



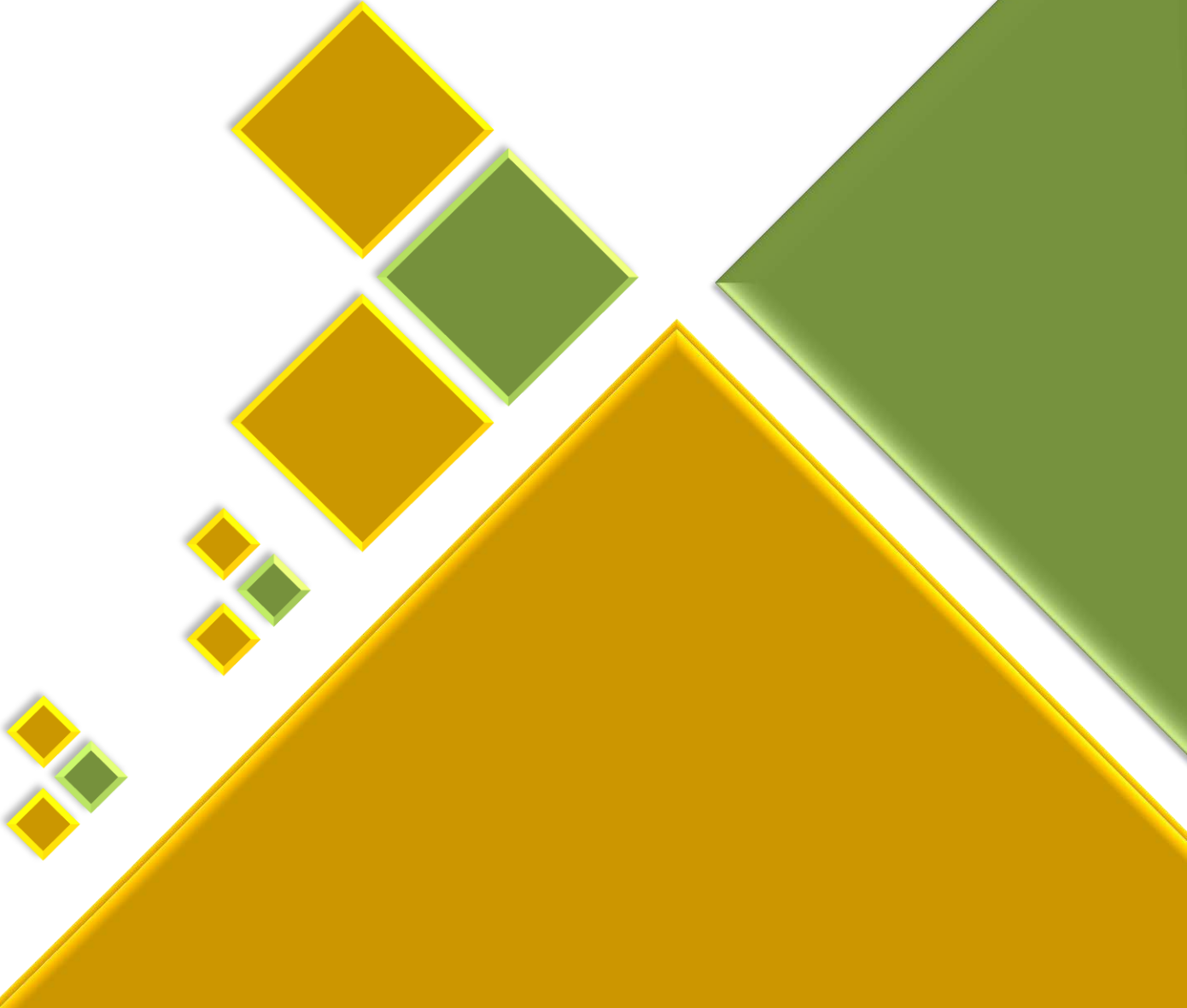
إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Extraordinary General Assembly Meeting

Gulf Union Al Ahlia Cooperative Insurance

Thursday 29/05/2025 - 02/12/1446 H

07:00 PM - Through Modern Technology



Agenda – Extraordinary General Assembly Meeting for Gulf Union Al Ahlia Cooperative Insurance

2025/05/29 - 07:00 PM – Through Modern Technology Means

1. Voting on the amendment of company Bylaws to change the name of the "Saudi Central Bank" to the "Insurance Authority" wherever it appears in the bylaws (attached).
2. Viewing and discussing the Board of Directors' Report for the fiscal year ending on 31 /12/ 2024 G.
3. Voting on the Auditors Report on the company's accounts for the fiscal year ending on 31 /12/ 2024 G.
4. Viewing and discussing the Financial Statements for the fiscal year ending on 31 /12/ 2024 G.
5. Voting on the discharging the Board members from any liabilities for the fiscal year ending on 31 /12/ 2024 G.
6. Voting on appointing the Auditors for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the second and third quarter and annual financial statements, of the fiscal year 2025 G, and the first quarter of the fiscal year 2026 G, and the determination of the auditors' fees.
7. Voting on amending the Company's Corporate Governance regulation (Attached).
8. Voting on amending the Remuneration Policy for Board of Directors & Board Committees Members and Executive Management (Attached).
9. Voting on amending the Policies, Criteria and procedures for membership in the Board of Directors (Attached)
10. Voting on payment of total SAR (1,950,000) as remuneration to the members of the Board of Directors for the fiscal year ended on 31 /12/2024 G.
11. Voting on the business and contracts that were entered into between the company and Rawabi Holding Group, in which the Chairman of the Board of Directors - Mr. Abdulaziz Ali Al-Turki has a direct interest in (where he holds the position of Chairman of the Board of Directors), noting that the transactions that took place during the fiscal year 2024 are (insurance policies for one year with a value of 33,562,062 Saudi riyals), there are no preferential terms in these deals and contracts.
12. Voting on the business and contracts that were entered into between the company and Al Muhaidib Group, in which a member of the Board of Directors - Mr. Majid Shatti Al Dhafiri has an indirect interest in (where he holds an executive position), noting that the transactions that took place during the fiscal year 2024 are (insurance policies for one year with a value of 5,054,026 Saudi Riyals), and there are no preferential terms in these deals and contracts.
13. Voting on the business and contracts that were entered into between the company and Al Muhaidib Group, in which a member of the Board of Directors - Mr. Majid Shatti Al Dhafiri has an indirect interest in (where he holds an executive position), noting that the transactions that took place during the fiscal year 2024 are (Rent Contracts for the Company's offices for one year with a value of 1,035,760 Saudi Riyals), and there are no preferential terms in these deals and contracts.



Agenda Item # 4

**4- Viewing and discussing the Financial Statements for the fiscal year ending
on 31 /12/ 2024 G.**

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
AND INDEPENDENT AUDITORS' REPORT**

**GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Gulf Union Alahlia Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p style="color: #C85A3D;"><i>Valuation of liability for incurred claims and loss component</i></p> <p>The estimation of the liability for incurred claims and loss component involves a significant degree of judgment. This entails estimating the present value of future cash flows and risk adjustment for non-financial risk (forming part of liability for incurred claims) and loss component (forming part of liability for remaining coverage). The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. Such loss component is remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the general measurement model relating to the future service and the carrying amount of the liability for remaining coverage without the loss component.</p> <p>The Company uses an external actuary ("Appointed Actuary") to provide them with the estimate of such liabilities. A range of methods were used to determine these liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.</p> <p>As at 31 December 2024, the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component amount to Saudi Riyals 289.0 million, Saudi Riyals 7.5 million and Saudi Riyals 7.4 million, respectively, as disclosed in Note 10 to the financial statements.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Understood and, on a sample basis, evaluated and tested key controls around the claims handling and provision setting processes; • Evaluated the competence, capabilities and objectivity of the Appointed Actuary based on their professional qualifications and experience and assessed their independence; • Performed substantive procedures, on a sample basis, on the amounts recorded for claims notified and paid, including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claims; • Checked the completeness of the underlying data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data used by the Appointed Actuary in estimating the present value of the future cash flows, risk adjustment for non-financial risk and loss component by comparing it to the accounting and other records; • Involved our actuarial specialists to evaluate the Company's actuarial practices, adequacy of the provisions maintained and to obtain comfort over the actuarial report issued by the Appointed Actuary. Our actuarial specialists also performed the following: <ul style="list-style-type: none"> (i) Evaluated whether the Company's actuarial methodologies were consistent with the generally accepted actuarial practices; (ii) Assessed the appropriateness of the calculation methods and approach along with the key actuarial assumptions used and sensitivity analysis performed; and

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p style="color: #C85A32;"><i>Valuation of liability for incurred claims and loss component (continued)</i></p> <p>We have considered this as a key audit matter due to the inherent estimation uncertainty, and complexity and subjectivity involved in the valuation of the estimates of present value of future cashflows, risk adjustment for non-financial risk and loss component arising from insurance contracts.</p> <p>Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions related to insurance contract liabilities.</p>	<p>(iii) Performed independent projections on present value of future cash flows, risk adjustment for non-financial risk and loss component for significant product lines to compare them with the amounts recorded by management; and</p> <ul style="list-style-type: none"> • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Other information

The Board of Directors of the Company (the "Directors") are responsible for the other information. The other information comprises information included in the Company's 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 those charged with governance for the financial statements

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

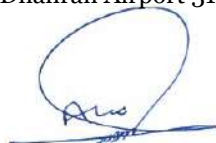
Independent auditors' report to the shareholders of Gulf Union Alahlia Cooperative Insurance Company (continued)

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

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

PricewaterhouseCoopers

P.O. Box 467
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Ali H. Al Basri
License Number 409



Al Kharashi & Co. Certified Accountants and Auditors.

