UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
FOR THE YEAR ENDED 31 DECEMBER 2024

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PKF Al Bassam
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Cooperative Assurance Company (the "Company") as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Company, which comprise of the following:

- The statement of financial position as at 31 December 2024;
- The statements of income for the year then ended;
- The statement of comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1 to the accompanying financial statements which indicates that the Company had accumulated losses of Saudi Riyals 195.61 million as of 31 December 2024. Further, the Company's solvency margin is 44.65% as of 31 December 2024, which is below the minimum solvency requirements as mandated by the Insurance Authority ("IA"). The ability of the Company to improve its financial performance and meet the minimum solvency margin requirements is dependent on the favourable outcome and realisation of the Company's planned measures and actions detailed further in Note 1. These events and conditions, along with other matters as set forth in Note 1 to the accompanying financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of estimates of present value of cashflows, risk adjustment for non-financial risk and loss component – insurance contract liabilities	
As at 31 December 2024, estimate of present value of future cash flows, risk adjustment for non-financial risk and loss component amounts to Saudi Riyals 202.40 million, Saudi Riyals 5.28 million and Saudi Riyals 30.12 million respectively, as reported in Note 9 to the financial statements. The estimation of the liability for incurred claims and loss component (forming part of liability for remaining coverage) involves a significant degree of judgement. This entails estimating the present value of future cash flows, risk adjustment for non-financial risk and loss component. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The present value of future cash flows are based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous.	We performed the following procedures: Understood, evaluated and tested key controls around the claims handling and provision setting processes. Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence. Performed substantive tests, on sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claim reserves. Assessed the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilised by the management's expert in estimating the present value of the future cashflows, risk adjustment for non-financial risk and loss component by comparing it to the accounting and other records.

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KEY AUDIT MATTERS - (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of estimates of present value of cashflows, risk adjustment for non-financial risk and loss component – insurance contract liabilities (continued)	
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 provisions which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Accordingly, this complexity arises from calculating the actuarial best estimate and the margin using historical data which is sensitive to external inputs, such as claims cost inflation, as well as the actuarial methodology that is applied and the assumptions on current and future events. Due to the inherent estimation uncertainty and subjectivity involved in the assessment of valuation of the liability for incurred claims arising from insurance contracts and loss component, we have considered this as a key audit matter. Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions adopted by the Company, involved in the initial recognition and subsequent measurement of insurance contract liabilities. Also, refer to Note 9 for the movement in insurance contract liabilities.	Involved our internal actuarial specialists to assess the Company's methods and assumptions and evaluate the Company's actuarial practices and provisions established including the actuarial report issued by management's expert, by performing the following: Evaluated whether the Company's actuarial methodologies were consistent with the generally accepted actuarial practices; Assessed the appropriateness of the calculation methods and approach along with the key actuarial assumptions used and sensitivity analysis performed; and 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.

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

KEY AUDIT MATTERS - (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill	
As of 31 December 2024, carrying value of the goodwill amounted to Saudi Riyals 78.4 million, which represents the fair value of the consideration paid in excess of the fair value of assets and liabilities acquired as described in note 13. For impairment testing, assets are grouped into the smallest group of assets that generates cash flows from continuing use (cash-generating unit or CGU), which are largely independent of other assets or other CGUs. Management engaged an independent expert to carry out an impairment exercise as at 31 December 2024 in respect of goodwill by determining a recoverable amount based on market multiple approach and the value-in-use derived from a discounted cashflow model, which was based on the most recent business plan prepared by the management. We considered the impairment assessment of goodwill as a key audit matter due to significant judgments and assumptions made by the management in determining the appropriate carrying values.	We performed the following procedures: Obtained an understanding of management's process and the methodology for the impairment assessment of goodwill; Evaluated the appropriateness of the methodology used by an external specialist ("management's expert") to assess the impairment of goodwill and conclusion reached therein; Evaluated the competence, capabilities and objectivity of the management's external expert based on their professional qualifications and experience and assessed their independence. Assessed the reliability and relevance of data used to calculate value-in-use calculations; Engaged our specialist to assess the reasonableness of the key assumptions used in the value in use calculation; and Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OTHER INFORMATION

Management is responsible for the other information. The other information comprises information included in the Company's 2024 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 2024 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 MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as endorsed in Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies, the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

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

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 of the Company.

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.

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF 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 auditor's 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.

For PKF Al-Bassam
Chartered Accountants

Ahmed AbdulMajeed. Mohandis
Certified Public Accountant
License No. 477

For Crowe Solutions
for Professional Consulting

Abdullah M. AlAzem
Certified Public Accountant
License No. 335

Jeddah: 27 March 2025
Corresponding to: 27 Ramadan 1446H

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

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

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	As at 31 December 2024	2023
ASSETS			
Cash and cash equivalents	5	**73,030**	122,279
Term deposits	6	**83,475**	101,041
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	7	**250**	246
Financial assets at fair value through other comprehensive income ("FVOCI")	7	**61,124**	43,463
Financial assets at amortised cost	7	**176,102**	130,113
Prepaid expenses and other assets	8	**29,473**	58,059
Insurance contract assets	9	**229,836**	101,129
Reinsurance contract assets	9	**80,608**	66,787
Right-of-use assets	10	**3,037**	4,161
Property and equipment	11	**12,419**	7,343
Intangible assets	12	**31,219**	23,194
Goodwill	13	**78,400**	78,400
Statutory deposit	14	**59,989**	59,989
Accrued commission income on statutory deposit	14	**1,641**	1,558
TOTAL ASSETS		**920,603**	797,762
LIABILITIES			
Insurance contract liabilities	9	**487,373**	387,014
Reinsurance contract liabilities	9	**100,605**	94,496
Accrued expenses and other liabilities	15	**35,882**	20,352
Lease liabilities	10	**1,375**	3,777
Employees' benefit obligations	16	**11,484**	11,543
Provision for zakat and income tax	23	**13,929**	13,867
Accrued income payable to Insurance Authority	14	**1,641**	1,558
TOTAL LIABILITIES		**652,289**	532,607
EQUITY			
Share capital	17	**400,000**	400,000
Accumulated losses		**(195,617)**	(180,562)
Fair value reserve for investments	7	**59,201**	41,540
Remeasurement reserve of employees' benefit obligations	16	**4,730**	4,177
TOTAL EQUITY		**268,314**	265,155
TOTAL LIABILITIES AND EQUITY		**920,603**	797,762

Chief Financial Officer | Chief Executive Officer | Vice Chairman

The accompanying notes from 1 to 35 form an integral part of these financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Insurance revenue	18	**1,049,578**	1,061,771
Insurance service expenses	18	**(783,136)**	(625,322)
Net expense from reinsurance contracts	18	**(244,971)**	(409,332)
Insurance service result from Company's directly written business		**21,471**	27,117
Share of surplus from insurance pool	21	**246**	13,833
Total insurance service result		**21,717**	40,950
Commission income from financial assets at amortized cost	19	**14,559**	9,413
Net gains on financial assets measured at FVTPL	19	**4**	741
Dividend income	19	**-**	-
Net investment income		**14,563**	10,154
Finance costs from insurance contracts issued	20	**(4,142)**	(4,709)
Finance income from reinsurance contracts held	20	**1,634**	2,016
Net insurance finance costs		**(2,508)**	(2,693)
Net insurance and investment result		**33,772**	48,411
Other (losses) / income		**(3,366)**	4,767
Other operating expenses	22	**(41,461)**	(43,616)
(Loss) / profit for the year before zakat and income tax		**(11,055)**	9,562
Zakat and income tax expense	23	**(4,000)**	(4,270)
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**(15,055)**	5,292
Basic and diluted (losses) / earnings per share (expressed in Saudi Riyals per share)	24	**(0.38)**	0.13

Chief Financial Officer | Chief Executive Officer | Vice Chairman

The accompanying notes from 1 to 35 form an integral part of these financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	Year ended 31 December 2024	2023
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**(15,055)**	5,292
Other comprehensive (loss) / income:			
Items that will not be reclassified to the statement of income in subsequent years:			
Net changes in fair value of investment measured at FVOCI – equity instruments	7.3	**17,661**	3,760
Remeasurement gain / (loss) on employees' benefit obligations	16	**553**	(48)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**3,159**	9,004

Chief Financial Officer | Chief Executive Officer | Vice Chairman

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UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Share capital	Accumulated losses	Fair value reserve for investments	Remeasurement reserve of employees' benefit obligations	Total
Balance at 31 December 2023	**400,000**	**(180,562)**	**41,540**	**4,177**	**265,155**
Total comprehensive income for the year:					
Net loss for the year attributable to the shareholders	-	(15,055)	-	-	(15,055)
Net changes in fair value of investment measured at FVOCI	-	-	17,661	-	17,661
Other comprehensive gain	-	-	-	553	553
Total comprehensive income for the year attributable to the shareholders	-	(15,055)	17,661	553	3,159
Balance at 31 December 2024	**400,000**	**(195,617)**	**59,201**	**4,730**	**268,314**

Chief Financial Officer

Chief Executive Officer

Vice Chairman

The accompanying notes from 1 to 35 form an integral part of these financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Share capital	Accumulated losses	Fair value reserve for investments	Remeasurement reserve of employees' benefit obligations	Total
Balance at 31 December 2022	400,000	(185,854)	37,780	4,225	256,151
Total comprehensive income for the year:					
Net profit for the year attributable to the shareholders	-	5,292	-	-	5,292
Net changes in fair value of investment measured at FVOCI	-	-	3,760	-	3,760
Other comprehensive loss	-	-	-	(48)	(48)
Total comprehensive income for the year attributable to the shareholders	-	5,292	3,760	(48)	9,004
Balance at 31 December 2023	400,000	(180,562)	41,540	4,177	265,155

Chief Financial Officer

Chief Executive Officer

Vice Chairman

The accompanying notes from 1 to 35 form an integral part of these financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	Year ended 31 December 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Total (loss) / profit for the year before zakat and income tax		(11,055)	9,562
Adjustments for non-cash items:			
Depreciation of property and equipment	11	6,982	3,339
Amortization of intangible assets	12	1,044	1,051
Depreciation of right-of-use assets	10	2,076	2,686
Finance costs on lease liabilities	10	114	177
Unrealized gain on financial assets measured at FVTPL	7	(4)	(14)
Realized gain on financial assets measured at FVTPL	7	-	(727)
Commission income from financial assets measured at amortised cost		(14,559)	(9,413)
Provision for employees' benefit obligations	16	2,708	2,461
Gain on disposal of property and equipment		-	(24)
		(12,694)	9,098
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		28,586	(9,147)
Changes in insurance contract assets		(128,707)	(101,129)
Changes in reinsurance contract assets		(13,821)	80,599
Changes in insurance contract liabilities		100,359	(52,801)
Changes in reinsurance contract liabilities		6,109	94,496
Accrued expenses and other liabilities		15,530	3,818
Cash (used in) / generated from operations		(4,638)	24,934
Employees' benefit obligations paid	16	(2,214)	(652)
Zakat paid	23	(3,938)	(3,211)
Net cash (used in) / generated from operating activities		(10,790)	21,071
CASH FLOWS FROM INVESTING ACTIVITIES			
Term deposits		17,566	(101,041)
Payment for purchases of financial assets held at amortized cost		(48,503)	-
Proceeds from sale of financial assets held at amortized cost	7	-	101,041
Proceeds from sale of financial assets held at FVTPL	7	-	24,385
Proceeds from disposal of property and equipment		-	24
Proceed from financial assets at amortised cost		17,073	7,475
Payment for purchases of property and equipment	11	(12,058)	(5,462)
Payment for purchases of intangible assets	12	(9,069)	(6,268)
Net cash (used in) / generated from investing activities		(34,991)	20,154

Chief Financial Officer | Chief Executive Officer | Vice Chairman

The accompanying notes from 1 to 35 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals unless '000 otherwise stated)

	Note	Year ended 31 December 2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability	10	(3,468)	(2,910)
Net cash used in financing activities		(3,468)	(2,910)
Net change in cash and cash equivalents		(49,249)	38,315
Cash and cash equivalents at the beginning of the year	5	122,279	83,964
Cash and cash equivalents at end of the year	5	73,030	122,279
Supplemental schedule of non-cash information			
Net changes in fair value of investment measured at FVOCI	7	17,661	3,760
Transfer from capital work in progress	11	-	5,262

Chief Financial Officer | Chief Executive Officer | Vice Chairman

The accompanying notes from 1 to 35 form an integral part of these financial statements

1. General information - legal status and principal activities

(a) General information

United Cooperative Assurance Company ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030179955 dated 6 Jamad-al-Thani 1429H, corresponding to 6 June 2008. On 19 October 2022 corresponding to 23 Rabi Awwal, in an Extraordinary General Assembly's, the shareholders approved the relocating of UCA's head office from Jeddah to Riyadh under Commercial Registration No. 1010269076. The Company announcement of the same on Tadawul and the date of the official relocation was 14 March 2023 corresponding to 22 Sha'baan 1444H. The registered office address of the Company is:
The registered office address of the Company is:

Al-Saedan Building;
King Fahd Road
P.O. Box 2041
Riyadh 11491
Kingdom of Saudi Arabia.

The activities of the Company are to transact cooperative insurance and reinsurance operations and related activities in the Kingdom of Saudi Arabia. On 2 Muharram 1430H (31 December 2008), the Company received a license number (NMT/19/200812) from the Insurance Authority ("IA") which is currently valid up to 29 Dhul Hijja 1448H corresponding to 4 June 2027 to engage in insurance business in Saudi Arabia. The Company started its operations from January 2009.

From 23 November 2023 the Insurance Authority (IA) became the authorized regulator of the insurance industry in Saudi Arabia, however, laws and regulations issued previously by SAMA related to the insurance sector will remain in effect until further instructions are issued by the IA. The Company was listed on the Saudi Stock Exchange on 23 May 2007. The Company started its operations on 1 January 2009. The Company is fully owned by the general public and Saudi shareholders.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to 30 September 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to 19 January 2023) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. For certain provisions of the New Law and the amended CMA implementing regulations, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Law and will amend its By-laws with the amendments in the provisions required to align with the provisions of the New Law and the amended CMA implementing regulations, and with any other amendments that may take advantage of the New Law and the amended CMA implementing regulations. Consequently, the Company shall present the amended By-laws, within the timeframe allowed, to the shareholders in its Extraordinary General Assembly meeting for their ratification.

(b) Going concern assessment

The Company has accumulated losses of Saudi Riyals 195.61 million as of 31 December 2024 (31 December 2023: accumulated losses of Saudi Riyals 180.56 million). Further, the Company's solvency margin of 44.65% as at 31 December 2024 (31 December 2023: 60.6%) remains below the minimum solvency requirements as mandated by Insurance Authority (IA).

Under Article 68 2(b) of the Implementing Regulations of the Cooperative Insurance Companies Control Law (the "Regulations"), when the solvency margin falls between 50% and 75% of the required margin, the Company shall restore its solvency margin to the required level. If the required solvency margin is not restored to its appropriate level for two consecutive quarters, the Company will be required by IA to immediately take all or any of the measures including formulate and provide the Authority with a corrective action plan to be taken and the period necessary to restore its solvency The Company received correspondence from IA requiring the Company to submit its rectification measures according to Article 68 of the Regulations.

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

(b) *Going concern assessment* (continued)

In response to IA's correspondence, the Company has formulated and implemented various performance improvement measures starting late 2023, as approved by the Company's Board of Directors, which, among others, include better pricing strategies for Motor and Medical segments. Such measures have resulted in better results but still the Company has incurred net loss for the year ended 31 December 2024 of Saudi Riyals 15.05 million (Profit for the year ended 31 December 2023 was Saudi Riyals 5.29 million). Management expects that these measures will further reflect positively in the operational results and cash flows for 2025 and the years to come. Also, the Company is actively exploring potential merger opportunities within the insurance sector. In the event that a mutually beneficial merger agreement cannot be reached, the Company intends to further increase its share which will further boost up its solvency ratio. However, management's assessment and realisation of its planned measures and actions outlined in the business plan is dependent on a number of factors, estimates and assumptions including the achievement of the projected improvement in the results of the Motor and Medical segment and achieving the desired solvency ratios. Accordingly, these events and conditions including realisation of planned measures and actions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

UCA has developed a 5-year business plan, approved by the Board of Directors and submitted to the Insurance Authority (IA). To address accumulated losses and mitigate going concern risks, the Board proposed, during its 8 December 2024 meeting, a capital reduction from SR 400 million to SR 300 million, restructuring by offsetting Saudi Riyal 100 million with accumulated losses.

A shareholder circular, prepared in compliance with Article 76 of CMA regulations, has been submitted to the IA for approval. Further, IA have requested certain information including solvency recovery plan and equity position post capital reduction. The Company has appointed an expert to address those queries. Upon approval from IA, the Company will submit their request with Capital Market Authority for capital reduction approval and consequently present for shareholders' approval in an Extra Ordinary General Assembly Meeting.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as management believes that the Company will be both, able to continue its operations and meet its obligations, as they fall due within the next 12 months as reflected in the detailed business plan and projected cash flows for the years from 2025 to 2029. Further, management believes that it will be able to meet the solvency requirements based on the plan outlined above. Management continues to monitor performance indicators of all lines of business and prevailing market conditions and will take the necessary corrective actions and amend its business plan, if necessary.

