Mesheal I. Alshayea
Chief Executive Officer

Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	2023	2022 (Restated - Notes 3 and 4)
		Year ended 31 December	
CASH FLOWS FROM OPERATING ACTIVITIES			
Total profit (loss) for the year before zakat and income tax		**127,037,351**	(16,299,703)
Adjustments for non-cash items:			
Depreciation of property and equipment	13	**2,518,755**	2,186,114
Amortisation of intangible assets	14	**10,922,566**	8,872,813
Depreciation of right-of-use assets	12	**3,328,979**	3,027,818
Finance costs	12,17	**1,179,920**	664,667
Interest income from financial assets not measured at FVTPL	21	**(22,340,776)**	(14,518,826)
Interest income from financial assets measured at FVTPL	21	**(2,540,677)**	(5,013,568)
Expected credit loss reversal (loss) on financial assets		**(500)**	2,667
Net (gains) losses on financial assets measured at FVTPL	9,21	**(12,127,512)**	9,982,432
Dividend income	21	**(866,183)**	(345,250)
Provision for employee benefit obligations	17	**2,418,681**	2,352,935
Gain on remeasurement of lease liabilities		**(7,069)**	(1,091,864)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	10	**20,814,193**	(1,234,518)
Changes in reinsurance contract assets	11	**24,364,297**	31,808,086
Accrued income on statutory deposit		**5,721,491**	(1,215,889)
Accrued and other liabilities	16	**(12,527,743)**	22,050,253
Changes in insurance contract liabilities	11	**(1,404,796)**	(111,526,773)
Accrued commission income payable to Insurance Authority		**(5,721,491)**	1,215,889
		140,769,486	(69,082,717)
Employee benefit obligations paid	17	**(1,647,628)**	(2,484,473)
Zakat and income tax paid	26	**(277,896)**	-
Net cash generated from (used in) operating activities		**138,843,962**	(71,567,190)
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement in term deposits		**(182,692,639)**	(120,059,873)
Payments for purchases of financial assets at FVTPL	9	**-**	(56,111,939)
Proceeds from sale of investments held at FVTPL	9	**3,912,118**	36,704,320
Proceeds from sale of investments held at amoritsed cost	9	**-**	6,460,438
Interest income received from financial assets not measured at FVTPL	9	**4,890,560**	7,307,728
Interest income received from financial assets measured at FVTPL	9	**3,406,860**	4,369,648
Payments against purchases of property and equipment	13	**(3,373,378)**	(897,144)
Payments against purchases of intangible assets	14	**(7,861,304)**	(10,962,739)
Proceeds from disposal of property and equipment	13	**-**	-
Addition to statutory deposit		**-**	(34,421,196)
Net cash used in investing activities		**(181,717,783)**	(167,610,757)

(continued)

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS (continued)
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments	12	**(1,798,002)**	(1,756,082)
Finance costs paid on lease liabilities		**(532,083)**	(267,977)
Issue of share capital, net of expenses	18	**-**	226,542,140
Net cash (used in) generated from financing activities		**(2,330,085)**	224,518,081
Net decrease in cash and cash equivalents		**(45,203,906)**	(14,659,866)
Cash and cash equivalents at the beginning of the year	7	**100,318,382**	114,978,248
Cash and cash equivalents at end of the year	7	**55,114,476**	100,318,382
Supplemental non-cash information:			
Net change in fair value of FVOCI investments	9	**7,562,251**	5,341,135
Remeasurement loss on employee benefit obligations	17	**(44,457)**	(1,063,522)

The accompanying notes from 1 to 39 form an integral part of these financial statements.

Abdulaziz Ali Al Turki Chairman of the Board of Directors	Mesheal L. Alshayea Chief Executive Officer	Faris Al Habbad Chief Financial Officer

(All amounts expressed in Saudi Riyals unless otherwise stated)

1. General information - legal status and principal activities

(a) General information

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

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

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

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

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

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

(b) Business performance

During the year ended 31 December 2023, the Company's financial performance witnessed a positive growth primarily due to the following reasons:

- The insurance service result for the medical line of business experienced a notable rise from Saudi Riyals 9.9 million to 71 million as compared to the year ended 31 December 2022. This increase was largely influenced by enhancements in the Company's claims management processes and the underwriting of quality risk businesses. Further, the ultimate claims ratio improved, particularly in the SME and Visit Visa products. Moreover, the Company has written more business during the year as compared to last year which resulted in increase in insurance revenue from Saudi Riyals 196.7 million to Saudi Riyals 262.7 million.

- The insurance service result for the motor line of business improved with a reduction of loss from Saudi Riyals 64.4 million to 14.2 million as compared to the year ended 31 December 2022. The Company has changed the reinsurance strategy and concentrated it fully towards the use of excess of loss reinsurance. Further, the Company have devised its pricing strategy based on the actuarial experience. Overall, contributing to increase in revenue from Saudi Riyals from 218.1 million to 266 million.

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

(c) Shareholding percentage

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

	31 December 2023	31 December 2022
Shareholding percentage subject to zakat	**93.1**	91.7
Shareholding percentage subject to income tax	**6.9**	8.3
	100	100

(d) Merger agreement

On 23 Safar 1444H (corresponding to 19 September 2022), the Company signed a non-binding memorandum of understanding ("MoU") with Al Sagr Cooperative Insurance Company ("Al Sagr"), a company incorporated in the Kingdom of Saudi Arabia, to evaluate a potential merger between Al Sagr and the Company. The Company signed a merger agreement on 30 Sha'ban 1444H (corresponding to 22 March 2023), with Al Sagr, for which approvals from SAMA and Capital Market Authority were obtained on 29 Dhul Hijjah 1444H (corresponding to 17 July 2023) and 8 Muharram 1444H (corresponding to 26 July 2023), retrospectively. The merger was then subject to approval from the shareholders of both Al Sagr and the Company. However, the shareholders of Al Sagr did not approve the merger transaction in the extraordinary general meeting held on 30 August 2023 resulting in the merger being called off.

2. Basis of preparation

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). This is the first full set of the Company's financial statements in which IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" as endorsed in Kingdom of Saudi Arabia have been applied and the resultant changes to the significant judgments, estimates and accounting policies are described in Notes 3 and 6.

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

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

The statements of financial position, statements of income, statement of comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 37 to the financial statements have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations require 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.

2. Basis of preparation (continued)

a) Statement of compliance (continued)

In preparing the Company's financial statements in compliance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

During the year, the Insurance Authority has been established by a royal decree as the insurance regulator. The regulations previously issued by SAMA will be upheld until the Insurance Authority issues updated regulations. Therefore, the accrued income liability is payable to the Insurance Authority.

(b) Basis of measurement

The financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of financial assets at FVTPL, financial assets at FVOCI and employee benefit obligations recorded at the present value using the projected unit credit method.

(c) Basis of presentation

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

(d) Functional and presentation currency

These financial statements are expressed in Saudi Arabian Riyals ("Saudi Riyals") which is the functional and presentation currency of the Company.

(e) Seasonality of operations

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

(f) Changes in products and services

During the year ended 31 December 2023, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company except for introduction of domestic labour product related to general accident portfolio. Refer Note 4 for details regarding impact of adoption of IFRS 17 and IFRS 9.

3. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are summarised below. These policies have been consistently applied to each of the years presented except new International Financial Reporting standards, International Financial Reporting Interpretation Committee interpretations and amendments thereof, adopted by the Company as explained in Note 3.1.

3.1 New and amended standards adopted by the Company

- **IFRS 17 'Insurance contracts' ("IFRS 17")**

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

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

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

The new accounting policies and the impact of the adoption of IFRS 17 are disclosed in Notes 3.3 and 4.1, respectively.

- **IFRS 9 'Financial Instruments' ("IFRS 9")**

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and was effective for annual periods beginning on or after 1 January 2018. However, the Company had met the relevant criteria and had applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. For transition to IFRS 9, the Company applied a retrospective approach to be in line with transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9. The new accounting policies and the impact of the adoption of IFRS 9 are disclosed in Notes 3.4 and 4.2, respectively.

- **Narrow scope amendments to IAS 1 'Presentation of financial statements' ("IAS 1"), Practice statement 2 and IAS 8 'Accounting policies, accounting estimates and errors' ("IAS 8")**

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The Company did not identify an impact as a result of these amendments.

- **Amendment to IAS 12 'Taxation' ("IAS 12") – deferred tax related to assets and liabilities arising from a single transaction**

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Company did not identify an impact as a result of these amendments.

- **Amendment to IAS 12 – International tax reform**

These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. The Company did not identify an impact as a result of these amendments.

3. Material accounting policies (continued)

3.2 New standards, amendments and interpretations not yet applied by the Company

The Company has chosen not to early adopt the following new standards, interpretations and amendments to existing standards which have been issued but not yet effective and is currently assessing their impact.

- **Amendment to IFRS 16 'Leases' ("IFRS 16") – Leases on sale and leaseback**

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Effective date:

Annual periods beginning on or after 1 January 2024.

Impact assessment

Management is currently in the process of assessing the impact of this amendment, however, no material impact is expected.

- **Amendments to IAS 1 - Non-current liabilities with covenants**

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Effective date:

Annual periods beginning on or after 1 January 2024.

Impact assessment

Management is currently in the process of assessing the impact of this amendment, however, no material impact is expected.

- **Amendment to IAS 7 'Cash flow statements' ("IAS 7") and IFRS 7 'Financial instruments: Disclosures ("IFRS 7") – Supplier finance**

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Effective date:

Annual periods beginning on or after 1 January 2024.

Impact assessment

Management is currently in the process of assessing the impact of this amendment, however, no material impact is expected.

3. Material accounting policies (continued)

3.2 New standards, amendments and interpretations not yet applied by the Company (continued)

- Amendments to IAS 21 'Foreign currencies' ("IAS 21") - Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Effective date:

Annual periods beginning on or after 1 January 2025.

Impact assessment

Management is currently in the process of assessing the impact of this amendment, however, no material impact is expected.

3.3 Insurance and reinsurance contracts

i. Classification and summary of measurement models

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC").

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

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

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

ii. Level of aggregation

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

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

The portfolios are further divided by year of issue.

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

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

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

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

iii. Recognition

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

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

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

- For reinsurance contracts that provide proportionate coverage, at the later of:

(i) the beginning of the coverage period of the group of reinsurance contracts and

(ii) the initial recognition of any underlying contract.

- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts;

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

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

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

iv. Contract boundaries

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

A substantive obligation to provide services ends when:

i) The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

ii) Both of the following criteria are satisfied

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

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

v. Measurement

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

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements or

- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

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

● Insurance contracts:

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

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

v. Measurement (continued)

- Reinsurance contracts:

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

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

Measurement on initial recognition under PAA:

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

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

Subsequent measurement under PAA:

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

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

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:
a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:
a. increased for premiums received in the year, excluding amounts that relate to premium receivables included in the LIC;
b. decreased for insurance acquisition cash flows paid in the year
c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the year; and
d. increased for the amortisation of insurance acquisition cash flows in the year recognised 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 year;
b. increased for broker fees paid in the year; and
c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the year

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

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

v. Measurement (continued)

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

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

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

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

Estimates of salvage recoveries are included in the estimates of claims liability as it can reasonably be recovered from the disposal of the asset.

Onerous contract assessment:

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

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

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

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

v. Measurement (continued)

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

Non-performance risk (NPR) adjustment:

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

vi. De-recognition and contract modification

The Company derecognises a contract when it is extinguished i.e. when the specified obligations in the contract expire or are discharged or cancelled. The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms in recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified during the year ended 31 December 2023.

vii. Acquisition & Attributable Cost

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

viii. Risk adjustments for non-financial risk

The Company has decided to adopt the Value at risk method on incurred claims for the estimation of risk adjustment. The Company has chosen a confidence level based on the 75th percentile of the distribution of the claim reserves, considering this level is adequate to cover sources of uncertainty about the amount and timing of the cash flows. While for premium risk, Solvency II approach is used to derive the risk with the same percentile as the claim reserves.

ix. Presentation

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

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

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

ix. Presentation (continued)

Insurance revenue

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

Insurance service expenses

Insurance service expenses include the following:

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

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

Net expenses from reinsurance contracts:

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

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

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

Hajj and Umrah insurance pool:

The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from January 1, 2020. The compulsory Hajj and Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and medical of the pilgrims entering the Kingdom of Saudi Arabia to perform Hajj and Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement.

This co-insurance arrangement, in which the Company is a participant, is an insurance contract as defined in IFRS 17, and the Company has accordingly applied the recognition and measurement principles of IFRS 17. Given the bespoke nature of the arrangement and given that the rights and obligations from the arrangement are managed and settled on a net basis, the Company has accordingly presented the results from the arrangement on a net basis in insurance service results as a separate line item on the statement of comprehensive income and has provided more details in the Note 25.

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

ix. Presentation (continued)

Insurance finance income and expenses:

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

The Company includes all insurance finance income or expenses for the year in statement of income.

x. Changes to classification, recognition and measurement

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

- ***Deferral of acquisition costs*** – Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalise and amortise these costs over the coverage period based on the passage of time for all groups of contracts.

- ***Discount rate*** – Under IFRS 17, the liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Company has established discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts. Under IFRS 4, claims liabilities were discounted using a rate that reflected the estimated market yield of the underlying assets backing these claims liabilities at the reporting date.

- ***Risk Adjustment*** -Under IFRS 17, the liability for incurred claims includes an explicit risk adjustment for non-financial risk ("risk adjustment") which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflected the inherent uncertainty in the net discounted claim liabilities estimates, whereas the IFRS 17 risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk.

- ***Onerous contracts*** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income, resulting in earlier recognition compared to IFRS 4.

xi. Changes to presentation and disclosure

Statement of financial position

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

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

3. Material accounting policies (continued)

3.3 Insurance and reinsurance contracts (continued)

xi. Changes to presentation and disclosure (continued)

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

Statements of income

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

Insurance revenue under IFRS 17 includes gross written premium, gross movement in unearned premiums and estimates for expected premium receipts.

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

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

Insurance service results are presented without the impact of discount unwinding and changes in discount rates which are shown separately under Net insurance financial result in Net income. Share of surplus from insurance pool is presented on a net basis within the total insurance service results after the insurance service result from the Company's directly written business.

IFRS 17 resulted in presentation changes to IFRS 4's underwriting expenses, claims handling expenses, policy acquisition costs and general and administrative expenses since such expenses are classified either as 'Incurred claims and other directly attributable expenses' or acquisition expense within insurance service expense or as other operating expenses when they are not directly attributable to insurance contracts. As a result, a portion of expenses classified as general and administrative expenses under IFRS 4 are now presented as other operating expenses under IFRS 17.

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

3. Material accounting policies (continued)

3.4 Financial assets and liabilities

i. Initial recognition

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

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

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

Amortised cost and effective interest rate

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

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

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

3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

ii. Classification and subsequent measurement of financial assets

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

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

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

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

Business model:

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

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

Solely payments of principal and profit:

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

3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

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

Debt instruments (continued)

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

Amortised cost:

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

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

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

Fair value through profit or loss (FVTPL):

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are not expected to be frequent and no such instances have occurred during the year ended 31 December 2023.

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

3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

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

Equity instruments:

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

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

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

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

iii. Impairment of financial assets

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

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

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

3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

iii. Impairment of financial assets (continued)

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

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

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

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

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

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

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

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

3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

iv. Derecognition of financial assets

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

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

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

v. Classification and subsequent measurement of financial liabilities

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

vi. Derecognition of financial liabilities

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

Changes to classification and measurement

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

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

- Financial assets at fair value through profit or loss, including equity instruments and derivatives;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and
- Debt instruments at amortised cost.

3 Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

Changes to classification and measurement (continued)

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

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

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

Changes to the impairment calculation

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

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

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

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

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

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

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

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

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

3. Material accounting policies (continued)

3.5 Interest income from financial assets not measured at FVTPL and dividend income

Interest income from financial assets not measured at FVTPL on short-term deposits and long-term deposits is recognised on a time proportion basis using the effective interest rate method and are disclosed under 'Interest income from financial assets not measured at FVTPL' in statement of income. Dividend income is recognised when the right to receive a dividend is established under 'Dividend income' in the statement of income.

3.6 Offsetting

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

3.7 Trade date accounting

All regular way purchases and sales of financial assets are recognised / derecognised on the trade date (i.e. the date that the Company 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 market place.

3.8 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 Riyals at the rate of exchange prevailing at the reporting date. All differences are taken to the statements of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Foreign exchange gains or losses on investments carried at FVTPL are recognised in the statement of income. As the Company's foreign currency transactions are primarily in US dollars, foreign exchange gains and losses are not significant.

3.9 Dividend distribution

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

3.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments, if any, with less than three months maturity from the reporting date.

3.11 Term deposits

Short-term deposits are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of reporting.

Long-term deposit represents deposit with maturity of more than one year from the date of reporting and is placed with a financial institution carrying commission income.

3. Material accounting policies (continued)

3.12 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 recognised 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 year in which they are incurred.

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

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

3.13 Intangible assets and Goodwill

Intangible assets represent computer software and are measured at cost. Intangible assets with a finite useful life are amortised over their estimated useful life in accordance with the pattern of expected consumption of economic benefits. Intangible assets with an infinite useful life are not subject to amortisation but are tested for impairment at each statement of financial position date or more often if there is an indication of impairment. Intangible assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill arising on acquisition of a business is presented as a separate financial statement line item on the statement of financial position.

Goodwill arising on acquisition of a business is carried at cost as at the acquisition date. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the merger date, allocated to the cash-generating units ("CGU") that are expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored for internal management purposes. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss is recognised immediately in the statement of income. Impairment of goodwill is not subsequently reversed.

Intangible assets acquired separately are initially recognised and measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, where applicable.

3. Material accounting policies (continued)

3.14 Leases

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts 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.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate 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 RoU 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 re-measured 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 re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

3. Material accounting policies (continued)

3.14 Leases (continued)

Right-of-use assets (RoU)
The RoU comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets.

3.15 Prepaid expenses and other assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. Prepaid expenses and other assets are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to statement of income as they are consumed or expire with the passage of time.

3.16 Accrued and other liabilities

Accrued expenses and other liabilities are recognised for amounts to be paid in the future for services received and billed to the Company except in case of accrued expenses recognised when it is not billed.

3.17 Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from past events, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognised for future operating losses. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement.

3.18 Employee benefit obligations

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws and workman laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of income and while unwinding of the liability at discount rates used are recorded in the statement of income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the statement of comprehensive income and transferred to retained earnings in the statement of changes in equity in the year in which they occur.

3. Material accounting policies (continued)

3.18 Employee benefit obligations (continued)

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognised immediately in statement of income as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law of Saudi Arabia.

3.19 Zakat and income tax

The Company is subject to zakat and income tax in accordance with the regulations of the Zakat, Tax, and Customs Authority ("ZATCA"). Zakat is computed on the Saudi shareholders' share of equity or net income using the basis defined under the Zakat regulations. Income taxes are computed on the foreign shareholders' share of adjusted net income for the year. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

a) Zakat

The Company is subject to zakat in accordance with the regulations of the ZATCA. Zakat expense is charged to the statement of income. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat.

b) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, and is charged to the statement of income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the year in which such assessments are made.

c) Deferred tax

Deferred income tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, and for the carry forward losses in the financial statements, if any. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the tax credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable profit nor accounting profit.

(All amounts expressed in Saudi Riyals unless otherwise stated)

3. Material accounting policies (continued)

3.19 Zakat and income tax (continued)

(c) Deferred tax (continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

4. Impact of adoption of new accounting standards

The Company has adopted IFRS 17 and IFRS 9 from 1 January 2023 and the impact of the adoption are disclosed in note 4.1 and 4.2 respectively with the cumulative impacts in note 4.3.

4.1 IFRS 17

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

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

The impact on total equity, total assets and total liabilities as at 1 January 2023 and 1 January 2022, arising from actuarial risk adjustment, discounting, loss component adjustment and estimates for expected premium receipts, is as follows. The overall decrease in net equity is principally on account of change in methodology for computing loss component adjustment and expected premium receipts under IFRS 17 requirements as compared to premium deficiency reserve under IFRS 4 and allowance for doubtful debts under IAS 39. Also see Note 3.3(x) for details regarding the methodology and assumptions used to determine such adjustments.