P.O. Box 8306
Riyadh 11482
Kingdom of Saudi Arabia



Abdullah AlMsned
License Number 456



26 March 2025
26 Ramadan 1446 H

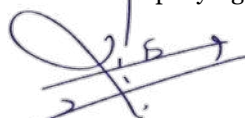
**GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

STATEMENT OF FINANCIAL POSITION

(All amounts expressed in Saudi Riyals unless otherwise stated)

		As at 31 December	
	Note	2024	2023
ASSETS			
Cash and cash equivalents	6	53,973,519	55,114,476
Term deposits	7	400,168,421	342,772,700
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	8	138,396,972	135,144,967
Financial assets at fair value through other comprehensive income ("FVOCI")	8	122,247,674	86,968,505
Financial assets at amortised cost	8	175,996,001	156,102,104
Prepaid expenses and other assets	9	47,034,912	39,912,855
Reinsurance contract assets	10	61,691,142	50,362,725
Right-of-use assets	11	7,481,026	10,255,189
Property and equipment	12	7,696,401	8,420,561
Intangible assets	13	42,936,441	42,407,211
Accrued income on statutory deposit	14	1,819,113	3,233,205
Goodwill	5	67,697,750	67,697,750
Statutory deposit	14	68,838,456	68,834,222
TOTAL ASSETS		1,195,977,828	1,067,226,470
LIABILITIES			
Accrued and other liabilities	15	23,462,432	24,023,006
Insurance contract liabilities	10	499,820,414	437,355,990
Employee benefit obligations	16	19,978,809	19,719,701
Lease liabilities	11	8,622,513	11,107,691
Zakat and income tax payable	25	15,575,348	23,795,052
Accrued commission income payable to Insurance authority	14	1,819,113	3,233,205
TOTAL LIABILITIES		569,278,629	519,234,645
EQUITY			
Share capital	17	458,949,280	458,949,280
Statutory reserve	18	14,076,961	5,347,858
Retained earnings		36,765,081	1,848,668
Fair value reserve	8	118,401,518	83,122,349
Remeasurement reserve of employee benefit obligations	16	(1,493,641)	(1,276,330)
TOTAL EQUITY		626,699,199	547,991,825
TOTAL LIABILITIES AND NET EQUITY		1,195,977,828	1,067,226,470

The accompanying notes from 1 to 38 form an integral part of these financial statements.



Abdulaziz Ali Al Turki
Chairman of the Board of
Directors



Mesheal I. Alshayea
Chief Executive Officer




Faris Al Habbad
Chief Financial Officer

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

		Year ended 31 December	
	Note	2024	2023
Insurance revenue	19	804,752,396	624,483,382
Insurance service expenses	19	(717,397,356)	(510,819,908)
Net expense from reinsurance contracts	19	(56,755,033)	(44,991,914)
Insurance service result from Company's directly written business		30,600,007	68,671,560
Share of surplus from insurance pool	24	8,290,522	35,730,359
Total insurance service result		38,890,529	104,401,919
Interest income from financial assets not measured at FVTPL	20	28,595,668	22,340,776
Interest income from financial assets measured at FVTPL	20	2,581,160	2,540,677
Expected credit (losses) reversal of losses on financial assets	6,7,8,14	(6,318)	500
Net (losses) gains on financial assets measured at FVTPL	8,20	(1,053,167)	12,127,512
Dividend income	20	1,549,259	866,183
Net investment income		31,666,602	37,875,648
Finance income from insurance contracts issued	21	764,491	3,262,115
Finance (expenses) income from reinsurance contracts held	21	(352,156)	1,020,832
Net insurance finance income		412,335	4,282,947
Net insurance and investment result		70,969,466	146,560,514
Finance cost	23	(432,741)	(532,083)
Other operating expenses	22	(18,985,080)	(18,991,080)
Total profit for the year before zakat and income tax		51,551,645	127,037,351
Zakat expense	25	(7,478,778)	(2,000,000)
Income tax expense	25	(427,351)	-
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		43,645,516	125,037,351
Earnings per share (expressed in Saudi Riyals per share)			
Basic and diluted earnings per share	26	0.95	2.72

The accompanying notes from 1 to 38 form an integral part of these financial statements.


Abdulaziz Ali Al Turki
Chairman of the Board of Directors



Mesheal I. Alshayea
Chief Executive Officer


Faris Al Habbad
Chief Financial Officer

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

		Year ended 31 December	
	Note	2024	2023
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		43,645,516	125,037,351
Other comprehensive income			
<i>Items that will not be reclassified to the statement of income in subsequent years</i>			
Remeasurement loss on employee benefit obligations	16	(217,311)	(44,457)
Net changes in fair value of investment measured at FVOCI	8	35,279,169	7,562,251
Total other comprehensive income		35,061,858	7,517,794
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		78,707,374	132,555,145

The accompanying notes from 1 to 38 form an integral part of these financial statements.



Abdulaziz Ali Al Turki
Chairman of the Board of Directors



Mesheal I. Alshayea
Chief Executive Officer

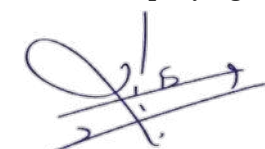


Faris Al Habbad
Chief Financial Officer

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

	Note	Share capital	Statutory reserve	Retained earnings (Accumulated losses)	Remeasurement reserve of employee benefit obligations	Fair value reserve on investments	Total
Balance at 1 January 2024		458,949,280	5,347,858	1,848,668	(1,276,330)	83,122,349	547,991,825
Total comprehensive income (loss) for the year							
Net profit for the year attributable to the shareholders		-	-	43,645,516	-	-	43,645,516
Remeasurement loss on employee benefit obligations	16	-	-	-	(217,311)	-	(217,311)
Net changes in fair value of the investments measured at FVOCI	8	-	-	-	-	35,279,169	35,279,169
Total comprehensive income (loss) for the year attributable to the shareholders		-	-	43,645,516	(217,311)	35,279,169	78,707,374
Transfer to statutory reserve	18	-	8,729,103	(8,729,103)	-	-	-
Balance at 31 December 2024		458,949,280	14,076,961	36,765,081	(1,493,641)	118,401,518	626,699,199
At 1 January 2023		458,949,280	4,885,691	(122,726,516)	(1,231,873)	75,560,098	415,436,680
Total comprehensive income (loss) for the year							
Net profit for the year attributable to the shareholders		-	-	125,037,351	-	-	125,037,351
Remeasurement loss on employee benefit obligations	16	-	-	-	(44,457)	-	(44,457)
Net changes in fair value of the investments measured at FVOCI	8	-	-	-	-	7,562,251	7,562,251
Total comprehensive income (loss) for the year attributable to the shareholders		-	-	125,037,351	(44,457)	7,562,251	132,555,145
Transfer to statutory reserve	18	-	462,167	(462,167)	-	-	-
Balance at 31 December 2023		458,949,280	5,347,858	1,848,668	(1,276,330)	83,122,349	547,991,825

The accompanying notes from 1 to 38 form an integral part of these financial statements.



Abdulaziz Ali Al Turki
Chairman of the Board of Directors



Mesheal I. Alshayea
Chief Executive Officer



Faris Al Habbad
Chief Financial Officer

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

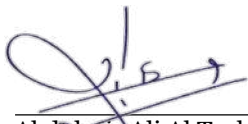
		Year ended 31 December	
	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Total profit for the year before zakat and income tax		51,551,645	127,037,351
<u>Adjustments for non-cash items:</u>			
Depreciation of property and equipment	12	2,727,416	2,518,755
Amortisation of intangible assets	13	12,326,979	10,922,566
Depreciation of right-of-use assets	11	3,223,173	3,328,979
Finance costs	11,16	1,241,401	1,179,920
Interest income from financial assets not measured at FVTPL	20	(28,595,668)	(22,340,776)
Interest income from financial assets measured at FVTPL	20	(2,581,160)	(2,540,677)
Expected credit (losses) reversal of losses on financial assets		6,318	(500)
Net losses (gains) on financial assets measured at FVTPL	8,20	1,053,167	(12,127,512)
Dividend income	20	(1,549,259)	(866,183)
Provision for employee benefit obligations	16	3,389,786	2,418,681
Losses (gains) on remeasurement of lease liabilities		114,190	(7,069)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	9	(11,497,237)	20,814,193
Changes in reinsurance contract assets	10	(11,328,417)	24,364,297
Accrued income on statutory deposit		1,414,092	5,721,491
Accrued and other liabilities	15	2,593,419	(12,527,743)
Changes in insurance contract liabilities	10	62,464,424	(1,404,796)
Accrued commission income payable to Insurance Authority		(1,414,092)	(5,721,491)
		85,140,177	140,769,486
Employee benefit obligations paid	16	(4,156,649)	(1,647,628)
Zakat and income tax paid	25	(16,125,833)	(277,896)
Net cash generated from operating activities		64,857,695	138,843,962
CASH FLOWS FROM INVESTING ACTIVITIES			
(Placement) redemption of term deposits, net	7	(34,740,817)	(182,692,639)
Payments for purchases of financial assets at FVTPL	8	(5,039,811)	-
Payments for purchases of financial assets at amortised cost	8	(22,000,000)	-
Proceeds from sale of investments held at FVTPL	8	734,639	3,912,118
Proceeds from maturity of investments held at amortised cost	8	2,000,000	-
Interest income received from financial assets not measured at FVTPL		5,668,852	4,890,560
Interest income received from financial assets measured at FVTPL		5,719,071	3,406,860
Payments against purchases of property and equipment	12	(2,003,256)	(3,373,378)
Payments against purchases of intangible assets	13	(12,856,209)	(7,861,304)
Net cash used in investing activities		(62,517,531)	(181,717,783)