2. Basis of preparation

a) Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) 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").

As required by the Saudi Arabian Insurance Regulations "IA Implementation Regulations", the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations. Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts. The statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 31 have been provided as supplementary information to comply with requirements of the IA Implementing Regulations and is not required by International Financial Reporting Standards (IFRS).

In preparing the Company's financial statements in compliance with IFRS as endorsed in KSA, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealized gains and 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.

In accordance with the requirements of the Regulations issued by IA 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.

2. Basis of preparation (continued)

(b) Basis of measurement

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

(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, term deposits financial assets at FVTPL, prepaid expenses and other assets, accrued income on statutory deposit, accrued expenses and other liabilities, provision for zakat and accrued income payable to IA. The following balances would generally be classified as non-current: financial assets at FVOCI, financial assets at amortised cost, property and equipment, right-of-use assets, intangible assets, statutory deposit, and employees' benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract liabilities and lease liabilities.

(d) Functional and presentation currency

The 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 insurance operations of the Company.

(f) Changes in products and services

During the year ended 31 December 2024, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

3. Material accounting policy information

The material accounting policies used in the preparation of these financial statements are consistently applied for all years presented.

3.1 New and amended standards adopted by the Company

The following new amendments to standards, enlisted below, are effective from 1 January 2024 but they do not have a material effect on the Company's financial statements.

Interpretation	**Description**	**Effective date**
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.	1 January 2024
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.	1 January 2024
IAS 7 and IFRS 7 Supplier finance arrangements	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024

3. Material accounting policy information (continued)

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

Certain new standards and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. Management is in the process of assessing the impact of such new standards and interpretations on its financial statements. The Company intends to adopt these interpretations when they are effective.

Interpretation	Description	Effective date
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.	Annual periods beginning on or after 1 January 2025.
IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.	Annual periods beginning on or after 1 January 2026.
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.	Annual periods beginning on or after 1 January 2027.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027.

3. Material accounting policy information (continued)

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

Impact assessment

The management is in the process of assessing the impact of the amendments on its financial statements, 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, energy, engineering, general accident, fire and marine. 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.

3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

The portfolios are further divided by year of issue for recognition and measurement purposes.

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.

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.

3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

iv. Contract boundaries (continued)

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, energy, property, fire, marine and general accident contracts in the group of contracts is one year or less and are therefore eligible to be measured under the PAA.

PAA eligibility testing has been performed for the engineering and liability 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.

- 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 insurance 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 insurance acquisition cash flows paid.

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

3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

v. Measurement (continued)

On initial recognition of each group of insurance contracts, the Company assesses the time between providing each part of the coverage and the related premium due date. If the period is no more than a year i.e. no significant financing component exists, the Company does not adjust the carrying amount of the LRC and ARC to reflect the time value of money and the effect of financial risk using the discount rates.

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;
d. increased for the amortisation of insurance acquisition cash flows in the year recognised as insurance service expenses; and
e. increased for any adjustment to the financing component, where applicable.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:
a. increased for ceding premiums paid in the year; and
b. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the year.

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 Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation, which are covered in Note 4 (ii).

3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

v. Measurement (continued)

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 PAA, 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 PAA 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.

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 is 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 for the year ended 31 December 2024.

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.

3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

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 and 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.

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 period on the passage of time.

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 for all groups of contracts except for longer term policies under engineering and liability groups for which amortisation is done based on the expected timing of incurred insurance service expenses.

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 except for longer term policies under engineering and liability groups for which amortisation is done based on the expected timing of incurred insurance service expenses.

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

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.

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 profit or loss.

3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

3.3.1 Classification, recognition and measurement

- ***Deferral of acquisition costs*** – 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 except for longer term policies under engineering and liability groups for which amortisation is done based on the expected timing of incurred insurance service expenses.

- ***Discount rate*** – 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. Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.

- ***Risk Adjustment*** – The liability for incurred claims includes an explicit risk adjustment for non-financial risk ("risk adjustment") and 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. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income.

3. Material accounting policy information (continued)

3.4 Financial assets and liabilities

i. Initial recognition of financial assets

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.

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.

Commission 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, commission income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

ii. Classification and subsequent measurement of financial assets

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

- Fair value 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.

3. Material accounting policy information (continued)

3.4. Financial assets and liabilities (continued)

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.

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 'Commission 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 commission 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 'Commission income' using the effective profit method. Currently no debt instrument is classified as FVOCI.

3. Material accounting policy information (continued)

3.4 Financial assets and liabilities (continued)

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

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.

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. Currently all equity securities are designated as FVOCI.

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.

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.

3. Material accounting policy information (continued)

3.4 Financial assets and liabilities (continued)

iii. Impairment of financial assets (continued)

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.

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.

3. Material accounting policy information (continued)

3.4 Financial assets and liabilities (continued)

3.4.1 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 following classification categories apply to financial assets under IFRS 9:

- 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 (not used by the Company); and
- Debt instruments at amortised cost.

Under IFRS 9 all fair value changes of financial liabilities designated as at FVTPL 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.

3.4.2 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, time deposits and cash and cash equivalents.

3. Material accounting policy information (continued)

3.5 Commission, dividend income and other income

Commission income 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 'Investment and commission income' in statement of income. Dividend income is recognised when the right to receive a dividend is established and is included under realised gain on FVTPL investments in the statement of income. Income from Umrah product medical, general and accident insurance fund, is recognised as income on the basis of quarterly financial statements released by their Fund Manager i.e. The Company for Cooperative Insurance.

3.6 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.

3.7 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 date of acquisition.

3.8 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 placement.

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

3.9 Operating segments

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

- Medical provides compensation to policyholders for expenses incurred in treatment of a disease, illness or injury.
- Motor provides coverage against losses and liability related to motor vehicles.
- Other includes property, marine, energy, engineering, accident and liability.

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

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

3.10 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.

3. Material accounting policy information (continued)

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**.**

3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized, and the related expenditure is reflected in the statement of income in the period in which the expenditure is incurred. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Further, capital work in progress is not amortized.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized. Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit ("CGU") level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Any impairment loss is recognised immediately in the statement of income.

The amortization method, useful life and residual value are reviewed at each reporting date and the changes are adjusted, if appropriate.

3.12 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.

3. Material accounting policy information (continued)

3.12 Leases (continued)

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.

Right-of-use assets (RoU)

The RoU assets 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.

3.12 Provisions and other liabilities

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

3.13 Employees' 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 employees' 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.

3. Material accounting policy information (continued)

3.13 Employees' benefit obligations (continued)

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.

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.

3.14 Zakat

The Company is subject to zakat 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 profit using the basis defined under the Zakat regulations. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined. 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.

3.15 Impairment of non-financial assets

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

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

3.16 Statutory reserve

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

3.17 Fair values

The fair value of financial assets is based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flow using commission for items with similar terms and risk characteristics.

For financial assets where there is no active market, fair value is determined by reference to the market value of a similar financial assets or where the fair values cannot be derived from active market, they are determined using a variety of valuation techniques. The inputs of this models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

4. Critical accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

4. Critical accounting judgments, estimates and assumptions (continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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

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.

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 fulfil the insurance 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.

4. Critical accounting judgments, estimates and assumptions (continued)

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 were used as a starting point for preparing the yield curve given that SAR is pegged with USD. The Company then further added a KSA country risk premium to make the yield curve appropriate for application. The Company has used the USD volatility adjustment for Solvency II as a proxy for illiquidity premium. The Company is currently discounting 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:

2024 **Insurance contracts issued and reinsurance contracts held**	**Currency**	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**
Medical	SAR	**5.17%**	**5.01%**	**5.05%**	**5.03%**	**5.00%**
Motor	SAR	**5.17%**	**5.01%**	**5.05%**	**5.03%**	**5.00%**
Others	SAR	**5.17%**	**5.01%**	**5.05%**	**5.03%**	**5.00%**

2023 Insurance contracts issued and reinsurance contracts held	Currency	1 year	2 years	3 years	4 years	5 years
Medical	SAR	6.23%	5.53%	5.19%	5.04%	4.97%
Motor	SAR	6.23%	5.53%	5.19%	5.04%	4.97%
Others	SAR	6.23%	5.53%	5.19%	5.04%	4.97%

iii. *Risk adjustment for non-financial risks*

The Company shall adjust 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.

Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

iv. Onerosity determination

Under the PAA, the Company shall assume no contracts in the portfolio are onerous at initial recognition unless "facts and circumstances" indicate otherwise. The Company performs 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.

4. Critical accounting judgments, estimates and assumptions (continued)

iv. Onerosity determination (continued)

The Company has established a process for the underwriting team to capture 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 for further details in this regard.

v. *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 26 for details relating to fair valuation techniques and a sensitivity analysis in relation to the significant assumptions.

vi. 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 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.

vii. *Sensitivities on major assumptions considered while applying IFRS 17*

The sensitivity analysis is done to evaluate the impact on gross and net liabilities, profit / loss before tax and equity for reasonably possible movements in key assumptions with all other assumptions in Note 3 held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to

demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are nonlinear.

The sensitivity analysis performed during the year and has been presented under Note 27.

vii. Right of use assets and lease liabilities

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 Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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 not 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.

5. Cash and cash equivalents

Cash and cash equivalents comprise the following:

Policyholders' operations	**31 December 2024**	31 December 2023
Bank balances	**72,075**	81,758
Short term deposits	**300**	13,485
Less: Expected credit loss	**(16)**	(16)
	72,359	95,227
Shareholders' operations		
Bank balances	**198**	266
Short term deposits	**473**	26,786
Less: Expected credit loss	**-**	-
	671	**27,052**
Total Cash and cash equivalents	**73,030**	122,279

Cash at banks is placed with counterparties with sound credit ratings. As at 31 December 2024, deposits were placed with the local bank with original maturity of less than three months from the date of placement and earned commission income ranges from 5.75% to 6.15%.

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. 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.

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

	31 December 2024	31 December 2023
Balance at beginning of the year	**16**	16
ECL allowance recognised in statement of income during the year	**-**	-
Balance at end of the year	**16**	16

6. Term deposits

Policyholders' operations	**31 December 2024**	31 December 2023
Term deposits	**22,095**	-
Accrued income	**1,216**	-
Balance at end of the year	**23,311**	-

Shareholders' operations	**31 December 2024**	31 December 2023
Term deposits	**59,709**	100,000
Accrued income	**455**	1,041
Balance at end of the year	**60,164**	101,041

The term deposits represent deposits held with the local commercial banks and earn commission at market rates. These term deposits are denominated in Saudi Arabian Riyals and have an original maturity of more than three-months and less than twelve-months. As of 31 December 2024, the deposit yield commission rate of 6% (31 December 2023: 6%).

The gross carrying amount of term deposits represents 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.

7. Investments

(a) Investments are classified as follows:

	Note	**31 December 2024**	31 December 2023
Measured at fair value through profit or loss	7.1	**250**	246
Financial assets at amortised cost	7.2	**176,102**	130,113
Financial assets at fair value through other comprehensive income	7.3	**61,124**	43,463
		237,476	173,822

7.1 Measured at fair value through profit or loss ("FVTPL")

FVTPL includes investments managed by a fund manager under the discretionary portfolio of investments where all such investments are carried at fair value as provided by the Fund managers. The fund manager keeps such investments in various equity and real estate funds, all of which are held for trading.

Movement in investment in discretionary portfolio is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	**246**	23,890
Disposal during the year	**-**	(24,385)
Gain on disposal of investment	**-**	727
Changes in fair value of investments	**4**	14
Balance at end of the year	**250**	246

7.2 Financial assets at amortised cost

Policyholders' operations	**31 December 2024**	31 December 2023
Sukuk	**88,850**	91,518
Expected credit loss	**-**	-
Net amount – total	**88,850**	91,518

Shareholders' operations	**31 December 2024**	31 December 2023
Sukuk	**71,144**	38,595
Other Sukuks	**16,108**	-
Expected credit loss	**-**	-
Net amount – total	**87,252**	38,595

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. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB, whereas non-investment grade represents un-rated exposures. The Company's exposures to credit risk are not collateralized.

7. Investments (continued)

7.3 Financial assets at fair value through other comprehensive income ("FVOCI")

	31 December 2024	31 December 2023
Balance at beginning of the year	**43,463**	39,703
Changes in fair value of investments	**17,661**	3,760
Balance at end of the year	**61,124**	43,463

The above represents the Company's 3.45% (31 December 2023: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value. The Company has determined the fair value of its investment in Najm, which was previously carried at initial cost of Saudi Riyals 1.9 million until 31 December 2022, to be SAR 39.7 million at as 31 December 2022, SAR 43.5 million as at 31 December 2023 and SAR 61.1 million as at 31 December 2024. Accordingly, the required adjustments to bring the carrying value of such investment to its fair value, in accordance with the requirements of IFRS 9, have been recorded in the opening equity as of 1 January 2022 and 31 December 2022. The valuation is based on discounted cash flows which are based on approved projections. Key assumptions used in Najm valuation include discount rate of 16.5%, terminal growth rate in the range of 1%-2% etc.

8. Prepaid expenses and other assets

	31 December 2024	31 December 2023
Co-insurance income receivable	**1,788**	13,833
Margin deposit	**-**	22,396
VAT receivables	**5,701**	5,701
Prepayments	**7,935**	5,283
Advances to staff	**673**	494
Others	**13,376**	10,352
	29,473	58,059

9. Insurance and reinsurance contracts

9.1 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 2024	**Medical**	**Motor-Comprehensive**	**Motor-TPL**	**Energy**	**Engineering**	**Others**	**Total**
Insurance contracts							
Insurance contract assets	**5,702**	**85,612**	**62,382**	**4,259**	**45,236**	**26,645**	**229,836**
Insurance contract liabilities	**(83,317)**	**(39,687)**	**(281,459)**	**(12,007)**	**(26,895)**	**(44,008)**	**(487,373)**
	(77,615)	**45,925**	**(219,077)**	**(7,748)**	**18,341**	**(17,363)**	**(257,537)**
Reinsurance contracts							
Reinsurance contract assets	**7,022**	**139**	**49**	**14,235**	**16,848**	**42,315**	**80,608**
Reinsurance contract liabilities	**(6,414)**	**(9,586)**	**(17,589)**	**(6,449)**	**(39,741)**	**(20,826)**	**(100,605)**
	608	**(9,447)**	**(17,540)**	**7,786**	**(22,893)**	**21,489**	**(19,997)**

31 December 2023	Medical	Motor-Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance contracts							
Insurance contract assets	5,267	36,153	24,822	-	17,954	16,933	101,129
Insurance contract liabilities	(52,301)	(46,975)	(231,386)	(13,077)	(26,971)	(16,304)	(387,014)
	(47,034)	(10,822)	(206,564)	(13,077)	(9,017)	629	(285,885)
Reinsurance contracts							
Reinsurance contract assets	15,660	111	2,990	7,059	22,327	18,640	66,787
Reinsurance contract liabilities	(16,156)	(10,397)	(8,330)	(1,100)	(48,259)	(10,254)	(94,496)
	(496)	(10,286)	(5,340)	5,959	(25,932)	8,386	(27,709)

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims

9.2.1 Insurance contracts (all portfolios)

	As at 31 December 2024				
	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	**134,650**	**21,472**	**221,034**	**9,858**	**387,014**
Insurance contract assets – opening	**(79,021)**	**(16,962)**	**(5,146)**	**-**	**(101,129)**
Opening balance – net	**55,629**	**4,510**	**215,888**	**9,858**	**285,885**
Insurance revenue	**(1,049,578)**	**-**	**-**	**-**	**(1,049,578)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses*	**-**	**-**	**675,764**	**(4,583)**	**671,181**
Reversal of onerous contracts	**-**	**25,606**	**-**	**-**	**25,606**
Changes that relate to past service	**-**	**-**	**(19,929)**	**-**	**(19,929)**
Insurance acquisition cashflows amortisation	**106,278**	**-**	**-**	**-**	**106,278**
Insurance service expenses	**106,278**	**25,606**	**655,835**	**(4,583)**	**783,136**
Finance cost from insurance contracts	**-**	**-**	**4,142**	**-**	**4,142**
Total changes in the statement of income	**(943,300)**	**25,606**	**659,977**	**(4,583)**	**(262,300)**
Cashflows					
Premiums received	**1,008,259**	**-**	**-**	**-**	**1,008,259**
Claims and other incurred insurance service expenses	**-**	**-**	**(673,462)**	**-**	**(673,462)**
Insurance acquisition cashflows paid	**(100,845)**	**-**	**-**	**-**	**(100,845)**
Total cash inflows / (outflows)	**907,414**	**-**	**(673,462)**	**-**	**233,952**
Insurance contracts					
Insurance contract liabilities – closing	**179,983**	**48,551**	**253,564**	**5,275**	**487,373**
Insurance contract assets – closing	**(160,240)**	**(18,435)**	**(51,161)**	**-**	**(229,836)**
Closing balance – net	**19,743**	**30,116**	**202,403**	**5,275**	**257,537**

*This includes surplus distribution of SAR nil million for the year ended 31 December 2024 (31 December 2023: SAR 0.8 million). Also see Note 32.