	Note	1 January 2023	1 January 2022
(Reduction) increase in the Company's accumulated losses and total equity			
Change in measurement of reinsurance contract assets	4.1.1	**1,501,375**	5,550,509
Change in measurement of insurance contract liabilities	4.1.2	**(12,088,961)**	(9,560,584)
Impact of adoption of IFRS 17 on accumulated losses and total equity		**(10,587,586)**	(4,010,075)
Impact on accumulated losses and total equity as of 1 January 2022		**(4,010,075)**	-
Total impact on accumulated losses and total equity as of 1 January 2023 and 2022		**(14,597,661)**	(4,010,075)

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

4.1 IFRS 17 (continued)

4.1.1

Increase (reduction) in the Company's total assets		
Reinsurance share of loss component	**2,015,426**	1,708,878
Reinsurance share of risk adjustment	**183,698**	2,538,666
Reinsurance share of discounting	**(2,161,015)**	(264,622)
Estimates for expected recoveries from reinsurer	**1,463,266**	1,567,587
Impact of adoption of IFRS 17 on total assets	**1,501,375**	5,550,509

4.1.2

(Increase) reduction in the Company's total liabilities		
Loss component	**(6,676,717)**	891,981
Risk adjustment	**504,301**	(9,376,908)
Discounting	**7,853,583**	1,752,785
Estimates for expected premium receipts	**(13,770,128)**	(2,828,442)
Impact of adoption of IFRS 17 on total liabilities	**(12,088,961)**	(9,560,584)

The impact on the net loss for the year ended 31 December 2022 attributable to the shareholders, arising from actuarial risk adjustment, discounting, loss component adjustment and estimates for expected premium receipts recomputed for premiums receivable, reinsurers' receivable, reinsurers' share of outstanding claims and claims incurred but not reported, in line with the requirements of IFRS 17, is as follows:

	For the year ended 31 December 2022
(Increase) reduction in the Company's net loss	
Loss component	**(6,676,717)**
Risk adjustment	**504,301**
Discounting	**7,853,583**
Reinsurers' share of loss component	**2,015,426**
Reinsurers' share of risk adjustment	**183,698**
Reinsurers' share of discounting	**(2,161,015)**
Estimates for expected premium receipts	**(13,770,128)**
Estimates for expected recoveries from reinsurer	**1,463,266**
Impact of adoption of IFRS 17 on net loss	**(10,587,586)**

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

4.2 IFRS 9

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

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

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

	Original classification under IAS 39	**New classification under IFRS 9**	**Original carrying value under IAS 39**	**New carrying value under IFRS 9**	**Impact of ECL and change in classification**
			As at 1 January 2023		
Financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	**100,322,227**	**100,318,382**	**(3,845)**
Investments					
- Mutual funds	Available for sale at fair value ("AFS")	FVTPL	**76,746,369**	**76,746,369**	**-**
- Ordinary shares	AFS	FVTPL	**28,318,492**	**28,318,492**	**-**
- Ordinary shares	AFS	FVOCI	**3,846,156**	**79,406,254**	**75,560,098***
- Sukuk	AFS	Amortised cost	**129,093,621**	**149,000,061**	**19,906,440****
- Sukuk	AFS	FVTPL	**21,864,715**	**21,864,715**	**-**
- Sukuk	Held to maturity at amortised cost	Amortised cost	**7,000,000**	**6,998,075**	**(1,925)**
Long term deposit	Amortised cost	Amortised cost	**90,000,000**	**89,993,374**	**(6,626)**
Statutory deposit	Amortised cost	Amortised cost	**68,842,392**	**68,830,314**	**(12,078)**
Other receivables	Loans and receivables	Amortised cost	**8,836,804**	**8,836,804**	**-**
			534,870,776	**630,312,840**	**95,442,064**

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

4.2 IFRS 9 (continued)

	Original classification under IAS 39	New classification under IFRS 9	Original carrying value under IAS 39	New carrying value under IFRS 9	Impact of ECL and change in classification
			As at 1 January 2022		
Financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	114,982,093	114,981,337	(756)
Investments					
- Mutual funds	Available for sale at fair value ("AFS")	FVTPL	69,766,242	69,766,242	-
- Ordinary shares	AFS	FVTPL	396,941	396,941	-
- Ordinary shares	AFS	FVOCI	3,846,156	74,065,119	70,218,963*
- Sukuks	AFS	Amortised cost	144,555,643	149,257,630	4,701,987**
- Sukuks	AFS	FVTPL	45,741,214	45,741,214	-
- Sukuks	Held to maturity at amortised cost	Amortised cost	12,002,013	12,001,711	(302)
- Sukuks	Held to maturity at amortised cost	FVTPL	1,458,423	1,458,423	-
Long-term deposit	Amortised cost	Amortised cost	40,032,877	40,023,173	(9,704)
Statutory deposit	Amortised cost	Amortised cost	34,421,196	34,412,591	(8,605)
Other receivables	Loans and receivables	Amortised cost	5,610,159	5,610,159	-
			472,812,957	547,714,540	74,901,583

* Includes impact of revaluation of investments in Najm. Refer Note 9 for further details in this regard.
** Includes impact of reclassification of sukuks from AFS to amortised cost. Refer Note 4.2 for further details in this regard.

The Sukuks reclassified from AFS to amortised cost had the fair value amounting to Saudi Riyals 127.5 million as at 31 December 2023 (31 December 2022: Saudi Riyals 129 million). The fair value loss on such Sukuks amounting to Saudi Riyals 1.6 million (31 December 2022: Saudi Riyals 15.5 million) that would have been recognised in the statement of income if these were not reclassified.

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

4.2 IFRS 9 (continued)

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

	Impact on opening accumulated losses	**Impact on opening fair value reserve**
Adjustment to opening fair value reserve under IFRS 9		
- Reclassification of investments from AFS to FVTPL - Mutual funds	**3,459,307**	**(3,459,307)**
- Reclassification of investments from AFS to amortised cost – Sukuks	**-**	**19,818,383**
- Revaluation of najm investments (Refer Note 9)	**-**	**75,560,098**
	3,459,307	**91,919,174**
Accrued interest on sukuks measured at amortised cost	**88,057**	**-**
Net ECL allowance on financial assets	**(24,474)**	**-**
Impact of initial application of IFRS 9 as at 1 January 2023	**3,522,890**	**91,919,174**

	Impact on opening accumulated losses	**Impact on opening fair value reserve**
Adjustment to opening fair value reserve under IFRS 9		
- Reclassification of investments from AFS to FVTPL - Mutual funds	13,451,162	(13,451,162)
- Reclassification of investments from AFS to amortised cost – Sukuks	-	4,375,211
- Revaluation of najm investments (Refer Note 9)	-	70,218,963
	13,451,162	61,143,012
Accrued interest on sukuks measured at amortised cost	329,216	-
Net ECL allowance on financial assets	(21,807)	-
Impact of initial application of IFRS 9 as at 1 January 2022	13,758,571	61,143,012

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

4.2 IFRS 9 (continued)

The impact on the net loss and other comprehensive income for the year ended 31 December 2022 upon adoption of IFRS 9, is as follows:

For the year ended 31 December 2022:

	Impact on net loss	**Impact on other comprehensive income**
Adjustment to other comprehensive income under IFRS 9		
Reclassification of investments from AFS to FVTPL - Mutual funds	**(9,982,432)**	**9,982,432**
Reclassification of investments from AFS to amortised cost – Sukuks	**-**	**15,452,595**
	(9,982,432)	**25,435,027**
Accrued interest on sukuks measured at amortised cost	**(250,582)**	**-**
Net ECL allowance on financial assets	**(2,667)**	**-**
Impact of initial application of IFRS 9 for the year ended 31 December 2022	**(10,235,681)**	**25,435,027**

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

4.3 Overall impact on transition to IFRS 17 and IFRS 9

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

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

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

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

For the year ended 31 December 2022:

	Impact on net profit	Impact on other comprehensive income
Decrease on transition to:		
- IFRS 17 (see note 4.1)	(10,587,586)	-
- IFRS 9 (see note 4.2)	(10,235,681)	25,435,027
Impact of adoption of IFRS 17 and IFRS 9 for the year ended 31 December 2022	(20,823,267)	25,435,027

5. Goodwill

The goodwill arising from the merger is attributable to the expected synergies from combining the operations of the Gulf Union and Al Ahlia and cannot be assigned to any other determinable and separate provisional intangible asset. Goodwill is allocated to the Company as a single CGU, being the combined operations of the Company and Al Ahlia. Management's judgment to allocate goodwill to the Company considered the broader reason for which acquisition was made, i.e. synergies from combining the operations. The Company tests the goodwill for impairment at each reporting date, if there are impairment indicators. As required, the Company performs impairment testing at least annually. For the impairment testing, management determines the recoverable amount of the CGU based on value-in-use calculations. These calculations require the use of estimates in relation to the future cash flows, based on the most recent five years' approved business plan, and use of an appropriate discount rate applicable to the circumstances of the Company. Cash flows beyond the five-years period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with the forecasts included in industry reports specific to the industry in which the CGU operates. As of 31 December 2023, the key assumptions were changed from the annual financial statements for the year ended 31 December 2022, to align with the principles of IFRS 17. Since insurance service expenses consider both claims and directly attributable expenses the average claim ratio is not considered separately. Key assumptions underlying the projections are:

(All amounts expressed in Saudi Riyals unless otherwise stated)

5 Goodwill (continued)

Key assumptions - 31 December 2023	**%**
Insurance revenue growth	**11.0**
Insurance service expenses as a percentage of revenue	**88.0**
Discount rate	**15.0**
Terminal value growth rate	**2.0**

Key assumptions - 31 December 2022	%
Gross premium written growth	5.8
Average claims ratio	78.1
Discount rate	11.3
Terminal value growth rate	2.0

Although management believes that the assumptions used to evaluate potential impairment are reasonable, such assumptions are inherently subjective. Based on the assumptions made, the expected discounted future cash flows exceed the carrying amount of goodwill and accordingly no impairment has been recognised.

Sensitivity to the changes in assumptions

Management has identified that a reasonably possible change in the below given key assumptions could cause the carrying amount equal to the recoverable amount.

Insurance revenue growth

The insurance revenue growth in the forecast period has been estimated to be a compound annual growth rate of 11.0%. If all other assumptions kept the same, a reduction of this growth rate from 11.0% to 8.0% would give a value in use equal to the current carrying amount.

Insurance service expenses

The insurance service expenses in the forecast period has been estimated to be 88.0% of insurance revenue. If all other assumptions kept the same, an increase of insurance service expense from 88.0% to 89.4% of insurance revenue would give a value in use equal to the current carrying amount.

With regard to the assessment of the value in use, management believes that no reasonably possible change in any of the other key assumptions above would cause the carrying value of CGU including goodwill to exceed its recoverable amount.

6 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

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

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

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

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

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

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

6. Significant accounting judgments, estimates and assumptions (continued)

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

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

(ii) Discounting methodology

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

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

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

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

31 December 2023	**Currency**	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**
Insurance contracts issued and reinsurance contracts held	Saudi Riyals	**5.79%**	**5.09%**	**4.75%**	**4.60%**	**4.53%**

31 December 2022	**Currency**	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**
Insurance contracts issued and reinsurance contracts held	Saudi Riyals	6.29%	5.88%	5.48%	5.27%	5.17%

6. Significant accounting judgments, estimates and assumptions (continued)

(iii) Risk adjustments for non-financial risks

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

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

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

There is no prescribed approach for determining the risk adjustment for non-financial risk for each group of insurance contracts. Applying a confidence level technique, the Company estimated the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculated the risk adjustment for non-financial risk as the excess of the value at risk at 75^{th} percentile (the target confidence level) over the expected present value of the future cash flows.

(iv) Onerosity determination

Under the PAA, the Company assumed no contracts in the portfolio are onerous at initial recognition unless “facts and circumstances” indicate otherwise. The Company performed the assessment of onerous contracts on an annual and underwriting year basis, in conjunction with updated information on product profitability. Furthermore, the assessment shall be repeated if “facts and circumstances” indicate that there are significant changes in product pricing, product design, plans and forecasts.

This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company established a process to determine onerous, potentially onerous and profitable contracts by assessing the profitability of the different portfolios at the start of the underwriting year. The profitability of each portfolio shall be assessed separately. Refer Note 3.3 (v) for further details in this regard.

(v) Estimates for expected premium receipts

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

6. Significant accounting judgments, estimates and assumptions (continued)

(vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and to make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 28 for details relating to fair valuation techniques and a sensitivity analysis in relation to the significant assumptions.

(vii) Impairment of goodwill

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

6. Significant accounting judgments, estimates and assumptions (continued)

(viii) Presentation of the Umrah and Hajj insurance pool

IFRS 17 does not have specific requirements on the presentation of assigning insurance income and expenses, and insurance assets and liabilities when an insurance contract is issued by more than one entity. Accordingly, the Company applied the requirements in IAS 8 in developing a policy for the presentation of the arrangement in which it is a co-insurer (refer to Note 3.3 ix). The Company analysed the contractual terms of the arrangement policy and concluded that given the nature and substance of the arrangement, it is appropriate to present the results within net insurance results as a separate line item in the statement of income, with details provided in the notes. The Company believes this is appropriate as management has no ability to change the pricing or control the expenditure and as such do not think it is appropriate to include the results within revenue and expenses that are controllable by the Company. The current presentation of the arrangement is similar where an entity is acting as an agent, where the principle is as there is no control net presentation is more appropriate and disclosure is provided in the notes. Management believes the presentation and disclosure reflects the substance of the arrangement.

7. Cash and cash equivalents

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

	31 December 2023	**31 December 2022 (Restated - Notes 3 and 4)**
Cash at bank - current accounts	**15,115,095**	60,322,227
Time deposits	**40,000,000**	40,000,000
	55,115,095	100,322,227
Expected credit losses recognised in statement of income during the year	**(619)**	(3,845)
	55,114,476	100,318,382

(All amounts expressed in Saudi Riyals unless otherwise stated)

7 Cash and cash equivalents (continued)

Cash at banks is placed with counterparties with sound credit ratings. As at 31 December 2023, deposit was placed with the local bank with original maturity of less than three months from the date of placement and earned commission income at the rate of 5.8% (31 December 2022: 3% to 6%) per annum.

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 31.3 for details.

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

	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Opening balance	**3,845**	-
Adjustment to opening accumulated losses under IFRS 9	**-**	756
Opening loss allowance as at 1 January - under IFRS 9	**3,845**	756
Expected credit losses (reversal) loss in statement of income during the year	**(3,226)**	3,089
Closing balance	**619**	3,845

8 Term deposits

Long-term deposit, amounting to Saudi Riyals 50 million (31 December 2022: Saudi Riyals 90 million), represents deposit with maturity of more than one year as at 31 December 2023 and is placed with the financial institution carrying commission income at the rate of 6.5% (31 December 2022: 6% and 6.5%) per annum, and will mature by August 2025.

The gross carrying amount of long-term deposit represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 31.3 for details.

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

	30 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Opening balance	**6,626**	-
Adjustment to opening accumulated losses under IFRS 9	**-**	9,704
Opening loss allowance as at 1 January - under IFRS 9	**6,626**	9,704
Expected credit losses recognised in statement of income during the year	**(1,506)**	(3,078)
Closing balance	**5,120**	6,626

Short-term deposits, amounting to Saudi Riyals 293 million (31 December 2022: Saudi Riyals 70.1 million), are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months as at 31 December 2023. These deposits earned commission income at a rate of 6% to 6.30% per annum for the year ended 31 December 2023 (31 December 2022: 3% and 6.5% per annum).

8 Term deposits (continued)

The gross carrying amount of short-term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 31.3 for details.

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

	31 December 2023	31 December 2022 (Restated – Notes 3 and 4)
Opening balance	-	-
Adjustment to opening accumulated losses under IFRS 9	-	-
Opening loss allowance as at 1 January - under IFRS 9	-	-
Expected credit losses recognised in statement of income during the year	7,569	-
Closing balance	7,569	-

(All amounts expressed in Saudi Riyals unless otherwise stated)

9 Investments

(a) Investments are classified as follows:

	31 December 2023	31 December 2022 (Restated – Notes 3 and 4)
Financial assets at FVTPL		
Mutual Funds	**82,872,012**	76,746,369
Ordinary shares	**29,840,894**	28,318,492
Sukuks	**22,432,061**	21,864,712
	135,144,967	126,929,573
Financial assets at FVOCI		
Ordinary shares	**86,968,505**	79,406,254
Financial assets at amortised cost		
Sukuks	**156,104,600**	156,000,064
Expected credit losses recognised in statement of income during the year	**(2,496)**	(1,925)
	156,102,104	155,998,139
	378,215,576	362,333,966

Investments in Sukuks are classified as investments measured at amortised cost, except for certain Sukuks amounting to Saudi Riyals 22.4 million (31 December 2022: Saudi Riyals 21.9 million) which failed SPPI assessment on account of interest payment not constituting time value of money and so, were classified as FVTPL. The Company's business model for Sukuk classified as amortised cost is to hold to collect the contractual cash flows.

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

Investment in Najm is not held for trading as the Company has irrevocably elected it at initial recognition to recognise in the FVOCI as it is considered strategic investment and the Company considers this classification to be more relevant.

The Company has classified its investments in ordinary shares at FVTPL, except for Najm investments which are being held at FVOCI. The Company holds an investment in the equity of Najm for Insurance Services (Najm) and in accordance with Company's accounting policy under Note 3, investments in equity instruments should be measured at fair value. During the year ended 31 December 2023, the Company has determined the fair value of its investment in Najm, which was previously carried at cost of Saudi Riyals 3.8 million. The fair value of Najm investment was Saudi Riyals 87 million, Saudi Riyals 79.4 million and 74.1 million as at 31 December 2023, 31 December 2022 and 1 January 2022 respectively. Accordingly, the required adjustments to bring the carrying value of such investment to its fair value have been recognised in the opening equity as of 1 January 2022.

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 31.3 for details.

(All amounts expressed in Saudi Riyals unless otherwise stated)

9 Investments (continued)

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

	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Balance at beginning of the year	**206,335,827**	191,427,937
Additions during the year	**-**	56,111,939
Withdrawal during the year	**(3,912,118)**	(36,704,320)
Changes in fair value of investments	**19,689,763**	(4,499,729)
Balance at end of the year	**222,113,472**	206,335,827

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

	31 December 2023	31 December 2022 (Restated – Notes 3 and 4)
Balance at beginning of the year	**140,604,661**	136,093,624
Adjustment to opening retained earnings under IFRS 9 (Note 4.2) - Reversal of fair value reserve	**15,307,830**	19,818,383
Adjustment to opening retained earnings under IFRS 9 (Note 4.2) - Interest accreted	**87,573**	88,057
Opening balance as at 1 January - under IFRS 9	**156,000,064**	156,000,064
Interest accreted during the year	**104,536**	-
	156,104,600	156,000,064
Expected credit losses recognised in statement of income during the year	**(2,496)**	(1,925)
	156,102,104	155,998,139

(All amounts expressed in Saudi Riyals unless otherwise stated)

9. Investments (continued)

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

	31 December 2023	31 December 2022 (Restated – Notes 3 and 4)
Opening balance	**1,925**	-
Adjustment to opening accumulated losses under IFRS 9	**-**	2,742
Opening loss allowance as at 1 January - under IFRS 9	**1,925**	2,742
Expected credit losses (reversal) loss in statement of income during the year	**571**	(817)
Closing balance	**2,496**	1,925

(e) Geographical concentration:

The maximum exposure to credit and price risk for financial assets carried at fair through profit and loss, financial assets carried at other comprehensive income and financial assets carried at amortised cost at the reporting date by geographic region is as follows:

	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Kingdom of Saudi Arabia	**338,820,446**	336,737,044
United Kingdom	**31,832,879**	25,596,922
	370,653,325	362,333,966

10 Prepaid expenses and other assets

	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Receivable - insurance arrangements (Note 10.1)	**21,048,359**	10,962,356
Other prepaid expenses	**4,202,961**	10,626,876
Security deposits	**1,368,075**	2,368,075
Accrued income on deposits	**257,389**	3,821,038
Employees' receivable	**1,440,696**	1,668,795
Value added tax	**2,929,658**	-
Other receivables	**8,665,717**	13,931,002
	39,912,855	43,378,142

10.1 This includes receivables related to Hajj and Umrah co-insurance agreement for general accident and medical insurance which is effective from 1 January 2020. The agreement relates to insurance of pilgrims who enter the Kingdom of Saudi Arabia. Also see Note 25.