(continued)

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

		Year ended 31 December	
	Note	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments	11	(3,048,380)	(1,798,002)
Finance costs paid on lease liabilities	11	(432,741)	(532,083)
Net cash used in financing activities		(3,481,121)	(2,330,085)
Net decrease in cash and cash equivalents		(1,140,957)	(45,203,906)
Cash and cash equivalents at the beginning of the year	6	55,114,476	100,318,382
Cash and cash equivalents at end of the year	6	53,973,519	55,114,476
<u>Supplemental non-cash information:</u>			
Net changes in fair value of investment measured at FVOCI	8	35,279,169	7,562,251
Remeasurement loss on employee benefit obligations	16	(217,311)	(44,457)
Additions of right-of-use assets	11	948,236	6,182,306
Modification of right-of-use assets	11	(59,951)	118,968
Termination of right-of-use assets	11	(931,122)	(205,756)

The accompanying notes from 1 to 38 form an integral part of these financial statements.



Abdulaziz Ali Al Turki
Chairman of the Board of
Directors



Mesheal I. Alshayea
Chief Executive Officer



Faris Al Habbad
Chief Financial Officer

**GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. General information - legal status and principal activities

(a) General information

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

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

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

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

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

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

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

(b) Shareholding percentage

The shareholding percentage of the Company at 31 December 2024 and 31 December 2023 was as follows:

	31 December 2024	31 December 2023
Shareholding percentage subject to zakat (%)	99	93.1
Shareholding percentage subject to income tax (%)	1	6.9
	100	100

(c) Merger agreement

On 3 Safar 1446H (corresponding to 7 August 2024), the Company signed a non-binding memorandum of understanding ("MoU") with Gulf General Cooperative Insurance Company ("GGI"), a company incorporated in the Kingdom of Saudi Arabia, to evaluate a potential merger between GGI and the Company.

On 8 Jumada II 1446H (corresponding to 9 December 2024), the Company signed a merger agreement with GGI for which approvals from Insurance Authority and Capital Market Authority have been obtained on 12 Sha'ban 1446H (corresponding to 11 February 2025) and 25 Sha'ban 1446H (corresponding to 24 February 2025), retrospectively. However, the merger is subject to the approval from the shareholders of both GGI and the Company. As per the terms of the merger agreement:

- GGI will be merged with the Company which will result in all rights, liabilities, assets and contracts of GGI being subsumed into the Company by operation of law with effect from the merger effective date;
- The Company will issue 0.76 shares in the Company for every one share in GGI to GGI's shareholders. This will result in issuance of 22,823,227 new ordinary shares by the Company with a par value of Saudi Riyals 10 per share; and
- The Company will issue such new shares by increasing its share capital from Saudi Riyals 458,949,280 to Saudi Riyals 687,181,550.

On 28 Sha'ban 1446H (Corresponding to 27 February 2025), the Company has issued shareholder circular and offer document including merger timeline. Further, the meeting for shareholder approval to increase share capital for merger had been set out on 27 Ramadan 1446H (Corresponding to 27 March 2025). However, on 25 Ramadan 1446H (Corresponding to 25 March 2025), GGI and the Company entered into the termination agreement due to non-fulfilment of merger condition. Therefore, the merger has been cancelled.

2. Basis of preparation

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

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

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2. Basis of preparation (continued)

a) Statement of compliance (continued)

In accordance with the requirements of the Insurance Law issued by SAMA and as per by-laws of the Company, shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising from insurance operations is transferred to the shareholders' operations in full. Surplus entitled to the policyholders is part of insurance service expenses (Also see Note 35).

The statements of financial position, statements of income, statement of comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 36 to the financial statements have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by the Insurance Law. The Insurance Law require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations. Accordingly, the statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders' operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

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

(b) Basis of measurement

The financial statements are prepared under the going concern basis and the historical cost convention, except as explained in the relevant accounting policies in these financial statements.

(c) Basis of presentation

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

(d) Functional and presentation currency

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

(e) Seasonality of operations

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

(f) Changes in products and services

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

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3. Material accounting policy information

The material accounting policies applied in the preparation of these financial statements are summarised below, these policies have been consistently applied to each of the years.

3.1 New and amended standards adopted by the Company

- Amendments to IAS 1 ‘Presentation of financial statements’ (“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. The Company did not identify an impact as a result of these amendments.

- 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. The Company did not identify an impact as a result of these amendments.

- Amendment to IAS 7 ‘Cash flow statements’ (“IAS 7”) and IFRS 7 ‘Financial instruments: Disclosures’ (“IFRS 7”) - Supplier finance

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

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

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

- Amendments to IAS 21 ‘Foreign currencies’ (“IAS 21”) - Lack of Exchangeability

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

Effective date:

Annual periods beginning on or after 1 January 2025.

Impact assessment

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

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3. Material accounting policy information (continued)

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

- **Amendments to the Classification and Measurement of Financial Instruments –
Amendments to IFRS 9 and IFRS 7**

These amendments address the classification and measurement of financial instruments and related disclosures. The key changes include adjustments to the treatment of financial instruments, particularly in relation to the measurement of certain hybrid contracts, and more detailed disclosures related to financial instruments under IFRS 7. These amendments are designed to provide more transparency in how financial instruments are classified and measured.

Effective date:

Annual periods beginning on or after 1 January 2026.

Impact assessment

Management is currently in the process of assessing the impact of these amendments, however, no material impact is expected based on the current operations of the Company.

- **Annual improvements to IFRS – Volume 11**

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards.

Effective date:

Annual periods beginning on or after 1 January 2026 with earlier application permitted.

Impact assessment

Management is currently in the process of assessing the impact of these amendments, however, no material impact is expected based on the current operations of the Company.

- **IFRS 18 - Presentation and Disclosure in Financial Statements**

IFRS 18 introduces updates related to the presentation and disclosure of financial information in financial statements. The amendments focus on improving the consistency and comparability of financial statement presentations across entities, including changes in the presentation of income, expenses, and liabilities. The goal is to enhance the clarity and transparency of financial reporting.

Effective date:

Annual periods beginning on or after 1 January 2027.

Impact assessment

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

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3. Material accounting policy information (continued)

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

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19 introduces new disclosure requirements for subsidiaries that do not have public accountability. The standard requires these subsidiaries to provide additional disclosures related to financial performance, position, and cash flows, thereby enhancing transparency for users of the financial statements. The disclosures aim to provide a clearer picture of the financial health of subsidiaries without public accountability.

Effective date:

Annual periods beginning on or after 1 January 2027.

Impact assessment

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

3.3 Insurance and reinsurance contracts

i. Classification and summary of measurement models

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

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

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

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

ii. Level of aggregation

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

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

The portfolios are further divided by year of issue.

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

ii Level of aggregation (continued)

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

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

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

iii Recognition

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

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

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

- For reinsurance contracts that provide proportionate coverage, at the later of:
 - (i) *the beginning of the coverage period of the group of reinsurance contracts and*
 - (ii) *the initial recognition of any underlying contract.*
- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts;

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

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

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

iv Contract boundaries

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

A substantive obligation to provide services ends when:

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

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

v Measurement

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

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

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

- Insurance contracts:

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

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

v Measurement (continued)

• Reinsurance contracts:

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

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

Measurement on initial recognition under PAA:

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

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

Subsequent measurement under PAA:

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

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

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

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

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

- a. *increased for premiums received in the year, excluding amounts that relate to premium receivables included in the LIC;*
- b. *decreased for insurance acquisition cash flows paid in the year*
- c. *decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the year; and*
- d. *increased for the amortisation of insurance acquisition cash flows in the year recognised as insurance service expenses.*

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

- a. *increased for ceding premiums paid in the year;*
- b. *increased for broker fees paid in the year; and*
- c. *decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the year*

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

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

v Measurement (continued)

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

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

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

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

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

Onerous contract assessment:

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

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

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

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

v Measurement (continued)

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

Non-performance risk (NPR) adjustment:

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

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 during the year ended 31 December 2024.

vii Insurance Acquisition cash flows & Attributable Costs

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 cash flows and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

viii Risk adjustments for non-financial risk

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

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

x Presentation

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

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

Insurance revenue:

The insurance revenue for each year is the amount of expected premium receipts for providing coverage in the period. The Company allocates the expected premium receipts to each year on the passage of time except for engineering contracts with coverage exceeding one year, where the allocation is determined based on the risk profile. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance service expenses:

Insurance service expenses include the following:

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

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

Net expenses from reinsurance contracts:

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

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

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

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3. Material accounting policy information (continued)

3.3 Insurance and reinsurance contracts (continued)

x Presentation (continued)

Hajj and Umrah insurance pool:

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

This co-insurance arrangement, in which the Company is a participant, is an insurance contract as defined in IFRS 17, and the Company has accordingly applied the recognition and measurement principles of IFRS 17. Given the bespoke nature of the arrangement and given that the rights and obligations from the arrangement are managed and settled on a net basis, the Company has accordingly presented the results from the arrangement on a net basis in insurance service results as a separate line item on the statement of comprehensive income and has provided more details in the Note 24.