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (all portfolios) (continued)

	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	166,833	50,517	203,520	18,945	439,815
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	166,833	50,517	203,520	18,945	439,815
Insurance revenue	(1,061,771)	-	-	-	(1,061,771)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses*	-	-	538,597	(9,086)	529,511
Reversal of onerous contracts	-	(46,007)	-	-	(46,007)
Changes that relate to past service	-	-	28,707	-	28,707
Insurance acquisition cashflows amortisation	113,111	-	-	-	113,111
Insurance service expenses	113,111	(46,007)	567,304	(9,086)	625,322
Finance cost from insurance contracts	-	-	4,709	-	4,709
Total changes in the statement of income	(948,660)	(46,007)	572,013	(9,086)	(431,740)
Cashflows					
Premiums received	941,489	-	-	-	941,489
Claims and other incurred insurance service expenses	-	-	(559,645)	(1)	(559,646)
Insurance acquisition cashflows paid	(104,033)	-	-	-	(104,033)
Total cash inflows / (outflows)	837,456	-	(559,645)	(1)	277,810
Insurance contracts					
Insurance contract liabilities – closing	134,650	21,472	221,034	9,858	387,014
Insurance contract assets – closing	(79,021)	(16,962)	(5,146)	-	(101,129)
Closing balance – net	55,629	4,510	215,888	9,858	285,885

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Medical)

	As at 31 December 2024				
	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	**4,614**	**3,037**	**43,887**	**763**	**52,301**
Insurance contract assets – opening	**(5,267)**	**-**	**-**	**-**	**(5,267)**
Opening balance – net	**(653)**	**3,037**	**43,887**	**763**	**47,034**
Insurance revenue	**(103,312)**	**-**	**-**	**-**	**(103,312)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	**-**	**-**	**116,114**	**(142)**	**115,972**
Onerous contracts recognized	**-**	**1,111**	**-**	**-**	**1,111**
Changes that relate to past service	**-**	**-**	**4,360**	**-**	**4,360**
Insurance acquisition cashflows amortisation	**15,253**	**-**	**-**	**-**	**15,253**
Insurance service expenses	**15,253**	**1,111**	**120,474**	**(142)**	**136,696**
Finance costs from insurance contracts	**-**	**-**	**645**	**-**	**645**
Total changes in the statement of income	**(88,059)**	**1,111**	**121,119**	**(142)**	**34,029**
Cashflows					
Premiums received	**98,813**	**-**	**-**	**-**	**98,813**
Claims and other incurred insurance service expenses	**-**	**-**	**(87,099)**	**-**	**(87,099)**
Insurance acquisition cashflows paid	**(15,162)**	**-**	**-**	**-**	**(15,162)**
Total cash inflows / (outflows)	**83,651**	**-**	**(87,099)**	**-**	**(3,448)**
Insurance contracts					
Insurance contract liabilities – closing	**641**	**4,148**	**77,907**	**621**	**83,317**
Insurance contract assets – closing	**(5,702)**	**-**	**-**	**-**	**(5,702)**
Closing balance – net	**(5,061)**	**4,148**	**77,907**	**621**	**77,615**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Medical) (continued)

	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	-	3,356	66,349	5,681	75,386
Insurance contract assets – opening	(7,178)	-	-	-	(7,178)
Opening balance – net	(7,178)	3,356	66,349	5,681	68,208
Insurance revenue	(102,752)	-	-	-	(102,752)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	121,212	(4,918)	116,294
Reversal of losses on onerous contracts	-	(319)	-	-	(319)
Changes that relate to past service	-	-	(13,328)	-	(13,328)
Insurance acquisition cashflows amortisation	13,557	-	-	-	13,557
Insurance service expenses	13,557	(319)	107,884	(4,918)	116,204
Finance costs from insurance contracts	-	-	1,159	-	1,159
Total changes in the statement of income	(89,195)	(319)	109,043	(4,918)	14,611
Cashflows					
Premiums received	108,934	-	-	-	108,934
Claims and other incurred insurance service expenses	-	-	(131,505)	-	(131,505)
Insurance acquisition cashflows paid	(13,214)	-	-	-	(13,214)
Total cash inflows / (outflows)	95,720	-	(131,505)	-	(35,785)
Insurance contracts					
Insurance contract liabilities – closing	4,614	3,037	43,887	763	52,301
Insurance contract assets – closing	(5,267)	-	-	-	(5,267)
Closing balance – net	(653)	3,037	43,887	763	47,034

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Motor-Comprehensive)

	As at 31 December 2024				
	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	**2,062**	**17,977**	**24,084**	**2,852**	**46,975**
Insurance contract assets – opening	**(15,393)**	**(16,641)**	**(4,119)**	**-**	**(36,153)**
Opening balance – net	**(13,331)**	**1,336**	**19,965**	**2,852**	**10,822**
Insurance revenue	**(108,544)**	**-**	**-**	**-**	**(108,544)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	**-**	**-**	**104,266**	**(2,555)**	**101,711**
Reversal of onerous contracts	**-**	**(1,023)**	**-**	**-**	**(1,023)**
Changes that relate to past service	**-**	**-**	**(23,847)**	**-**	**(23,847)**
Insurance acquisition cashflows amortisation	**19,184**	**-**	**-**	**-**	**19,184**
Insurance service expenses	**19,184**	**(1,023)**	**80,419**	**(2,555)**	**96,025**
Finance costs from insurance contracts	**-**	**-**	**507**	**-**	**507**
Total changes in the statement of income	**(89,360)**	**(1,023)**	**80,926**	**(2,555)**	**(12,012)**
Cashflows					
Premiums received	**105,344**	**-**	**-**	**-**	**105,344**
Claims and other incurred insurance service expenses	**-**	**-**	**(129,770)**	**-**	**(129,770)**
Insurance acquisition cashflows paid	**(20,309)**	**-**	**-**	**-**	**(20,309)**
Total cash inflows / (outflows)	**85,035**	**-**	**(129,770)**	**-**	**(44,735)**
Insurance contracts					
Insurance contract liabilities – closing	**1,765**	**18,291**	**19,334**	**297**	**39,687**
Insurance contract assets – closing	**(19,421)**	**(17,978)**	**(48,213)**	**-**	**(85,612)**
Closing balance – net	**(17,656)**	**313**	**(28,879)**	**297**	**(45,925)**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims

9.2.1 Insurance contracts (Motor- Comprehensive) (continued)

	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	-	17,977	51,678	3,656	73,311
Insurance contract assets – opening	(58,615)	-	-	-	(58,615)
Opening balance – net	(58,615)	17,977	51,678	3,656	14,696
Insurance revenue	(163,594)	-	-	-	(163,594)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	139,234	(804)	138,430
Reversal of onerous contracts	-	(16,641)	-	-	(16,641)
Changes that relate to past service	-	-	(7,648)	-	(7,648)
Insurance acquisition cashflows amortisation	28,243	-	-	-	28,243
Insurance service expenses	28,243	(16,641)	131,586	(804)	142,384
Finance costs from insurance contracts	-	-	1,006	-	1,006
Total changes in the statement of income	(135,351)	(16,641)	132,592	(804)	(20,204)
Cashflows					
Premiums received	207,257	-	-	-	207,257
Claims and other incurred insurance service expenses	-	-	(164,305)	-	(164,305)
Insurance acquisition cashflows paid	(26,622)	-	-	-	(26,622)
Total cash inflows / (outflows)	180,635	-	(164,305)	-	16,330
Insurance contracts					
Insurance contract liabilities – closing	2,062	17,977	24,084	2,852	46,975
Insurance contract assets – closing	(15,393)	(16,641)	(4,119)	-	(36,153)
Closing balance – net	(13,331)	1,336	19,965	2,852	10,822

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Motor-TPL)

	As at 31 December 2024				
	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	**127,973**	**458**	**99,235**	**3,720**	**231,386**
Insurance contract assets – opening	**(24,501)**	**(321)**	**-**	**-**	**(24,822)**
Opening balance – net	**103,472**	**137**	**99,235**	**3,720**	**206,564**
Insurance revenue	**(498,643)**	**-**	**-**	**-**	**(498,643)**
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	**-**	**-**	**443,974**	**(2,036)**	**441,938**
Onerous contracts recognized	**-**	**25,518**	**-**	**-**	**25,518**
Changes that relate to past service	**-**	**-**	**(23,953)**	**-**	**(23,953)**
Insurance acquisition cashflows amortisation	**45,012**	**-**	**-**	**-**	**45,012**
Insurance service expenses	**45,012**	**25,518**	**420,021**	**(2,036)**	**488,515**
Finance costs from insurance contracts	**-**	**-**	**1,472**	**-**	**1,472**
Total changes in the statement of income	**(453,631)**	**25,518**	**421,493**	**(2,036)**	**(8,656)**
Cashflows					
Premiums received	**497,646**	**-**	**-**	**-**	**497,646**
Claims and other incurred insurance service expenses	**-**	**-**	**(435,023)**	**-**	**(435,023)**
Insurance acquisition cashflows paid	**(41,454)**	**-**	**-**	**-**	**(41,454)**
Total cash inflows / (outflows)	**456,192**	**-**	**(435,023)**	**-**	**21,169**
Insurance contracts					
Insurance contract liabilities – closing	**167,957**	**26,113**	**85,705**	**1,684**	**281,459**
Insurance contract assets – closing	**(61,924)**	**(458)**	**-**	**-**	**(62,382)**
Closing balance – net	**106,033**	**25,655**	**85,705**	**1,684**	**219,077**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Motor-TPL) (continued)

	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	92,427	29,184	21,692	2,822	146,125
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	92,427	29,184	21,692	2,822	146,125
Insurance revenue	(369,729)	-	-	-	(369,729)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	272,146	898	273,044
Reversal of onerous contracts	-	(29,047)	-	-	(29,047)
Changes that relate to past service	-	-	62,114	-	62,114
Insurance acquisition cashflows amortisation	33,155	-	-	-	33,155
Insurance service expenses	33,155	(29,047)	334,260	898	339,266
Finance costs from insurance contracts	-	-	643	-	643
Total changes in the statement of income	(336,574)	(29,047)	334,903	898	29,820
Cashflows					
Premiums received	374,516	-	-	-	374,516
Claims and other incurred insurance service expenses	-	-	(257,360)	-	(257,360)
Insurance acquisition cashflows paid	(26,897)	-	-	-	(26,897)
Total cash inflows / (outflows)	347,619	-	(257,360)	-	90,259
Insurance contracts					
Insurance contract liabilities – closing	127,973	458	99,235	3,720	231,386
Insurance contract assets – closing	(24,501)	(321)	-	-	(24,822)
Closing balance – net	103,472	137	99,235	3,720	206,564

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Energy)

	As at 31 December 2024				
	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	-	-	12,397	680	13,077
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	-	-	12,397	680	13,077
Insurance revenue	(161,657)	-	-	-	(161,657)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	5,616	(102)	5,514
Changes that relate to past service	-	-	2,095	-	2,095
Insurance acquisition cashflows amortisation	363	-	-	-	363
Insurance service expenses	363	-	7,711	(102)	7,972
Finance costs from insurance contracts	-	-	86	-	86
Total changes in the statement of income	(161,294)	-	7,797	(102)	(153,599)
Transfer from LRC to LIC	-	-	-	-	-
Cashflows					
Premiums received	161,657	-	-	-	161,657
Claims and other incurred insurance service expenses	-	-	(8,765)	-	(8,765)
Insurance acquisition cashflows paid	(4,622)	-	-	-	(4,622)
Total cash inflows / (outflows)	157,035	-	(8,765)	-	148,270
Insurance contracts					
Insurance contract liabilities – closing	-	-	11,429	578	12,007
Insurance contract assets – closing	(4,259)	-	-	-	(4,259)
Closing balance – net	(4,259)	-	11,429	578	7,748

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Energy) (continued)

	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	-	-	18,158	921	19,079
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	-	-	18,158	921	19,079
Insurance revenue	(102,363)	-	-	-	(102,363)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	34	(241)	(207)
Changes that relate to past service	-	-	(5,950)	-	(5,950)
Insurance acquisition cashflows amortisation	4,034	-	-	-	4,034
Insurance service expenses	4,034	-	(5,916)	(241)	(2,123)
Finance costs from insurance contracts	-	-	154	-	154
Total changes in the statement of income	(98,329)	-	(5,762)	(241)	(104,332)
Transfer from LRC to LIC	-	-	-	-	-
Cashflows					
Premiums received	102,363	-	-	-	102,363
Claims and other incurred insurance service expenses	-	-	1	-	1
Insurance acquisition cashflows paid	(4,034)	-	-	-	(4,034)
Total cash inflows / (outflows)	98,329	-	1	-	98,330
Insurance contracts					
Insurance contract liabilities – closing	-	-	12,397	680	13,077
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	-	-	12,397	680	13,077

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Engineering)

	As at 31 December 2024				
	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	-	-	25,917	1,054	26,971
Insurance contract assets – opening	(17,954)	-	-	-	(17,954)
Opening balance – net	(17,954)	-	25,917	1,054	9,017
Insurance revenue	(149,658)	-	-	-	(149,658)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	3,014	(693)	2,321
Reversal of onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	(7,429)	-	(7,429)
Insurance acquisition cashflows amortisation	24,892	-	-	-	24,892
Insurance service expenses	24,892	-	(4,415)	(693)	19,784
Finance costs from insurance contracts	-	-	704	-	704
Total changes in the statement of income	(124,766)	-	(3,711)	(693)	(129,170)
Transfer from LRC to LIC	-	-	-	-	-
Cashflows					
Premiums received	124,944	-	-	-	124,944
Claims and other incurred insurance service expenses	-	-	(5,086)	-	(5,086)
Insurance acquisition cashflows paid	(18,046)	-	-	-	(18,046)
Total cash inflows / (outflows)	106,898	-	(5,086)	-	101,812
Insurance contracts					
Insurance contract liabilities – closing	9,414	-	17,120	361	26,895
Insurance contract assets – closing	(45,236)	-	-	-	(45,236)
Closing balance – net	(35,822)	-	17,120	361	(18,341)

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Engineering) (continued)

	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	151,396	-	22,328	1,356	175,080
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	151,396	-	22,328	1,356	175,080
Insurance revenue	(296,103)	-	-	-	(296,103)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	2,225	(302)	1,923
Reversal of onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	3,781	-	3,781
Insurance acquisition cashflows amortisation	32,163	-	-	-	32,163
Insurance service expenses	32,163	-	6,006	(302)	37,867
Finance costs from insurance contracts	-	-	561	-	561
Total changes in the statement of income	(263,940)	-	6,567	(302)	(257,675)
Transfer from LRC to LIC	-	-	-	-	-
Cashflows					
Premiums received	126,015	-	-	-	126,015
Claims and other incurred insurance service expenses	-	-	(2,978)	-	(2,978)
Insurance acquisition cashflows paid	(31,425)	-	-	-	(31,425)
Total cash inflows / (outflows)	94,590	-	(2,978)	-	91,612
Insurance contracts					
Insurance contract liabilities – closing	-	-	25,917	1,054	26,971
Insurance contract assets – closing	(17,954)	-	-	-	(17,954)
Closing balance – net	(17,954)	-	25,917	1,054	9,017

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Others)

	As at 31 December 2024				
	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	-	-	15,515	789	16,304
Insurance contract assets – opening	(15,905)	-	(1,028)	-	(16,933)
Opening balance – net	(15,905)	-	14,487	789	(629)
Insurance revenue	(27,764)	-	-	-	(27,764)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	2,780	945	3,725
Reversal of onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	28,845	-	28,845
Insurance acquisition cashflows amortisation	1,574	-	-	-	1,574
Insurance service expenses	1,574	-	31,625	945	34,144
Finance costs from insurance contracts	-	-	728	-	728
Total changes in the statement of income	(26,190)	-	32,353	945	7,108
Cashflows					
Premiums received	19,855	-	-	-	19,855
Claims and other incurred insurance service expenses	-	-	(7,719)	-	(7,719)
Insurance acquisition cashflows paid	(1,252)	-	-	-	(1,252)
Total cash inflows / (outflows)	18,603	-	(7,719)	-	10,884
Insurance contracts					
Insurance contract liabilities – closing	206	-	42,068	1,734	44,008
Insurance contract assets – closing	(23,698)	-	(2,947)	-	(26,645)
Closing balance – net	(23,492)	-	39,121	1,734	17,363

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (Others) (continued)