(All amounts expressed in Saudi Riyals unless otherwise stated)

11 Insurance and reinsurance contracts

11.1 Composition of the statement of financial position

An analysis of the amounts presented on the statement of financial position for insurance contracts and reinsurance contracts has been included in the table below:

31 December 2023	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Insurance Contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	**155,222,621**	**189,421,371**	**53,867,955**	**15,395,304**	**10,499,967**	**12,081,830**	**866,942**	**437,355,990**
								437,355,990
Reinsurance contracts								
Reinsurance contract assets	**2,820,863**	**13,106,798**	**7,231,455**	**10,533,315**	**7,408,240**	**8,667,988**	**594,066**	**50,362,725**
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
								50,362,725

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.1 Composition of the statement of financial position (continued)

31 December 2022 (Restated – Notes 3 and 4)	**Medical**	**Motor**	**General Accident & Liability**	**Engineering**	**Property**	**Marine**	**Protection**	**Total**
Insurance Contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	184,790,512	175,889,894	33,806,124	10,563,610	10,403,211	20,997,990	2,309,445	438,760,786
								438,760,786
Reinsurance contracts								
Reinsurance contract assets	4,828,756	34,888,803	4,270,302	7,836,040	6,370,238	14,981,762	1,551,121	74,727,022
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
								74,727,022

(All amounts expressed in Saudi Riyals unless otherwise stated)

11 Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims

11.2.1 Insurance contracts

	As at 31 December 2023				
	Liability for remaining coverage		**Liability for incurred claims**		**Total**
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	
Insurance contracts					
Insurance contract liabilities – opening	**127,805,343**	**22,990,602**	**279,092,235**	**8,872,606**	**438,760,786**
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**127,805,343**	**22,990,602**	**279,092,235**	**8,872,606**	**438,760,786**
Insurance revenue	**(624,483,382)**	-	-	-	**(624,483,382)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses*	-	-	**423,252,580**	**5,260,968**	**428,513,548**
Reversal of onerous contracts	-	**(9,357,922)**	-	-	**(9,357,922)**
Changes that relate to past service - adjustments to the LIC	-	-	**(32,197,547)**	**(7,127,896)**	**(39,325,443)**
Insurance acquisition cashflows amortisation	**130,989,725**	-	-	-	**130,989,725**
Insurance service expenses	**130,989,725**	**(9,357,922)**	**391,055,033**	**(1,866,928)**	**510,819,908**
Finance (income) expense from insurance contracts	-	**(5,225,230)**	**1,963,115**	-	**(3,262,115)**
Total changes in the statement of income	**(493,493,657)**	**(14,583,152)**	**393,018,148**	**(1,866,928)**	**(116,925,589)**
Cashflows					
Premiums received	**644,298,823**	-	-	-	**644,298,823**
Incurred claims and other incurred insurance service expenses paid	-	-	**(391,985,816)**	-	**(391,985,816)**
Insurance acquisition cashflows paid	**(136,792,214)**	-	-	-	**(136,792,214)**
Total cash inflows (outflows)	**507,506,609**	-	**(391,985,816)**	-	**115,520,793**
Insurance contracts					
Insurance contract liabilities – closing	**141,818,295**	**8,407,450**	**280,124,567**	**7,005,678**	**437,355,990**
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**141,818,295**	**8,407,450**	**280,124,567**	**7,005,678**	**437,355,990**

* This includes surplus distribution amounting to Saudi Riyals 11.6 million for the year ended December 31, 2023 (Refer Note 38).

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	111,311,529	21,127,582	408,471,541	9,376,907	550,287,559
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	111,311,529	21,127,582	408,471,541	9,376,907	550,287,559
Insurance revenue	(506,772,116)	-	-	-	(506,772,116)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses*	-	-	432,767,745	6,043,430	438,811,175
Onerous contracts recognized	-	1,863,020	-	-	1,863,020
Changes that relate to past service - adjustments to the LIC	-	-	(44,046,642)	(6,547,731)	(50,594,373)
Insurance acquisition cashflows amortisation	107,844,353	-	-	-	107,844,353
Insurance service expenses	107,844,353	1,863,020	388,721,103	(504,301)	497,924,175
Finance income from insurance contracts	-	-	(7,853,583)	-	(7,853,583)
Total changes in the statement of income	(398,927,763)	1,863,020	380,867,520	(504,301)	(16,701,524)
Cashflows					
Premiums received	522,812,811	-	-	-	522,812,811
Incurred claims and other incurred insurance service expenses paid	-	-	(510,246,826)	-	(510,246,826)
Insurance acquisition cashflows paid	(107,391,234)	-	-	-	(107,391,234)
Total cash inflows / (outflows)	415,421,577	-	(510,246,826)	-	(94,825,249)
Insurance contracts					
Insurance contract liabilities – closing	127,805,343	22,990,602	279,092,235	8,872,606	438,760,786
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	127,805,343	22,990,602	279,092,235	8,872,606	438,760,786

* This includes surplus distribution amounting to Saudi Riyals 0.3 million for the year ended December 31, 2022 (Refer Note 38).

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.1 Medical

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	64,561,875	5,185,782	112,859,030	2,183,825	184,790,512
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**64,561,875**	**5,185,782**	**112,859,030**	**2,183,825**	**184,790,512**
Insurance revenue	**(262,710,093)**	**-**	**-**	**-**	**(262,710,093)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	166,968,318	1,584,927	168,553,245
Onerous contracts recognised	-	210,875	-	-	210,875
Changes that relate to past service - adjustments to the LIC	-	-	(8,279,351)	(2,011,100)	(10,290,451)
Insurance acquisition cashflows amortisation	33,548,742				33,548,742
Insurance service expenses	**33,548,742**	**210,875**	**158,688,967**	**(426,173)**	**192,022,411**
Finance (income) expense from insurance contracts	-	(3,187,062)	301,519	-	(2,885,543)
Total changes in the statement of income	**(229,161,351)**	**(2,976,187)**	**158,990,486**	**(426,173)**	**(73,573,225)**
Cashflows					
Premiums received	250,747,145	-	-	-	250,747,145
Incurred claims and other incurred insurance service expenses paid	-	-	(170,447,085)	-	(170,447,085)
Insurance acquisition cashflows paid	(36,294,726)	-	-	-	(36,294,726)
Total cash inflows (outflows)	**214,452,419**	**-**	**(170,447,085)**	**-**	**44,005,334**
Insurance contracts					
Insurance contract liabilities – closing	49,852,943	2,209,595	101,402,431	1,757,652	155,222,621
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**49,852,943**	**2,209,595**	**101,402,431**	**1,757,652**	**155,222,621**

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
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(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.1 Medical (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	72,550,016	4,871,146	227,836,489	5,122,121	310,379,772
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	72,550,016	4,871,146	227,836,489	5,122,121	310,379,772
Insurance revenue	(196,678,033)	-	-	-	(196,678,033)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	175,297,795	2,000,853	177,298,648
Onerous contracts recognized	-	314,636	-	-	314,636
Changes that relate to past service - adjustments to the LIC	-	-	(21,052,346)	(4,939,149)	(25,991,495)
Insurance acquisition cashflows amortisation	35,340,348	-	-	-	35,340,348
Insurance service expenses	35,340,348	314,636	154,245,449	(2,938,296)	186,962,137
Finance income from insurance contracts	-	-	(1,522,159)	-	(1,522,159)
Total changes in the statement of income	(161,337,685)	314,636	152,723,290	(2,938,296)	(11,238,055)
Cashflows					
Premiums received	188,916,380	-	-	-	188,916,380
Incurred claims and other incurred insurance service expenses paid	-	-	(267,700,749)	-	(267,700,749)
Insurance acquisition cashflows paid	(35,566,836)	-	-	-	(35,566,836)
Total cash inflows / (outflows)	153,349,544	-	(267,700,749)	-	(114,351,205)
Insurance contracts					
Insurance contract liabilities – closing	64,561,875	5,185,782	112,859,030	2,183,825	184,790,512
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	64,561,875	5,185,782	112,859,030	2,183,825	184,790,512

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.2 Motor

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	**45,872,172**	**17,804,821**	**108,326,376**	**3,886,525**	**175,889,894**
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**45,872,172**	**17,804,821**	**108,326,376**	**3,886,525**	**175,889,894**
Insurance revenue	**(266,068,695)**	-	-	-	**(266,068,695)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	**216,627,890**	**2,503,382**	**219,131,272**
Reversal of onerous contracts	-	**(9,568,797)**	-	-	**(9,568,797)**
Changes that relate to past service - adjustments to the LIC	-	-	**(10,144,476)**	**(3,313,876)**	**(13,458,352)**
Insurance acquisition cashflows amortisation	**75,438,000**	-	-	-	**75,438,000**
Insurance service expenses	**75,438,000**	**(9,568,797)**	**206,483,414**	**(810,494)**	**271,542,123**
Finance (income) expense from insurance contracts	-	**(2,038,167)**	**758,248**	-	**(1,279,919)**
Total changes in the statement of income	**(190,630,695)**	**(11,606,964)**	**207,241,662**	**(810,494)**	**4,193,509**
Cashflows					
Premiums received	**277,204,982**	-	-	-	**277,204,982**
Incurred claims and other incurred insurance service expenses paid	-	-	**(196,551,273)**	-	**(196,551,273)**
Insurance acquisition cashflows paid	**(71,315,741)**	-	-	-	**(71,315,741)**
Total cash inflows (outflows)	**205,889,241**	-	**(196,551,273)**	-	**9,337,968**
Insurance contracts					
Insurance contract liabilities – closing	**61,130,718**	**6,197,857**	**119,016,765**	**3,076,031**	**189,421,371**
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**61,130,718**	**6,197,857**	**119,016,765**	**3,076,031**	**189,421,371**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.2 Motor (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	40,937,834	16,256,437	103,134,645	2,262,851	162,591,767
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	40,937,834	16,256,437	103,134,645	2,262,851	162,591,767
Insurance revenue	(216,670,693)	-	-	-	(216,670,693)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	225,335,650	2,704,741	228,040,391
Onerous contracts recognized	-	1,548,384	-	-	1,548,384
Changes that relate to past service - adjustments to the LIC	-	-	2,966,557	(1,081,067)	1,885,490
Insurance acquisition cashflows amortisation	56,903,711	-	-	-	56,903,711
Insurance service expenses	56,903,711	1,548,384	228,302,207	1,623,674	288,377,976
Finance income from insurance contracts	-	-	(2,977,752)	-	(2,977,752)
Total changes in the statement of income	(159,766,982)	1,548,384	225,324,455	1,623,674	68,729,531
Cashflows					
Premiums received	220,267,364	-	-	-	220,267,364
Incurred claims and other incurred insurance service expenses paid	-	-	(220,132,724)	-	(220,132,724)
Insurance acquisition cashflows paid	(55,566,044)	-	-	-	(55,566,044)
Total cash inflows / (outflows)	164,701,320	-	(220,132,724)	-	(55,431,404)
Insurance contracts					
Insurance contract liabilities – closing	45,872,172	17,804,821	108,326,376	3,886,525	175,889,894
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	45,872,172	17,804,821	108,326,376	3,886,525	175,889,894

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.3 General Accident & Liability

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	6,614,207	-	25,863,614	1,328,303	33,806,124
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**6,614,207**	**-**	**25,863,614**	**1,328,303**	**33,806,124**
Insurance revenue	**(42,824,210)**	**-**	**-**	**-**	**(42,824,210)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	16,730,506	513,398	17,243,904
Onerous contracts recognised	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(1,107,950)	(555,259)	(1,663,209)
Insurance acquisition cashflows amortisation	11,202,888	-	-	-	11,202,888
Insurance service expenses	**11,202,888**	**-**	**15,622,556**	**(41,861)**	**26,783,583**
Finance income from insurance contracts	-	-	(357,605)	-	(357,605)
Total changes in the statement of income	**(31,621,322)**	**-**	**15,264,951**	**(41,861)**	**(16,398,232)**
Cashflows					
Premiums received	62,766,175	-	-	-	62,766,175
Incurred claims and other incurred insurance service expenses paid	-	-	(10,256,422)	-	(10,256,422)
Insurance acquisition cashflows paid	(16,049,690)	-		-	(16,049,690)
Total cash inflows (outflows)	**46,716,485**	**-**	**(10,256,422)**	**-**	**36,460,063**
Insurance contracts					
Insurance contract liabilities – closing	21,709,370	-	30,872,143	1,286,442	53,867,955
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**21,709,370**	**-**	**30,872,143**	**1,286,442**	**53,867,955**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.3 General Accident & Liability (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	241,755	-	37,111,576	958,614	38,311,945
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	241,755	-	37,111,576	958,614	38,311,945
Insurance revenue	(27,730,908)	-	-	-	(27,730,908)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	10,944,791	523,418	11,468,209
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(12,863,493)	(153,729)	(13,017,222)
Insurance acquisition cashflows amortisation	7,019,290	-	-	-	7,019,290
Insurance service expenses	7,019,290	-	(1,918,702)	369,689	5,470,277
Finance income from insurance contracts	-	-	(1,047,775)	-	(1,047,775)
Total changes in the statement of income	(20,711,618)	-	(2,966,477)	369,689	(23,308,406)
Cashflows					
Premiums received	35,040,000	-	-	-	35,040,000
Incurred claims and other incurred insurance service expenses paid	-	-	(8,281,485)	-	(8,281,485)
Insurance acquisition cashflows paid	(7,955,930)	-	-	-	(7,955,930)
Total cash inflows / (outflows)	27,084,070	-	(8,281,485)	-	18,802,585
Insurance contracts					
Insurance contract liabilities – closing	6,614,207	-	25,863,614	1,328,303	33,806,124
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	6,614,207	-	25,863,614	1,328,303	33,806,124

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.4 Engineering

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	3,846,166	-	6,404,989	312,455	10,563,610
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**3,846,166**	**-**	**6,404,989**	**312,455**	**10,563,610**
Insurance revenue	**(16,297,069)**	**-**	**-**	**-**	**(16,297,069)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	5,565,962	200,709	5,766,671
Onerous contracts recognised	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(3,117,271)	(240,105)	(3,357,376)
Insurance acquisition cashflows amortisation	3,670,175	-	-	-	3,670,175
Insurance service expenses	**3,670,175**	**-**	**2,448,691**	**(39,396)**	**6,079,470**
Finance expense from insurance contracts	-	-	1,200,630	-	1,200,630
Total changes in the statement of income	**(12,626,894)**	**-**	**3,649,321**	**(39,396)**	**(9,016,969)**
Cashflows					
Premiums received	20,633,901	-	-	-	20,633,901
Incurred claims and other incurred insurance service expenses paid	-	-	(1,710,076)	-	(1,710,076)
Insurance acquisition cashflows paid	(5,075,162)	-		-	(5,075,162)
Total cash inflows (outflows)	**15,558,739**	**-**	**(1,710,076)**	**-**	**13,848,663**
Insurance contracts					
Insurance contract liabilities – closing	6,778,011	-	8,344,234	273,059	15,395,304
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**6,778,011**	**-**	**8,344,234**	**273,059**	**15,395,304**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.4 Engineering (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	1,047,150	-	12,767,583	318,161	14,132,894
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	1,047,150	-	12,767,583	318,161	14,132,894
Insurance revenue	(15,666,268)	-	-	-	(15,666,268)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	2,746,786	118,176	2,864,962
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(5,104,639)	(123,882)	(5,228,521)
Insurance acquisition cashflows amortisation	2,646,780	-	-	-	2,646,780
Insurance service expenses	2,646,780	-	(2,357,853)	(5,706)	283,221
Finance income from insurance contracts	-	-	(1,512,351)	-	(1,512,351)
Total changes in the statement of income	(13,019,488)	-	(3,870,204)	(5,706)	(16,895,398)
Cashflows					
Premiums received	18,377,730	-	-	-	18,377,730
Incurred claims and other incurred insurance service expenses paid	-	-	(2,492,390)	-	(2,492,390)
Insurance acquisition cashflows paid	(2,559,226)	-	-	-	(2,559,226)
Total cash inflows / (outflows)	15,818,504	-	(2,492,390)	-	13,326,114
Insurance contracts					
Insurance contract liabilities – closing	3,846,166	-	6,404,989	312,455	10,563,610
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	3,846,166	-	6,404,989	312,455	10,563,610

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.5 Property

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	
Insurance contracts					
Insurance contract liabilities – opening	**4,228,818**	**-**	**5,961,267**	**213,126**	**10,403,211**
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**4,228,818**	**-**	**5,961,267**	**213,126**	**10,403,211**
Insurance revenue	**(20,926,962)**	**-**	**-**	**-**	**(20,926,962)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	**-**	**-**	**8,093,176**	**242,619**	**8,335,795**
Onerous contracts recognised	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(2,332,599)**	**(204,966)**	**(2,537,565)**
Insurance acquisition cashflows amortisation	**4,238,283**	**-**	**-**	**-**	**4,238,283**
Insurance service expenses	**4,238,283**	**-**	**5,760,577**	**37,653**	**10,036,513**
Finance income from insurance contracts	**-**	**-**	**(182,964)**	**-**	**(182,964)**
Total changes in the statement of income	**(16,688,679)**	**-**	**5,577,613**	**37,653**	**(11,073,413)**
Cashflows					
Premiums received	**19,548,611**	**-**	**-**	**-**	**19,548,611**
Incurred claims and other incurred insurance service expenses paid	**-**	**-**	**(3,555,878)**	**-**	**(3,555,878)**
Insurance acquisition cashflows paid	**(4,822,564)**	**-**		**-**	**(4,822,564)**
Total cash inflows (outflows)	**14,726,047**	**-**	**(3,555,878)**	**-**	**11,170,169**
Insurance contracts					
Insurance contract liabilities – closing	**2,266,186**	**-**	**7,983,002**	**250,779**	**10,499,967**
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**2,266,186**	**-**	**7,983,002**	**250,779**	**10,499,967**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.5 Property (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	(564,923)	-	11,471,119	287,831	11,194,027
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	(564,923)	-	11,471,119	287,831	11,194,027
Insurance revenue	(27,424,418)	-	-	-	(27,424,418)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	4,024,003	155,487	4,179,490
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(4,735,954)	(230,192)	(4,966,146)
Insurance acquisition cashflows amortisation	3,210,719	-	-	-	3,210,719
Insurance service expenses	3,210,719	-	(711,951)	(74,705)	2,424,063
Finance income from insurance contracts	-	-	(141,324)	-	(141,324)
Total changes in the statement of income	(24,213,699)	-	(853,275)	(74,705)	(25,141,679)
Cashflows					
Premiums received	32,129,816	-	-	-	32,129,816
Incurred claims and other incurred insurance service expenses paid	-	-	(4,656,577)	-	(4,656,577)
Insurance acquisition cashflows paid	(3,122,376)	-	-	-	(3,122,376)
Total cash inflows / (outflows)	29,007,440	-	(4,656,577)	-	24,350,863
Insurance contracts					
Insurance contract liabilities – closing	4,228,818	-	5,961,267	213,126	10,403,211
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	4,228,818	-	5,961,267	213,126	10,403,211

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.6 Marine

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	**2,279,684**	**-**	**17,833,712**	**884,594**	**20,997,990**
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	**2,279,684**	**-**	**17,833,712**	**884,594**	**20,997,990**
Insurance revenue	**(14,645,765)**	**-**	**-**	**-**	**(14,645,765)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	**-**	**-**	**8,776,071**	**209,737**	**8,985,808**
Onerous contracts recognised	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(6,707,106)**	**(715,681)**	**(7,422,787)**
Insurance acquisition cashflows amortisation	**2,576,592**	**-**	**-**	**-**	**2,576,592**
Insurance service expenses	**2,576,592**	**-**	**2,068,965**	**(505,944)**	**4,139,613**
Finance expense from insurance contracts	**-**	**-**	**226,489**	**-**	**226,489**
Total changes in the statement of income	**(12,069,173)**	**-**	**2,295,454**	**(505,944)**	**(10,279,663)**
Cashflows					
Premiums received	**12,193,025**	**-**	**-**	**-**	**12,193,025**
Incurred claims and other incurred insurance service expenses paid	**-**	**-**	**(7,925,882)**	**-**	**(7,925,882)**
Insurance acquisition cashflows paid	**(2,903,640)**	**-**	**-**	**-**	**(2,903,640)**
Total cash inflows (outflows)	**9,289,385**	**-**	**(7,925,882)**	**-**	**1,363,503**
Insurance contracts					
Insurance contract liabilities – closing	**(500,104)**	**-**	**12,203,284**	**378,650**	**12,081,830**
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	**(500,104)**	**-**	**12,203,284**	**378,650**	**12,081,830**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.6 Marine (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	(2,942,236)	-	14,991,183	391,457	12,440,404
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	(2,942,236)	-	14,991,183	391,457	12,440,404
Insurance revenue	(21,619,543)	-	-	-	(21,619,543)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	13,428,061	538,617	13,966,678
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(4,812,719)	(45,480)	(4,858,199)
Insurance acquisition cashflows amortisation	2,458,827	-	-	-	2,458,827
Insurance service expenses	2,458,827	-	8,615,342	493,137	11,567,306
Finance income from insurance contracts	-	-	(628,302)	-	(628,302)
Total changes in the statement of income	(19,160,716)	-	7,987,040	493,137	(10,680,539)
Cashflows					
Premiums received	26,733,252	-	-	-	26,733,252
Incurred claims and other incurred insurance service expenses paid	-	-	(5,144,511)	-	(5,144,511)
Insurance acquisition cashflows paid	(2,350,616)	-	-	-	(2,350,616)
Total cash inflows / (outflows)	24,382,636	-	(5,144,511)	-	19,238,125
Insurance contracts					
Insurance contract liabilities – closing	2,279,684	-	17,833,712	884,594	20,997,990
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	2,279,684	-	17,833,712	884,594	20,997,990