Insurance finance income and expenses:

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

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

3.4 Financial assets and liabilities

i Initial recognition

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

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

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

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

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 amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

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

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

ii Classification and subsequent measurement of financial assets

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

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

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

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

ii Classification and subsequent measurement of financial assets (continued)

Debt instruments (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 'Interest income' using the effective profit method.

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

ii Classification and subsequent measurement of financial assets (continued)

Debt instruments (continued)

Fair value through other comprehensive income (“FVOCI”):

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

Fair value through profit or loss (FVTPL):

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are not expected to be frequent and no such instances have occurred during the year ended 31 December 2024.

The Company determined that the business model for one of the portfolios of debt instruments, which is separately managed from the rest of the investments, should be hold to collect. This portfolio is expected to be held to maturity of the bonds and to collect the cash flows and there were no sales in 2024, 2023 and 2022 (except for maturity) in these portfolios and there are not expected to be any sales (except for maturity) which would result in the business model not being considered hold to collect. The portfolio's fair values are not monitored nor are there expectation to manage the yield of these instruments. Furthermore, these investments are not part of the assets used for liquidity purposes of the insurance contracts.

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

ii Classification and subsequent measurement of financial assets (continued)

Equity instruments:

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

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

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

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

iii Settlement date accounting

All regular way purchases and sales of financial assets are recognized / derecognized on the settlement date (i.e. the date on which the financial assets is delivered to or by an entity). Regular way purchases or sales of financial assets are transactions that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

iv Impairment of financial assets

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

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

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

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

iv Impairment of financial assets (continued)

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

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

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

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

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

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

Credit impaired financial asset

At each reporting date, the Company will assess whether financial assets carried at amortised cost and fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Expected credit losses (“ECL”) methodology

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

Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of 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 by an appropriate rate to get the Present Value of ECL.

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

iv Impairment of financial assets (continued)

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 market observable information or 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.

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 statement of income.

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

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

v 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.

vi 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 amortised cost using the effective profit method.

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3. Material accounting policies (continued)

3.4 Financial assets and liabilities (continued)

vii 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.

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

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

3.6 Offsetting

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

3.7 Foreign currencies

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

3.8 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.

3.9 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 placement date.

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3. Material accounting policies (continued)

3.10 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.

3.11 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial year in which they are incurred.

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

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

3.12 Intangible assets and Goodwill

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

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

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

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

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

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

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3. Material accounting policies (continued)

3.13 Leases

Lease liabilities

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due; and
- 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.

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3. Material accounting policies (continued)

3.14 Leases (continued)

Right-of-use assets (RoU)

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

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

3.14 Prepaid expenses and other assets

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

3.15 Accrued and other liabilities

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

3.16 Provisions

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

3.17 Employee benefit obligations

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

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

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

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

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3. Material accounting policies (continued)

3.18 Employee benefit obligations (continued)

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

3.18 Zakat and tax

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

a) Zakat

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

b) Income and withholding taxes

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

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

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

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standard requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

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4. Significant accounting judgements, estimates and assumptions (continued)

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

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

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

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

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

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

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4. Significant accounting judgements, 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 by The European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Company then further added a KSA country risk premium from the source to make the yield curve appropriate for application. The Company used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium.

The Company had discounted the liability for incurred claims for all groups of insurance contracts. The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

31 December 2024	Currency	1 year	2 years	3 years	4 years	5 years
Insurance contracts issued and reinsurance contracts held	Saudi Riyals	5.35%	5.26%	5.23%	5.21%	5.19%

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

(iii) Risk adjustments for non-financial risks

The Company adjusted the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows 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 cash flows that arise from insurance contracts, other than uncertainty arising from financial risk.

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

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

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

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4. Significant accounting judgements, estimates and assumptions (continued)

(iv) Onerosity determination

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

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

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

(v) Estimates for expected premium receipts

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

(vi) Fair value of financial instruments

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

(vii) Impairment of goodwill

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

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4. Significant accounting judgements, estimates and assumptions (continued)

(viii) Presentation of the Umrah and Hajj insurance pool

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

5. Goodwill

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

Key assumptions	31 December 2024	31 December 2023
Discount rate (%)	15	15
Terminal value growth rate (%)	2	2

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

Sensitivity to the changes in assumptions

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

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5. Goodwill (continued)

Discount rate

The discount rate used to calculate the present value of future cashflows in the forecast period has been estimated to be 15%. If all other assumptions kept the same, an increase of this ratio from 15% to approximately 23% would give a value in use equal to the current carrying amount.

Terminal value growth rate

A sensitivity analysis has been performed and a decrease of 1% of the terminal value growth will have no impact on the result of impairment tests.

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

6. Cash and cash equivalents

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

	31 December 2024	31 December 2023
Cash at bank - current accounts	31,974,161	15,115,095
Time deposits	22,000,000	40,000,000
	53,974,161	55,115,095
Expected credit losses	(642)	(619)
	53,973,519	55,114,476

Cash at banks is placed with counterparties with sound credit ratings. Time deposits at 31 December 2024 and 2023 are placed with local banks with original maturity of less than three months from the date of placement and earned commission income at the rate of 4.5% (2023: 5.8%) per annum.

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 30.3 for details.

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

	31 December 2024	31 December 2023
Opening balance	619	3,845
Expected credit losses recognised (reversed) in the statement of income during the year	23	(3,226)
Closing balance	642	619

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7. Term deposits

Long-term deposit, amounting to Saudi Riyals 58 million (2023: Saudi Riyals 50 million), represents deposit with maturity of more than one year as at 31 December 2024 and is placed with the financial institution carrying commission income at the rate of 6.5% (2023: 6.5%) per annum, and will mature by August 2025.

The gross carrying amount of long-term deposit represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 30.3 for details.

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

	31 December 2024	31 December 2023
Opening balance	5,120	6,626
Expected credit losses reversed in the statement of income during the year	(5,120)	(1,506)
Closing balance	-	5,120

Short-term deposits, amounting to Saudi Riyals 342 million (2023: Saudi Riyals 293 million), are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months as at 31 December 2024. These deposits earned commission income at a rate of 5.8% to 6.5% per annum for the year ended 31 December 2024 (2023: 6% and 6.30% per annum).

The gross carrying amount of short-term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 30.3 for details.

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

	31 December 2024	31 December 2023
Opening balance	7,569	-
Expected credit losses recognised in statement of income during the year	14,083	7,569
Closing balance	21,652	7,569

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8. Investments

(a) *Investments are classified as follows:*

	31 December 2024	31 December 2023
Financial assets at FVTPL		
Mutual Funds	82,924,693	82,872,012
Ordinary shares	33,338,029	29,840,894
Sukuks	22,134,250	22,432,061
	138,396,972	135,144,967
Financial assets at FVOCI		
Ordinary shares	122,247,674	86,968,505
Financial assets at amortised cost		
Sukuks	176,000,063	156,104,600
Expected credit losses	(4,062)	(2,496)
	175,996,001	156,102,104
	436,640,647	378,215,576

Investments in Sukuks are classified as investments measured at amortised cost, except for certain Sukuks amounting to Saudi Riyals 22.1 (31 December 2023: Saudi Riyals 22.4 million) which failed SPPI assessment on account of interest payment not constituting time value of money and so, were classified as FVTPL. The Company's business model for Sukuk classified as amortised cost is to hold to collect the contractual cash flows.

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

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

The Company has classified its investments in ordinary shares at FVTPL, except for Najm which is held at FVOCI. The Company holds an investment in the equity of Najm in accordance with Company's accounting policy under Note 3, investments in equity instruments should be measured at fair value. The fair value of Najm investment as at 31 December 2024 amounts to Saudi Riyals 122.2 million (31 December 2023: Saudi Riyals 87.0 million).

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Refer to Note 30.3 for details.

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8. Investments (continued)

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

	31 December 2024	31 December 2023
Balance at beginning of the year	222,113,472	206,335,827
Additions during the year	5,039,811	-
Withdrawal during the year	(734,639)	(3,912,118)
Changes in fair value of investments	34,226,002	19,689,763
Balance at end of the year	260,644,646	222,113,472

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

	31 December 2024	31 December 2023
Balance at beginning of the year	156,102,104	156,000,064
Addition during the year	22,000,000	-
Matured during the year	(2,000,000)	-
Interest (collected) accreted during the year	(102,041)	104,536
	176,000,063	156,104,600
Expected credit losses	(4,062)	(2,496)
Balance at end of the year	175,996,001	156,102,104

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

	31 December 2024	31 December 2023
Opening balance	2,496	1,925
Expected credit losses recognised in statement of income during the year	1,566	571
Closing balance	4,062	2,496

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9. Prepaid expenses and other assets

	31 December 2024	31 December 2023
Receivable - insurance arrangements (Note 9.1)	2,903,453	21,048,359
Prepaid expenses	14,391,014	3,045,045
Security deposits	2,193,075	1,368,075
Accrued income	9,931,542	9,208,275
Employees' receivable	2,910,284	1,440,696
Value added tax	8,739,243	2,929,658
Other receivables	5,966,301	872,747
	47,034,912	39,912,855

- 9.1** This includes receivables related to Hajj and Umrah co-insurance agreement for general accident and medical insurance which is effective from 1 January 2020. The agreement relates to insurance of pilgrims who enter the Kingdom of Saudi Arabia. Also see Note 24.