	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	-	-	23,315	4,509	27,824
Insurance contract assets – opening	(11,197)	-	-	-	(11,197)
Opening balance – net	(11,197)	-	23,315	4,509	16,627
Insurance revenue	(27,231)	-	-	-	(27,231)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	3,746	(3,720)	26
Reversal of onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	(10,262)	-	(10,262)
Insurance acquisition cashflows amortisation	1,957	-	-	-	1,957
Insurance service expenses	1,957	-	(6,516)	(3,720)	(8,279)
Finance costs from insurance contracts	-	-	1,186	-	1,186
Total changes in the statement of income	(25,274)	-	(5,330)	(3,720)	(34,324)
Cashflows					
Premiums received	22,407	-	-	-	22,407
Claims and other incurred insurance service expenses	-	-	(3,498)	-	(3,498)
Insurance acquisition cashflows paid	(1,841)	-	-	-	(1,841)
Total cash inflows / (outflows)	20,566	-	(3,498)	-	17,068
Insurance contracts					
Insurance contract liabilities – closing	-	-	15,515	789	16,304
Insurance contract assets – closing	(15,905)	-	(1,028)	-	(16,933)
Closing balance – net	(15,905)	-	14,487	789	(629)

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (all portfolios)

	As at 31 December 2024				
	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	**(8,437)**	**-**	**(54,507)**	**(3,843)**	**(66,787)**
Reinsurance contract liabilities – opening	**74,698**	**-**	**18,825**	**973**	**94,496**
Opening balance – net	**66,261**	**-**	**(35,682)**	**(2,870)**	**27,709**
Allocation of reinsurance premium	**307,696**	**-**	**-**	**-**	**307,696**
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	**-**	**-**	**(46,878)**	**296**	**(46,582)**
Loss-recovery on onerous underlying contracts	**-**	**(415)**	**-**	**-**	**(415)**
Changes that relate to past service	**-**	**-**	**(15,728)**	**-**	**(15,728)**
Reinsurance acquisition cashflows amortisation	**-**	**-**	**-**	**-**	**-**
Amounts recoverable from reinsurers – net	**-**	**(415)**	**(62,606)**	**296**	**(62,725)**
Finance income from reinsurance contracts	**-**	**-**	**(1,634)**	**-**	**(1,634)**
Total changes in the statement of income	**307,696**	**(415)**	**(64,240)**	**296**	**243,337**
Cashflows					
Premiums ceded and acquisition cash flows paid	**(389,962)**	**-**	**-**	**-**	**(389,962)**
Recoveries from reinsurance	**79,039**	**-**	**59,874**	**-**	**138,913**
Total cash (outflows) / inflows	**(310,923)**	**-**	**59,874**	**-**	**(251,049)**
Reinsurance contracts					
Reinsurance contract assets – closing	**(7,915)**	**(415)**	**(68,695)**	**(3,583)**	**(80,608)**
Reinsurance contract liabilities – closing	**70,949**	**-**	**28,647**	**1,009**	**100,605**
Closing balance – net	**63,034**	**(415)**	**(40,048)**	**(2,574)**	**19,997**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (all portfolios) (continued)

	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	(76,119)	(12,472)	(48,952)	(9,843)	(147,386)
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(76,119)	(12,472)	(48,952)	(9,843)	(147,386)
Allocation of reinsurance premium	426,585	-	-	-	426,585
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(63,681)	6,973	(56,708)
Loss-recovery on onerous underlying contracts	-	12,472	-	-	12,472
Changes that relate to past service	-	-	26,983	-	26,983
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	12,472	(36,698)	6,973	(17,253)
Finance income from reinsurance contracts	-	-	(2,016)	-	(2,016)
Total changes in the statement of income	426,585	12,472	(38,714)	6,973	407,316
Cashflows					
Premiums ceded and acquisition cash flows paid	(316,325)	-	2	-	(316,323)
Recoveries from reinsurance	32,120	-	51,982	-	84,102
Total cash (outflows) / inflows	(284,205)	-	51,984	-	(232,221)
Reinsurance contracts					
Reinsurance contract assets – closing	(8,437)	-	(54,507)	(3,843)	(66,787)
Reinsurance contract liabilities – closing	74,698	-	18,825	973	94,496
Closing balance – net	66,261	-	(35,682)	(2,870)	27,709

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Medical)

	As at 31 December 2024				
	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	-	-	(15,561)	(99)	(15,660)
Reinsurance contract liabilities – opening	15,182	-	-	974	16,156
Opening balance – net	15,182	-	(15,561)	875	496
Allocation of reinsurance premium	14,408	-	-	-	14,408
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(17,429)	(71)	(17,500)
Loss-recovery on onerous underlying contracts	-	(415)	-	-	(415)
Changes that relate to past service	-	-	(1,341)	-	(1,341)
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	(415)	(18,770)	(71)	(19,256)
Finance income from reinsurance contracts	-	-	(53)	-	(53)
Total changes in the statement of income	14,408	(415)	(18,823)	(71)	(4,901)
Cashflows					
Premiums ceded and acquisition cashflows paid	(24,183)	-	-	-	(24,183)
Recoveries from reinsurance	-	-	27,980	-	27,980
Total cash (outflows) / inflows	(24,183)	-	27,980	-	3,797
Reinsurance contracts					
Reinsurance contract assets – closing	-	(415)	(6,404)	(203)	(7,022)
Reinsurance contract liabilities – closing	5,407	-	-	1,007	6,414
Closing balance – net	5,407	(415)	(6,404)	804	(608)

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Medical) (continued)

	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	-	-	(21,637)	(676)	(22,313)
Reinsurance contract liabilities – opening	252	-	-	-	252
Opening balance – net	252	-	(21,637)	(676)	(22,061)
Allocation of reinsurance premium	25,726	-	-	-	25,726
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(10,506)	1,551	(8,955)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service	-	-	1,931	-	1,931
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	-	(8,575)	1,551	(7,024)
Finance income from reinsurance contracts	-	-	(758)	-	(758)
Total changes in the statement of income	25,726	-	(9,333)	1,551	17,944
Cashflows					
Premiums ceded and acquisition cashflows paid	(7,996)	-	-	-	(7,996)
Recoveries from reinsurance	(2,800)	-	15,409	-	12,609
Total cash (outflows) / inflows	(10,796)	-	15,409	-	4,613
Reinsurance contracts					
Reinsurance contract assets – closing	-	-	(15,561)	(99)	(15,660)
Reinsurance contract liabilities – closing	15,182	-	-	974	16,156
Closing balance – net	15,182	-	(15,561)	875	496

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Motor- Comprehensive)

	As at 31 December 2024				
	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)	(110)	(111)
Reinsurance contract liabilities – opening	7,691	-	2,706	-	10,397
Opening balance – net	7,691	-	2,705	(110)	10,286
Allocation of reinsurance premium	(740)	-	-	-	(740)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(7,675)	101	(7,574)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service	-	-	209	-	209
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	-	(7,466)	101	(7,365)
Finance income from reinsurance contracts	-	-	(191)	-	(191)
Total changes in the statement of income	(740)	-	(7,657)	101	(8,296)
Cashflows					
Premiums ceded and acquisition cashflows paid	(3,821)	-	-	-	(3,821)
Recoveries from reinsurance	-	-	11,278	-	11,278
Total cash inflows	(3,821)	-	11,278	-	7,457
Reinsurance contracts					
Reinsurance contract assets – closing	-	-	(130)	(9)	(139)
Reinsurance contract liabilities – closing	3,130	-	6,456	-	9,586
Closing balance – net	3,130	-	6,326	(9)	9,447

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Motor- Comprehensive) (continued)

	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	(8,063)	(5,316)	(873)	(1,250)	(15,502)
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(8,063)	(5,316)	(873)	(1,250)	(15,502)
Allocation of reinsurance premium	9,610	-	-	-	9,610
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(17,072)	1,140	(15,932)
Loss-recovery on onerous underlying contracts	-	5,316	-	-	5,316
Changes that relate to past service	-	-	15,128	-	15,128
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	5,316	(1,944)	1,140	4,512
Finance income from reinsurance contracts	-	-	(66)	-	(66)
Total changes in the statement of income	9,610	5,316	(2,010)	1,140	14,056
Cashflows					
Premiums ceded and acquisition cashflows paid	10,732	-	-	-	10,732
Recoveries from reinsurance	(4,588)	-	5,588	-	1,000
Total cash inflows	6,144	-	5,588	-	11,732
Reinsurance contracts					
Reinsurance contract assets – closing	-	-	(1)	(110)	(111)
Reinsurance contract liabilities – closing	7,691	-	2,706	-	10,397
Closing balance – net	7,691	-	2,705	(110)	10,286

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Motor- TPL)

	As at 31 December 2024				
	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	-	-	(2,577)	(413)	(2,990)
Reinsurance contract liabilities – opening	3,635	-	4,695	-	8,330
Opening balance – net	3,635	-	2,118	(413)	5,340
Allocation of reinsurance premium	20,988	-	-	-	20,988
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(10,163)	364	(9,799)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service	-	-	5,020	-	5,020
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	-	(5,143)	364	(4,779)
Finance income from reinsurance contracts	-	-	(418)	-	(418)
Total changes in the statement of income	20,988	-	(5,561)	364	15,791
Cashflows					
Premiums ceded and acquisition cashflows paid	(13,063)	-	-	-	(13,063)
Recoveries from reinsurance	-	-	9,472	-	9,472
Total cash (outflows) / inflows	(13,063)	-	9,472	-	(3,591)
Reinsurance contracts					
Reinsurance contract assets – closing	-	-	-	(49)	(49)
Reinsurance contract liabilities – closing	11,560	-	6,029	-	17,589
Closing balance – net	11,560	-	6,029	(49)	17,540

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Motor- TPL) (continued)

	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	(24,107)	(7,156)	-	(500)	(31,763)
Reinsurance contract liabilities – opening	-	-	8,055	-	8,055
Opening balance – net	(24,107)	(7,156)	8,055	(500)	(23,708)
Allocation of reinsurance premium	47,699	-	-	-	47,699
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(32,486)	87	(32,399)
Loss-recovery on onerous underlying contracts	-	7,156	-	-	7,156
Changes that relate to past service	-	-	1,149	-	1,149
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	7,156	(31,337)	87	(24,094)
Finance income from reinsurance contracts	-	-	239	-	239
Total changes in the statement of income	47,699	7,156	(31,098)	87	23,844
Cashflows					
Premiums ceded and acquisition cashflows paid	(12,392)	-	1	-	(12,391)
Recoveries from reinsurance	(7,565)	-	25,160	-	17,595
Total cash (outflows) / inflows	(19,957)	-	25,161	-	5,204
Reinsurance contracts					
Reinsurance contract assets – closing	-	-	(2,577)	(413)	(2,990)
Reinsurance contract liabilities – closing	3,635	-	4,695	-	8,330
Closing balance – net	3,635	-	2,118	(413)	5,340

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Energy)

	As at 31 December 2024				
	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	**(4)**	**-**	**(6,437)**	**(618)**	**(7,059)**
Reinsurance contract liabilities – opening	**27**	**-**	**1,073**	**-**	**1,100**
Opening balance – net	**23**	**-**	**(5,364)**	**(618)**	**(5,959)**
Allocation of reinsurance premium	**157,264**	**-**	**-**	**-**	**157,264**
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	**-**	**-**	**(6,313)**	**81**	**(6,232)**
Loss-recovery on onerous underlying contracts	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service	**-**	**-**	**(1,891)**	**-**	**(1,891)**
Reinsurance acquisition cashflows amortisation	**-**	**-**	**-**	**-**	**-**
Amounts recoverable from reinsurers – net	**-**	**-**	**(8,204)**	**81**	**(8,123)**
Finance income from reinsurance contracts	**-**	**-**	**(79)**	**-**	**(79)**
Total changes in the statement of income	**157,264**	**-**	**(8,283)**	**81**	**149,062**
Transfer from ARC to AIC	**-**	**-**	**-**	**-**	**-**
Cashflows					
Premiums ceded and acquisition cashflows paid	**(158,874)**	**-**	**-**	**-**	**(158,874)**
Recoveries from reinsurance	**1,610**	**-**	**6,375**	**-**	**7,985**
Total cash (outflows) / inflows	**(157,264)**	**-**	**6,375**	**-**	**(150,889)**
Reinsurance contracts					
Reinsurance contract assets – closing	**(4)**	**-**	**(13,694)**	**(537)**	**(14,235)**
Reinsurance contract liabilities – closing	**27**	**-**	**6,422**	**-**	**6,449**
Closing balance – net	**23**	**-**	**(7,272)**	**(537)**	**(7,786)**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Energy) (continued)

	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	-	-	(11,254)	(376)	(11,630)
Reinsurance contract liabilities – opening	28	-	-	-	28
Opening balance – net	28	-	(11,254)	(376)	(11,602)
Allocation of reinsurance premium	99,189	-	-	-	99,189
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	88	(242)	(154)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service	-	-	5,864	-	5,864
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	-	5,952	(242)	5,710
Finance income from reinsurance contracts	-	-	(63)	-	(63)
Total changes in the statement of income	99,189	-	5,889	(242)	104,836
Transfer from ARC to AIC	-	-	-	-	-
Cashflows					
Premiums ceded and acquisition cashflows paid	(100,605)	-	1	-	(100,604)
Recoveries from reinsurance	1,411	-	-	-	1,411
Total cash (outflows) / inflows	(99,194)	-	1	-	(99,193)
Reinsurance contracts					
Reinsurance contract assets – closing	(4)	-	(6,437)	(618)	(7,059)
Reinsurance contract liabilities – closing	27	-	1,073	-	1,100
Closing balance – net	23	-	(5,364)	(618)	(5,959)

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Engineering)

	As at 31 December 2024				
	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	**(106)**	**-**	**(21,320)**	**(901)**	**(22,327)**
Reinsurance contract liabilities – opening	**41,732**	**-**	**6,527**	**-**	**48,259**
Opening balance – net	**41,626**	**-**	**(14,793)**	**(901)**	**25,932**
Allocation of reinsurance premium	**95,825**	**-**	**-**	**-**	**95,825**
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	**-**	**-**	**(840)**	**566**	**(274)**
Loss-recovery on onerous underlying contracts	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service	**-**	**-**	**6,801**	**-**	**6,801**
Reinsurance acquisition cashflows amortisation	**-**	**-**	**-**	**-**	**-**
Amounts recoverable from reinsurers – net	**-**	**-**	**5,961**	**566**	**6,527**
Finance income from reinsurance contracts	**-**	**-**	**(613)**	**-**	**(613)**
Total changes in the statement of income	**95,825**	**-**	**5,348**	**566**	**101,739**
Transfer from ARC to AIC	**-**	**-**	**-**	**-**	**-**
Cashflows					
Premiums ceded and acquisition cashflows paid	**(173,356)**	**-**	**-**	**-**	**(173,356)**
Recoveries from reinsurance	**67,018**	**-**	**1,560**	**-**	**68,578**
Total cash (outflows) / inflows	**(106,338)**	**-**	**1,560**	**-**	**(104,778)**
Reinsurance contracts					
Reinsurance contract assets – closing	**(2,067)**	**-**	**(14,446)**	**(335)**	**(16,848)**
Reinsurance contract liabilities – closing	**33,180**	**-**	**6,561**	**-**	**39,741**
Closing balance – net	**31,113**	**-**	**(7,885)**	**(335)**	**22,893**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Engineering) (continued)

	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	(42,957)	-	(10,164)	(1,884)	(55,005)
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(42,957)	-	(10,164)	(1,884)	(55,005)
Allocation of reinsurance premium	224,659	-	-	-	224,659
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(1,425)	983	(442)
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service	-	-	(4,516)	-	(4,516)
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	-	(5,941)	983	(4,958)
Finance income from reinsurance contracts	-	-	(530)	-	(530)
Total changes in the statement of income	224,659	-	(6,471)	983	219,171
Transfer from ARC to AIC	-	-	-	-	-
Cashflows					
Premiums ceded and acquisition cashflows paid	(176,260)	-	-	-	(176,260)
Recoveries from reinsurance	36,184	-	1,842	-	38,026
Total cash (outflows) / inflows	(140,076)	-	1,842	-	(138,234)
Reinsurance contracts					
Reinsurance contract assets – closing	(106)	-	(21,320)	(901)	(22,327)
Reinsurance contract liabilities – closing	41,732	-	6,527	-	48,259
Closing balance – net	41,626	-	(14,793)	(901)	25,932

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Others)