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.7 Protection

	As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	**402,420**	**-**	**1,843,245**	**63,780**	**2,309,445**
Insurance contract assets – opening	**-**	**-**	**-**	**-**	**-**
Opening balance – net	**402,420**	**-**	**1,843,245**	**63,780**	**2,309,445**
Insurance revenue	**(1,010,588)**	**-**	**-**	**-**	**(1,010,588)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	**-**	**-**	**490,658**	**6,195**	**496,853**
Onerous contracts recognised	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(508,796)**	**(86,907)**	**(595,703)**
Insurance acquisition cashflows amortisation	**315,045**	**-**	**-**	**-**	**315,045**
Insurance service expenses	**315,045**	**-**	**(18,138)**	**(80,712)**	**216,195**
Finance income from insurance contracts	**-**	**-**	**16,797**	**-**	**16,797**
Total changes in the statement of income	**(695,543)**	**-**	**(1,341)**	**(80,712)**	**(777,596)**
Cashflows					
Premiums received	**1,204,986**	**-**	**-**	**-**	**1,204,986**
Incurred claims and other incurred insurance service expenses paid	**-**	**-**	**(1,539,202)**	**-**	**(1,539,202)**
Insurance acquisition cashflows paid	**(330,691)**	**-**		**-**	**(330,691)**
Total cash inflows (outflows)	**874,295**	**-**	**(1,539,202)**	**-**	**(664,907)**
Insurance contracts					
Insurance contract liabilities – closing	**581,172**	**-**	**302,702**	**9,285**	**866,942**
Insurance contract assets – closing	**-**	**-**	**-**	**-**	**-**
Closing balance – net	**581,172**	**-**	**302,702**	**9,285**	**866,942**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.1 Insurance contracts (continued)

11.2.1.7 Protection (continued)

	As at 31 December 2022 - Restated				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	41,932	-	1,158,947	35,874	1,236,753
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	41,932	-	1,158,947	35,874	1,236,753
Insurance revenue	(982,253)	-	-	-	(982,253)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	990,660	2,137	992,797
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	1,555,951	25,769	1,581,720
Insurance acquisition cashflows amortisation	264,678	-	-	-	264,678
Insurance service expenses	264,678	-	2,546,611	27,906	2,839,195
Finance income from insurance contracts	-	-	(23,920)	-	(23,920)
Total changes in the statement of income	(717,575)	-	2,522,691	27,906	1,833,022
Cashflows					
Premiums received	1,348,271	-	-	-	1,348,271
Incurred claims and other incurred insurance service expenses paid	-	-	(1,838,393)	-	(1,838,393)
Insurance acquisition cashflows paid	(270,208)	-	-	-	(270,208)
Total cash inflows / (outflows)	1,078,063	-	(1,838,393)	-	(760,330)
Insurance contracts					
Insurance contract liabilities – closing	402,420	-	1,843,245	63,780	2,309,445
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	402,420	-	1,843,245	63,780	2,309,445

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	**14,931,597**	**3,724,304**	**53,348,757**	**2,722,364**	**74,727,022**
Allocation of reinsurance premium	**(72,284,017)**	-	-	-	**(72,284,017)**
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	35,312,592	720,748	36,033,340
Effect of changes in the risk of reinsurers non-performance	-	-	465,724	-	465,724
Loss-recovery on onerous underlying contracts	-	(3,547,241)	-	-	(3,547,241)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(2,988,847)	(2,419,778)	(5,408,625)
Amounts recoverable from reinsurers – net	-	**(3,547,241)**	**32,789,469**	**(1,699,030)**	**27,543,198**
Changes in reinsurance due to adjustment premiums	-	-	(251,095)	-	(251,095)
Finance income from reinsurance contracts	-	(104,567)	1,125,399	-	1,020,832
Total changes in the statement of income	**(72,284,017)**	**(3,651,808)**	**33,663,773**	**(1,699,030)**	**(43,971,082)**
Cashflows					
Premiums ceded	67,576,102	-	-	-	67,576,102
Recoveries from reinsurance	-	-	(47,969,317)	-	(47,969,317)
Total cash inflows / (outflows)	**67,576,102**	-	**(47,969,317)**	-	**19,606,785**
Reinsurance contracts					
Reinsurance contract assets – closing	10,223,682	72,496	39,043,213	1,023,334	50,362,725
Reinsurance contract liabilities –closing	-	-	-	-	-
Closing balance –net	**10,223,682**	**72,496**	**39,043,213**	**1,023,334**	**50,362,725**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11 Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	19,180,092	1,708,878	83,107,472	2,538,666	106,535,108
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	19,180,092	1,708,878	83,107,472	2,538,666	106,535,108
Allocation of reinsurance premium	(86,994,948)	-	-	-	(86,994,948)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	66,179,918	1,720,400	67,900,318
Effect of changes in the risk of reinsurers non-performance	-	-	1,427,048	-	1,427,048
Loss-recovery on onerous underlying contracts	-	2,015,426	-	-	2,015,426
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(5,157,764)	(1,536,702)	(6,694,466)
Amounts recoverable from reinsurers - net	-	2,015,426	62,449,202	183,698	64,648,326
Finance expenses from reinsurance contracts	-	-	(2,161,015)	-	(2,161,015)
Total changes in the statement of income	(86,994,948)	2,015,426	60,288,187	183,698	(24,507,637)
Cashflows					
Premiums ceded	82,746,453	-	-	-	82,746,453
Recoveries from reinsurance	-	-	(90,046,902)	-	(90,046,902)
Total cash inflows / (outflows)	82,746,453	-	(90,046,902)	-	(7,300,449)
Reinsurance contracts					
Reinsurance contract assets – closing	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.1 Medical

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	(1,215,001)	170,144	5,766,412	107,201	4,828,756
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(1,215,001)	170,144	5,766,412	107,201	4,828,756
Allocation of reinsurance premium	(11,222,327)	-	-	-	(11,222,327)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	3,443,372	37,297	3,480,669
Effect of changes in the risk of reinsurers non-performance	-	-	(26,661)	-	(26,661)
Loss-recovery on onerous underlying contracts	-	6,919	-	-	6,919
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	8,435,460	(100,260)	8,335,200
Amounts recoverable from reinsurers – net	-	6,919	11,852,171	(62,963)	11,796,127
Changes in reinsurance due to adjustment premiums	-	-	(251,095)	-	(251,095)
Finance expense from reinsurance contracts	-	(104,567)	16,994	-	(87,573)
Total changes in the statement of income	(11,222,327)	(97,648)	11,618,070	(62,963)	235,132
Cashflows					
Premiums ceded	9,445,181	-	-	-	9,445,181
Recoveries from reinsurance	-	-	(11,688,206)	-	(11,688,206)
Total cash inflows / (outflows)	9,445,181	-	(11,688,206)	-	(2,243,025)
Reinsurance contracts					
Reinsurance contract assets – closing	(2,992,147)	72,496	5,696,276	44,238	2,820,863
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	(2,992,147)	72,496	5,696,276	44,238	2,820,863

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.1 Medical (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		**Asset for incurred claims**		**Total**
	Excluding Loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	
Reinsurance contracts					
Reinsurance contract assets – opening	-	243,557	8,934,323	367,032	9,544,912
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	-	243,557	8,934,323	367,032	9,544,912
Allocation of reinsurance premium	(10,680,933)	-	-	-	(10,680,933)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	6,793,890	96,536	6,890,426
Effect of changes in the risk of reinsurers non-performance	-		(16,141)	-	(16,141)
Loss-recovery on onerous underlying contracts	-	(73,413)	-	-	(73,413)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	4,443,078	(356,367)	4,086,711
Amounts recoverable from reinsurers - net	-	(73,413)	11,220,827	(259,831)	10,887,583
Finance expenses from reinsurance contracts	-	-	(105,727)	-	(105,727)
Total changes in the statement of income	(10,680,933)	(73,413)	11,115,100	(259,831)	100,923
Cashflows					
Premiums ceded	9,465,932	-	-	-	9,465,932
Recoveries from reinsurance	-	-	(14,283,011)	-	(14,283,011)
Total cash inflows / (outflows)	9,465,932	-	(14,283,011)	-	(4,817,079)
Reinsurance contracts					
Reinsurance contract assets – closing	(1,215,001)	170,144	5,766,412	107,201	4,828,756
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	(1,215,001)	170,144	5,766,412	107,201	4,828,756

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.2 Motor

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	8,370,172	3,554,160	21,679,380	1,285,091	34,888,803
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	**8,370,172**	**3,554,160**	**21,679,380**	**1,285,091**	**34,888,803**
Allocation of reinsurance premium	**(17,580,803)**	**-**	**-**	**-**	**(17,580,803)**
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	14,187,285	86,920	14,274,205
Effect of changes in the risk of reinsurers non-performance			762,543	-	762,543
Loss-recovery on onerous underlying contracts	-	(3,554,160)	-	-	(3,554,160)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(500)	(1,205,080)	(1,205,580)
Amounts recoverable from reinsurers – net	**-**	**(3,554,160)**	**14,949,328**	**(1,118,160)**	**10,277,008**
Finance income from reinsurance contracts	-	-	555,773	-	555,773
Total changes in the statement of income	**(17,580,803)**	**(3,554,160)**	**15,505,101**	**(1,118,160)**	**(6,748,022)**
Cashflows					
Premiums ceded	9,268,757	-	-	-	9,268,757
Recoveries from reinsurance-	-	-	(24,302,740)	-	(24,302,740)
Total cash inflows / (outflows)	**9,268,757**	**-**	**(24,302,740)**	**-**	**(15,033,983)**
Reinsurance contracts					
Reinsurance contract assets – closing	58,126	-	12,881,741	166,931	13,106,798
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	**58,126**	**-**	**12,881,741**	**166,931**	**13,106,798**

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.2 Motor (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	14,956,837	1,465,321	32,461,175	867,038	49,750,371
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	14,956,837	1,465,321	32,461,175	867,038	49,750,371
Allocation of reinsurance premium	(40,187,033)	-	-	-	(40,187,033)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	42,535,620	903,212	43,438,832
Effect of changes in the risk of reinsurers non-performance	-	-	264,225	-	264,225
Loss-recovery on onerous underlying contracts	-	2,088,839	-	-	2,088,839
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	2,206,015	(485,159)	1,720,856
Amounts recoverable from reinsurers - net	-	2,088,839	45,005,860	418,053	47,512,752
Finance expenses from reinsurance contracts	-	-	(642,477)	-	(642,477)
Total changes in the statement of income	(40,187,033)	2,088,839	44,363,383	418,053	6,683,242
Cashflows					
Premiums ceded	33,600,368	-	-	-	33,600,368
Recoveries from reinsurance	-	-	(55,145,178)	-	(55,145,178)
Total cash inflows / (outflows)	33,600,368	-	(55,145,178)	-	(21,544,810)
Reinsurance contracts					
Reinsurance contract assets – closing	8,370,172	3,554,160	21,679,380	1,285,091	34,888,803
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	8,370,172	3,554,160	21,679,380	1,285,091	34,888,803

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.3 General Accident & Liability

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	1,366,885	-	2,752,152	151,265	4,270,302
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	1,366,885	-	2,752,152	151,265	4,270,302
Allocation of reinsurance premium	(10,003,854)	-	-	-	(10,003,854)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	2,449,326	74,888	2,524,214
Onerous contracts recognized	-	-	-	-	
Effect of changes in the risk of reinsurers non-performance	-	-	(20,087)	-	(20,087)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(714,345)	(120,533)	(834,878)
Amounts recoverable from reinsurers – net	-	-	1,714,894	(45,645)	1,669,249
Finance income from reinsurance contracts	-	-	177,435	-	177,435
Total changes in the statement of income	(10,003,854)	-	1,892,329	(45,645)	(8,157,170)
Cashflows					
Premiums ceded	13,246,116	-	-	-	13,246,116
Recoveries from reinsurance	-	-	(2,127,793)	-	(2,127,793)
Total cash inflows / (outflows)	13,246,116	-	(2,127,793)	-	11,118,323
Reinsurance contracts					
Reinsurance contract assets – closing	4,609,147	-	2,516,688	105,620	7,231,455
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	4,609,147	-	2,516,688	105,620	7,231,455

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.3 General Accident & Liability (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	807,078	-	7,254,052	254,302	8,315,432
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	807,078	-	7,254,052	254,302	8,315,432
Allocation of reinsurance premium	(5,095,418)	-	-	-	(5,095,418)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	1,156,317	59,979	1,216,296
Effect of changes in the risk of reinsurers non-performance	-	-	186,155	-	186,155
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(2,904,055)	(163,016)	(3,067,071)
Amounts recoverable from reinsurers - net	-	-	(1,561,583)	(103,037)	(1,664,620)
Finance expenses from reinsurance contracts	-	-	(283,007)	-	(283,007)
Total changes in the statement of income	(5,095,418)	-	(1,844,590)	(103,037)	(7,043,045)
Cashflows					
Premiums ceded	5,655,225	-	-	-	5,655,225
Recoveries from reinsurance	-	-	(2,657,310)	-	(2,657,310)
Total cash inflows / (outflows)	5,655,225	-	(2,657,310)	-	2,997,915
Reinsurance contracts					
Reinsurance contract assets – closing	1,366,885	-	2,752,152	151,265	4,270,302
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	1,366,885	-	2,752,152	151,265	4,270,302

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.4 Engineering

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	3,199,878	-	4,405,663	230,499	7,836,040
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	3,199,878	-	4,405,663	230,499	7,836,040
Allocation of reinsurance premium	(10,064,544)	-	-	-	(10,064,544)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	3,738,818	169,669	3,908,487
Onerous contracts recognized	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	(9,189)	-	(9,189)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(2,623,913)	(192,152)	(2,816,065)
Amounts recoverable from reinsurers – net	-	-	1,105,716	(22,483)	1,083,233
Finance expense from reinsurance contracts	-	-	(98,299)	-	(98,299)
Total changes in the statement of income	(10,064,544)	-	1,007,417	(22,483)	(9,079,610)
Cashflows					
Premiums ceded	12,628,079	-	-	-	12,628,079
Recoveries from reinsurance	-	-	(851,194)	-	(851,194)
Total cash inflows / (outflows)	12,628,079	-	(851,194)	-	11,776,885
Reinsurance contracts					
Reinsurance contract assets – closing	5,763,413	-	4,561,886	208,016	10,533,315
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	5,763,413	-	4,561,886	208,016	10,533,315

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.4 Engineering (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	(374,732)	-	9,401,060	284,783	9,311,111
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(374,732)	-	9,401,060	284,783	9,311,111
Allocation of reinsurance premium	(7,961,670)	-	-	-	(7,961,670)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	1,623,656	80,971	1,704,627
Effect of changes in the risk of reinsurers non-performance	-	-	238,672	-	238,672
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(3,183,489)	(135,255)	(3,318,744)
Amounts recoverable from reinsurers - net	-	-	(1,321,161)	(54,284)	(1,375,445)
Finance expenses from reinsurance contracts	-	-	(126,631)	-	(126,631)
Total changes in the statement of income	(7,961,670)	-	(1,447,792)	(54,284)	(9,463,746)
Cashflows					
Premiums ceded	11,536,280	-	-	-	11,536,280
Recoveries from reinsurance	-	-	(3,547,605)	-	(3,547,605)
Total cash inflows / (outflows)	11,536,280	-	(3,547,605)	-	7,988,675
Reinsurance contracts					
Reinsurance contract assets – closing	3,199,878	-	4,405,663	230,499	7,836,040
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	3,199,878	-	4,405,663	230,499	7,836,040

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.5 Property

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	2,315,638	-	3,885,832	168,768	6,370,238
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	2,315,638	-	3,885,832	168,768	6,370,238
Allocation of reinsurance premium	(14,707,906)	-	-	-	(14,707,906)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	5,258,763	186,269	5,445,032
Onerous contracts recognized	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	(26,480)	-	(26,480)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(1,850,429)	(162,729)	(2,013,158)
Amounts recoverable from reinsurers – net	-	-	3,381,854	23,540	3,405,394
Finance expense from reinsurance contracts	-	-	(27,243)	-	(27,243)
Total changes in the statement of income	(14,707,906)	-	3,354,611	23,540	(11,329,755)
Cashflows					
Premiums ceded	14,568,348	-	-	-	14,568,348
Recoveries from reinsurance	-	-	(2,200,591)	-	(2,200,591)
Total cash inflows / (outflows)	14,568,348	-	(2,200,591)	-	12,367,757
Reinsurance contracts					
Reinsurance contract assets – closing	2,176,080	-	5,039,852	192,308	7,408,240
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	2,176,080	-	5,039,852	192,308	7,408,240

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.5 Property (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	2,675,186	-	11,850,035	326,562	14,851,783
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	2,675,186	-	11,850,035	326,562	14,851,783
Allocation of reinsurance premium	(14,282,181)	-	-	-	(14,282,181)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	2,927,427	129,829	3,057,256
Effect of changes in the risk of reinsurers non-performance	-	-	450,803	-	450,803
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(3,812,088)	(287,623)	(4,099,711)
Amounts recoverable from reinsurers - net	-	-	(433,858)	(157,794)	(591,652)
Finance expenses from reinsurance contracts	-	-	(197,172)	-	(197,172)
Total changes in the statement of income	(14,282,181)	-	(631,030)	(157,794)	(15,071,005)
Cashflows					
Premiums ceded	13,922,633	-	-	-	13,922,633
Recoveries from reinsurance	-	-	(7,333,173)	-	(7,333,173)
Total cash inflows / (outflows)	13,922,633	-	(7,333,173)	-	6,589,460
Reinsurance contracts					
Reinsurance contract assets – closing	2,315,638	-	3,885,832	168,768	6,370,238
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	2,315,638	-	3,885,832	168,768	6,370,238

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.6 Marine

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	477,904	-	13,771,972	731,886	14,981,762
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	477,904	-	13,771,972	731,886	14,981,762
Allocation of reinsurance premium	(8,140,108)	-	-	-	(8,140,108)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	6,113,788	164,985	6,278,773
Effect of changes in the risk of reinsurers non-performance			(239,594)	-	(239,594)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(6,210,943)	(591,371)	(6,802,314)
Amounts recoverable from reinsurers – net	-	-	(336,749)	(426,386)	(763,135)
Finance income from reinsurance contracts	-	-	465,671	-	465,671
Total changes in the statement of income	(8,140,108)	-	128,922	(426,386)	(8,437,572)
Cashflows					
Premiums ceded	7,744,879	-	-	-	7,744,879
Recoveries from reinsurance	-	-	(5,621,081)	-	(5,621,081)
Total cash inflows / (outflows)	7,744,879	-	(5,621,081)	-	2,123,798
Reinsurance contracts					
Reinsurance contract assets – closing	82,675	-	8,279,813	305,500	8,667,988
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	82,675	-	8,279,813	305,500	8,667,988

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.6 Marine (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	760,465	-	12,573,189	426,476	13,760,130
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	760,465	-	12,573,189	426,476	13,760,130
Allocation of reinsurance premium	(8,325,558)	-	-	-	(8,325,558)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	10,394,635	448,389	10,843,024
Effect of changes in the risk of reinsurers non-performance	-	-	304,612	-	304,612
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(2,727,302)	(142,979)	(2,870,281)
Amounts recoverable from reinsurers - net	-	-	7,971,945	305,410	8,277,355
Finance expenses from reinsurance contracts	-	-	(771,326)	-	(771,326)
Total changes in the statement of income	(8,325,558)	-	7,200,619	305,410	(819,529)
Cashflows					
Premiums ceded	8,042,997	-		-	8,042,997
Recoveries from reinsurance	-	-	(6,001,836)	-	(6,001,836)
Total cash inflows / (outflows)	8,042,997	-	(6,001,836)	-	2,041,161
Reinsurance contracts					
Reinsurance contract assets – closing	477,904	-	13,771,972	731,886	14,981,762
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	477,904	-	13,771,972	731,886	14,981,762