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10. Insurance and reinsurance contracts

10.1 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:

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2024								
Insurance Contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	217,449,278	172,370,604	56,700,818	22,669,426	10,471,262	19,805,209	353,817	499,820,414
								<u>499,820,414</u>
Reinsurance contracts								
Reinsurance contract assets	2,872,407	4,455,167	13,552,652	15,830,920	6,099,430	18,657,303	223,263	61,691,142
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
								<u>61,691,142</u>
31 December 2023								
Insurance Contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	155,222,621	189,421,371	53,867,955	15,395,304	10,499,967	12,081,830	866,942	437,355,990
								<u>437,355,990</u>
Reinsurance contracts								
Reinsurance contract assets	2,820,863	13,106,798	7,231,455	10,533,315	7,408,240	8,667,988	594,066	50,362,725
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
								<u>50,362,725</u>

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims

10.2.1 Insurance contracts

	As at 31 December 2024					As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total	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		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	141,818,295	8,407,450	280,124,567	7,005,678	437,355,990	127,805,343	22,990,602	279,092,235	8,872,606	438,760,786
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	141,818,295	8,407,450	280,124,567	7,005,678	437,355,990	127,805,343	22,990,602	279,092,235	8,872,606	438,760,786
Insurance revenue	(804,752,396)	-	-	-	(804,752,396)	(624,483,382)	-	-	-	(624,483,382)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	589,824,792	5,201,726	595,026,518	-	-	423,252,580	5,260,968	428,513,548
Reversal of onerous contracts	-	(240,574)	-	-	(240,574)	-	(9,357,922)	-	-	(9,357,922)
Changes that relate to past service - adjustments to the LIC	-	-	(25,124,468)	(4,739,442)	(29,863,910)	-	-	(32,197,547)	(7,127,896)	(39,325,443)
Insurance acquisition cash flows amortisation	152,475,322	-	-	-	152,475,322	130,989,725	-	-	-	130,989,725
Insurance service expenses	152,475,322	(240,574)	564,700,324	462,284	717,397,356	130,989,725	(9,357,922)	391,055,033	(1,866,928)	510,819,908
Finance (expenses) income from insurance contracts	-	(772,431)	7,940	-	(764,491)	-	(5,225,230)	1,963,115	-	(3,262,115)
Total changes in the statement of income	(652,277,074)	(1,013,005)	564,708,264	462,284	(88,119,531)	(493,493,657)	(14,583,152)	393,018,148	(1,866,928)	(116,925,589)
Cash flows										
Premiums received	860,540,619	-	-	-	860,540,619	644,298,823	-	-	-	644,298,823
Incurred claims and other incurred insurance service expenses paid	-	-	(556,066,714)	-	(556,066,714)	-	-	(391,985,816)	-	(391,985,816)
Insurance acquisition cash flows paid	(153,889,950)	-	-	-	(153,889,950)	(136,792,214)	-	-	-	(136,792,214)
Total cash inflows	706,650,669	-	(556,066,714)	-	150,583,955	507,506,609	-	(391,985,816)	-	115,520,793
Insurance contracts	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities – closing	196,191,890	7,394,445	288,766,117	7,467,962	499,820,414	141,818,295	8,407,450	280,124,567	7,005,678	437,355,990
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	196,191,890	7,394,445	288,766,117	7,467,962	499,820,414	141,818,295	8,407,450	280,124,567	7,005,678	437,355,990

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

10.2.1.1 Medical

	As at 31 December 2024					As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total	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		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	49,852,943	2,209,595	101,402,431	1,757,652	155,222,621	64,561,875	5,185,782	112,859,030	2,183,825	184,790,512
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	49,852,943	2,209,595	101,402,431	1,757,652	155,222,621	64,561,875	5,185,782	112,859,030	2,183,825	184,790,512
Insurance revenue	(330,054,941)	-	-	-	(330,054,941)	(262,710,093)	-	-	-	(262,710,093)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	262,847,040	1,938,199	264,785,239	-	-	166,968,318	1,584,927	168,553,245
Onerous contracts recognised	-	2,446,718	-	-	2,446,718	-	210,875	-	-	210,875
Changes that relate to past service - adjustments to the LIC	-	-	2,665,553	(1,560,837)	1,104,716	-	-	(8,279,351)	(2,011,100)	(10,290,451)
Insurance acquisition cash flows amortisation	50,656,724	-	-	-	50,656,724	33,548,742	-	-	-	33,548,742
Insurance service expenses	50,656,724	2,446,718	265,512,593	377,362	318,993,397	33,548,742	210,875	158,688,967	(426,173)	192,022,411
Finance income (expense) from insurance contracts	-	542,521	380,655	-	923,176	-	(3,187,062)	301,519	-	(2,885,543)
Total changes in the statement of income	(279,398,217)	2,989,239	265,893,248	377,362	(10,138,368)	(229,161,351)	(2,976,187)	158,990,486	(426,173)	(73,573,225)
Cash flows										
Premiums received	373,725,332	-	-	-	373,725,332	250,747,145	-	-	-	250,747,145
Incurred claims and other incurred insurance service expenses paid	-	-	(249,209,379)	-	(249,209,379)	-	-	(170,447,085)	-	(170,447,085)
Insurance acquisition cash flows paid	(52,150,928)	-	-	-	(52,150,928)	(36,294,726)	-	-	-	(36,294,726)
Total cash inflows	321,574,404	-	(249,209,379)	-	72,365,025	214,452,419	-	(170,447,085)	-	44,005,334
Insurance contracts										
Insurance contract liabilities – closing	92,029,130	5,198,834	118,086,300	2,135,014	217,449,278	49,852,943	2,209,595	101,402,431	1,757,652	155,222,621
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	92,029,130	5,198,834	118,086,300	2,135,014	217,449,278	49,852,943	2,209,595	101,402,431	1,757,652	155,222,621

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

10.2.1.2 Motor

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Liability for remaining coverage	Liability for incurred claims				Liability for remaining coverage	Liability for incurred claims			
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	61,130,718	6,197,857	119,016,765	3,076,031	189,421,371	45,872,172	17,804,821	108,326,376	3,886,525	175,889,894
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	61,130,718	6,197,857	119,016,765	3,076,031	189,421,371	45,872,172	17,804,821	108,326,376	3,886,525	175,889,894
Insurance revenue	(332,422,074)	-	-	-	(332,422,074)	(266,068,695)	-	-	-	(266,068,695)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	263,506,348	1,792,777	265,299,125	-	-	216,627,890	2,503,382	219,131,272
Reversal of onerous contracts	-	(2,687,292)	-	-	(2,687,292)	-	(9,568,797)	-	-	(9,568,797)
Changes that relate to past service - adjustments to the LIC	-	-	(28,881,562)	(2,492,689)	(31,374,251)	-	-	(10,144,476)	(3,313,876)	(13,458,352)
Insurance acquisition cash flows amortisation	75,629,223	-	-	-	75,629,223	75,438,000	-	-	-	75,438,000
Insurance service expenses	75,629,223	(2,687,292)	234,624,786	(699,912)	306,866,805	75,438,000	(9,568,797)	206,483,414	(810,494)	271,542,123
Finance (expense) income from insurance contracts	-	(1,314,952)	326,724	-	(988,228)	-	(2,038,167)	758,248	-	(1,279,919)
Total changes in the statement of income	(256,792,851)	(4,002,244)	234,951,510	(699,912)	(26,543,497)	(190,630,695)	(11,606,964)	207,241,662	(810,494)	4,193,509
Cash flows										
Premiums received	343,006,161	-	-	-	343,006,161	277,204,982	-	-	-	277,204,982
Incurred claims and other incurred insurance service expenses paid	-	-	(257,579,878)	-	(257,579,878)	-	-	(196,551,273)	-	(196,551,273)
Insurance acquisition cash flows paid	(75,933,553)	-	-	-	(75,933,553)	(71,315,741)	-	-	-	(71,315,741)
Total cash inflows	267,072,608	-	(257,579,878)	-	9,492,730	205,889,241	-	(196,551,273)	-	9,337,968
Insurance contracts										
Insurance contract liabilities – closing	71,410,475	2,195,613	96,388,397	2,376,119	172,370,604	61,130,718	6,197,857	119,016,765	3,076,031	189,421,371
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	71,410,475	2,195,613	96,388,397	2,376,119	172,370,604	61,130,718	6,197,857	119,016,765	3,076,031	189,421,371