	As at 31 December 2024				
	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	**(8,325)**	**-**	**(8,612)**	**(1,703)**	**(18,640)**
Reinsurance contract liabilities – opening	**6,429**	**-**	**3,825**	**-**	**10,254**
Opening balance – net	**(1,896)**	**-**	**(4,787)**	**(1,703)**	**(8,386)**
Allocation of reinsurance premium	**19,951**	**-**	**-**	**-**	**19,951**
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	**-**	**-**	**(4,457)**	**(746)**	**(5,203)**
Loss-recovery on onerous underlying contracts	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service	**-**	**-**	**(24,526)**	**-**	**(24,526)**
Reinsurance acquisition cashflows amortisation	**-**	**-**	**-**	**-**	**-**
Amounts recoverable from reinsurers – net	**-**	**-**	**(28,983)**	**(746)**	**(29,729)**
Finance income from reinsurance contracts	**-**	**-**	**(280)**	**-**	**(280)**
Total changes in the statement of income	**19,951**	**-**	**(29,263)**	**(746)**	**(10,058)**
Transfer from ARC to AIC	**-**	**-**	**-**	**-**	**-**
Cashflows					
Premiums ceded and acquisition cashflows paid	**(16,665)**	**-**	**-**	**-**	**(16,665)**
Recoveries from reinsurance	**10,413**	**-**	**3,207**	**-**	**13,620**
Total cash (outflows) / inflows	**(6,252)**	**-**	**3,207**	**-**	**(3,045)**
Reinsurance contracts					
Reinsurance contract assets – closing	**(5,844)**	**-**	**(34,022)**	**(2,449)**	**(42,315)**
Reinsurance contract liabilities – closing	**17,647**	**-**	**3,179**	**-**	**20,826**
Closing balance – net	**11,803**	**-**	**(30,843)**	**(2,449)**	**(21,489)**

9. Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held (Others) (continued)

	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	(1,271)	-	(13,079)	(5,157)	(19,507)
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(1,271)	-	(13,079)	(5,157)	(19,507)
Allocation of reinsurance premium	19,700	-	-	-	19,700
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(2,278)	3,454	1,176
Loss-recovery on onerous underlying contracts	-	-	-	-	-
Changes that relate to past service	-	-	7,428	-	7,428
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Amounts recoverable from reinsurers – net	-	-	5,150	3,454	8,604
Finance income from reinsurance contracts	-	-	(837)	-	(837)
Total changes in the statement of income	19,700	-	4,313	3,454	27,467
Transfer from ARC to AIC	-	-	-	-	-
Cashflows					
Premiums ceded and acquisition cashflows paid	(29,803)	-	-	-	(29,803)
Recoveries from reinsurance	9,478	-	3,979	-	13,457
Total cash (outflows) / inflows	(20,325)	-	3,979	-	(16,346)
Reinsurance contracts					
Reinsurance contract assets – closing	(8,325)	-	(8,612)	(1,703)	(18,640)
Reinsurance contract liabilities – closing	6,429	-	3,825	-	10,254
Closing balance – net	(1,896)	-	(4,787)	(1,703)	(8,386)

10. 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 – net

	31 December 2024	31 December 2023
1 January	**4,161**	6,178
Additions during the year	**952**	669
Depreciation during the year	**(2,076)**	(2,686)
De-recognise during the year	**-**	-
31 December	**3,037**	4,161

Lease liabilities

Commitments in relation to lease obligations are payable as follows:

	31 December 2024	31 December 2023
Within one year	**1,417**	3,526
Later than one year but not later than five years	**18**	384
Later than five years	**-**	-
	1,435	3,910
Future finance costs	**(60)**	(133)
Lease liabilities	**1,375**	3,777

Movement in lease liabilities is as follows:

	31 December 2024	31 December 2023
1 January	**3,777**	5,841
Addition during the year	**952**	669
Finance costs	**114**	177
De-recognise during the year	**-**	-
Payment during the year	**(3,468)**	(2,910)
31 December	**1,375**	3,777

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 114 thousand for the year ended 31 December 2024 (2023: SAR 177 thousand).

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 1 months to 3 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

11. Property and equipment

	Furniture and fixtures	Computers and equipment	Motor Vehicles	Leasehold improvements	Capital work in progress	Total
Cost:						
1 January 2024	**9,258**	**22,111**	**279**	**8,829**	**4,250**	**44,727**
Additions	**6**	**8,944**	**452**	**28**	**2,628**	**12,058**
Disposals	**(38)**	**-**	**-**	**-**	**-**	**(38)**
Transfer (note 12)	**-**	**-**	**-**		**-**	**-**
At 31 December 2024	**9,226**	**31,055**	**731**	**8,857**	**6,878**	**56,747**
Accumulated depreciation:						
1 January 2024	**8,890**	**19,743**	**258**	**8,493**	**-**	**37,384**
Charge for the year	**258**	**6,327**	**95**	**302**	**-**	**6,982**
Disposals	**(38)**	**-**	**-**	**-**	**-**	**(38)**
31 December 2024	**9,110**	**26,070**	**353**	**8,795**	**-**	**44,328**
Net book value:						
31 December 2024	**116**	**4,985**	**378**	**62**	**6,878**	**12,419**

	Furniture and fixtures	Computers and equipment	Motor Vehicles	Leasehold improvements	Capital work in progress	Total
Cost:						
1 January 2023	9,349	20,743	279	9,405	5,831	45,607
Additions	58	1,674	-	49	3,681	5,462
Disposals	(149)	(306)	-	(625)	-	(1,080)
Transfer (note 12)	-	-	-		(5,262)	(5,262)
At 31 December 2023	9,258	22,111	279	8,829	4,250	44,727
Accumulated depreciation:						
1 January 2023	8,733	18,291	225	7,876	-	35,125
Charge for the year	306	1,758	33	1,242	-	3,339
Disposals	(149)	(306)	-	(625)	-	(1,080)
31 December 2023	8,890	19,743	258	8,493	-	37,384
Net book value:						
31 December 2023	368	2,368	21	336	4,250	7,343

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 fixtures	5
Computer & equipment	3
Motor vehicles	5

12. Intangible assets

	Computer software	Capital work in progress	Total
Cost:			
1 January 2024	**5,262**	**18,983**	**24,245**
Additions	**-**	**9,069**	**9,069**
Transfer (note 11)	**-**	**-**	**-**
At 31 December 2024	**5,262**	**28,052**	**33,314**
Accumulated amortization:			
1 January 2024	**1,051**	**-**	**1,051**
Charge for the year	**1,044**	**-**	**1,044**
31 December 2024	**2,095**	**-**	**2,095**
Net book value:			
31 December 2024	**3,167**	**28,052**	**31,219**

	Computer software	Capital work in progress	Total
Cost:			
1 January 2023	-	12,715	12,715
Additions	-	6,268	6,268
Transfer (note 11)	5,262	-	5,262
At 31 December 2023	5,262	18,983	24,245
Accumulated amortization:			
1 January 2023	-	-	-
Charge for the year	1,051	-	1,051
31 December 2023	1,051	-	1,051
Net book value:			
31 December 2023	4,211	18,983	23,194

The Company has an ongoing software development project for which it has incurred a cost of SAR 9.07 million in current year (2023: SAR 6.3 million) in terms of development cost.

13. Goodwill

Effective on 31 December 2008, the Company acquired the insurance operations of UCA Insurance Bahrain B.S.C. ('the seller') in the Kingdom of Saudi Arabia for a total consideration of SAR 656.95 million with a goodwill of SAR 78.4 million. The goodwill amount payable to the seller was paid in full subsequent to 2008, after obtaining SAMA approvals.

As at 31 December 2024, an independent impairment study was conducted in accordance with the requirements of the International Accounting Standard (IAS 36) to review the carrying amounts of goodwill recognised. For the impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Management considers the overall insurance portfolios of the Company as one CGU. The management reviews goodwill annually for impairment testing.

The recoverable amount has been determined based on value in use. As at the reporting date, impairment testing based on expected discounted cash flows was performed. Value in use is based on the estimated future cash flows based on 5-year management's formal business plan projected up to the year 2029, discounted to their present value using the following key assumptions:

13. Goodwill (continued)

Key assumptions	**2024**	2023
EBITDA margin (average of next five years)	**3%**	5.7%
Discount rate	**17.8%**	14.8%
Terminal value growth rate	**2%**	2.5%

The calculation of value-in-use is most sensitive to the assumptions on discount rate applied to cash flow projections and projected EBITDA margins.

Sensitivity to changes in key assumptions:

With regard to the assessment of the value-in-use, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value of the CGU including goodwill to materially exceed its recoverable amount. The implications of changes to the key assumptions are described below.

i) Projected EBITDA margin:

The projected EBITDA margin in the forecasted period has been estimated to be at an average of 3%. If all other assumptions remain constant; a reduction of margin by 3% would give a value-in-use equal to the current carrying amount.

ii) Discount rate:

The projected discount rate in the forecasted period has been estimated to be at an average of 17.8% (2023: 14.8%). If all other assumptions kept the same; an increase in discount rate by 7% (2023: 9%) would give a value-in-use equal to the current carrying amount.

Based on the assumptions made, the value in use calculated above exceeded the carrying amount of goodwill and hence no impairment was recognized. Based on the management experts' assessment of value in use, the management believes that no reasonable possible change in any of the above assumptions would cause the carrying value to materially exceed its recoverable amount at the reporting date. The most significant assumptions used in determination of value in use calculations are weighted average cost of capital (discount rate) and long-term growth rate.

14. Statutory deposit

In accordance with Article 58 of the Insurance Implementing Regulations of IA, the Company is required to maintain a statutory deposit of not less than 10% of its paid-up capital. The statutory deposit is maintained with a Saudi Arabian bank. Accrued income on this deposit is payable to Insurance Authority (IA) amounting to SAR 1.64 million (31 December 2023: SAR 1.56 million) and this deposit can be withdrawn only with the consent of IA.

In accordance with the instruction received from SAMA vide their circular dated 1 March 2016, the Company has disclosed the commission due on the statutory deposit as at 31 December 2024 as an asset and a liability in these financial statements. In accordance with the request received from IA on 30 August 2023 the Company has released the accrued income on statutory deposit to IA up to 31 December 2022 amounting to SAR 6.7 million. During the year, the Company has released accrued income on statutory deposit to IA amounting to SAR 4.5 million. The statutory deposit is shown on the statement of financial position net of impairment allowance. Previously issued regulations by SAMA will be upheld until the Insurance Authority issues updated regulations. Therefore, the accrued income liability is payable to the Insurance Authority.

The gross carrying amount of statutory deposit represents the Company's maximum exposure to credit risk on these financial assets which are categorized 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.

15. Accrued expenses and other liabilities

	31 December 2024	31 December 2023
VAT payables	**14,909**	7,757
Suppliers and other creditors	**15,299**	6,211
Withholding tax payable	**1,722**	2,844
Accrued expenses	**1,947**	2,403
Others	**2,005**	1,137
	35,882	20,352

16. Employees' benefit obligations

16.1 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.

16.2 Movement of defined benefit obligations is as follows:

	31 December 2024	31 December 2023
1 January	**11,543**	9,686
Current service cost	**2,230**	2,022
Finance costs	**478**	439
Payments	**(2,214)**	(652)
Remeasurement (gain) / loss	**(553)**	48
31 December	**11,484**	11,543

16 Employees' benefit obligations (continued)

16.2 Movement of defined benefit obligations is as follows: (continued)

a. Amounts recognised in the statements of income and comprehensive income

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

	31 December 2024	31 December 2023
Current service cost	**2,230**	2,022
Interest expense	**478**	439
Total amount recognised in the statement of income	**2,708**	2,461
Remeasurement (gain) / loss on employees benefit obligations	**(553)**	48
Total amount recognised in the statement of comprehensive income	**2,155**	2,509

16.3 Principal actuarial assumptions

The following range of significant actuarial assumptions was used by the Company for the valuation of employees' defined benefit obligations:

	31 December 2024	31 December 2023
Discount rate	**5.25%**	4.50%
Salary growth rate	**4.75%**	4%

16.4 Sensitivity analysis for actuarial assumptions

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

	31 December 2024	31 December 2023
Discount rate		
- Increase by 1%	**(612)**	(662)
- Decrease by 1%	**694**	733
Salary growth rate		
- Increase by 1%	**690**	729
- Decrease by 1%	**(620)**	(671)

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 benefit obligations.

16.5 Expected maturity analysis

The weighted average duration of the defined benefit obligation is 5.69 years (2023: 6.06 years). The expected maturity analysis of discounted employees' benefit obligations is as follows:

	Less than a year	**Between 1 - 2 years**	**Between 2 - 5 years**	**Over 5 years**	**Total**
31 December 2024	**2,747**	**1,172**	**3,143**	**4,422**	**11,484**
31 December 2023	1,817	1,287	3,803	4,636	11,543

17. Share capital

The authorized, issued and paid-up capital of the Company at 31 December 2024 is SAR 400 million divided into 40 million shares of SAR 10 each (31 December 2023: SAR 400 million divided into 40 million shares of SAR 10 each).

18. Insurance service results

An analysis of insurance revenue, insurance expenses and net income / (expenses) from reinsurance contracts held by portfolio of contracts for the years ended 31 December 2024 and 31 December 2023 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 2024:

	Medical	Motor-Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance revenue from contracts measured under PAA	**103,312**	**108,544**	**498,643**	**161,657**	**149,658**	**27,764**	**1,049,578**
Insurance revenue	**103,312**	**108,544**	**498,643**	**161,657**	**149,658**	**27,764**	**1,049,578**
Incurred claims and other incurred insurance service expenses*	**(115,972)**	**(101,711)**	**(441,938)**	**(5,514)**	**(2,321)**	**(3,725)**	**(671,181)**
Changes that relate to past service - adjustments to the LIC	**(1,111)**	**1,023**	**(25,518)**	**-**	**-**	**-**	**(25,606)**
(Loss) / reversal of losses on onerous contracts	**(4,360)**	**23,847**	**23,953**	**(2,095)**	**7,429**	**(28,845)**	**19,929**
Insurance acquisition cash flows amortisation	**(15,253)**	**(19,184)**	**(45,012)**	**(363)**	**(24,892)**	**(1,574)**	**(106,278)**
Total insurance service (expenses) / income	**(136,696)**	**(96,025)**	**(488,515)**	**(7,972)**	**(19,784)**	**(34,144)**	**(783,136)**

*This includes surplus distribution of SAR nil million for the year ended 31 December 2024 (2023: SAR 0.8 million) (Also see note 31).

18. Insurance service results (continued)

For the year ended 31 December 2024: (continued)

	Medical	Motor-Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Reinsurance income - contracts measured under the PAA							
Premium ceded on reinsurance contracts held	**(14,408)**	**740**	**(20,988)**	**(157,264)**	**(95,825)**	**(19,951)**	**(307,696)**
Reinsurance premium ceded	**(14,408)**	**740**	**(20,988)**	**(157,264)**	**(95,825)**	**(19,951)**	**(307,696)**
Claims recovered and other directly attributable expenses	**17,915**	**7,574**	**9,799**	**6,232**	**274**	**5,203**	**46,997**
Changes that relate to past service - adjustments to incurred claims	**1,341**	**(209)**	**(5,020)**	**1,891**	**(6,801)**	**24,526**	**15,728**
Net income / (expenses) from reinsurance contracts	**4,848**	**8,105**	**(16,209)**	**(149,141)**	**(102,352)**	**9,778**	**(244,971)**
Insurance service result	**(28,536)**	**20,624**	**(6,081)**	**4,544**	**27,522**	**3,398**	**21,471**

18. Insurance service results (continued)

For the year ended 31 December 2023:

	Medical	Motor-Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance revenue from contracts measured under PAA	102,752	163,594	369,729	102,363	296,103	27,230	1,061,771
Insurance revenue	102,752	163,594	369,729	102,363	296,103	27,230	1,061,771
Incurred claims and other incurred insurance service expenses*	(116,294)	(138,430)	(273,044)	207	(1,923)	(27)	(529,511)
Changes that relate to past service - adjustments to the LIC	13,328	7,648	(62,114)	5,950	(3,781)	10,262	(28,707)
Reversal of losses / (loss) on onerous contracts	319	16,641	29,047	-	-	-	46,007
Insurance acquisition cash flows amortisation	(13,557)	(28,243)	(33,155)	(4,034)	(32,163)	(1,959)	(113,111)
Total insurance service (expenses) / income	(116,204)	(142,384)	(339,266)	2,123	(37,867)	8,276	(625,322)

18. Insurance service results (continued)

For the year ended 31 December 2023: (continued)

	Medical	Motor-Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Reinsurance income - contracts measured under the PAA							
Premium ceded on reinsurance contracts held	(25,726)	(9,610)	(47,699)	(99,189)	(224,659)	(19,700)	(426,583)
Reinsurance premium ceded	(25,726)	(9,610)	(47,699)	(99,189)	(224,659)	(19,700)	(426,583)
Claims recovered and other directly attributable expenses	8,956	10,617	25,243	154	442	(1,176)	44,236
Changes that relate to past service - adjustments to incurred claims	(1,931)	(15,128)	(1,149)	(5,864)	4,516	(7,429)	(26,985)
Net (expenses) / income from reinsurance contracts	(18,701)	(14,121)	(23,605)	(104,899)	(219,701)	(28,305)	(409,332)
Insurance service result	(32,153)	7,089	6,858	(413)	38,535	7,201	27,117

19. Investment income

	31 December 2024	31 December 2023
Commission income from financial assets not measured at FVTPL		
Term deposits	**9,527**	2,229
Sukuks	**5,032**	7,184
	14,559	9,413
Gain on investments measured at FVTPL	**4**	741
Dividend income	**-**	-
Net gain on investments measured at FVTPL	**4**	741
Total investment income	**14,563**	10,154

20. Insurance finance costs - net

An analysis of the net insurance finance income / (costs) by portfolio of contracts for years ended 31 December 2024 and 31 December 2023 respectively is presented below:

	Medical	**Motor-Comprehensive**	**Motor-TPL**	**Energy**	**Engineering**	**Others**	**Total**
For the year ended 31 December 2024							
Finance costs from insurance contracts issued							
Interest accreted	**(645)**	**(507)**	**(1,472)**	**(86)**	**(704)**	**(728)**	**(4,142)**
Finance costs from insurance contracts issued	**(645)**	**(507)**	**(1,472)**	**(86)**	**(704)**	**(728)**	**(4,142)**
Finance income from reinsurance contracts held							
Interest accreted	**53**	**191**	**418**	**79**	**613**	**280**	**1,634**
Finance income from reinsurance contracts held	**53**	**191**	**418**	**79**	**613**	**280**	**1,634**
Finance costs – net	**(592)**	**(316)**	**(1,054)**	**(7)**	**(91)**	**(448)**	**(2,508)**

	Medical	Motor-Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
For the year ended 31 December 2023							
Finance costs from insurance contracts issued							
Interest accreted	(1,159)	(1,006)	(643)	(154)	(561)	(1,186)	(4,709)
Finance costs from insurance contracts issued	(1,159)	(1,006)	(643)	(154)	(561)	(1,186)	(4,709)
Finance income from reinsurance contracts held							
Interest accreted	758	66	(239)	63	530	838	2,016
Finance income / (costs) from reinsurance contracts held	758	66	(239)	63	530	838	2,016
Finance costs – net	(401)	(940)	(882)	(91)	(31)	(348)	(2,693)

21. Share of surplus from insurance pools

	31 December 2024	31 December 2023
Share of surplus from Umrah and Hajj scheme (Note 21.1)	**246**	13,833

21.1 Share of surplus from Umrah and Hajj scheme

This represents the Company's share in the surplus for general accident product arising from the Umrah & Haj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 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 health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah.