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.7 Protection

	As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	416,117	-	1,087,349	47,655	1,551,121
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	416,117	-	1,087,349	47,655	1,551,121
Allocation of reinsurance premium	(564,475)	-	-	-	(564,475)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	121,240	720	121,960
Effect of changes in the risk of reinsurers non-performance	-	-	25,192	-	25,192
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(24,177)	(47,653)	(71,830)
Amounts recoverable from reinsurers – net	-	-	122,255	(46,933)	75,322
Finance income from reinsurance contracts	-	-	35,068	-	35,068
Total changes in the statement of income	(564,475)	-	157,323	(46,933)	(454,085)
Cashflows					
Premiums ceded	674,742	-	-	-	674,742
Recoveries from reinsurance	-	-	(1,177,712)	-	(1,177,712)
Total cash inflows / (outflows)	674,742	-	(1,177,712)	-	(502,970)
Reinsurance contracts					
Reinsurance contract assets – closing	526,384	-	66,960	722	594,066
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	526,384	-	66,960	722	594,066

(All amounts expressed in Saudi Riyals unless otherwise stated)

11. Insurance and reinsurance contracts (continued)

11.2 Analysis by remaining coverage and incurred claims (continued)

11.2.2 Reinsurance contracts held (continued)

11.2.2.7 Protection (continued)

	As at 31 December 2022 - Restated				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	355,258	-	633,639	12,473	1,001,370
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	355,258	-	633,639	12,473	1,001,370
Allocation of reinsurance premium	(462,155)	-	-	-	(462,155)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	748,371	1,486	749,857
Effect of changes in the risk of reinsurers non-performance	-	-	(1,278)	-	(1,278)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	820,078	33,696	853,774
Amounts recoverable from reinsurers - net	-	-	1,567,171	35,182	1,602,353
Finance expenses from reinsurance contracts	-	-	(34,675)	-	(34,675)
Total changes in the statement of income	(462,155)	-	1,532,496	35,182	1,105,523
Cashflows					
Premiums ceded	523,014	-	-	-	523,014
Recoveries from reinsurance	-	-	(1,078,786)	-	(1,078,786)
Total cash inflows / (outflows)	523,014	-	(1,078,786)	-	(555,772)
Reinsurance contracts					
Reinsurance contract assets – closing	416,117	-	1,087,349	47,655	1,551,121
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	416,117	-	1,087,349	47,655	1,551,121

(All amounts expressed in Saudi Riyals unless otherwise stated)

12 Right-of- use assets and lease liabilities

a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets	2023		
Cost:	**Office premises**	**Point-of- sale stores**	**Total**
1 January 2023	**10,187,096**	**2,950,569**	**13,137,665**
Additions during the year	**6,081,889**	**100,417**	**6,182,306**
Termination during the year	**-**	**(205,756)**	**(205,756)**
Modification during the year	**-**	**118,968**	**118,968**
31 December 2023	**16,268,985**	**2,964,198**	**19,233,183**
Accumulated depreciation:			
1 January 2023	**(4,606,460)**	**(1,083,469)**	**(5,689,929)**
Charge for the year	**(2,721,173)**	**(607,806)**	**(3,328,979)**
Termination during the year	**-**	**40,914**	**40,914**
31 December 2023	**(7,327,633)**	**(1,650,361)**	**(8,977,994)**
Net book value			
At 31 December 2023	**8,941,352**	**1,313,837**	**10,255,189**

	2022		
Cost:	**Office premises**	**Point-of- sale stores**	**Total**
1 January 2022	9,849,381	1,474,402	11,323,783
Additions during the year	5,684,686	2,878,705	8,563,391
Termination during the year	(5,346,971)	(1,402,539)	(6,749,510)
31 December 2022	10,187,096	2,950,568	13,137,664
Accumulated depreciation:			
1 January 2022	(3,074,436)	(665,260)	(3,739,696)
Charge for the year	(2,272,037)	(755,781)	(3,027,818)
Termination during the year	740,013	337,572	1,077,585
31 December 2022	(4,606,460)	(1,083,469)	(5,689,929)
Net book value			
At 31 December 2022	5,580,636	1,867,099	7,447,735

(All amounts expressed in Saudi Riyals unless otherwise stated)

12. Right-of- use assets and lease liabilities (continued)

a) Amounts recognised in the statement of financial position (continued)

Lease liabilities

Commitments in relation to lease obligations are payable as follows:

	31 December 2023	**31 December 2022**
Within one year	**4,549,421**	2,074,415
Later than one year but not later than five years	**7,289,130**	4,091,339
Later than five years	**-**	1,035,760
	11,838,551	7,201,514
Future finance costs	**(730,860)**	(425,185)
Total lease liabilities	**11,107,691**	6,776,329
Current	**4,160,765**	2,024,059
Non-current	**6,946,926**	4,752,270
	11,107,691	6,776,329

Movement in lease liabilities is as follows:

	2023	**2022**
January 1	**6,776,329**	6,732,810
Addition during the year	**6,182,306**	8,563,391
Termination during the year	**(161,342)**	(6,763,790)
Modification during the year	**108,400**	-
Finance costs	**532,083**	267,977
	13,437,776	8,800,388
Payment during the year	**(2,330,085)**	(2,024,059)
31 December	**11,107,691**	6,776,329

The total cash outflow for the 31 December 2023 amounts to Saudi Riyals 2.8 million. (31 December 2022: Saudi Riyals 3.9 million)

b) Amounts recognised in the statement of income:

Total finance costs recognised in the statement of income pertaining to lease liabilities amounted to Saudi Riyals 0.5 million for the year ended 31 December 2023 (31 December 2022: Saudi Riyals 0.2 million). Expenses relating to short-term leases amounted to Saudi Riyals 0.4 million for the year ended 31 December 2023 (31 December 2022: Saudi Riyals 1.9 million).

c) Details for leasing activities of the Company

The Company leases office premises and various point-of-sale stores across the Kingdom of Saudi Arabia. Rental contracts are typically made for a period of six months to five years, but may have extension options. The weighted average incremental borrowing rate applied to the lease liability having range of 2.9% to 7.9%.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets are not used as security for borrowing purposes.

(All amounts expressed in Saudi Riyals unless otherwise stated)

13 Property and equipment

	Furniture and office equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost:					
1 January	**16,028,517**	**7,081,870**	**475,308**	**2,072,437**	**25,658,132**
Additions	**51,849**	**1,410,857**	**-**	**1,910,672**	**3,373,378**
At 31 December	**16,080,366**	**8,492,727**	**475,308**	**3,983,109**	**29,031,510**
Accumulated depreciation:					
1 January	**(10,990,494)**	**(6,147,353)**	**(475,308)**	**(479,039)**	**(18,092,194)**
Charge for the year	**(581,463)**	**(1,088,059)**	**-**	**(849,233)**	**(2,518,755)**
31 December	**(11,571,957)**	**(7,235,412)**	**(475,308)**	**(1,328,272)**	**(20,610,949)**
Net book value:					
31 December 2023	**4,508,409**	**1,257,315**	**-**	**2,654,837**	**8,420,561**

	Furniture and office equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost:					
1 January	15,569,526	6,643,717	475,308	2,072,437	24,760,988
Additions	458,991	438,153	-	-	897,144
At 31 December	16,028,517	7,081,870	475,308	2,072,437	25,658,132
Accumulated depreciation:					
1 January	(9,851,466)	(5,579,306)	(475,308)	-	(15,906,080)
Charge for the year	(1,139,028)	(568,047)	-	(479,039)	(2,186,114)
31 December	(10,990,494)	(6,147,353)	(475,308)	(479,039)	(18,092,194)
Net book value:					
31 December 2022	5,038,023	934,517	-	1,593,398	7,565,938

Depreciation charge for 2023 of Saudi Riyals 2.5 million (2022: Saudi Riyals 2.2 million) has been allocated to insurance service expenses.

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
Furniture and office equipment	4-10
Computer equipment	4
Vehicles	4
Leasehold improvements	5

(All amounts expressed in Saudi Riyals unless otherwise stated)

14 Intangible assets

	Software	Motor pricing model	Customer Relationships	Capital work-in-progress	Total
Cost:					
1 January 2023	**38,631,262**	**23,428,000**	**12,661,000**	**3,880,194**	**78,600,456**
Additions	**2,542,772**	**-**	**-**	**5,318,532**	**7,861,304**
31 December 2023	**41,174,034**	**23,428,000**	**12,661,000**	**9,198,726**	**86,461,760**
Accumulated amortization:					
1 January 2023	**(22,391,209)**	**(6,972,618)**	**(3,768,156)**	**-**	**(33,131,983)**
Charge for the year	**(5,766,994)**	**(3,346,856)**	**(1,808,716)**	**-**	**(10,922,566)**
31 December 2023	**(28,158,203)**	**(10,319,474)**	**(5,576,872)**	**-**	**(44,054,549)**
Net book value: 31 December 2023	**13,015,831**	**13,108,526**	**7,084,128**	**9,198,726**	**42,407,211**

	Software	Motor pricing model	Customer Relationships	Capital work-in-progress	Total
Cost:					
1 January 2022	24,645,264	23,428,000	12,661,000	-	60,734,264
Additions	7,082,545	-	-	3,880,194	10,962,739
31 December 2022	31,727,809	23,428,000	12,661,000	3,880,194	71,697,003
Accumulated amortization:					
1 January 2022	(11,770,515)	(3,625,762)	(1,959,440)	-	(17,355,717)
Charge for the year	(3,717,241)	(3,346,856)	(1,808,716)	-	(8,872,813)
31 December 2022	(15,487,756)	(6,972,618)	(3,768,156)	-	(26,228,530)
Net book value: 31 December 2022	16,240,053	16,455,382	8,892,844	3,880,194	45,468,473

Amortisation is charged to the statement of income on a straight-line basis based on the following estimated useful lives:

	Total useful life
Software	4
Motor pricing model	7
Customer relationships	7

- Computer software mainly includes AIMS and other programs which are used for financial reporting purposes.
- Motor pricing model and customer relationships were capitalised as a result of merger with Al Ahlia.
- Capital work-in-progress relates to the software being developed internally.

Amortisation charge for 2023 of Saudi Riyals 10.4 million (2022: Saudi Riyals 8.3 million) has been allocated to insurance service expenses.

(All amounts expressed in Saudi Riyals unless otherwise stated)

15 Statutory deposit

The statutory deposit represents 10% of the paid-up share capital, which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia. SAMA is entitled to the earnings of this statutory deposit and it cannot be withdrawn without its consent. In accordance with the instruction received from the Saudi Central Bank (SAMA) vide their circular dated 1 March 2016, the Company has disclosed the commission due on statutory deposit as at 31 December 2023 as an asset and a liability in these financial statements. As requested by SAMA, the Company has released the accrued income on statutory deposit to SAMA up to 31 December 2022 amounting to Saudi Riyals 8.95 million. Also see Note 2 (a).

The gross carrying amount of statutory deposit represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At 31 December 2023, 31 December 2022 and 1 January 2022, the ECL allowance on such financial assets was immaterial

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

	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Opening balance	**12,078**	-
Adjustment to opening accumulated losses under IFRS 9	**-**	8,605
Opening loss allowance as at 1 January - under IFRS 9	**12,078**	8,605
Expected credit losses recognised in statement of income during the year	**(3,908)**	3,473
Closing balance	**8,170**	12,078

16 Accrued and other liabilities

	31 December 2023	31 December 2022 (Restated - Notes 3 and 4)
Accrued expenses	**9,857,492**	18,891,440
Withholding tax payable	**11,202,535**	9,819,112
Value added tax	**-**	4,871,143
Accrued supervision fee	**2,856,180**	2,856,180
Accrued employee benefits	**106,799**	112,875
	24,023,006	36,550,750

(All amounts expressed in Saudi Riyals unless otherwise stated)

17 Employee benefit obligations

17.1 General description of the plan

The Company operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment.

	2023	**2022**
1 January	**18,256,354**	16,927,680
Current service cost	**2,418,681**	2,352,935
Interest expense	**647,837**	396,690
Payments	**(1,647,628)**	(2,484,473)
Remeasurement loss	**44,457**	1,063,522
31 December	**19,719,701**	18,256,354

17.2 Amounts recognised in the statements of income and comprehensive income

The amounts recognised in the statements of income and comprehensive income related to employee benefit obligations are as follows:

	2023	**2022**
Current service result	**2,418,681**	2,352,935
Finance costs	**647,837**	396,690
Total amount recognised in the statement of income	**3,066,518**	2,749,625
Remeasurement		
Loss from change in experience adjustments	**44,457**	1,063,522
Total amount recognised in the statement of comprehensive income	**44,457**	1,063,522

17.3 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**
Discount rate	**4.5%**	3.50%
Salary growth rate	**4.5%**	3.50%

17.4 Sensitivity analysis for actuarial assumptions

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

	Change in assumption		**Impact on employee benefit obligations**	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	**+0.5%**	**-0.5%**	**(668,523)**	**711,892**
Salary growth rate	**+0.5%**	**-0.5%**	**708,394**	**(671,638)**

(All amounts expressed in Saudi Riyals unless otherwise stated)

17. Employee benefit obligations (continued)

17.4 Sensitivity analysis for actuarial assumptions (continued)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee benefit obligation.

17.5 Expected maturity analysis

The weighted average duration of the defined benefit obligation is 6.9 years (2022: 7.1 years). The expected maturity analysis of undiscounted employee benefit obligations is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
31 December 2023	**2,089,807**	**4,388,621**	**3,301,503**	**6,352,772**	**11,698,179**	**27,830,882**
31 December 2022	1,907,767	2,676,771	4,148,731	5,664,966	9,372,861	23,771,096

18. Share capital

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

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

	Authorized and issued		Paid up
31 December 2023	**No. of Shares**	**Saudi Riyals**	
Rawabi Holding Company	**4,717,999**	**47,179,990**	**47,179,990**
Gulf Union Insurance and Projects Management Holding Company B.S.C. (c.)	**2,475,113**	**24,751,130**	**24,751,130**
Others	**38,701,816**	**387,018,160**	**387,018,160**
	45,894,928	**458,949,280**	**458,949,280**

	Authorized and issued		Paid up
31 December 2022	**No. of Shares**	**Saudi Riyals**	
Yaqeen Capital	12,560,668	125,606,680	125,606,680
Gulf Union Insurance and Projects Management Holding Company B.S.C. (c.)	2,475,000	24,750,000	24,750,000
Others	30,859,260	308,592,600	308,592,600
	45,894,928	458,949,280	458,949,280

19. Statutory reserve

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

20. Insurance service results

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

For the year ended 31 December 2023:

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2023								
Insurance revenue from contracts measured under PAA	**262,710,093**	**266,068,695**	**42,824,210**	**16,297,069**	**20,926,962**	**14,645,765**	**1,010,588**	**624,483,382**
Incurred claims and other incurred insurance service expenses*	**(168,553,245)**	**(219,131,272)**	**(17,243,904)**	**(5,766,671)**	**(8,335,795)**	**(8,985,808)**	**(496,853)**	**(428,513,548)**
Losses on onerous contracts and reversal of the losses	**(210,875)**	**9,568,797**	**-**	**-**	**-**	**-**	**-**	**9,357,922**
Changes that relate to past service - adjustments to the LIC	**10,290,451**	**13,458,352**	**1,663,209**	**3,357,376**	**2,537,565**	**7,422,787**	**595,703**	**39,325,443**
Insurance acquisition cash flows amortisation	**(33,548,742)**	**(75,438,000)**	**(11,202,888)**	**(3,670,175)**	**(4,238,283)**	**(2,576,592)**	**(315,045)**	**(130,989,725)**
Total insurance service expenses	**(192,022,411)**	**(271,542,123)**	**(26,783,583)**	**(6,079,470)**	**(10,036,513)**	**(4,139,613)**	**(216,195)**	**(510,819,908)**

* This includes surplus distribution amounting to Saudi Riyals 11.6 million for the year ended December 31, 2023 (Refer Note 38).

(All amounts expressed in Saudi Riyals unless otherwise stated)

20. Insurance service results (continued)

For the year ended 31 December 2023: (continued)

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Reinsurance income - contracts measured under the PAA								
Premium ceded on reinsurance contracts held	(11,222,327)	(17,580,803)	(10,003,854)	(10,064,544)	(14,707,906)	(8,140,108)	(564,475)	(72,284,017)
Reinsurance (fixed) commission	-	-	-	-	-	-	-	-
Reinsurance premium ceded	(11,222,327)	(17,580,803)	(10,003,854)	(10,064,544)	(14,707,906)	(8,140,108)	(564,475)	(72,284,017)
Claims recovered	3,480,669	14,274,205	2,524,214	3,908,487	5,445,032	6,278,773	121,960	36,033,340
Reinsurance (fixed) commission	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	(26,661)	762,543	(20,087)	(9,189)	(26,480)	(239,594)	25,192	465,724
Losses on onerous contracts and reversal of the losses	6,919	(3,554,160)	-	-	-	-	-	(3,547,241)
Changes that relate to past service - adjustments to incurred claims	8,335,200	(1,205,580)	(834,878)	(2,816,065)	(2,013,158)	(6,802,314)	(71,830)	(5,408,625)
Changes in reinsurance due to adjustment premiums	(251,095)	-	-	-	-	-	-	(251,095)
Total net income (expenses) from reinsurance contracts	322,705	(7,303,795)	(8,334,605)	(8,981,311)	(11,302,512)	(8,903,243)	(489,153)	(44,991,914)
Insurance service result from Company's directly written business	71,010,387	(12,777,223)	7,706,022	1,236,288	(412,063)	1,602,909	305,240	68,671,560
Share of surplus from insurance pool	-	-	-	-	-	-	-	35,730,359
Total insurance service result	71,010,387	(12,777,223)	7,706,022	1,236,288	(412,063)	1,602,909	305,240	104,401,919

(All amounts expressed in Saudi Riyals unless otherwise stated)

20 Insurance service results (continued)

For the year ended 31 December 2022:

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2022								
Insurance revenue from contracts measured under PAA	196,678,033	216,670,693	27,730,908	15,666,268	27,424,418	21,619,543	982,253	506,772,116
Incurred claims and other incurred insurance service expenses*	(177,298,648)	(228,040,391)	(11,468,209)	(2,864,962)	(4,179,490)	(13,966,678)	(992,797)	(438,811,175)
Losses on onerous contracts and reversal of the losses	(314,636)	(1,548,384)	-	-	-	-	-	(1,863,020)
Changes that relate to past service - adjustments to the LIC	25,991,495	(1,885,490)	13,017,222	5,228,521	4,966,146	4,858,199	(1,581,720)	50,594,373
Insurance acquisition cash flows amortisation	(35,340,348)	(56,903,711)	(7,019,290)	(2,646,780)	(3,210,719)	(2,458,827)	(264,678)	(107,844,353)
Total insurance service expenses	(186,962,137)	(288,377,976)	(5,470,277)	(283,221)	(2,424,063)	(11,567,306)	(2,839,195)	(497,924,175)

* This includes surplus distribution amounting to Saudi Riyals 0.3 million for the year ended December 31, 2022 (Refer Note 38).