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

10.2.1.3 General Accident & Liability

	As at 31 December 2024					As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total	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		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	21,709,370	-	30,872,143	1,286,442	53,867,955	6,614,207	-	25,863,614	1,328,303	33,806,124
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	21,709,370	-	30,872,143	1,286,442	53,867,955	6,614,207	-	25,863,614	1,328,303	33,806,124
Insurance revenue	(55,416,410)	-	-	-	(55,416,410)	(42,824,210)	-	-	-	(42,824,210)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	38,594,722	523,109	39,117,831	-	-	16,730,506	513,398	17,243,904
Onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(11,546)	(433,384)	(444,930)	-	-	(1,107,950)	(555,259)	(1,663,209)
Insurance acquisition cash flows amortisation	11,761,631	-	-	-	11,761,631	11,202,888	-	-	-	11,202,888
Insurance service expenses	11,761,631	-	38,583,176	89,725	50,434,532	11,202,888	-	15,622,556	(41,861)	26,783,583
Finance expense from insurance contracts	-	-	(127,198)	-	(127,198)	-	-	(357,605)	-	(357,605)
Total changes in the statement of income	(43,654,779)	-	38,455,978	89,725	(5,109,076)	(31,621,322)	-	15,264,951	(41,861)	(16,398,232)
Cash flows										
Premiums received	54,515,740	-	-	-	54,515,740	62,766,175	-	-	-	62,766,175
Incurred claims and other incurred insurance service expenses paid	-	-	(35,611,735)	-	(35,611,735)	-	-	(10,256,422)	-	(10,256,422)
Insurance acquisition cash flows paid	(10,962,066)	-	-	-	(10,962,066)	(16,049,690)	-	-	-	(16,049,690)
Total cash inflows	43,553,674	-	(35,611,735)	-	7,941,939	46,716,485	-	(10,256,422)	-	36,460,063
Insurance contracts										
Insurance contract liabilities – closing	21,608,265	-	33,716,386	1,376,167	56,700,818	21,709,370	-	30,872,143	1,286,442	53,867,955
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	21,608,265	-	33,716,386	1,376,167	56,700,818	21,709,370	-	30,872,143	1,286,442	53,867,955

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

10.2.1.4 Engineering

	As at 31 December 2024					As at 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		Total	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		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	6,778,011	-	8,344,234	273,059	15,395,304	3,846,166	-	6,404,989	312,455	10,563,610
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	6,778,011	-	8,344,234	273,059	15,395,304	3,846,166	-	6,404,989	312,455	10,563,610
Insurance revenue	(21,178,804)	-	-	-	(21,178,804)	(16,297,069)	-	-	-	(16,297,069)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	6,410,635	275,037	6,685,672	-	-	5,565,962	200,709	5,766,671
Onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	2,003,714	(14,436)	1,989,278	-	-	(3,117,271)	(240,105)	(3,357,376)
Insurance acquisition cash flows amortisation	4,496,513	-	-	-	4,496,513	3,670,175	-	-	-	3,670,175
Insurance service expenses	4,496,513	-	8,414,349	260,601	13,171,463	3,670,175	-	2,448,691	(39,396)	6,079,470
Finance expense income from insurance contracts	-	-	(567,373)	-	(567,373)	-	-	1,200,630	-	1,200,630
Total changes in the statement of income	(16,682,291)	-	7,846,976	260,601	(8,574,714)	(12,626,894)	-	3,649,321	(39,396)	(9,016,969)
Cash flows										
Premiums received	24,065,565	-	-	-	24,065,565	20,633,901	-	-	-	20,633,901
Incurred claims and other incurred insurance service expenses paid	-	-	(3,176,404)	-	(3,176,404)	-	-	(1,710,076)	-	(1,710,076)
Insurance acquisition cash flows paid	(5,040,325)	-	-	-	(5,040,325)	(5,075,162)	-	-	-	(5,075,162)
Total cash inflows	19,025,240	-	(3,176,404)	-	15,848,836	15,558,739	-	(1,710,076)	-	13,848,663
Insurance contracts										
Insurance contract liabilities – closing	9,120,960	-	13,014,806	533,660	22,669,426	6,778,011	-	8,344,234	273,059	15,395,304
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	9,120,960	-	13,014,806	533,660	22,669,426	6,778,011	-	8,344,234	273,059	15,395,304

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

10.2.1.5 Property

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Liability for remaining coverage	Liability for incurred claims				Liability for remaining coverage	Liability for incurred claims			
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	2,266,186	-	7,983,002	250,779	10,499,967	4,228,818	-	5,961,267	213,126	10,403,211
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	2,266,186	-	7,983,002	250,779	10,499,967	4,228,818	-	5,961,267	213,126	10,403,211
Insurance revenue	(25,831,761)	-	-	-	(25,831,761)	(20,926,962)	-	-	-	(20,926,962)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	4,947,865	207,493	5,155,358	-	-	8,093,176	242,619	8,335,795
Onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(3,165,562)	(119,236)	(3,284,798)	-	-	(2,332,599)	(204,966)	(2,537,565)
Insurance acquisition cash flows amortisation	4,313,202	-	-	-	4,313,202	4,238,283	-	-	-	4,238,283
Insurance service expenses	4,313,202	-	1,782,303	88,257	6,183,762	4,238,283	-	5,760,577	37,653	10,036,513
Finance expense from insurance contracts	-	-	(220,775)	-	(220,775)	-	-	(182,964)	-	(182,964)
Total changes in the statement of income	(21,518,559)	-	1,561,528	88,257	(19,868,774)	(16,688,679)	-	5,577,613	37,653	(11,073,413)
Cash flows										
Premiums received	25,150,705	-	-	-	25,150,705	19,548,611	-	-	-	19,548,611
Incurred claims and other incurred insurance service expenses paid	-	-	(1,050,494)	-	(1,050,494)	-	-	(3,555,878)	-	(3,555,878)
Insurance acquisition cash flows paid	(4,260,142)	-	-	-	(4,260,142)	(4,822,564)	-	-	-	(4,822,564)
Total cash inflows	20,890,563	-	(1,050,494)	-	19,840,069	14,726,047	-	(3,555,878)	-	11,170,169
Insurance contracts										
Insurance contract liabilities – closing	1,638,190	-	8,494,036	339,036	10,471,262	2,266,186	-	7,983,002	250,779	10,499,967
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	1,638,190	-	8,494,036	339,036	10,471,262	2,266,186	-	7,983,002	250,779	10,499,967

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10. Insurance and reinsurance contracts (continued)
10.2 Analysis by remaining coverage and incurred claims (continued)
10.2.1 Insurance contracts (continued)
10.2.1.6 Marine

	As at 31 December 2024				As at 31 December 2023					
	Liability for remaining coverage		Liability for incurred claims		Total	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		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	(500,104)	-	12,203,284	378,650	12,081,830	2,279,684	-	17,833,712	884,594	20,997,990
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	(500,104)	-	12,203,284	378,650	12,081,830	2,279,684	-	17,833,712	884,594	20,997,990
Insurance revenue	(38,976,018)	-	-	-	(38,976,018)	(14,645,765)	-	-	-	(14,645,765)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	13,318,183	458,852	13,777,035	-	-	8,776,071	209,737	8,985,808
Onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	2,413,030	(113,222)	2,299,808	-	-	(6,707,106)	(715,681)	(7,422,787)
Insurance acquisition cash flows amortisation	5,424,145	-	-	-	5,424,145	2,576,592	-	-	-	2,576,592
Insurance service expenses	5,424,145	-	15,731,213	345,630	21,500,988	2,576,592	-	2,068,965	(505,944)	4,139,613
Finance income from insurance contracts	-	-	220,167	-	220,167	-	-	226,489	-	226,489
Total changes in the statement of income	(33,551,873)	-	15,951,380	345,630	(17,254,863)	(12,069,173)	-	2,295,454	(505,944)	(10,279,663)
Cash flows										
Premiums received	39,684,336	-	-	-	39,684,336	12,193,025	-	-	-	12,193,025
Incurred claims and other incurred insurance service expenses paid	-	-	(9,331,674)	-	(9,331,674)	-	-	(7,925,882)	-	(7,925,882)
Insurance acquisition cash flows paid	(5,374,420)	-	-	-	(5,374,420)	(2,903,640)	-	-	-	(2,903,640)
Total cash inflows	34,309,916	-	(9,331,674)	-	24,978,242	9,289,385	-	(7,925,882)	-	1,363,503
Insurance contracts										
Insurance contract liabilities – closing	257,939	-	18,822,990	724,280	19,805,209	(500,104)	-	12,203,284	378,650	12,081,830
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	257,939	-	18,822,990	724,280	19,805,209	(500,104)	-	12,203,284	378,650	12,081,830

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.1 Insurance contracts (continued)