22. Other operating expenses

	31 December 2024	31 December 2023
Salaries and benefits	**19,991**	23,059
Legal and professional fees (22.1)	**5,877**	5,882
Depreciation and amortisation	**4,013**	1,669
Office supplies	**3,190**	5,130
Depreciation on right-of-use assets	**1,038**	1,343
Communication expenses	**669**	2,173
Training and education	**46**	107
Utilities	**81**	527
Finance cost on lease liability	**57**	88
Others	**6,499**	3,638
	41,461	43,616

22.1 Auditors' remuneration for the statutory audit and review of the Company's financial statements for the year ended 31 December 2024 amounts to SAR 1.5 million (2023: SAR 1.4 million). Fee for other statutory and related services provided by the auditors to the Company amounts to SAR 0.2 million (2023: SAR 0.7 million).

23. Zakat and income tax

Significant components of zakat base of the Company attributable to the Saudi shareholders, which are subject to adjustment under zakat and income tax regulations, are shareholders' equity at the beginning of the year, adjusted net income and certain other items. Zakat base has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the Zakat, Tax and Customs Authority ("ZATCA") could be different from the declaration filed by the Company.

The differences between the financial and the zakatable / taxable results are mainly due to certain adjustments in accordance with the relevant fiscal regulations.

a. The zakat charge for the year is calculated based on the following:

	31 December 2024	31 December 2023
Share capital	**400,000**	400,000
Statutory deposit	**(59,989)**	(60,000)
Accumulated losses	**(194,834)**	(146,662)
Fair value reserve	**59,201**	41,540
End of services benefits	**10,918**	9,028
Actuarial gain	**4,177**	4,225
Investments	**(237,226)**	(43,363)
Other opening provisions	**-**	47,672
Goodwill	**(78,400)**	(78,400)
Property and equipment – net	**(12,419)**	(7,343)
Intangible assets – net	**(31,219)**	(23,194)
Accrued income on statutory deposit	**1,641**	-
Provision for zakat	**13,929**	-
Differences between current liabilities and current assets as per Art.29.2B	**125,862**	-
Reduction to the liabilities resulting from non-deduction of non- current assets (Article 25)	**(66)**	-
Other adjustments	**1,049**	-
Lease liabilities	**-**	3,777
Right-of-use assets	**-**	(4,161)
Zakat base	**2,624**	143,119
Attributable to Saudi Shareholders @ 100% (2023:99.89%)	**2,624**	142,962
Opening zakat provision for Saudi	**-**	9,596
Adjusted zakat base	**2,624**	152,558
Zakat @ 2.578%	**68**	3,932
(Loss) / profit for the year	**(10,272)**	9,562
Fines and penalties	**862**	5
Other adjustments	**187**	211
End of services benefits	**1,591**	2,461
Adjusted (loss) / profit for the year	**(7,632)**	12,239
Less provision paid	**(2,216)**	-
Depreciation differences	**3,994**	-
Taxable income - Foreign partner's share	**(644)**	
Zakat @ 2.5%	**-**	306
Income tax		
Attributable income to Non-Saudi Shareholder @ Nil (2023: 0.11%)	**-**	-
Income tax @ 20%	**-**	-
Zakat and income tax	**68**	4,238

23. Zakat and income tax (continued)

Movement in zakat provision is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	**12,567**	11,508
Charge for the current year	**4,000**	4,270
Paid during the year	**(3,938)**	(3,211)
Balance at the end of the year	**12,629**	12,567

The movement in the income tax payable is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	**1,300**	1,300
Charge for the current year	**-**	-
Balance at the end of the year	**1,300**	1,300
Total	**13,929**	13,867

Zakat is payable at 2.578% of the approximate zakat base (excluding adjusted net profit for the year) and 2.5% of adjusted net profit for the year attributable to Saudi shareholders.

b. Status of zakat assessments

The Zakat is applicable on 100% (2023: 99.89%) of the shareholders while income tax on nil (2023: 0.11%) of the shareholders. The Company has filed its zakat and income tax declarations for the periods ended 31 December 2009 to 2023 and obtained restricted zakat and tax certificates. The following are the detailed outstanding assessments as of the date of the financial statements:

Assessment years 2005, 2006, 2007 and 2008

During 2017, the Company received the zakat assessments for the years 2005 to 2008 from the ZATCA with regards to the insurance operations transferred from UCA Insurance Bahrain BSC claiming zakat liability amounting to SAR 6.01 million and withholding tax liability amounting to SAR 16.09 million. Management has filed an objection against the above assessments and is confident of receiving a favorable outcome. Further, the Company has issued a bank guarantee in favor of ZATCA amounting to SAR 22.09 million (2021: SAR 22.09 million) against such assessments (see note 33). Management is of the view that any additional liability as a result of these assessments will eventually be charged to the shareholders of the UCA Insurance Bahrain BSC.

Assessment years 2009 – 2011

The Company has filed its Zakat/tax declarations for the years ended 31 December 2009 to 2011 and obtained the necessary Zakat/tax certificates. The ZATCA issued the amended assessment based on the decision of the Preliminary Objection Committee and claimed additional Zakat and tax and withholding tax for a total of SAR 27.1 million. The Company had finalized its Zakat, tax and withholding tax status for the said years.

Assessment years 2012 and 2013

The Company has filed its Zakat/tax returns for the years ended 31 December 2012 and 2013 and obtained the necessary Zakat/tax certificates.

The Zakat, Tax, and Customs Authority (ZATCA) issued an assessment for the fiscal years 2012 and 2013, claiming additional Zakat, tax, and withholding tax liabilities amounting to SAR 15.84 million. The Company actively pursued a final settlement with the Dispute Resolution Committee (DRC), which has accepted the Company's offer to settle the liability at SAR 10.93 million. Subsequent to the year end, the Company is currently making payments in monthly installments over a one-year period as per the agreed settlement terms.

23. Zakat and income tax (continued)

b. Status of zakat assessments (continued)

Assessment years 2014 to 2020

The Company has filed its Zakat/tax returns for the years ended 31 December 2014 to 2020 and obtained the necessary Zakat/tax certificates.

ZATCA finalized studying the Zakat and tax returns for the said year's and they are considered finalized.

Assessment years 2021 and 2022

The Company has filed the Zakat and Tax returns up to the years 2021 and 2022 and obtained the necessary certificates.

The Zakat, Tax, and Customs Authority (ZATCA) has issued an assessment for the fiscal years 2021 and 2022 which shows a total credit balance of SR 0.39 million for both years resulting from the deduction of Governmental Sukuk.

The Company agreed with ZATCA, and the case is considered finalized.

Assessment years 2023

The Company has filed its Zakat return for the years ended 31 December 2023 and obtained the necessary Zakat/tax certificates.

ZATCA is in the process of studying the Zakat return for the said year.

VAT assessment

On 25 August 2020, the Company received an assessment from ZATCA to pay additional principal VAT of SAR 12.28 million for the years 2018 and 2019 as well as additional fines of SAR 20.25 million for those years. In order to avoid incurring additional fines based on ZATCA's initiative the Company paid the principal VAT on 28 October 2020 without prejudice to its position and objected to the items issued for the evaluation. On 20 February 2021, the Company filed an appeal with the General Secretariat of Tax Committees (GSTC) against the decision of the ZATCA for which management is confident of a favorable outcome. The objected items are zero rated supplies, self-invoicing, and reinsurance commission.

The fines imposed on the assessments amounting to SAR 20.25 million for the years 2018 and 2019 were subsequently canceled as the Company has taken advantage of ZATCA's initiative to stabilize the economy and boost the private sector.

The Company has booked a provision against VAT on zero rated supplies. On other objected items, the Company is confident that these will be recovered through input claim in the VAT return and from reinsurer.

24. Basic and diluted (losses) / earnings per share

Basic and diluted (losses) / earnings per share for the year ended 31 December 2024 and 2023 are calculated by dividing total profit / loss for the year attributable to the shareholders by the weighted average number of outstanding shares during the year.

	31 December 2024	31 December 2023
Weighted average number of ordinary shares	**40,000**	40,000
Net (loss) / income for the year attributable to the shareholders	**(15,055)**	5,292
Basic and diluted (losses) / earnings per share	**(0.38)**	0.13

25. 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 (affiliated entities). Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the year and the related balances:

	Nature of transactions	Amount of transactions for the year ended	
		31 December 2024	31 December 2023
Major shareholders			
Haji Hussien Ali Reza	Premium written	**9,794**	7,315
	Payments received	**(5,643)**	(8,155)
	Claims paid	**(1,391)**	(825)
Saudi Bin Laden – Group	Premium written	**297,928**	147,707
	Payments received	**(143,377)**	(138,856)
	Claims paid	**(428)**	(2,140)
Construction Products Company	Premium written	**1,503**	1,741
	Payments received	**(58)**	(727)
	Claims paid	**(319)**	-

25.1 RELATED PARTIES BALANCES

	Balance receivable / (payable) as at	
	31 December 2024	31 December 2023
Premium receivable		
Haji Hussein Ali Reza	**5,401**	2,641
Saudi Bin Laden – Group	**198,268**	44,145
Construction Products Company	**7,409**	6,283
	211,078	53,069
Other balances		
United Commercial Agencies	**4**	4
	4	4

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company. The transactions with related parties are carried out at commercial terms and conditions. Compensation to key management personnel is based on employment terms and as per the by-laws of the Company.

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

	31 December 2024	31 December 2023
Salaries and benefits	**7,050**	6,436
Employees' benefit obligations	**492**	333
	7,542	6,769
Remuneration to those charged with governance	**1,786**	1,357

26. Fair value of financial instruments

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

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

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

a) Determination of fair value and fair value hierarchy

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

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

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

Level 3 - valuation techniques for which any significant input is not based on observable market data. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the year end.

b) Carrying amounts and fair value

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.

	31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	**-**	**-**	**61,124**	**61,124**
Financial assets at fair value through profit or loss ("FVTPL")				
Discretionary portfolio	**250**	**-**	**-**	**250**
Total investments	**250**	**-**	**61,124**	**61,374**

26. Fair value of financial instruments (continued)

	31 December 2023			
	Level 1	Level 2	Level 3	Total
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	43,463	43,463
Financial assets at fair value through profit or loss ("FVTPL")				
Discretionary portfolio	246	-	-	246
Total investments	246	-	43,463	43,709

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

	31 December 2024	31 December 2023
Balance at the beginning of the year	**43,463**	39,703
Fair value gain	**17,661**	3,760
Balance at the end of the year	**61,124**	43,463

26. Fair value of financial instruments (continued)

d) The below table shows significant unobservable inputs used in the valuation of level 3 investments and their respective sensitivities.

The below table shows significant unobservable inputs used in the valuation of level 3 investments.

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023	
Unquoted equity investment in Najm	**61,124**	43,463	Earnings growth factor	Earnings growth factor	**13.2%**	6.9%	Reducing the Earnings growth factor to 10%, would decrease the fair value by SAR 1.6 million. (2023: Reducing the Earnings growth factor to 10%, would decrease the fair value by SAR 0.8 million)
			Discount rate	Discount rate	**16.5%**	16.5%	Increasing the discount rate by 100 basis points, would decrease the fair value by SAR 1.7 million. (2023: SAR 1.2 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 SAR 1.1 million. (2023: SAR 0.7 million)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

26. Fair value of financial instruments (continued)

e) Valuation process

The finance department of the Company performs the valuations of level 3 fair values required for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO), Investment Committee and the Audit Committee. Discussions of valuation processes and results are held between the CFO, AC, Investment Committee and the Finance team regularly. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Terminal value growth rate is derived from publicly available databases.
- Earnings growth factors for unlisted equity securities are estimated based on such Company's own historical results.

27. 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 organizational 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 centralized oversight of Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Audit committee and internal audit department:
The internal audit department performs risk assessments with senior management annually. The internal audit department examines both adequacy of procedures and the Company's compliance with the procedures through regular audits. Audit findings and recommendations are reported directly to the Audit Committee.

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

Risk management committee:
The Board of Directors of the Company has constituted a Risk Management Committee, which oversees the risk management function of the Company and report to Board on a periodic basis. This committee operates under framework established by the Board of Directors.

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 summarized below:

27. Risk management (continued)

27.1 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. For longer tail claims that take some years to settle, there is also inflation risk. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, structured claims management, quarterly review of reserves as well as the use of reinsurance arrangements.

Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk's 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.

(a) 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.

(b) Concentration of insurance risk

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

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 neighbouring 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.

27. Risk management (continued)

27.1 Insurance risk (continued)

(c) 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. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent;
- Reputation of particular reinsurance companies; and
- Existing or past business relationship with the reinsurer.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for reinsurance business. As at 31 December 2024 and 31 December 2023 there is no significant concentration of reinsurance balances.

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

There is no single counterparty exposure that exceeds 10% of total reinsurance assets at the reporting date.

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

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

	31 December 2024			31 December 2023		
	Insurance contracts issued	**Reinsurance contracts held**	**Net**	Insurance contracts issued	Reinsurance contracts held	Net
Medical	**77,615**	**317**	**77,932**	47,034	496	47,530
Motor-Comprehensive	**219,077**	**12,941**	**232,018**	10,822	10,286	21,108
Motor-TPL	**(45,925)**	**14,046**	**(31,879)**	206,564	5,340	211,904
Energy	**7,748**	**(7,786)**	**(38)**	13,077	(5,959)	7,118
Engineering	**(18,341)**	**22,893**	**4,552**	9,017	25,932	34,949
Others	**17,363**	**(22,414)**	**(5,051)**	(629)	(8,386)	(9,015)
Total	**257,537**	**19,997**	**277,534**	285,885	27,709	313,594

(d) Sensitivities on major assumptions considered while applying IFRS 17

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before zakat and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year. The impact of sensitivities to changes in discount rates is minimal therefore not presented.