(All amounts expressed in Saudi Riyals unless otherwise stated)

20. Insurance service results (continued)

For the year ended 31 December 2022: (continued)

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Reinsurance income - contracts measured under the PAA								
Premium ceded on reinsurance contracts held	(10,680,933)	(40,187,033)	(5,095,418)	(7,961,670)	(14,282,181)	(8,325,558)	(462,155)	(86,994,948)
Reinsurance (fixed) commission	-	-	-	-	-	-	-	
Reinsurance premium ceded	(10,680,933)	(40,187,033)	(5,095,418)	(7,961,670)	(14,282,181)	(8,325,558)	(462,155)	(86,994,948)
Claims recovered	6,890,426	43,438,832	1,216,296	1,704,627	3,057,256	10,843,024	749,857	67,900,318
Effect of changes in the risk of reinsurers non-performance	(16,141)	264,225	186,155	238,672	450,803	304,612	(1,278)	1,427,048
Loss-recovery on onerous underlying contracts	(73,413)	2,088,839	-	-	-	-	-	2,015,426
Changes that relate to past service - adjustments to incurred claims	4,086,711	1,720,856	(3,067,071)	(3,318,744)	(4,099,711)	(2,870,281)	853,774	(6,694,466)
Total net income (expenses) from reinsurance contracts	206,650	7,325,719	(6,760,038)	(9,337,115)	(14,873,833)	(48,203)	1,140,198	(22,346,622)
Insurance service result from Company's directly written business	9,922,546	(64,381,564)	15,500,593	6,045,932	10,126,522	10,004,034	(716,744)	(13,498,681)
Share of surplus from insurance pool	-	-	-	-	-	-	-	14,961,115
Total insurance service result	9,922,546	(64,381,564)	15,500,593	6,045,932	10,126,522	10,004,034	(716,744)	1,462,434

(All amounts expressed in Saudi Riyals unless otherwise stated)

21. Investment income

	31 December 2023	31 December 2022 (Restated)
Interest income from financial assets not measured at FVTPL		
Sukuks	**5,092,851**	5,891,657
Term deposits	**15,161,025**	6,016,612
Time deposit	**2,086,900**	2,610,557
	22,340,776	14,518,826
Interest income from financial assets measured at FVTPL	**2,540,677**	5,013,568
Net gains (losses) on financial assets measured at FVTPL	**12,127,512**	(9,982,432)
Dividend income	**866,183**	345,250
Expected credit loss reversal (loss) on financial assets	**500**	(2,667)
Total Investment Income	**37,875,648**	9,892,545

(All amounts expressed in Saudi Riyals unless otherwise stated)

22. Insurance finance expense - net

An analysis of the net insurance finance income (expense) by product line for year ended 31 December 2023 and 31 December 2022 respectively is presented below:

For the year ended 31 December 2023:

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2023								
Finance income (expenses) from insurance contracts issued								
Interest accreted	1,139,458	(770,119)	(729,349)	(1,444,683)	(106,460)	(398,774)	4,062	(2,305,865)
Effects of changes in interest rates and other financial assumptions	1,746,085	2,050,038	1,086,954	244,053	289,424	172,285	(20,859)	5,567,980
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income (expense) from insurance contracts issued	2,885,543	1,279,919	357,605	(1,200,630)	182,964	(226,489)	(16,797)	3,262,115
Finance income (expense) from reinsurance contracts held								
Interest accreted	(59,532)	543,380	162,449	(119,583)	(39,916)	437,801	34,966	959,565
Effects of changes in interest rates and other financial assumptions	(28,041)	12,393	14,986	21,284	12,673	27,870	102	61,267
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income (expense) from reinsurance contracts held	(87,573)	555,773	177,435	(98,299)	(27,243)	465,671	35,068	1,020,832
Net insurance finance income	2,797,970	1,835,692	535,040	(1,298,929)	155,721	239,182	18,271	4,282,947

(All amounts expressed in Saudi Riyals unless otherwise stated)

22. Insurance finance expense – net (continued)

For the year ended 31 December 2022:

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2022								
Finance income from insurance contracts issued								
Interest accreted	(1,719,289)	(1,129,362)	(650,708)	(164,975)	(124,957)	(344,764)	(91,401)	(4,225,456)
Effects of changes in interest rates and other financial assumptions	3,241,448	4,107,114	1,698,483	1,677,326	266,281	973,066	115,321	12,079,039
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income from insurance contracts issued	1,522,159	2,977,752	1,047,775	1,512,351	141,324	628,302	23,920	7,853,583
Finance expenses from reinsurance contracts held								
Interest accreted	(956,152)	(2,108,389)	(1,133,816)	(398,112)	(510,104)	(1,867,721)	(103,788)	(7,078,082)
Effects of changes in interest rates and other financial assumptions	850,425	1,465,912	850,809	271,481	312,932	1,096,395	69,113	4,917,067
Foreign exchange differences								
Finance expenses from reinsurance contracts held	(105,727)	(642,477)	(283,007)	(126,631)	(197,172)	(771,326)	(34,675)	(2,161,015)
Net insurance finance income	1,416,432	2,335,275	764,768	1,385,720	(55,848)	(143,024)	(10,755)	5,692,568

(All amounts expressed in Saudi Riyals unless otherwise stated)

23. Operating expenses

	31 December 2023	31 December 2022 (Restated -Notes 3 and 4)
Commission incurred and other underwriting expenses	**73,686,052**	58,189,128
Salaries and benefits	**61,850,379**	63,669,904
Depreciation and amortisation	**11,041,285**	14,086,745
Information technology	**8,529,161**	7,231,252
Insurance expense (Note 23.2)	**6,077,814**	6,251,112
Professional fee	**10,301,420**	9,033,771
Rentals	**2,738,967**	1,921,762
Office Maintenance	**1,910,287**	1,774,813
Utilities	**301,928**	132,863
Other	**4,844,610**	6,955,154
	181,281,903	169,246,504

23.1 Allocation of expenses is as follows:

	31 December 2023	31 December 2022 (Restated -Notes 3 and 4)
Other incurred insurance service expenses (Note 23.3)	**31,301,098**	28,322,878
Insurance acquisition cashflows amortisation (Note 23.3)	**130,989,725**	107,844,353
Other operating expenses (Note 23.4)	**18,991,080**	33,079,273
	181,281,903	169,246,504

23.2 The insurance expense covers essential insurance policies related to employees and other operational purposes.

23.3 Reported as part of insurance service expenses.

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

24. Finance costs

	31 December 2023	31 December 2022
Finance cost on lease liabilities	**532,083**	267,977
	532,083	267,977

(All amounts expressed in Saudi Riyals unless otherwise stated)

25. Share of surplus from insurance pool

This represents the Company's share in the surplus for general accident and medical products arising from the Hajj and Umrah scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from January 1, 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and medical of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement in 2024 as the aforementioned arrangement has been discontinued. The Company's share of income in the Hajj and Umrah scheme is derived from insurance revenues of Saudi Riyals 74.4 million (2022: Saudi Riyals 29.6 million) and net expenses of Saudi Riyals 38.7 million (2022: Saudi Riyals 14.6 million).

26. Zakat and Income Tax

a) Zakat

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

	2023	2022
Share capital	**458,949,280**	224,903,276
Increase in share capital	**-**	142,151,193
Reserves, opening provisions and other adjustments	**(143,804,639)**	(90,496,185)
Provisions	**190,036,297**	65,336,647
Book value of long-term assets	**(38,082,854)**	(51,977,912)
Investments	**(348,374,682)**	(43,853,645)
Goodwill	**(67,697,750)**	(66,349,143)
Statutory deposits	**(68,842,392)**	(67,470,983)
Adjusted net profit for the year	**93,583,969**	10,352,018
Zakat base	**75,767,229**	122,595,266
Zakat due at 2.578% (Saudi Shareholders' share of zakat base @ 93.1% (2022: 91.7%))	**2,000,000**	2,893,276
Zakat due at 2.5% of adjusted net profit for the year	**-**	258,800
Total	**2,000,000**	3,152,076

The differences between the financial and results subject to zakat are mainly due to provisions, which are not allowed in the calculation of adjusted income. The movement in the zakat provision for the year was as follows:

	2023	2022
1 January	**22,072,948**	20,072,948
Provided during the year	**2,000,000**	2,000,000
Payments during the year	**(277,896)**	-
31 December	**23,795,052**	22,072,948

(All amounts expressed in Saudi Riyals unless otherwise stated)

26. Zakat and Income Tax (continued)

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

b) Income tax

	2023	**2022**
Total profit for the year before zakat and income tax*	**127,037,351**	4,829,953
Accounting depreciation	**15,371,442**	14,086,745
Provisions for employee benefit obligations	**2,418,681**	2,749,625
Finance costs	**1,179,920**	267,977
Expected credit losses on premium receipts, reinsurance recoveries and other financial assets	**(1,746,119)**	1,223,536
Fines and penalties paid in the Kingdom of Saudi Arabia	**572,897**	487,582
Provision utilized	**(1,418,890)**	(2,697,924)
Tax depreciation	**(6,336,298)**	(6,877,946)
Bad debt write offs	**(6,006,462)**	-
Lease rentals paid	**(2,330,085)**	(2,024,059)
Payments of employee benefit obligations	**(1,647,628)**	-
Brought forward losses	**(31,194,656)**	(70,070)
Adjusted net profit for the year	**95,900,153**	11,975,419
Tax at 20% (Foreign Shareholders' share @ 6.9% (2022: 8.3%)	**1,323,422**	35,994

* The profit before tax for the year ended 31 December 2022 used for the purpose of the zakat and income tax is based on IFRS 4.

(All amounts expressed in Saudi Riyals unless otherwise stated)

26. Zakat and Income Tax (continued)

b) Income tax (continued)

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 movement in the tax provision for the year was as follows:

	2023	**2022**
1 January	-	-
Provision during the years	-	-
Payments during the year	-	-
31 December	-	-

Combined movement of zakat and income tax was as follows:

	2023	**2022**
1 January	**22,072,948**	20,072,948
Provided during the year	**2,000,000**	2,000,000
Payments during the year	**(277,896)**	-
31 December	**23,795,052**	22,072,948

c) Status of assessment

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

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

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

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

26. Zakat and Income Tax (continued)

c) Status of assessment (continued)

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

27. Basic and diluted earnings per share

Basic and diluted earnings per share for the year ended 31 December 2023 and 2022 are calculated by dividing total loss for the year attributable to the shareholders by the weighted average number of outstanding shares during the year.

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

	2023	**2022 (Restated -Notes 3 and 4)**
Issued ordinary shares at 31 December	**45,894,928**	22,947,464
Rights issue adjustment	**-**	15,591,587
Weighted average number of ordinary shares	**45,894,928**	38,539,051
Total profit (loss) for the year attributable to the shareholders	**125,037,351**	(18,299,703)
Weighted average number of ordinary shares for basic and diluted income per share	**45,894,928**	38,539,051
Basic and diluted earnings (losses) per share	**2.72**	(0.47)

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

28. Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The due from and to balances of related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the major related party transactions during the year and the related balances:

Nature of transactions	**Transactions for the year ended**	
	31 December 2023	**31 December 2022**
Shareholders		
Insurance revenue	**5,600,471**	15,806,946
Insurance service expense (claims paid)	**438,887**	3,267,190
Board members		
Fees and related expenses	**5,166,500**	7,134,500

Nature of transactions	**Balance receivable / (payable) as at**	
	31 December 2023	**31 December 2022**
Shareholders		
Insurance contract liabilities – Liability for remaining coverage (expected premium receipts)	**7,498,915**	8,476,391
Insurance contract liabilities – Liability for incurred claims (claims payable)	**(31,964)**	(31,964)

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

	31 December 2023	**31 December 2022**
Salaries and benefits	**7,861,660**	3,500,193
Employee benefit obligations	**411,419**	143,745
	8,273,079	3,643,938

Key management personnel includes senior management, department heads and board of directors.

Compensation to key management personnel is based on employment terms and as per the by-laws of the Company.

(All amounts expressed in Saudi Riyals unless otherwise stated)

29. Fair value of financial instruments

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

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

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

(a) Carrying amounts and fair value

	31 December 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Mutual funds	**82,872,012**		**-**	**82,872,012**
Ordinary shares	**29,840,895**	**-**	**86,968,505**	**116,809,400**
Sukuks	**22,432,060**	**-**	**-**	**22,432,060**
Total investments	**135,144,967**	**-**	**86,968,505**	**222,113,472**

	31 December 2022 (Restated -Notes 3 and 4)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Mutual funds	76,746,369	-	-	76,746,369
Ordinary shares	28,318,492	-	79,406,254	107,724,746
Sukuks	21,864,712	-	-	21,864,712
Total investments	126,929,573	-	79,406,254	206,335,827

Significant unobservable inputs were used in the valuation of level 3 investments based on fair value estimates from reputable third-party valuer who use technique such as discounted cash flows and other sophisticated models. During the year ended 31 December 2023, there have been no transfers between level 1, level 2 and level 3.

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

(All amounts expressed in Saudi Riyals unless otherwise stated)

29. Fair value of financial instruments (continued)

(a) Carrying amounts and fair value (continued)

Specific valuation techniques used by management's independent experts to value financial instruments in Level 3 i.e. najm investments, are as follows:

- **Discounted cashflows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis results into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the company in addition to its net debt position. In order to arrive to an equity value of a company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabahas and other investments, are subtracted from the Enterprise Value; and

- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

A weight of 60% and 40% are then applied to the fair values determined under both methods, to arrive at the equity valuation of najm and the Company then accounts for its share in equity of Najm i.e. 6.9%.

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Furthermore, there were no transfers into and out of level 3 measurements.

(b) Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy

	31 December 2023	**31 December 2022 (Restated - Notes 3 and 4)**
Balance at the beginning of the year	**79,406,254**	74,065,119
Unrealised gain on fair value of FVOCI	**7,562,251**	5,341,135
Balance at the end of the year	**86,968,505**	79,406,254

(All amounts expressed in Saudi Riyals unless otherwise stated)

29. Fair value of financial instruments (continued)

	Fair value		**Unobservable inputs**		**Range of inputs**		**Relationship of Unobservable input to Fair value**
	31 December 2023	**31 December 2022 (Restated - Notes 3 and 4)**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	
Unquoted equity investment in Najm	**86,968,505**	79,406,254	Earnings growth factor	Earnings growth factor	**6.9%**	13.7%	Reducing the Earnings growth factor to 5%, would decrease the fair value by Saudi Riyals 1.6 million. (2022: Reducing the Earnings growth factor to 10%, would decrease the fair value by Saudi Riyals 2.4 million)
			WACC	WACC	**16.5%**	16.0%	Increasing the WACC by 100 basis points, would decrease the fair value by Saudi Riyals 2.4 million. (2022: Saudi Riyals 2.2 million)
			Terminal value growth rate	Terminal value growth rate	**1.5%**	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by Saudi Riyals 2.8 million. (2022: Saudi Riyals 2.8 million)

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

The Board of Directors of the Company monitors the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors for the Company as a whole. Furthermore, the Company operates in one geographical area i.e. Kingdom of Saudi Arabia.

Accordingly, segmental analysis of the statement of income and other comprehensive income and statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses. Refer Notes 11, 20 and 22 for such analysis.

31. Risk management

Risk governance

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

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

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

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

Audit Committee and Internal Audit Department
Risk management processes throughout the Company are audited annually by the Internal Audit Department which examines both the adequacy of the procedures and the Company's compliance with such procedures.

The internal audit department discusses the results of all assessments with senior management, and reports its findings and recommendations directly to the Audit Committee.

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The risks faced by the Company and the manner in which these risks are mitigated by management are summarised below:

31. Risk management (continued)

31.1 Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company purchases reinsurance as part of its risks mitigation program. Reinsurance ceded 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. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like natural disasters, flood, environmental and economical, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages this risk through the measures described above. The company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors. The Company monitors concentration of insurance risks primarily by class of business. The Risk management committee closely reviews decisions related to claims and periodically assesses claim handling processes and guidelines. Additionally, risk management committee establishes and implements appropriate reserving mechanisms.

Concentration of insurance risk

The Company monitors concentration of insurance risks primarily by class of business. The major concentration lies in medical and motor portfolio.

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

Since the Company operates primarily in Saudi Arabia, hence, all the insurance risks relate to policies written in Saudi Arabia.

31. Risk management (continued)

31.1 Insurance Risk (continued)

Reinsurance Risk

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

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

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

- The reinsurers selected met SAMA's minimum acceptable rating of BBB from a reputable credit agency;
- Reputation of particular reinsurance companies; and
- Existing or past business relationship with the reinsurer.

The Company evaluates concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to the acceptable levels. Additionally, it conducts regular actuarial reviews of reinsurance and have the well-defined strategy and plan in place to effectively manage this risk.

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 reinsurance business. As at 31 December 2023, 27% of reinsurance receivables balance was due from one party (31 December 2022: 41 % due from one party).

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 insurance contract liabilities reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance Risk (continued)

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

	31 December 2023			31 December 2022		
	Insurance contracts issued	**Reinsurance contracts held**	**Net**	**Insurance contracts issued**	**Reinsurance contracts held**	**Net**
Medical	**155,222,621**	**(2,820,863)**	**152,401,758**	184,790,512	(4,828,756)	179,961,756
Motor	**189,421,371**	**(13,106,798)**	**176,314,573**	175,889,894	(34,888,803)	141,001,091
General Accident & Liability	**53,867,955**	**(7,231,455)**	**46,636,500**	33,806,124	(4,270,302)	29,535,822
Engineering	**15,395,304**	**(10,533,315)**	**4,861,989**	10,563,610	(7,836,040)	2,727,570
Property	**10,499,967**	**(7,408,240)**	**3,091,727**	10,403,211	(6,370,238)	4,032,973
Marine	**12,081,830**	**(8,667,988)**	**3,413,842**	20,997,990	(14,981,762)	6,016,228
Protection	**866,942**	**(594,066)**	**272,876**	2,309,445	(1,551,121)	758,324
Total	**437,355,990**	**(50,362,725)**	**386,993,265**	438,760,786	(74,727,022)	364,033,764

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the reporting date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty. Actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position date and for the expected ultimate cost of claims at the statement of financial position date. The details of estimation of insurance contract liabilities are given under Note 4.

Process used to determine assumptions

The process used to determine the assumptions for calculating the estimate of present value of cash flows is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of estimate of present value of cash flows is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. Such estimates are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance Risk (continued)

Sensitivity analysis on significant assumptions used

The Company believes that the claim liabilities under insurance contracts outstanding at the reporting periods below are adequate. However, these amounts are not certain and actual payments may differ from the claim's liabilities provided in the financial statements. The insurance results are sensitive to various assumptions. It has not been possible to quantify the sensitivity specific variable such as legislative changes or uncertainties in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before tax for reasonably possible movements in key assumptions with all other assumptions in notes 3 and 6 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.

	31 December 2023	**31 December 2022**
Liability for incurred claims		
Estimates of present value of FCF	**280,124,567**	279,092,235
Risk adjustment for non-financial risk	**7,005,678**	8,872,606
Asset for incurred claims		
Estimates of present value of FCF	**39,043,213**	53,348,757
Risk adjustment for non-financial risk	**1,023,334**	2,722,364

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

	2023	**2022**
	Impact on profit before zakat and income tax	**Impact on profit before zakat and income tax**
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims cost	**(10,247,697)**	(9,526,776)
Decrease of 5% in the ultimate claims cost	**10,247,697**	9,526,776
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	**1,917,627**	2,290,775
5 percentiles decrease in the confidence level	**(1,590,688)**	(2,098,254)

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance Risk (continued)

Sensitivity analysis on significant assumptions used (continued)

Following are the sensitivities derived for the portfolios computed under PAA approach for the reinsurance contracts held:

	2023	2022
	Impact on profit before zakat and income tax	**Impact on profit before zakat and income tax**
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims cost	**1,541,069**	2,078,941
Decrease of 5% in the ultimate claims cost	**(1,541,069)**	(2,078,941)
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	**269,630**	675,330
5 percentiles decrease in the confidence level	**(241,949)**	(669,016)

The following shows the impact of a reasonable possible change in direct expense ratio on the loss component as at the reporting date.

	2023	2022
Impact on net income of change in direct expense ratio – loss component*		
2% Increase	**166,699**	307,512
2% Decrease	**(166,699)**	(307,512)

*Direct expense ratio is the ratio of sum of directly attributable expenses, acquisition cashflows and surplus for the period to earned premium.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance risk (continued)

The sensitivities disclosed in the annual financial statements for the year ended 31 December 2022 were as follows:

Impact of 10% increase in net claims on total income for the year is as follows:

	2022	2021
Medical	**(6,825,741)**	(13,953,143)
Motor	**(5,560,330)**	(4,921,939)
Property and casualty	**(2,509,600)**	(3,641,552)
	(14,895,671)	(22,516,634)
Impact of change in average claim cost + 10%		
Medical	**(432,771)**	(721,006)
Motor	**(20,000)**	(504,317)
	(452,771)	(1,225,323)

A hypothetical 10% decrease in claim ratio, net of reinsurance, would have almost equal but opposite impact on net underwriting income. The sensitivity to changes in the most significant assumption, on claim liabilities while keeping all other assumptions constant, on the Motor and Health segments is as follows:

		Impact on claim liabilities	
	Change in current year ultimate loss ratio	**2022**	**2021**
Segment			
Medical	Increase by 5%	**10,371,155**	17,928,429
Medical	Decrease by 5%	**(10,371,155)**	(17,928,429)
Motor	Increase by 5%	**8,619,967**	8,859,382
Motor	Decrease by 5%	**(8,619,967)**	(8,859,382)

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and claims not reported for each successive accident year at each reporting date, together with cumulative payments to date.