10.2.1.7 Protection

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	581,172	-	302,702	(16,932)	866,942	402,420	-	1,843,245	63,780	2,309,445
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	581,172	-	302,702	(16,932)	866,942	402,420	-	1,843,245	63,780	2,309,445
Insurance revenue	(872,388)	-	-	-	(872,388)	(1,010,588)	-	-	-	(1,010,588)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	199,999	6,259	206,258	-	-	490,658	6,195	496,853
Onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(148,096)	(5,637)	(153,733)	-	-	(508,796)	(86,907)	(595,703)
Insurance acquisition cash flows amortisation	193,884	-	-	-	193,884	315,045	-	-	-	315,045
Insurance service expenses	193,884	-	51,903	622	246,409	315,045	-	(18,138)	(80,712)	216,195
Finance (expense) income from insurance contracts	-	-	(4,260)	-	(4,260)	-	-	16,797	-	16,797
Total changes in the statement of income	(678,504)	-	47,643	622	(630,239)	(695,543)	-	(1,341)	(80,712)	(777,596)
Cash flows										
Premiums received	392,782	-	-	-	392,782	1,204,986	-	-	-	1,204,986
Incurred claims and other incurred insurance service expenses paid	-	-	(107,152)	-	(107,152)	-	-	(1,539,202)	-	(1,539,202)
Insurance acquisition cash flows paid	(168,516)	-	-	-	(168,516)	(330,691)	-	-	-	(330,691)
Total cash inflows (outflows)	224,266	-	(107,152)	-	117,114	874,295	-	(1,539,202)	-	(664,907)
Insurance contracts										
Insurance contract liabilities – closing	126,934	-	243,193	(16,310)	353,817	581,172	-	302,702	(16,932)	866,942
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	126,934	-	243,193	(16,310)	353,817	581,172	-	302,702	(16,932)	866,942

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		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	10,223,682	72,496	39,043,213	1,023,334	50,362,725	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	10,223,682	72,496	39,043,213	1,023,334	50,362,725	14,931,597	3,724,304	53,348,757	2,722,364	74,727,022
Allocation of reinsurance premium	(104,222,422)	-	-	-	(104,222,422)	(72,284,017)	-	-	-	(72,284,017)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	46,551,116	880,261	47,431,377	-	-	35,312,592	720,748	36,033,340
Effect of changes in the risk of reinsurers non-performance	-	-	(889,166)	-	(889,166)	-	-	465,724	-	465,724
Loss-recovery on onerous underlying contracts	-	(177,063)	-	-	(177,063)	-	(3,547,241)	-	-	(3,547,241)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	4,696,406	(226,040)	4,470,366	-	-	(2,988,847)	(2,419,778)	(5,408,625)
Amounts recoverable from reinsurers – net	-	(177,063)	50,358,356	654,221	50,835,514	-	(3,547,241)	32,789,469	(1,699,030)	27,543,198
Changes in reinsurance due to adjustment premiums	-	-	(3,368,125)	-	(3,368,125)	-	-	(251,095)	-	(251,095)
Finance income (expense) from reinsurance contracts	-	104,567	(456,723)	-	(352,156)	-	(104,567)	1,125,399	-	1,020,832
Total changes in the statement of income	(104,222,422)	(72,496)	46,533,508	654,221	(57,107,189)	(72,284,017)	(3,651,808)	33,663,773	(1,699,030)	(43,971,082)
Cash flows										
Premiums ceded	94,887,866	-	-	-	94,887,866	67,576,102	-	-	-	67,576,102
Recoveries from reinsurance	-	-	(26,452,260)	-	(26,452,260)	-	-	(47,969,317)	-	(47,969,317)
Total cash inflows	94,887,866	-	(26,452,260)	-	68,435,606	67,576,102	-	(47,969,317)	-	19,606,785
Reinsurance contracts										
Reinsurance contract assets – closing	889,126	-	59,124,461	1,677,555	61,691,142	10,223,682	72,496	39,043,213	1,023,334	50,362,725
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	889,126	-	59,124,461	1,677,555	61,691,142	10,223,682	72,496	39,043,213	1,023,334	50,362,725

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.1 Medical

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		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	(2,992,147)	72,496	5,696,276	44,238	2,820,863	(1,215,001)	170,144	5,766,412	107,201	4,828,756
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	(2,992,147)	72,496	5,696,276	44,238	2,820,863	(1,215,001)	170,144	5,766,412	107,201	4,828,756
Allocation of reinsurance premium	(20,273,204)	-	-	-	(20,273,204)	(11,222,327)	-	-	-	(11,222,327)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	13,132,157	-	13,132,157	-	-	3,443,372	37,297	3,480,669
Effect of changes in the risk of reinsurers non-performance	-	-	(686,391)	-	(686,391)	-	-	(26,661)	-	(26,661)
Loss-recovery on onerous underlying contracts	-	(177,063)	-	-	(177,063)	-	6,919	-	-	6,919
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,278,619	(39,542)	2,239,077	-	-	8,435,460	(100,260)	8,335,200
Amounts recoverable from reinsurers – net	-	(177,063)	14,724,385	(39,542)	14,507,780	-	6,919	11,852,171	(62,963)	11,796,127
Changes in reinsurance due to adjustment premiums	-	-	(3,368,125)	-	(3,368,125)	-	-	(251,095)	-	(251,095)
Finance income (expenses) from reinsurance contracts	-	104,567	123,607	-	228,174	-	(104,567)	16,994	-	(87,573)
Total changes in the statement of income	(20,273,204)	(72,496)	11,479,867	(39,542)	(8,905,375)	(11,222,327)	(97,648)	11,618,070	(62,963)	235,132
Cash flows										
Premiums ceded	18,263,051	-	-	-	18,263,051	9,445,181	-	-	-	9,445,181
Recoveries from reinsurance	-	-	(9,306,132)	-	(9,306,132)	-	-	(11,688,206)	-	(11,688,206)
Total cash inflows (outflows)	18,263,051	-	(9,306,132)	-	8,956,919	9,445,181	-	(11,688,206)	-	(2,243,025)
Reinsurance contracts										
Reinsurance contract assets – closing	(5,002,300)	-	7,870,011	4,696	2,872,407	(2,992,147)	72,496	5,696,276	44,238	2,820,863
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	(5,002,300)	-	7,870,011	4,696	2,872,407	(2,992,147)	72,496	5,696,276	44,238	2,820,863

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.2 Motor

	As at 31 December 2024					As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total	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		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	58,126	-	12,881,741	166,931	13,106,798	8,370,172	3,554,160	21,679,380	1,285,091	34,888,803
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance - net	58,126	-	12,881,741	166,931	13,106,798	8,370,172	3,554,160	21,679,380	1,285,091	34,888,803
Allocation of reinsurance premium	(10,641,072)	-	-	-	(10,641,072)	(17,580,803)	-	-	-	(17,580,803)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	2,923,832	-	2,923,832	-	-	14,187,285	86,920	14,274,205
Effect of changes in the risk of reinsurers non-performance	-	-	531,942	-	531,942			762,543	-	762,543
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	(3,554,160)	-	-	(3,554,160)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(3,077,460)	(29,380)	(3,106,840)	-	-	(500)	(1,205,080)	(1,205,580)
Amounts recoverable from reinsurers - net	-	-	378,314	(29,380)	348,934	-	(3,554,160)	14,949,328	(1,118,160)	10,277,008
Finance income from reinsurance contracts	-	-	57,886	-	57,886	-	-	555,773	-	555,773
Total changes in the statement of income	(10,641,072)	-	436,200	(29,380)	(10,234,252)	(17,580,803)	(3,554,160)	15,505,101	(1,118,160)	(6,748,022)
Cash flows										
Premiums ceded	8,208,570	-	-	-	8,208,570	9,268,757	-	-	-	9,268,757
Recoveries from reinsurance	-	-	(6,625,949)	-	(6,625,949)	-	-	(24,302,740)	-	(24,302,740)
Total cash inflows (outflows)	8,208,570	-	(6,625,949)	-	1,582,621	9,268,757	-	(24,302,740)	-	(15,033,983)
Reinsurance contracts										
Reinsurance contract assets – closing	(2,374,376)	-	6,691,992	137,551	4,455,167	58,126	-	12,881,741	166,931	13,106,798
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	(2,374,376)	-	6,691,992	137,551	4,455,167	58,126	-	12,881,741	166,931	13,106,798

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.3 General Accident & Liability

	As at 31 December 2024					As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total	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		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	4,609,147	-	2,516,688	105,620	7,231,455	1,366,885	-	2,752,152	151,265	4,270,302
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	4,609,147	-	2,516,688	105,620	7,231,455	1,366,885	-	2,752,152	151,265	4,270,302
Allocation of reinsurance premium	(14,561,787)	-	-	-	(14,561,787)	(10,003,854)	-	-	-	(10,003,854)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	11,595,316	82,255	11,677,571	-	-	2,449,326	74,888	2,524,214
Onerous contracts recognized	-	-	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	(683,140)	-	(683,140)	-	-	(20,087)	-	(20,087)
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,141,812	3,113	2,144,925	-	-	(714,345)	(120,533)	(834,878)
Amounts recoverable from reinsurers - net	-	-	13,053,988	85,368	13,139,356	-	-	1,714,894	(45,645)	1,669,249
Finance (expenses) income from reinsurance contracts	-	-	(126,264)	-	(126,264)	-	-	177,435	-	177,435
Total changes in the statement of income	(14,561,787)	-	12,927,724	85,368	(1,548,695)	(10,003,854)	-	1,892,329	(45,645)	(8,157,170)
Cash flows										
Premiums ceded	11,975,394	-	-	-	11,975,394	13,246,116	-	-	-	13,246,116
Recoveries from reinsurance	-	-	(4,105,502)	-	(4,105,502)	-	-	(2,127,793)	-	(2,127,793)
Total cash inflows	11,975,394	-	(4,105,502)	-	7,869,892	13,246,116	-	(2,127,793)	-	11,118,323
Reinsurance contracts										
Reinsurance contract assets – closing	2,022,754	-	11,338,910	190,988	13,552,652	4,609,147	-	2,516,688	105,620	7,231,455
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	2,022,754	-	11,338,910	190,988	13,552,652	4,609,147	-	2,516,688	105,620	7,231,455