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

27. Risk management (continued)

27.1 Insurance risk (continued)

(d) Sensitivities on major assumptions considered while applying IFRS 17 (continued)

	31 December 2024	31 December 2023
Impact on equity and net income of change in claims ratio		
5% Increase	**(2,641)**	(1,882)
5% Decrease	**1,980**	1,861
Impact on equity and net income of change in direct expense ratio – loss component		
2% Increase	**(602)**	(750)
2% Decrease	**602**	745
Impact on equity and net income of change in risk adjustment for non-financial risk		
5% Increase	**(264)**	(213)
5% Decrease	**264**	213

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

	31 December 2024	31 December 2023
Impact on equity and net income of change in claims ratio		
5% Increase	**(1,048)**	(1,756)
5% Decrease	**786**	1,737
Impact on equity and net income of change in direct expense ratio – loss component		
2% Increase	**(129)**	(700)
2% Decrease	**129**	695
Impact on equity and net income of change in risk adjustment for non-financial risk		
5% Increase	**(21)**	(166)
5% Decrease	**21**	166

(e) Claims development table

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

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

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

27. Risk management (continued)

27.1 Insurance risk (continued)

(e) Claims development table (continued)

2024 Accident year	2020 & earlier	2021	2022	2023	2024	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	**2,479,050**	**299,043**	**343,017**	**450,927**	**671,502**	**4,243,539**
1 year later	**2,313,995**	**263,079**	**377,155**	**496,729**	**-**	**3,450,958**
2 years later	**2,176,850**	**264,658**	**384,684**	**-**	**-**	**2,826,192**
3 years later	**1,980,480**	**266,677**	**-**	**-**	**-**	**2,247,157**
4 years later	**1,624,793**	**-**	**-**	**-**	**-**	**1,624,793**
Gross estimates of the undiscounted amount of the claims	**1,624,793**	**266,677**	**384,684**	**496,729**	**671,502**	**3,444,385**
Cumulative gross claims and other incurred insurance service expenses paid	**(1,621,829)**	**(266,084)**	**(383,556)**	**(490,369)**	**(550,495)**	**(3,312,333)**
Gross undiscounted liabilities for incurred claims	**2,964**	**593**	**1,128**	**6,360**	**121,007**	**132,052**
Gross undiscounted liabilities for other incurred insurance service expenses						**74,362**
Effect of surplus distribution payable						**-**
Effect of discounting						**(4,011)**
Gross discounted liabilities for incurred claims excluding risk adjustment						**202,403**
Effect of the risk adjustment margin for non-financial risk						**5,275**
Gross liabilities for incurred claims						**207,678**
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	**1,320,936**	**191,191**	**264,601**	**411,017**	**620,423**	**2,808,168**
1 year later	**1,270,337**	**186,977**	**291,692**	**457,157**	**-**	**2,206,163**
2 years later	**1,246,329**	**188,193**	**292,693**	**-**	**-**	**1,727,215**
3 years later	**1,218,410**	**189,606**	**-**	**-**	**-**	**1,408,016**
4 years later	**957,448**	**-**	**-**	**-**	**-**	**957,448**
Net estimates of the undiscounted amount of the claims	**957,448**	**189,606**	**292,693**	**457,157**	**620,423**	**2,517,327**
Cumulative net claims and other directly attributable expenses paid	**(955,195)**	**(189,192)**	**(291,933)**	**(451,915)**	**(549,453)**	**(2,437,688)**
Net undiscounted liabilities for incurred claims	**2,253**	**414**	**760**	**5,242**	**70,970**	**79,639**
Net undiscounted liabilities for other incurred insurance service expenses						**85,005**
Effect of surplus distribution payable						**-**
Effect of discounting						**(2,289)**
Net discounted liabilities for incurred claims excluding risk adjustment						**162,355**
Effect of the risk adjustment margin for non-financial risk						**2,701**
Net liabilities for incurred claims						**165,056**

27. Risk management (continued)

27.1 Insurance risk (continued)

(e) Claims development table (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:

	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Gross liabilities for incurred claims	**202,403**	**5,275**	**207,678**
Amounts recoverable from reinsurers	**(40,048)**	**(2,574)**	**(42,622)**
Net liabilities for incurred claims	**162,355**	**2,701**	**165,056**

2023 Accident year	2019 & earlier	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	2,243,857	235,192	299,043	319,674	513,804	3,611,570
1 year later	2,092,563	221,433	258,913	85,268	-	2,658,177
2 years later	1,992,075	184,349	3,560	-	-	2,179,984
3 years later	1,794,678	1,725	-	-	-	1,796,403
4 years later	1,452,661	-	-	-	-	1,452,661
Gross estimates of the undiscounted amount of the claims	1,452,661	1,725	3,560	85,268	513,804	2,057,018
Cumulative gross claims and other incurred insurance service expenses paid	(1,449,726)	(941)	(2,395)	(77,962)	(374,654)	(1,905,678)
Gross undiscounted liabilities for incurred claims	2,935	784	1,165	7,306	139,150	151,340
Gross undiscounted liabilities for other incurred insurance service expenses						68,688
Effect of surplus distribution payable						834
Effect of discounting						(4,978)
Gross discounted liabilities for incurred claims excluding risk adjustment						215,884
Effect of the risk adjustment margin for non-financial risk						9,859
Gross liabilities for incurred claims						225,743
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	1,200,882	120,054	191,191	248,259	451,991	2,212,377
1 year later	1,155,966	114,371	184,060	66,713	-	1,521,110
2 years later	1,133,760	112,271	2,096	-	-	1,248,127
3 years later	1,104,861	949	-	-	-	1,105,810
4 years later	850,964	-	-	-	-	850,964
Net estimates of the undiscounted amount of the claims	850,964	949	2,096	66,713	451,991	1,372,713
Cumulative net claims and other directly attributable expenses paid	(848,774)	(380)	(1,221)	(61,943)	(345,738)	(1,258,056)
Net undiscounted liabilities for incurred claims	2,190	569	875	4,770	106,253	114,657
Net undiscounted liabilities for other incurred insurance service expenses						67,483
Effect of surplus distribution payable						834
Effect of discounting						(2,773)
Net discounted liabilities for incurred claims excluding risk adjustment						180,201
Effect of the risk adjustment margin for non-financial risk						6,989
Net liabilities for incurred claims						187,190

27. Risk management (continued)

27.1 Insurance risk (continued)

(e) Claims development table (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:

	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Gross liabilities for incurred claims	215,884	9,859	225,743
Amounts recoverable from reinsurers	(35,683)	(2,870)	(38,553)
Net liabilities for incurred claims	180,201	6,989	187,190

27.2 Market risk

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

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

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

- The Company stipulates diversification benchmarks by type of instrument and geographical area.

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.

Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of significant losses due to exchange rate fluctuations and, consequently, the Company does not hedge its foreign currency exposure. The Company has transactions in Saudi Riyals and US Dollars which are pegged and hence there is no currency risk exposure to the Company.

b) Commission rate risk

Commission rate risk is the risk that the value of 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.

27. Risk management (continued)

27.2 Market risk (continued)

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.

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:

	2024	2023
Insurance contract assets, net	**229,836**	101,129
Insurance contract liabilities, net	**487,373**	387,014
Reinsurance contract assets, net	**80,608**	66,787
Reinsurance contract liabilities, net	**100,605**	94,496
Debt instruments at amortized cost	**259,577**	231,154

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 zakat and impact on equity. 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. The method used for deriving sensitivity information and significant variables has not changed from the previous year.

		2024		2023	
	Changes in commission rate	**Impact on profit before zakat**	**Impact on profit before zakat**	Impact on profit before zakat	Impact on equity
Insurance contract assets, net	**+/-2%**	**4,597**	**4,597**	2,022	2,022
Insurance contract liabilities, net	**+/-2%**	**(9,747)**	**(9,747)**	(7,740)	(7,740)
Reinsurance contract assets, net	**+/-2%**	**1,612**	**1,612**	1,336	1,336
Reinsurance contract liabilities, net	**+/-2%**	**(2,012)**	**(2,012)**	(1,890)	(1,890)
Debt instruments at amortized cost	**+/-2%**	**5,191**	**5,191**	4,623	4,623

The commission and non-commission bearing investments of the Company and their maturities as at 31 December 2023 and 31 December 2022 are as follows:

	Less than 1 year	**More than 1 year**	**Non-commission bearing**	**Total**
31 December 2024	**83,475**	**176,102**	**61,124**	**320,701**
31 December 2023	101,041	130,113	43,709	274,863

An increase or decrease of 100 basis points in interest yields would result in an increase / (decrease) in the profit or loss for the year of SAR 2.6 million (31 December 2023: SAR 2.3 million).

27. Risk management (continued)

27.2 Market risk (continued)

c) Other price risk

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

The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. 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 SAR 84.8 million (31 December 2022: SAR 60.5 million) are susceptible to market price risk arising from uncertainty about the future value of invested 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 10% increase and 10% decrease in the market prices of investments on comprehensive income would be as follows:

	Fair value change	**Effect on Company's profit**
31 December 2024	**+ / - 10%**	**+ / - 6,112**
31 December 2023	+ / - 10%	+ / - 4,396

The sensitivity analysis presented is based upon the portfolio position as at 31 December 2024 and 2023. 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. The method used for deriving sensitivity information and significant variables has not changed from the previous year.

27.3 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 Company's other financial assets are held with commercial banks and financial institutions with strong financial positions and credit ratings. The Company's policy is to invest in high-quality, liquid (that is, investment-grade) financial instruments. The Company maintains its bank balances, short-term, long term and statutory deposits with banks which have investment grade credit ratings. Investments are made in instruments with either investment grade or satisfactory non-investment grade credit rating.

27. Risk management (continued)

27.3 Credit risk (continued)

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

	31 December 2024	31 December 2023
Cash and cash equivalents	**73,030**	122,279
Term deposits	**83,475**	101,041
Insurance contract assets	**229,836**	101,129
Reinsurance contract assets	**80,608**	66,787
Investments	**237,476**	173,822
Statutory deposit	**59,989**	59,989
Accrued income on statutory deposit	**1,641**	1,558
Staff and other receivables	**14,049**	10,848
	780,104	637,453

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the management's best estimate. Investment grade is considered to be the highest possible rating. Assets falling outside the range of investment grade are classified as non-investment grade satisfactory or past due but not impaired.

		Non-investment grade			
31 December 2024	**Investment grade**	**Satisfactory**	**Past due but not impaired**	**Past due and impaired**	**Total**
Cash and cash equivalents	**73,030**	**-**	**-**	**-**	**73,030**
Term deposits	**83,475**	**-**	**-**	**-**	**83,475**
Investments	**237,476**	**-**	**-**	**-**	**237,476**
Insurance contract assets	**-**	**229,836**	**-**	**-**	**229,836**
Reinsurance contract assets	**-**	**80,608**	**-**	**-**	**80,608**
Statutory deposit	**59,989**	**-**	**-**	**-**	**59,989**
Accrued commission income on statutory deposit	**1,641**	**-**	**-**	**-**	**1,641**
Staff receivables	**-**	**14,049**	**-**	**-**	**14,049**
31 December 2024	**455,611**	**324,493**	**-**	**-**	**780,104**

		Non-investment grade			
31 December 2023	Investment grade	Satisfactory	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents	122,279	-	-	-	122,279
Term deposits	101,041	-	-	-	101,041
Investments	173,822	-	-	-	173,822
Insurance contract assets	-	101,129	-	-	101,129
Reinsurance contract assets	-	66,787	-	-	66,787
Statutory deposit	59,989	-	-	-	59,989
Accrued commission income on statutory deposit	1,558	-	-	-	1,558
Staff receivables	-	10,848	-	-	10,848
31 December 2023	458,689	178,764	-	-	637,453

27. Risk management (continued)

27.3 Credit risk (continued)

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. All of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

27.4 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.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- 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 table below summarizes the maturities of the Company's undiscounted contractual obligations relating to financial assets and liabilities as at 31 December 2024 and 2023.

Financial assets	**Less than 12 months**	**More than 12 months**	**Total**
Financial assets at fair value through profit or loss ("FVTPL")	**250**	**-**	**250**
Financial assets at fair value through other comprehensive income ("FVOCI")	**-**	**61,124**	**61,124**
Financial assets at amortised cost	**-**	**176,102**	**176,102**
Statutory deposit	**-**	**59,989**	**59,989**
Accrued income on statutory deposit	**1,641**	**-**	**1,641**
Term deposits	**83,475**	**-**	**83,475**
Cash and cash equivalents	**73,030**	**-**	**73,030**
31 December 2024	**158,396**	**297,215**	**455,611**

27. Risk management (continued)

27.4 Liquidity risk (continued)

Financial liabilities	**Less than 12 months**	**More than 12 months**	**Total**
Accrued expenses and other liabilities	**35,882**	**-**	**35,882**
Accrued income on statutory deposit	**1,641**	**-**	**1,641**
31 December 2024	**37,523**	**-**	**37,523**

Financial assets	Less than 12 months	More than 12 months	Total
Financial assets at fair value through profit or loss ("FVTPL")	246	-	246
Financial assets at fair value through other comprehensive income ("FVOCI")	-	43,463	43,463
Financial assets at amortised cost	-	130,113	130,113
Statutory deposit	-	59,989	59,989
Accrued income on statutory deposit	1,558	-	1,558
Term deposits	101,041	-	101,041
Cash and cash equivalents	122,279	-	122,279
31 December 2023	225,124	233,565	458,689

Financial liabilities	Less than 12 months	More than 12 months	Total
Accrued expenses and other liabilities	20,352	-	20,352
Accrued income on statutory deposit	1,558	-	1,558
31 December 2023	21,910	-	21,910

Insurance contracts issued	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Above 5 years**
Medical	**77,615**	**-**	**-**	**-**	**-**	**-**
Motor	**173,152**	**-**	**-**	**-**	**-**	**-**
Others	**6,770**	**-**	**-**	**-**	**-**	**-**
31 December 2024	**257,537**	**-**	**-**	**-**	**-**	**-**

Reinsurance contracts held	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Above 5 years**
Medical	**(608)**	**-**	**-**	**-**	**-**	**-**
Motor	**26,987**	**-**	**-**	**-**	**-**	**-**
Others	**(6,382)**	**-**	**-**	**-**	**-**	**-**
31 December 2024	**19,997**	**-**	**-**	**-**	**-**	**-**

27. Risk management (continued)

27.4 Liquidity risk (continued)

Insurance contracts issued	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Above 5 years
Medical	10,822	-	-	-	-	-
Motor	219,641	-	-	-	-	-
Others	55,422	-	-	-	-	-
31 December 2023	285,885	-	-	-	-	-

Reinsurance contracts held	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Above 5 years
Medical	10,286	-	-	-	-	-
Motor	(619)	-	-	-	-	-
Others	18,042	-	-	-	-	-
31 December 2023	27,709	-	-	-	-	-

To manage the liquidity risk arising from financial liabilities mentioned above, the Company holds liquid assets comprising cash and cash equivalents and investment securities. These assets can be readily sold to meet liquidity requirements.

The assets with maturity less than one year are expected to realize as follows:

- Fair value through profit or loss investments includes investments in mutual funds and Murabaha placements and are held for cash management purposes and expected to be matured/ settled within 12 months from the balance sheet date.
- Term deposits classified as includes deposits placed with high credit rating financial institutions with maturity of less than twelve months from the date of placement.
- Cash and bank balances are available on demand.
- Reinsurers contract assets mainly pertain to property and casualty segment and are generally realized within 6 to 9 months based on settlement of claims.

The liabilities with maturity less than one year are expected to settle as follows:

- Reinsurers contract liabilities are settled on a periodic basis as per terms of reinsurance agreements.
- Majority of insurance contract liabilities are expected to be settled within 12 months in accordance with statutory timelines for payment. Property and casualty policies due to the inherent nature are generally settled within 12 months from the date of receipt of loss adjustor report.
- Accrued expenses and other liabilities are expected to settle within a year of 12 months from the year end date except for end of services benefits.
- Surplus distribution payable is to be settled within 6 months of annual general meeting in which financial statements are approved.

28. Capital management

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

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

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

28. Capital management (continued)

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

- Minimum capital requirement
- Premium solvency margin; or
- Claims solvency margin

The equity as at 31 December 2024 consists of paid-up share capital of SAR 400 million, accumulated losses of SAR 195.62 million, fair value revaluation reserve of SAR 59.20 million and remeasurement reserve of employees' benefit obligations of 4.73 million (31 December 2023: paid-up share capital of SAR 400 million, accumulated losses of SAR 180.56 million, fair value revaluation reserve of SAR 41.54 million and remeasurement reserve of employees' benefit obligations of 4.18 million), in the statement of financial position.

The amendment made to the Co-operative Insurance Companies Law in accordance with the Royal Decree (M/12) dated 23/1/1443H (corresponding to 1 September 2021) requires the minimum capital of insurance companies to be SAR 300 million by 15 December 2024. Currently, the Company is in compliance with the minimum capital required for an insurance company.