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.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance risk (continued)

2023 **Accident year**	**2018 & earlier**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	2,170,200,106	438,596,441	571,906,479	640,483,774	406,072,624	421,594,970	-
1 year later	2,491,476,489	614,650,320	573,566,458	596,841,850	442,318,418	-	-
2 years later	2,565,282,088	599,164,752	563,588,212	627,962,126	-	-	-
3 years later	3,649,269,407	596,599,473	586,797,607	-	-	-	-
4 years later	3,658,480,216	615,303,163	-	-	-	-	-
5 years later	3,682,693,037	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	3,682,693,037	615,303,163	586,797,607	627,962,126	442,318,418	421,594,970	6,376,669,321
Cumulative gross claims and other directly attributable expenses paid	(3,670,841,798)	(613,493,495)	(580,676,312)	(616,363,583)	(384,428,516)	(247,392,302)	(6,113,196,006)
Gross undiscounted liabilities for incurred claims	11,851,239	1,809,668	6,121,295	11,598,543	57,889,902	174,202,668	263,473,315
Effect of discounting	-	-	-	-	-	-	(7,659,164)
Effect of surplus distribution payable	-	-	-	-	-	-	24,310,416
Gross discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	280,124,567
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	7,005,678
Gross liabilities for incurred claims	-	-	-	-	-	-	287,130,245

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. **Risk management** (continued)

31.1 **Insurance risk** (continued)

2022 **Accident year**	**2017 & earlier**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	1,957,197,122	213,002,984	438,596,441	571,906,479	640,483,774	420,144,861	-
1 year later	2,278,926,877	212,549,612	614,650,320	573,566,458	642,533,668	-	-
2 years later	2,237,779,513	327,502,575	599,164,752	580,259,116	-	-	-
3 years later	3,321,292,410	327,976,997	597,700,304	-	-	-	-
4 years later	3,332,500,298	326,154,036	-	-	-	-	-
5 years later	3,358,372,026	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	3,358,372,026	326,154,036	597,700,304	580,259,116	642,533,668	420,144,862	5,925,164,012
Cumulative gross claims and other directly attributable expenses paid	(3,350,729,154)	(324,586,059)	(591,983,382)	(550,738,526)	(568,339,523)	(262,780,163)	(5,649,156,807)
Gross undiscounted liabilities for incurred claims	7,642,872	1,567,977	5,716,922	29,520,590	74,194,145	157,364,699	276,007,205
Effect of discounting	-	-	-	-	-	-	(9,622,280)
Effect of surplus distribution payable	-	-	-	-	-	-	12,707,310
Gross discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	279,092,235
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	8,872,606
Gross liabilities for incurred claims	-	-	-	-	-	-	287,964,841

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance risk (continued)

2023 Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims , net of reinsurance:							
At end of accident year	1,306,085,261	312,428,907	504,828,898	549,947,505	338,915,117	359,969,716	-
1 year later	1,306,659,757	487,046,104	509,542,555	513,250,085	349,155,072	-	-
2 years later	1,407,353,268	468,339,235	501,592,680	515,378,028	-	-	-
3 years later	2,460,110,744	465,924,264	506,568,810	-	-	-	-
4 years later	2,461,867,863	466,394,513	-	-	-	-	-
5 years later	2,481,964,643	-	-	-	-	-	-
Net estimates of the undiscounted amount of the claims	2,481,964,643	466,394,513	506,568,810	515,378,028	349,155,072	359,969,715	4,679,430,781
Cumulative Net claims and other directly attributable expenses paid	(2,471,362,497)	(465,217,952)	(501,522,718)	(505,411,387)	(301,125,690)	(211,660,665)	(4,456,300,909)
Net undiscounted liabilities for incurred claims	10,602,146	1,176,561	5,046,092	9,966,641	48,029,382	148,309,050	223,129,872
Effect of discounting	-	-	-	-	-	-	(6,358,934)
Effect of surplus distribution payable	-	-	-	-	-	-	24,310,416
Net discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	241,081,354
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	5,982,344
Net liabilities for incurred claims	-	-	-	-	-	-	247,063,698

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31. Risk management (continued)

31.1 Insurance risk (continued)

2022 **Accident year**	**2017 & earlier**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Undiscounted liabilities for incurred claims , net of reinsurance:							
At end of accident year	1,194,455,660	111,629,600	312,428,907	504,828,898	549,947,505	351,545,631	-
1 year later	1,188,145,455	118,514,302	487,046,104	509,542,555	550,495,934	-	-
2 years later	1,172,186,372	235,166,896	468,339,235	515,857,783	-	-	-
3 years later	2,229,190,400	230,920,345	466,765,920	-	-	-	-
4 years later	2,231,291,736	230,718,529	-	-	-	-	-
5 years later	2,250,039,555	-	-	-	-	-	-
Net estimates of the undiscounted amount of the claims	2,250,039,555	230,718,529	466,765,920	515,857,783	550,495,934	351,545,630	4,365,423,351
Cumulative Net claims and other directly attributable expenses paid	(2,246,823,994)	(229,575,786)	(462,285,335)	(492,163,376)	(492,481,978)	(221,860,065)	(4,145,190,534)
Net undiscounted liabilities for incurred claims	3,215,561	1,142,743	4,480,585	23,694,407	58,013,956	129,685,565	220,232,817
Effect of discounting	-	-	-	-	-	-	(7,196,649)
Effect of surplus distribution payable	-	-	-	-	-	-	12,707,310
Net discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	225,743,478
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	6,150,242
Net liabilities for incurred claims	-	-	-	-	-	-	231,893,720

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.1 Insurance risk (continued)

The reconciliation of the net liabilities for incurred claims with the aggregate carrying amounts of the groups of insurance contracts and reinsurance contracts is presented below:

31 December 2023	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**
Gross liabilities for incurred claims	**280,124,567**	**7,005,678**	**287,130,245**
Amounts recoverable from reinsurers	**(39,043,213)**	**(1,023,334)**	**(40,066,547)**
Net liabilities for incurred claims	**241,081,354**	**5,982,344**	**247,063,698**

31 December 2022	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**
Gross liabilities for incurred claims	279,092,235	8,872,606	287,964,841
Amounts recoverable from reinsurers	(53,348,757)	(2,722,364)	(56,071,121)
Net liabilities for incurred claims	225,743,478	6,150,242	231,893,720

31.2 Financial risk

The Company's principal financial assets and liabilities are cash and cash equivalents, term deposits, premiums and insurance balances receivable - net, investments, accrued income on statutory deposit, reinsurer's share of outstanding claims, reinsurers' share of claims incurred but not reported and other assets (included in prepaid expenses and other assets). The Company's principal financial liabilities are reinsurance balances payable, outstanding claims, claims incurred but not reported, accrued and other liabilities, accounts payable, dividend payable, surplus distribution payable and amounts due to a related party.

The main risks arising from the Company's financial instruments are market risks (including commission rate risk, price risk and currency risk), credit risk, liquidity risk and, which are summarized below:

31. Risk management (continued)

31.2.1 Market risk

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

- 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.

The market risk policy is predominantly based on the three types of risks.

(i) The currency risk is not required to be managed as Saudi Riyal is pegged to the United States Dollar and the transactions are processed in the local currency.

(ii) The commission rate risk is managed by considering diversification of portfolio with having mix of fixed and floating rate instruments to offset the impact of interest rate changes on the overall portfolio. Further, the regular review is performed to monitor the trend and adjust the mix of investment.

(iii) The price risk is managed by diversifying the investment portfolio across different industries with ongoing monitoring of trends.

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 of Directors 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.

a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and United States Dollars, during the year. As the Saudi Riyal is pegged to the United States Dollar, balances in United States Dollars are not considered to represent significant currency risk.

b) Commission rate risk

Commission rate risk is the risk that the value or future cash flows of a financial instrument will change because of change in market commission rates.

The Company invests in securities and has deposits that are subject to commission rate risk. Commission rate risk to the Company is the risk of changes in commission rates reducing the overall return on its fixed commission rate bearing securities. The commission rate risk is limited by monitoring changes in commission rates and by investing in floating rate instruments.

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

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31. Risk management (continued)

31.2 Financial risk (continued)

31.2.1 Market risk(continued)

b) Commission rate risk (continued)

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 commission 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 commission 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 commission rate risk sensitive insurance and reinsurance contracts, deposits and debt instruments are, as follows:

	31 December 2023	**31 December 2022 (Restated - Notes 3 and 4)**
Insurance contract liabilities, net	**287,130,245**	287,964,841
Reinsurance contract assets, net	**40,066,547**	56,071,121
Debt instruments at amortised cost	**156,102,104**	155,998,139
Debt instruments at FVTPL	**135,144,967**	126,929,573
Cash and cash equivalents	**40,000,000**	40,000,000
Term deposits	**342,772,700**	160,086,124

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. The correlation of variables will have a significant effect in determining the ultimate impact of commission 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.

	Changes in commission rate	**31 December 2023**	**31 December 2022 (Restated - Notes 3 and 4)**
		Impact on profit before zakat and income tax	**Impact on profit before zakat and income tax**
Insurance contract liabilities, net	**+/-5%**	**11,151,495**	10,409,281
Reinsurance contract assets, net	**+/-5%**	**1,494,150**	2,215,059
Debt instruments at amortised cost	**+/-5%**	**254,643**	294,583
Debt instruments at FVTPL	**+/-5%**	**127,034**	250,678
Cash and cash equivalents	**+/-5%**	**104,345**	130,528
Term deposits	**+/-5%**	**758,051**	300,831

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.2 Financial risk (continued)

31.2.1 Market risk(continued)

c) Price risk

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

The Company's price risk exposure relates to financial instruments whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk. The Company's investments amounting to Saudi Riyals 222.1 million (December 31, 2022: Saudi Riyals 206.3 million) are susceptible to market price risk arising from uncertainty about the future value of invested securities, which are principally listed securities. The Company limits this nature of market risk by diversifying its invested portfolio and by actively monitoring the developments in markets.

The impact of a hypothetical change of a 5% increase and 5% decrease in the market prices of investments on company's profit would be as follows:

	Fair value change	Impact on profit before zakat and income tax
31 December 2023	+/- 5%	11,105,674
31 December 2022	+/- 5%	10,316,791

The sensitivity analysis presented is based upon the portfolio position as at 31 December 2023 and 2022. Accordingly, the sensitivity analysis prepared is not necessarily indicative of the effect on the Company's assets of future movements in the value of investments held by the Company.

31.3 Credit risk

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

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

The Company only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.

The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

The Company's investment portfolio is managed by the investment committee in accordance with the investment policy established by the investment committee, which is approved by the Board of Directors. The policy sets out the limits of investments in different categories.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.3 Credit risk (continued)

The table below shows the maximum exposure to credit risk for the relevant components of the statement of financial position:

	31 December 2023	**31 December 2022 (Restated - Notes 3 and 4)**
Cash and cash equivalents	**55,114,476**	100,318,382
Term deposit	**342,772,700**	160,086,124
Investments carried at FVTPL	**135,144,967**	126,929,573
Investments carried at FVOCI	**86,968,505**	79,406,254
Investments carried at amortised cost	**156,102,104**	155,998,139
Other receivables (included in prepaid expenses and other assets)	**8,665,717**	13,931,002
Reinsurance contract assets	**50,362,725**	74,727,022
Accrued income on statutory deposit	**3,233,205**	8,954,696
Statutory deposits	**68,834,222**	68,830,314
Total	**907,198,621**	789,181,506

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. Approximately all of the Company's underwriting activities are carried out in Saudi Arabia.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit rating of counterparties. Investment grade ratings refers to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's). Ratings below the mentioned threshold are considered speculative grade with a higher default risk.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.3 Credit risk (continued)

31 December 2023	Investment grade	Non-investment grade		Total
		Not impaired	Impaired	
Cash and cash equivalent	**55,114,476**	-	-	**55,114,476**
Term deposits	**342,772,700**	-	-	**342,772,700**
Investments carried at FVTPL	**135,144,967**	-	-	**135,144,967**
Investments carried at FVOCI	-	**86,968,505**	-	**86,968,505**
Investments carried at amortised cost	**156,102,104**	-	-	**156,102,104**
Other receivable (included in Prepaid expenses and other assets)	-	**8,665,717**	-	**8,665,717**
Reinsurance contract assets	-	**50,362,725**	-	**50,362,725**
Accrued income on statutory deposit	**3,233,205**	-	-	**3,233,205**
Statutory deposits	**68,834,222**	-	-	**68,834,222**
	761,201,674	**145,996,947**	-	**907,198,621**

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.3 Credit risk (continued)

31 December 2023	Investment grade	Non-investment grade Not impaired	Non-investment grade Impaired	Total
Cash and cash equivalent	100,318,382	-	-	100,318,382
Term deposits	160,086,124	-	-	160,086,124
Investments carried at FVTPL	126,929,573	-	-	126,929,573
Investments carried at FVOCI	-	79,406,254	-	79,406,254
Investments carried at amortised cost	155,998,139	-	-	155,998,139
Other receivable (included in Prepaid expenses and other assets)	-	13,931,002	-	13,931,002
Reinsurance contract assets	-	74,727,022	-	74,727,022
Accrued income on statutory deposit	8,954,696	-	-	8,954,696
Statutory deposits	68,830,314	-	-	68,830,314
	621,117,228	168,064,278	-	789,181,506

The gross carrying amount of time deposits, term deposits, investments and statutory deposits represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. The Company's exposures to credit risk are not collateralized. At 31 December 2023 and 31 December 2022 the ECL allowance on such financial assets has been recorded and disclosed in Note 7,8,9 and 15 respectively.

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

Exposures to individual policyholders and groups of policyholders are managed through the ongoing monitoring by the credit recovery manager. Where there exists significant exposure, a financial analysis is carried out by the credit control department.

The Company applies the three-stage model for impairment of financial assets measured at amortised cost and FVOCI, based on changes in credit quality since initial recognition. Also see Note 3.4 (iii) for further details regarding impairment.

The Company uses "low credit risk" practical expedient for the cash and cash equivalents, term deposits and statutory deposits with the assumption that the credit risk on such financial instruments has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months.

31. Risk management (continued)

31.3 Credit risk (continued)

Other financial assets at amortised cost include other receivables. These instruments are considered to be low credit risk since they have a low risk of default and the issuers have a strong capacity to meet their contractual cash flow obligations in the near term. At 31 December 2023 and 2022, the ECL allowance on other financial assets was immaterial.

31.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations and commitments associated with financial liabilities. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets. Further, the Company manages liquidity risk as follows:

- The Company's liquidity risk policy which 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 risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

- The company ensures the use of sound asset-liability management practices.

- The company ensures the use of a variety of techniques for funds management.

Further, the Company utilises stress testing conducted by the risk management department to identify potential liquidity shortages and address them. Stress and scenario tests are conducted to assess the anticipated financial and non-financial repercussions of adverse circumstances and events occurring within the relevant time horizon. Stress tests considers fluctuations in key financial parameters, such as interest rates, asset values, or liability values. On the other hand, scenario tests involve the causes of adverse developments, such as a significant natural catastrophe or a major industrial incident.

To assess the company's resilience to uncontrollable negative events, hypothetical scenarios or scenarios based on industry information are created. The impact of these changes is evaluated based on various factors, including return on equity, solvency margin, liquidity of the company, and the average credit rating of reinsurance counterparties.

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.4 Liquidity risk (continued)

The table below summarizes the maturities of the Company's undiscounted contractual obligations at 31 December 2023 and 2022. As the Company does not have any commission bearing liabilities, contractual cash flow of financial liabilities approximates their carrying value.

	31 December 2023				
	Less than one year	1 - 5 years	More than 5 years	No maturity	Total
Cash and cash equivalent	55,114,476	-	-	-	55,114,476
Term deposits	292,772,700	50,000,000	-	-	342,772,700
Investments carried at FVTPL	-	12,093,300	18,432,060	104,619,607	135,144,967
Investments carried at FVOCI	-	-	-	86,968,505	86,968,505
Investments carried at amortised cost	2,102,041	15,000,000	139,000,063	-	156,102,104
Other assets (included in Prepaid expenses and other assets)	8,665,717	-	-	-	8,665,717
Accrued income on statutory deposit	3,233,205	-	-	-	3,233,205
Statutory deposit	68,834,222	-	-	-	68,834,222
	430,722,361	77,093,300	157,432,123	191,588,112	856,835,896

	31 December 2023				
	Less than one year	1 - 5 years	More than 5 years	No maturity	Total
Accrued and other liabilities	24,023,006	-	-	-	24,023,006
Employee benefit obligations	2,089,807	7,690,124	18,050,951	-	27,830,882
Lease liabilities	4,160,765	6,946,926	-	-	11,107,691
Accrued commission income payable to Insurance Authority	3,233,205	-	-	-	3,233,205
Total	33,506,783	14,637,050	18,050,951	-	66,194,784
Total liquidity gap	397,215,578	62,456,250	139,381,172	191,588,112	790,641,112

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.4 Liquidity risk (continued)

	31 December 2022 (Restated - Notes 3 and 4)				
	Less than one year	**1 - 5 years**	**More than 5 years**	**No maturity**	**Total**
Cash and cash equivalent	100,318,382	-	-	-	100,318,382
Term deposits	160,086,124	-	-	-	160,086,124
Investments carried at FVTPL	-	12,093,300	17,864,712	96,971,561	126,929,573
Investments carried at FVOCI	-	-	-	79,406,254	79,406,254
Investments carried at amortised cost	-	17,000,000	138,998,139	-	155,998,139
Other assets (included in Prepaid expenses and other assets)	13,931,002	-	-	-	13,931,002
Accrued income on statutory deposit	8,954,696	-	-	-	8,954,696
Statutory deposit	68,830,314	-	-	-	68,830,314
	352,120,518	29,093,300	156,862,851	176,377,815	714,454,484

	31 December 2022 (Restated - Notes 3 and 4)				
	Less than one year	**1 - 5 years**	**More than 5 years**	**No maturity**	**Total**
Accrued and other liabilities	36,550,750	-	-	-	36,550,750
Employee benefit obligations	1,907,767	6,825,502	15,037,827	-	23,771,096
Lease liabilities	2,024,059	3,716,510	1,035,760	-	6,776,329
Accrued commission income payable to Insurance Authority	8,954,696	-	-	-	8,954,696
Total	49,437,272	10,542,012	16,073,587	-	76,052,871
Total liquidity gap	302,683,246	18,551,288	140,789,264	176,377,815	638,401,613

(All amounts expressed in Saudi Riyals unless otherwise stated)

31. Risk management (continued)

31.4 Liquidity risk (continued)

For the purpose of the financial assets, non-financial assets amounting to Saudi Riyals 7.0 million (2022: Saudi Riyals 13.2 million) have been excluded from prepaid expenses.

Insurance contracts issued	Up to 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Medical	**97,090,427**	**6,542,111**	-	-	-
Motor	**113,782,168**	**5,070,749**	**964,106**	**1,827,555**	**1,667**
General Accident & Liability	**13,235,117**	**18,612,030**	**623,035**	-	-
Engineering	**6,285,733**	**2,418,876**	-	-	-
Property	**8,278,225**	**(236,479)**	**310,677**	-	-
Marine	**10,339,816**	**1,222,791**	**1,100,108**	-	-
Protection	**167,042**	**143,184**	**4,793**	-	-
31 December 2023	**249,178,528**	**33,773,262**	**3,002,719**	**1,827,555**	**1,667**

Reinsurance contracts held	Up to 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Medical	**5,461,885**	**357,995**	-	-	-
Motor	**12,328,117**	**364,829**	**70,264**	**131,199**	**121**
General Accident & Liability	**1,105,182**	**1,489,267**	**49,853**	-	-
Engineering	**3,108,370**	**1,706,974**	-	-	-
Property	**5,072,802**	**(167,248)**	**219,643**	-	-
Marine	**7,058,786**	**917,393**	**825,351**	-	-
Protection	**57,335**	**10,154**	**340**	-	-
31 December 2023	**34,192,477**	**4,679,364**	**1,165,451**	**131,199**	**121**

Insurance contracts issued	Up to 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Medical	108,551,889	6,838,765	-	-	-
Motor	105,447,855	3,966,043	924,469	1,374,325	1,498
General Accident & Liability	10,871,156	15,692,207	525,294	-	-
Engineering	5,754,474	2,211,520	-	-	-
Property	6,098,126	(158,042)	207,554	-	-
Marine	14,347,525	2,196,228	1,975,879	-	-
Protection	792,437	1,059,835	35,478	-	-
31 December 2022	251,863,462	31,806,556	3,668,674	1,374,325	1,498

Reinsurance contracts held	Up to 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Medical	5,560,000	347,011	-	-	-
Motor	21,289,050	705,532	197,211	233,895	304
General Accident & Liability	1,179,034	1,817,331	60,835	-	-
Engineering	2,923,108	1,637,715	-	-	-
Property	3,813,737	(129,289)	169,792	-	-
Marine	10,901,909	1,936,816	1,742,495	-	-
Protection	531,592	572,529	19,165	-	-
31 December 2022	46,198,430	6,887,645	2,189,498	233,895	304

31. Risk management (continued)

31.5 Capital management risk

The objectives are set by the Board of Directors of the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value are:

- To comply with the insurance capital requirements as set out in the Law on Supervision of Cooperative Insurance Companies. The Company's current paid-up share capital is in accordance with Article 3 of the Law;

- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Company has fully complied with the regulatory capital requirements during the reported financial period. As at 31 December 2023 the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

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

- Minimum capital requirement of Saudi Riyals 100 million;
- Premium solvency margin; or
- Claims solvency margin.

As of 31 December 2023, the Company is in compliance with the minimum solvency margin as required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

32. Auditors' remuneration

Auditors' remuneration for the audit of the Company's financial statements for the year ended 31 December 2023 amounts to Saudi Riyals 1.6 million (2022: Saudi Riyals 1.2 million) and the fee for other services provided by the auditors to the Company amounts to Saudi Riyals 0.2 million (2022: Saudi Riyals 1.5 million).

33. Subsequent event

No events have arisen subsequent to 31 December 2023, and before the date of signing the independent auditors' report, that could have a significant effect on the financial statements as at 31 December 2023.

34. Commitments and contingencies

1. The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Company's financial performance.

2. As at 31 December 2023 the Company has capital commitments amounting to Saudi Riyals 31.1 million pertaining to implementation of a new software (31 December 2022: Saudi Riyals 40.3 million).

3. See Note 26 for contingencies pertaining to zakat and income tax assessments.

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

35. Approval of the financial statements

These financial statements has been authorized by the Board of Directors on 10 Ramadan 1445 H corresponding to 20 March 2024.

(All amounts expressed in Saudi Riyals unless otherwise stated)

36 Surplus distribution

As required by the Implementing Regulations and the by-laws of the Company, surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders' operations	90%
Transfer to Policyholders payable	10%
	100%

In case of deficit arising from insurance operations, the entire deficit is allocated and transferred to shareholders' operations.

The surplus payable to policyholders for the year 31 December 2023 amounts to Saudi Riyals 11.6 million (2022: Saudi Riyals 0.3 million) This has been allocated as follow:

	31 December 2023	31 December 2022
Medical	**9,144,788**	241,475
Motor	**779,961**	20,595
Liability	**1,223,563**	32,309
Engineering	**195,753**	5,169
Marine	**220,390**	5,820
Protection	**38,651**	1,021
	11,603,106	306,389

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36. Supplementary information

As required by the SAMA Implementing Regulations, the statement of financial position, statement of income and statement of cash flows are separately disclosed for both insurance operations and shareholders' operations as follows:

STATEMENT OF FINANCIAL POSITION

	31 December 2023			31 December 2022 (Restated - Notes 3 and 4)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
ASSETS						
Cash and cash equivalents	**14,499,936**	**40,614,540**	**55,114,476**	28,585,816	71,732,566	100,318,382
Term deposits	**-**	**342,772,700**	**342,772,700**	-	160,086,124	160,086,124
Investments:						
Financial assets at fair value through profit or loss ("FVTPL")	**106,196,154**	**28,948,813**	**135,144,967**	30,990,199	95,939,374	126,929,573
Financial assets at fair value through other comprehensive income ("FVOCI")	**-**	**86,968,505**	**86,968,505**	-	79,406,254	79,406,254
Financial assets at amortised cost	**102,984,034**	**53,118,070**	**156,102,104**	102,984,201	53,013,938	155,998,139
Prepaid expenses and other assets	**28,441,042**	**11,471,813**	**39,912,855**	35,342,422	8,035,720	43,378,142
Reinsurance contract assets	**50,362,725**	**-**	**50,362,725**	74,727,022	-	74,727,022
Right-of-use assets	**10,255,189**	**-**	**10,255,189**	7,447,736	-	7,447,736
Property and equipment	**8,420,561**	**-**	**8,420,561**	7,565,938	-	7,565,938
Intangible assets	**42,407,211**	**-**	**42,407,211**	45,468,473	-	45,468,473
Accrued income on statutory deposit	**-**	**3,233,205**	**3,233,205**	-	8,954,696	8,954,696
Goodwill	**-**	**67,697,750**	**67,697,750**	-	67,697,750	67,697,750
Statutory deposit	**-**	**68,834,222**	**68,834,222**	-	68,830,314	68,830,314
Due from shareholders' operations	**106,943,300**	**-**	**106,943,300**	148,024,583	-	148,024,583
TOTAL ASSETS	**470,510,152**	**703,659,618**	**1,174,169,770**	481,136,390	613,696,736	1,094,833,126
Less: inter-operations elimination	**(106,943,300)**	**-**	**(106,943,300)**	(148,024,583)	-	(148,024,583)
TOTAL ASSETS AS PER FINANCIAL STATEMENTS	**363,566,852**	**703,659,618**	**1,067,226,470**	333,111,807	613,696,736	946,808,543

(continued)

(All amounts expressed in Saudi Riyals unless otherwise stated)

37. Supplementary information (continued)

STATEMENT OF FINANCIAL POSITION (continued)

	31 December 2023			31 December 2022 (Restated - Notes 3 and 4)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
LIABILITIES						
Accrued and other liabilities	**19,670,546**	**4,352,460**	**24,023,006**	29,798,290	6,752,460	36,550,750
Insurance contract liabilities	**437,355,990**	**-**	**437,355,990**	438,760,786	-	438,760,786
Employee benefit obligations	**19,719,701**	**-**	**19,719,701**	18,256,354	-	18,256,354
Lease liabilities	**11,107,691**	**-**	**11,107,691**	6,776,329	-	6,776,329
Zakat and income tax payable	**-**	**23,795,052**	**23,795,052**	-	22,072,948	22,072,948
Accrued income payable to Insurance authority	**-**	**3,233,205**	**3,233,205**	-	8,954,696	8,954,696
Due to insurance operations	**-**	**106,943,300**	**106,943,300**	-	148,024,583	148,024,583
TOTAL LIABILITIES	**487,853,928**	**138,324,017**	**626,177,945**	493,591,759	185,804,687	679,396,446
Less: inter-operations elimination	**-**	**(106,943,300)**	**(106,943,300)**	-	(148,024,583)	(148,024,583)
TOTAL LIABILITIES AS PER FINANCIAL STATEMENTS	**487,853,928**	**31,380,717**	**519,234,645**	493,591,759	37,780,104	531,371,863

	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
EQUITY						
Share capital	**-**	**458,949,280**	**458,949,280**	-	458,949,280	458,949,280
Statutory reserve	**-**	**5,347,858**	**5,347,858**	-	4,885,691	4,885,691
Retained earnings (Accumulated losses)	-	**1,848,668**	**1,848,668**	-	(122,726,516)	(122,726,516)
Fair value reserve	**-**	**83,122,349**	**83,122,349**	-	75,560,098	75,560,098
Remeasurement reserve of employee benefit obligations	**(1,276,330)**	**-**	**(1,276,330)**	(1,231,873)	-	(1,231,873)
TOTAL EQUITY	**(1,276,330)**	**549,268,155**	**547,991,825**	(1,231,873)	416,668,553	415,436,680
TOTAL LIABILITIES AND EQUITY	**486,577,598**	**580,648,872**	**1,067,226,470**	492,359,886	454,448,657	946,808,543

(All amounts expressed in Saudi Riyals unless otherwise stated)

37. Supplementary information (continued)

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER

	2023			2022 (Restated -Notes 3 and 4)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
REVENUES						
Insurance revenue	**624,483,382**	**-**	**624,483,382**	506,772,116	-	506,772,116
Insurance service expense	**(510,819,908)**	**-**	**(510,819,908)**	(497,924,175)	-	(497,924,175)
Net expenses from reinsurance contracts	**(44,991,914)**	**-**	**(44,991,914)**	(22,346,622)	-	(22,346,622)
Insurance service result from Company's directly written business	**68,671,560**	**-**	**68,671,560**	(13,498,681)	-	(13,498,681)
Share of surplus from insurance pools	**35,730,359**	**-**	**35,730,359**	14,961,115	-	14,961,115
Total insurance service result	**104,401,919**	**-**	**104,401,919**	1,462,434	-	1,462,434
Interest income from financial assets not measured at FVTPL	**3,048,346**	**19,292,430**	**22,340,776**	4,564,672	9,954,154	14,518,826
Interest income from financial assets measured at FVTPL	**1,798,943**	**741,734**	**2,540,677**	1,943,535	3,070,033	5,013,568
Expected credit loss reversal (loss) on financial assets	**(164)**	**664**	**500**	235	(2,902)	(2,667)
Net gains (losses) on financial assets measured at FVTPL	**1,870,736**	**10,256,776**	**12,127,512**	(3,028,081)	(6,954,351)	(9,982,432)
Dividend income	**-**	**866,183**	**866,183**	-	345,250	345,250
Net investment income	**6,717,861**	**31,157,787**	**37,875,648**	3,480,361	6,412,184	9,892,545
Finance income from insurance contracts issued	**3,262,115**	**-**	**3,262,115**	7,853,583	-	7,853,583
Finance income (expenses) from reinsurance contracts held	**1,020,832**	**-**	**1,020,832**	(2,161,015)	-	(2,161,015)
Net insurance finance income	**4,282,947**	**-**	**4,282,947**	5,692,568	-	5,692,568
Net insurance and investment result	**115,402,727**	**31,157,787**	**146,560,514**	10,635,363	6,412,184	17,047,547
Finance costs	**(532,083)**	**-**	**(532,083)**	(267,977)	-	(267,977)
Other operating expenses	**(10,817,538)**	**(8,173,542)**	**(18,991,080)**	(21,133,017)	(11,946,256)	(33,079,273)
Net surplus from operations	**104,053,106**	**22,984,245**	**127,037,351**	(10,765,631)	(5,534,072)	(16,299,703)
Surplus transfer to shareholders	**(104,053,106)**	**104,053,106**	**-**	10,765,631	(10,765,631)	-
Total profit (loss) for the year before zakat and income tax	**-**	**127,037,351**	**127,037,351**	-	(16,299,703)	(16,299,703)

37. Supplementary information (continued)

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER

	2023			2022 (Restated -Notes 3 and 4)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Zakat expense	-	(2,000,000)	(2,000,000)	-	(2,000,000)	(2,000,000)
Income tax	-	-	-	-	-	-
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	-	125,037,351	125,037,351	-	(18,299,703)	(18,299,703)
Earnings (losses) per share (expressed in Saudi Riyals per share)						
Basic earnings (losses) per share			2.72			(0.47)
Diluted earnings (losses) per share			2.72			(0.47)

(All amounts expressed in Saudi Riyals unless otherwise stated)

37. Supplementary information (continued)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	2023			2022 (Restated -Notes 3 and 4)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**-**	**125,037,351**	**125,037,351**	-	(18,299,703)	(18,299,703)
Other comprehensive income						
Items that will not be reclassified to the statement of income in subsequent years						
Remeasurement loss on employee benefit obligations	**(44,457)**	**-**	**(44,457)**	(1,063,522)	-	(1,063,522)
Items that will be reclassified to the statement of income in subsequent years						
Net change in fair value of FVOCI investments	**-**	**7,562,251**	**7,562,251**	-	5,341,135	5,341,135
Total other comprehensive income	**(44,457)**	**7,562,251**	**7,517,794**	(1,063,522)	5,341,135	4,277,613
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**(44,457)**	**132,599,602**	**132,555,145**	(1,063,522)	(12,958,568)	(14,022,090)

(All amounts expressed in Saudi Riyals unless otherwise stated)

37. Supplementary information (continued)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	2023			2022 (Restated - Notes 3 and 4)		
CASH FLOWS FROM OPERATING ACTIVITIES	**Insurance operations**	**Shareholders' operations**	**Total**	**Insurance operations**	**Shareholders' operations**	**Total**
Total profit (loss) for the year before zakat and income tax	**-**	**127,037,351**	**127,037,351**	-	(16,299,703)	(16,299,703)
Adjustments for non-cash items:						
Depreciation of property and equipment	**2,518,755**	**-**	**2,518,755**	2,186,114	-	2,186,114
Amortisation of intangible assets	**10,922,566**	**-**	**10,922,566**	8,872,813	-	8,872,813
Depreciation for right-of-use assets	**3,328,979**	**-**	**3,328,979**	3,027,818	-	3,027,818
Finance costs	**1,179,920**	**-**	**1,179,920**	664,667	-	664,667
Interest income from financial assets not measured at FVTPL	**(3,048,346)**	**(19,292,430)**	**(22,340,776)**	(4,564,672)	(9,954,154)	(14,518,826)
Interest income from financial assets measured at FVTPL	**(1,798,943)**	**(741,734)**	**(2,540,677)**	(1,943,535)	(3,070,033)	(5,013,568)
Expected credit loss reversal (loss) on financial assets	**164**	**(664)**	**(500)**	(235)	2,902	2,667
Net (gains) losses on financial assets measured at FVTPL	**(1,870,736)**	**(10,256,776)**	**(12,127,512)**	3,028,081	6,954,351	9,982,432
Dividend income		**(866,183)**	**(866,183)**	-	(345,250)	(345,250)
Provision for employees benefit obligations	**2,418,681**	**-**	**2,418,681**	2,352,935	-	2,352,935
Gain on remeasurement of lease liabilities	**(7,069)**	**-**	**(7,069)**	(1,091,864)	-	(1,091,864)
Changes in operating assets and liabilities:						
Prepaid expenses and other assets	**6,983,648**	**13,830,545**	**20,814,193**	(3,986,371)	2,751,853	(1,234,518)
Changes in reinsurance contract assets	**24,364,297**	**-**	**24,364,297**	31,808,086	-	31,808,086
Accrued income on statutory deposit	**-**	**5,721,491**	**5,721,491**	-	(1,215,889)	(1,215,889)
Accrued and other liabilities	**(10,127,743)**	**(2,400,000)**	**(12,527,743)**	15,650,253	6,400,000	22,050,253
Changes in insurance contract liabilities	**(1,404,796)**	**-**	**(1,404,796)**	(111,526,773)	-	(111,526,773)
Accrued income payable to SAMA	**-**	**(5,721,491)**	**(5,721,491)**	-	1,215,889	1,215,889
Cash generated from (used in) operations	**33,459,377**	**107,310,109**	**140,769,486**	(55,522,683)	(13,560,034)	(69,082,717)
Employee benefit obligations paid	**(1,647,628)**	**-**	**(1,647,628)**	(2,484,473)	-	(2,484,473)
Zakat and income tax paid	**-**	**(277,896)**	**(277,896)**	-	-	-
Net cash generated from (used in) operating activities	**31,811,749**	**107,032,213**	**138,843,962**	(58,007,156)	(13,560,034)	(71,567,190)

(All amounts expressed in Saudi Riyals unless otherwise stated)

37. Supplementary information (continued)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER (continued)

	2023			2022 (Restated - Notes 3 and 4)		
SH FLOWS FROM INVESTING ACTIVITIES	**Insurance operations**	**Shareholders' operations**	**Total**	**Insurance operations**	**Shareholders' operations**	**Total**
Placement in term deposits	-	**(182,692,639)**	**(182,692,639)**	-	(120,059,873)	(120,059,873)
Payments for purchases of financial assets at FVTPL	-	-	-	-	(56,111,939)	(56,111,939)
Proceeds from sale of investments held at FVTPL	**3,912,118**	-	**3,912,118**	1,923,070	34,781,250	36,704,320
Proceeds from sale of investments held at amortised cost	-	-	-	5,002,013	1,458,425	6,460,438
Interest income received from financial assets not measured at FVTPL	**3,037,360**	**1,853,200**	**4,890,560**	4,606,298	2,701,430	7,307,728
Interest income received from financial assets measured at FVTPL	**1,798,943**	**1,607,917**	**3,406,860**	1,200,301	3,169,347	4,369,648
Payments for purchases of property and equipment	**(3,373,378)**	-	**(3,373,378)**	(897,144)	-	(897,144)
Payments for purchases of intangible assets	**(7,861,304)**	-	**(7,861,304)**	(10,962,739)	-	(10,962,739)
Addition to statutory deposit	-	-	-	-	(34,421,196)	(34,421,196)
Net cash used in investing activities	**(2,486,261)**	**(179,231,522)**	**(181,717,783)**	871,799	(168,482,556)	(167,610,757)
CASH FLOWS FROM FINANCING FLOWS FROM INVESTING ACTIVITIES						
Principal elements of lease payments	**(1,798,002)**	-	**(1,798,002)**	(1,756,082)	-	(1,756,082)
Finance costs paid on lease liabilities	**(532,083)**	-	**(532,083)**	(267,977)	-	(267,977)
Issue of share capital, net of expenses	-	-	-	-	226,542,140	226,542,140
Due to insurance operations	**(41,081,283)**	**41,081,283**	-	47,078,535	(47,078,535)	-
Net cash (used in) generated from financing activities	**(43,411,368)**	**41,081,283**	**(2,330,085)**	45,054,476	179,463,605	224,518,081
Net decrease in cash and cash equivalents	**(14,085,880)**	**(31,118,026)**	**(45,203,906)**	(12,080,881)	(2,578,985)	(14,659,866)
Cash and cash equivalents at the beginning of the year	**28,585,816**	**71,732,566**	**100,318,382**	40,666,697	74,311,551	114,978,248
Cash and cash equivalents at end of the year	**14,499,936**	**40,614,540**	**55,114,476**	28,585,816	71,732,566	100,318,382

(All amounts expressed in Saudi Riyals unless otherwise stated)

37. Gross written premium

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

	31 December 2023					
				Protection & Savings		**Total**
Breakdown of GWP	**Medical**	**Motor**	**Property & casualty**	**Individual**	**Group (Term life)**	
Large corporates	**78,181,352**	**133,266,917**	**38,921,171**	**-**	**-**	**250,369,440**
Medium corporates	**32,228,734**	**5,975,439**	**1,650,680**	**-**	**-**	**39,854,853**
Small enterprises	**25,491,157**	**27,564,040**	**6,919,786**	**-**	**-**	**59,974,983**
Micro enterprises	**34,767,124**	**54,741,808**	**31,876,854**	**-**	**-**	**121,385,786**
Retail	**90,604,286**	**80,484,002**	**48,247,656**	**-**	**-**	**219,335,944**
Total	**261,272,653**	**302,032,206**	**127,616,147**	**-**	**-**	**690,921,006**

	31 December 2022					
				Protection & Savings		**Total**
Breakdown of GWP	**Medical**	**Motor**	**Property & casualty**	**Individual**	**Group (Term life)**	
Large corporates	58,277,292	50,380,304	42,657,985	-	-	151,315,581
Medium corporates	34,046,198	60,596,962	24,545,997	-	-	119,189,157
Small enterprises	36,358,845	24,799,916	5,485,798	-	-	66,644,559
Micro enterprises	48,902,277	2,876,491	871,961	-	-	52,650,729
Retail	52,760,729	85,502,904	20,367,126	-	-	158,630,759
Total	230,345,341	224,156,577	93,928,867	-	-	548,430,785

(All amounts expressed in Saudi Riyals unless otherwise stated)

38. Net written premium

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

	31 December 2023					
				Protection & Savings		**Total**
	Medical	**Motor**	**Property & casualty**	**Individual**	**Group (Term life)**	
Gross written premium	**261,272,653**	**302,032,206**	**127,616,147**	**-**	**-**	**690,921,006**
Reinsurance premium ceded – globally (including excess of loss)	**(7,712,777)**	**(5,676,855)**	**(52,505,308)**	**-**	**-**	**(65,894,940)**
Reinsurance premium ceded – locally (including excess of loss)	**(3,509,538)**	**(831,392)**	**(17,668,578)**	**-**	**-**	**(22,009,508)**
Net written premium – total	**250,050,338**	**295,523,959**	**57,442,261**	**-**	**-**	**603,016,558**

	31 December 2022					
				Protection & Savings		**Total**
Item	**Medical**	**Motor**	**Property & casualty**	**Individual**	**Group (Term life)**	
Gross written premium	230,345,341	224,156,577	93,928,867	-	-	548,430,785
Reinsurance premium ceded – globally (including excess of loss)	(7,426,250)	(33,775,342)	(40,181,620)	-	-	(81,383,212)
Reinsurance premium ceded – locally (including excess of loss)	(3,254,685)	(1,530,932)	(12,786,444)	-	-	(17,572,061)
Net written premium - total	219,664,406	188,850,303	40,960,803	-	-	449,475,512