29. Gross written premium

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

For the year ended 31 December 2024

Breakdown of GWP	**Medical**	**Motor**	**Others**	**Total**
Retail	**4,348**	**542,287**	**11**	**546,646**
Very small	**9,469**	**997**	**3,032**	**13,498**
Small	**15,078**	**3,204**	**7,040**	**25,322**
Medium	**21,518**	**1,027**	**2,862**	**25,407**
Corporate	**48,033**	**58,517**	**439,269**	**545,819**
Total	**98,446**	**606,032**	**452,214**	**1,156,692**

For the year ended 31 December 2023

Breakdown of GWP	Medical	Motor	Others	Total
Retail	15,285	488,010	92	503,387
Very small	7,377	2,851	2,678	12,906
Small	23,369	5,792	9,355	38,516
Medium	27,331	1,351	2,989	31,671
Corporate	30,676	162,012	250,252	442,940
Total	104,038	660,016	265,366	1,029,420

30. Net written premium

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

For the year ended 31 December 2024 **Item**	**Medical**	**Motor**	**Others**	**Total**
Gross written premium	**98,446**	**606,032**	**452,214**	**1,156,692**
Reinsurance premium ceded – globally (including excess of loss)	**(9,330)**	**(18,677)**	**(406,414)**	**(434,421)**
Reinsurance premium ceded – locally (including excess of loss)	**(5,943)**	**(3,839)**	**(40,515)**	**(50,297)**
Net written premium - total	**83,173**	**583,516**	**5,285**	**671,974**

For the year ended 31 December 2023 Item	Medical	Motor	Others	Total
Gross written premium	104,038	660,016	265,366	1,029,420
Reinsurance premium ceded – globally (including excess of loss)	(2,288)	(1,312)	(245,557)	(249,157)
Reinsurance premium ceded – locally (including excess of loss)	(20,402)	(8,933)	(17,883)	(47,218)
Net written premium - total	81,348	649,771	1,926	733,045

31. Supplementary information

As required by the IA 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:

a) STATEMENT OF FINANCIAL POSITION

	31 December 2024			31 December 2023		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
ASSETS						
Cash and cash equivalents	**72,359**	**671**	**73,030**	95,227	27,052	122,279
Term deposits	**23,311**	**60,164**	**83,475**	-	101,041	101,041
Investments:						
Financial assets at fair value through profit or loss ("FVTPL")	**250**	**-**	**250**	246	-	246
Financial assets at fair value through other comprehensive income ("FVOCI")	**-**	**61,124**	**61,124**	-	43,463	43,463
Financial assets at amortised cost	**88,850**	**87,252**	**176,102**	91,518	38,595	130,113
Prepaid expenses and other assets	**23,598**	**5,875**	**29,473**	51,131	6,928	58,059
Insurance contract assets	**229,836**	**-**	**229,836**	101,129	-	101,129
Reinsurance contract assets	**80,608**	**-**	**80,608**	66,787	-	66,787
Right-of-use assets	**3,037**	**-**	**3,037**	4,161	-	4,161
Property and equipment	**12,419**	**-**	**12,419**	7,343	-	7,343
Intangible assets	**31,219**	**-**	**31,219**	23,194	-	23,194
Goodwill	**-**	**78,400**	**78,400**	-	78,400	78,400
Statutory deposit	**-**	**59,989**	**59,989**	-	59,989	59,989
Accrued income on statutory deposit	**-**	**1,641**	**1,641**	-	1,558	1,558
Due from shareholders' operations	**74,600**	**-**	**74,600**	78,513	-	78,513
TOTAL ASSETS	**640,087**	**355,116**	**995,203**	519,249	357,026	876,275
Less: Inter-operations eliminations	**(74,600)**	**-**	**(74,600)**	(78,513)	-	(78,513)
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	**565,487**	**355,116**	**920,603**	440,736	357,026	797,762

31. Supplementary information (continued)

a) STATEMENT OF FINANCIAL POSITION (continued)

	31 December 2024			31 December 2023		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
LIABILITIES						
Insurance contract liabilities	**487,373**	**-**	**487,373**	387,014	-	387,014
Reinsurance contract liabilities	**100,605**	**-**	**100,605**	94,496	-	94,496
Accrued and other liabilities	**34,520**	**1,362**	**35,882**	18,242	2,110	20,352
Lease liabilities	**1,375**	**-**	**1,375**	3,777	-	3,777
Employees' benefit obligations	**11,484**	**-**	**11,484**	11,543	-	11,543
Provision for zakat and income tax	**-**	**13,929**	**13,929**	-	13,867	13,867
Accrued income payable to IA	**-**	**1,641**	**1,641**	-	1,558	1,558
Due to insurance operations	**-**	**74,600**	**74,600**	-	78,513	78,513
TOTAL LIABILITIES	**635,357**	**91,532**	**726,889**	515,072	96,048	611,120
Less: Inter-operations eliminations	**-**	**(74,600)**	**(74,600)**	-	(78,513)	(78,513)
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	**635,357**	**16,932**	**652,289**	515,072	17,535	532,607
EQUITY						
Share capital	**-**	**400,000**	**400,000**	-	400,000	400,000
Accumulated losses	**-**	**(195,617)**	**(195,617)**	-	(180,562)	(180,562)
Fair value reserve for investment	**-**	**59,201**	**59,201**	-	41,540	41,540
Remeasurement reserve of employees' benefit obligations	**4,730**	**-**	**4,730**	4,177		4,177
TOTAL EQUITY	**4,730**	**263,584**	**268,314**	4,177	260,978	265,155
TOTAL LIABILITIES AND EQUITY	**640,087**	**280,516**	**920,603**	519,249	278,513	797,762

31. Supplementary information (continued)

a) STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER

	2024			2023		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
REVENUES						
Insurance revenue	**1,049,578**	**-**	**1,049,578**	1,061,771	-	1,061,771
Insurance service expenses	**(783,136)**	**-**	**(783,136)**	(625,322)	-	(625,322)
Net expenses from reinsurance contracts	**(244,971)**	**-**	**(244,971)**	(409,332)	-	(409,332)
Insurance service result from Company's directly written business	**21,471**	**-**	**21,471**	27,117	-	27,117
Share of surplus from insurance pools	**246**	**-**	**246**	13,833	-	13,833
Total insurance service result	**21,717**	**-**	**21,717**	40,950	-	40,950
Commission income from financial assets not measured at FVTPL	**5,682**	**8,877**	**14,559**	3,727	5,686	9,413
Net gains on financial assets measured at FVTPL	**4**	**-**	**4**	14	727	741
Dividend income	**-**	**-**	**-**	-	-	-
Net investment income	**5,686**	**8,877**	**14,563**	3,741	6,413	10,154
Finance costs from insurance contracts issued	**(4,142)**	**-**	**(4,142)**	(4,709)	-	(4,709)
Finance income from reinsurance contracts held	**1,634**	**-**	**1,634**	2,016	-	2,016
Net insurance finance costs	**(2,508)**	**-**	**(2,508)**	(2,693)	-	(2,693)
Net insurance and investment result	**24,895**	**8,877**	**33,772**	41,998	6,413	48,411
Other (losses) / income	**(3,366)**	**-**	**(3,366)**	4,767	-	4,767
Other operating expenses	**(36,218)**	**(5,243)**	**(41,461)**	(39,257)	(4,359)	(43,616)
(Loss) / profit for the year before zakat and income tax	**(14,689)**	**3,634**	**(11,055)**	7,508	2,054	9,562
Zakat and income tax expense	**-**	**(4,000)**	**(4,000)**	-	(4,270)	(4,270)
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**(14,689)**	**(366)**	**(15,055)**	7,508	(2,216)	5,292
Basic and diluted (losses) / earnings per share) (expressed in Saudi Riyals per share)	**-**	**-**	**(0.38)**	-	-	0.13

31. Supplementary information (continued)

b) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	2024			2023		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**(14,689)**	**(366)**	**(15,055)**	7,508	(2,216)	5,292
Other comprehensive (loss) / income						
Items that will not be reclassified to statement of income in subsequent years						
Net changes in fair value of investment measured at FVOCI – equity instruments	**-**	**17,661**	**17,661**	-	3,760	3,760
Remeasurement gain / (loss) on employees' benefit obligations	**553**	**-**	**553**	(48)	-	(48)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**(14,136)**	**17,295**	**3,159**	7,460	1,544	9,004

31. Supplementary information (continued)

d) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	2024			2023		
CASH FLOWS FROM OPERATING ACTIVITIES	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
(Loss) / profit attribution before zakat	**(14,689)**	**3,634**	**(11,055)**	7,508	2,054	9,562
Adjustments for non-cash items:						
Depreciation of property and equipment	**6,982**	**-**	**6,982**	3,339	-	3,339
Amortisation of intangible assets	**1,044**	**-**	**1,044**	1,051	-	1,051
Depreciation for right-of-use assets	**2,076**	**-**	**2,076**	2,686	-	2,686
Finance costs on lease liabilities	**114**	**-**	**114**	177	-	177
Net impairment losses on financial assets	**-**	**-**	**-**	-	-	-
Unrealized gain on financial assets measured at FVTPL	**(4)**	**-**	**(4)**	(14)	-	(14)
Realized gain on financial assets measured at FVTPL	**-**	**-**	**-**	-	(727)	(727)
Commission income from financial assets measured at amortised cost	**(5,682)**	**(8,877)**	**(14,559)**	(3,727)	(5,686)	(9,413)
Provision for employees' benefit obligations	**2,708**	**-**	**2,708**	2,461	-	2,461
Gain on disposal of property and equipment	**-**	**-**	**-**	(24)	-	(24)
	(7,451)	**(5,243)**	**(12,694)**	13,457	(4,359)	9,098
Changes in operating assets and liabilities:						
Prepaid expenses and other assets	**27,533**	**1,053**	**28,586**	(3,855)	(5,292)	(9,147)
Changes in insurance contract assets	**(128,707)**	**-**	**(128,707)**	(101,129)	-	(101,129)
Changes in reinsurance contract assets	**(13,821)**	**-**	**(13,821)**	80,599	-	80,599
Changes in insurance contract liabilities	**100,359**	**-**	**100,359**	(52,801)	-	(52,801)
Changes in reinsurance contract liabilities	**6,109**	**-**	**6,109**	94,496	-	94,496
Accrued and other liabilities	**16,278**	**(748)**	**15,530**	4,773	(955)	3,818
Due to / (from) insurance operations	**18,602**	**(18,602)**	**-**	(8,057)	8,057	-
	18,902	**(23,540)**	**(4,638)**	27,483	(2,549)	24,934
Employees' benefit obligations paid	**(2,214)**	**-**	**(2,214)**	(652)	-	(652)
Zakat paid	**-**	**(3,938)**	**(3,938)**	-	(3,211)	(3,211)
Net cash generated from / (used in) operating activities	**16,688**	**(27,478)**	**(10,790)**	26,831	(5,760)	21,071

31. Supplementary information (continued)

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

	2024			2023		
CASH FLOWS FROM INVESTING ACTIVITIES	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
Term deposits	**(23,311)**	**40,877**	**17,566**	-	-	-
Payment for purchases of financial assets	**2,668**	**(48,657)**	**(45,989)**	-	-	-
Proceeds from sale of investments held at FVTPL	**-**	**-**	**-**	-	24,385	24,385
Proceed from financial assets at amortised cost	**5,682**	**8,877**	**14,559**	1,789	5,686	7,475
Payment for purchases of property and equipment	**(12,058)**	**-**	**(12,058)**	(5,462)	-	(5,462)
Payment for purchases of intangible assets	**(9,069)**	**-**	**(9,069)**	(6,268)	-	(6,268)
Proceed from disposal of property and equipment	**-**	**-**	**-**	24	-	24
Net cash (used in) / generated from investing activities	**(36,088)**	**1,097**	**(34,991)**	(9,917)	30,071	20,154
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal elements of lease payments	**(3,468)**	**-**	**(3,468)**	(2,910)	-	(2,910)
Net cash used in financing activities	**(3,468)**	**-**	**(3,468)**	(2,910)	-	(2,910)
Net increase in cash and cash equivalents	**(22,868)**	**(26,381)**	**(49,249)**	14,004	24,311	38,315
Cash and cash equivalents at the beginning of the year	**95,227**	**27,052**	**122,279**	81,223	2,741	83,964
Cash and cash equivalents at end of the year	**72,359**	**671**	**73,030**	95,227	27,052	122,279

31. Supplementary information (continued)

e) 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 payables to policyholders for the year 31 December 2024 amounts to SAR nil (2023: Saudi Riyals: 0.8 million) This has been allocated as follow:

	31 December 2024	31 December 2023
Medical	-	-
Motor	-	535
Others	-	299
Total	-	834

32. 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 monitor 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 9, 18 and 20 for such analysis.

32. Operating segments (continued)

For the year ended 31 December 2024	Medical	Motor	Energy	Engineering	Others	Total
Insurance revenue	**103,312**	**607,187**	**161,657**	**149,658**	**27,764**	**1,049,578**
Insurance service expenses	**(136,696)**	**(584,540)**	**(7,972)**	**(19,784)**	**(34,144)**	**(783,136)**
Net expenses from reinsurance contracts	**4,848**	**(8,104)**	**(149,141)**	**(102,352)**	**9,778**	**(244,971)**
Insurance service result from Company's directly written business	**(28,536)**	**14,543**	**4,544**	**27,522**	**3,398**	**21,471**
Share of surplus from insurance pools	**-**	**-**	**-**	**-**	**246**	**246**
Total insurance service result						**21,717**
Commission income from financial assets not measured at FVTPL						**14,559**
Net gains on investments measured at FVTPL						**4**
Net impairment losses on financial assets						**-**
Net investment return						**14,563**
Net finance costs from insurance contracts	**(645)**	**(1,979)**	**(86)**	**(704)**	**(728)**	**(4,142)**
Net finance income from reinsurance contracts	**53**	**609**	**79**	**613**	**280**	**1,634**
Net insurance costs	**(592)**	**(1,370)**	**(7)**	**(91)**	**(448)**	**(2,508)**
Net insurance and investment result						**33,772**
Other losses						**(3,366)**
Other operating expenses						**(41,461)**
Loss for the year attributable to the shareholders before zakat						**(11,055)**
Zakat						**(4,000)**
Net loss for the year attributable to the shareholders						**(15,055)**

32. Operating segments (continued)

For the year ended 31 December 2023	Medical	Motor	Energy	Engineering	Others	Total
Insurance revenue	102,752	533,323	102,363	296,103	27,230	1,061,771
Insurance service expenses	(116,204)	(481,650)	2,123	(37,867)	8,276	(625,322)
Net expenses from reinsurance contracts	(18,701)	(37,726)	(104,899)	(219,701)	(28,305)	(409,332)
Insurance service result from Company's directly written business	(32,153)	13,947	(413)	38,535	7,201	27,117
Share of surplus from insurance pools						13,833
Total insurance service result						40,950
Commission income from financial assets not measured at FVTPL						9,413
Net gains on investments measured at FVTPL						741
Net impairment losses on financial assets						-
Net investment return						10,154
Net finance costs from insurance contracts	(1,159)	(1,649)	(154)	(561)	(1,186)	(4,709)
Net finance income from reinsurance contracts	758	(173)	63	530	838	2,016
Net insurance costs	(401)	(1,822)	(91)	(31)	(348)	(2,693)
Net insurance and investment result						48,411
Other income						4,767
Other operating expenses						(43,616)
Profit for the year attributable to the shareholders before zakat						9,562
Zakat						(4,270)
Net profit for the year attributable to the shareholders						5,292

32. Operating segments (continued)

	Medical	**Motor**	**Energy**	**Engineering**	**Others**	**Total**
31 December 2024*:*						
Assets						
Insurance contract assets	**5,702**	**147,994**	**4,259**	**45,236**	**26,645**	**229,836**
Reinsurance contract assets	**7,022**	**188**	**14,235**	**16,848**	**42,315**	**80,608**
Unallocated assets	**-**	**-**	**-**	**-**	**-**	**610,159**
Total assets						**920,603**
Liabilities						
Insurance contract liabilities	**83,317**	**321,146**	**12,007**	**26,895**	**44,008**	**487,373**
Reinsurance contract liabilities	**6,414**	**27,175**	**6,449**	**39,741**	**20,826**	**100,605**
Unallocated liabilities	**-**	**-**	**-**	**-**	**-**	**64,311**
Total liabilities						**652,289**

	Medical	Motor	Energy	Engineering	Others	Total
31 December 2023*:*						
Assets						
Insurance contract assets	5,267	60,975	-	17,954	16,933	101,129
Reinsurance contract assets	15,660	3,101	7,059	22,327	18,640	66,787
Unallocated assets	-	-	-	-	-	629,846
Total assets						797,762
Liabilities						
Insurance contract liabilities	52,301	278,361	13,077	26,971	16,304	387,014
Reinsurance contract liabilities	16,156	18,727	1,100	48,259	10,254	94,496
Unallocated liabilities	-	-	-	-	-	51,097
Total liabilities						532,607

33. Commitments and contingencies

	31 December 2024	31 December 2023
Letters of guarantee issued in favour of ZATCA	**22,096**	22,096
Letters of guarantee issued in favour of non-government customers	**300**	300
	22,396	22,396

a. The Company has capital commitments outstanding as at 31 December 2023 amounting to SAR 16.61 million (31 December 2023: SAR 16.61 million) in respect of software development project.

b. As at 31 December 2024, the Company's bankers have given guarantees to non-government customers amounting to SAR 0.3 million (2023: SAR 0.30 million) in respect of motor insurance and to ZATCA amounting to SAR 22.09 (2023: SAR 22.09 million) in respect of a disputed assessment order (also see note 23.3) which is deposited with a bank and is included in prepaid expenses and other assets (also see note 8).Refer note 23.3 for the status of Zakat and tax assessments.

c. The Company has contingent liability amounting to SAR 7.12 million as at 31 December 2024 in respect of pending legal cases.

34. Subsequent events

There have been no significant subsequent events since the year end, that would require disclosures or adjustments in these financial statements.

35. Approval of the financial statements

These financial statements have been approved by the Board of Directors on 18 March 2025 corresponding to 18 Ramadan 1446H.