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.4 Engineering

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		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	5,763,413	-	4,561,886	208,016	10,533,315	3,199,878	-	4,405,663	230,499	7,836,040
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	5,763,413	-	4,561,886	208,016	10,533,315	3,199,878	-	4,405,663	230,499	7,836,040
Allocation of reinsurance premium	(11,637,411)	-	-	-	(11,637,411)	(10,064,544)	-	-	-	(10,064,544)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	4,564,644	216,530	4,781,174	-	-	3,738,818	169,669	3,908,487
Onerous contracts recognized	-	-	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	(100,171)	-	(100,171)	-	-	(9,189)	-	(9,189)
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,576,280	16,793	2,593,073	-	-	(2,623,913)	(192,152)	(2,816,065)
Amounts recoverable from reinsurers – net	-	-	7,040,753	233,323	7,274,076	-	-	1,105,716	(22,483)	1,083,233
Finance expenses from reinsurance contracts	-	-	(471,111)	-	(471,111)	-	-	(98,299)	-	(98,299)
Total changes in the statement of income	(11,637,411)	-	6,569,642	233,323	(4,834,446)	(10,064,544)	-	1,007,417	(22,483)	(9,079,610)
Cash flows										
Premiums ceded	11,204,765	-	-	-	11,204,765	12,628,079	-	-	-	12,628,079
Recoveries from reinsurance	-	-	(1,072,714)	-	(1,072,714)	-	-	(851,194)	-	(851,194)
Total cash inflows	11,204,765	-	(1,072,714)	-	10,132,051	12,628,079	-	(851,194)	-	11,776,885
Reinsurance contracts										
Reinsurance contract assets – closing	5,330,767	-	10,058,814	441,339	15,830,920	5,763,413	-	4,561,886	208,016	10,533,315
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	5,330,767	-	10,058,814	441,339	15,830,920	5,763,413	-	4,561,886	208,016	10,533,315

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.5 Property

	As at 31 December 2024					As at 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		Total	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		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	2,176,080	-	5,039,852	192,308	7,408,240	2,315,638	-	3,885,832	168,768	6,370,238
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	2,176,080	-	5,039,852	192,308	7,408,240	2,315,638	-	3,885,832	168,768	6,370,238
Allocation of reinsurance premium	(13,714,955)	-	-	-	(13,714,955)	(14,707,906)	-	-	-	(14,707,906)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	3,649,936	157,838	3,807,774	-	-	5,258,763	186,269	5,445,032
Onerous contracts recognized	-	-	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	112,423	-	112,423	-	-	(26,480)	-	(26,480)
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(1,962,461)	(81,517)	(2,043,978)	-	-	(1,850,429)	(162,729)	(2,013,158)
Amounts recoverable from reinsurers – net	-	-	1,799,898	76,321	1,876,219	-	-	3,381,854	23,540	3,405,394
Finance expenses from reinsurance contracts	-	-	(181,235)	-	(181,235)	-	-	(27,243)	-	(27,243)
Total changes in the statement of income	(13,714,955)	-	1,618,663	76,321	(12,019,971)	(14,707,906)	-	3,354,611	23,540	(11,329,755)
Cash flows										
Premiums ceded	11,567,801	-	-	-	11,567,801	14,568,348	-	-	-	14,568,348
Recoveries from reinsurance	-	-	(856,640)	-	(856,640)	-	-	(2,200,591)	-	(2,200,591)
Total cash inflows	11,567,801	-	(856,640)	-	10,711,161	14,568,348	-	(2,200,591)	-	12,367,757
Reinsurance contracts										
Reinsurance contract assets – closing	28,926	-	5,801,875	268,629	6,099,430	2,176,080	-	5,039,852	192,308	7,408,240
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	28,926	-	5,801,875	268,629	6,099,430	2,176,080	-	5,039,852	192,308	7,408,240

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.6 Marine

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		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	82,675	-	8,279,813	305,500	8,667,988	477,904	-	13,771,972	731,886	14,981,762
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	82,675	-	8,279,813	305,500	8,667,988	477,904	-	13,771,972	731,886	14,981,762
Allocation of reinsurance premium	(32,731,018)	-	-	-	(32,731,018)	(8,140,108)	-	-	-	(8,140,108)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	10,621,209	420,588	11,041,797	-	-	6,113,788	164,985	6,278,773
Effect of changes in the risk of reinsurers non-performance	-	-	(72,646)	-	(72,646)			(239,594)	-	(239,594)
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,740,191	(95,535)	2,644,656	-	-	(6,210,943)	(591,371)	(6,802,314)
Amounts recoverable from reinsurers – net	-	-	13,288,754	325,053	13,613,807	-	-	(336,749)	(426,386)	(763,135)
Finance income from reinsurance contracts	-	-	145,437	-	145,437	-	-	465,671	-	465,671
Total changes in the statement of income	(32,731,018)	-	13,434,191	325,053	(18,971,774)	(8,140,108)	-	128,922	(426,386)	(8,437,572)
Cash flows										
Premiums ceded	33,386,038	-	-	-	33,386,038	7,744,879	-	-	-	7,744,879
Recoveries from reinsurance	-	-	(4,424,949)	-	(4,424,949)	-	-	(5,621,081)	-	(5,621,081)
Total cash inflows	33,386,038	-	(4,424,949)	-	28,961,089	7,744,879	-	(5,621,081)	-	2,123,798
Reinsurance contracts										
Reinsurance contract assets – closing	737,695	-	17,289,055	630,553	18,657,303	82,675	-	8,279,813	305,500	8,667,988
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	737,695	-	17,289,055	630,553	18,657,303	82,675	-	8,279,813	305,500	8,667,988

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10. Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held (continued)

10.2.2.7 Protection

	As at 31 December 2024				Total	As at 31 December 2023				Total
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		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	526,384	-	66,960	722	594,066	416,117	-	1,087,349	47,655	1,551,121
Reinsurance contract liabilities – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	526,384	-	66,960	722	594,066	416,117	-	1,087,349	47,655	1,551,121
Allocation of reinsurance premium	(662,975)	-	-	-	(662,975)	(564,475)	-	-	-	(564,475)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	64,022	3,050	67,072	-	-	121,240	720	121,960
Effect of changes in the risk of reinsurers non-performance	-	-	8,817	-	8,817	-	-	25,192	-	25,192
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(575)	28	(547)	-	-	(24,177)	(47,653)	(71,830)
Amounts recoverable from reinsurers – net	-	-	72,264	3,078	75,342	-	-	122,255	(46,933)	75,322
Finance (expenses) income from reinsurance contracts	-	-	(5,043)	-	(5,043)	-	-	35,068	-	35,068
Total changes in the statement of income	(662,975)	-	67,221	3,078	(592,676)	(564,475)	-	157,323	(46,933)	(454,085)
Cash flows										
Premiums ceded	282,245	-	-	-	282,245	674,742	-	-	-	674,742
Recoveries from reinsurance	-	-	(60,372)	-	(60,372)	-	-	(1,177,712)	-	(1,177,712)
Total cash inflows (outflows)	282,245	-	(60,372)	-	221,873	674,742	-	(1,177,712)	-	(502,970)
Reinsurance contracts										
Reinsurance contract assets – closing	145,654	-	73,809	3,800	223,263	526,384	-	66,960	722	594,066
Reinsurance contract liabilities – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	145,654	-	73,809	3,800	223,263	526,384	-	66,960	722	594,066

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11. 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

<u>Cost:</u>	2024		
	Office premises	Point-of- sale stores	Total
1 January 2024	16,268,985	2,964,198	19,233,183
Additions during the year	-	948,236	948,236
Termination during the year	-	(931,122)	(931,122)
Modification during the year	-	(59,951)	(59,951)
31 December 2024	16,268,985	2,921,361	19,190,346
<u>Accumulated depreciation:</u>			
1 January 2024	(7,327,633)	(1,650,361)	(8,977,994)
Charge for the year	(2,538,125)	(685,048)	(3,223,173)
Termination during the year	-	491,847	491,847
31 December 2024	(9,865,758)	(1,843,562)	(11,709,320)
Net book value			
At 31 December 2024	6,403,227	1,077,799	7,481,026
<u>Cost:</u>	2023		
	Office premises	Point-of- sale stores	Total
1 January 2023	10,187,096	2,950,569	13,137,665
Additions during the year	6,081,889	100,417	6,182,306
Termination during the year	-	(205,756)	(205,756)
Modification during the year	-	118,968	118,968
31 December 2023	16,268,985	2,964,198	19,233,183
<u>Accumulated depreciation:</u>			
1 January 2023	(4,606,460)	(1,083,469)	(5,689,929)
Charge for the year	(2,721,173)	(607,806)	(3,328,979)
Termination during the year	-	40,914	40,914
31 December 2023	(7,327,633)	(1,650,361)	(8,977,994)
Net book value			
At 31 December 2023	8,941,352	1,313,837	10,255,189

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

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

Lease liabilities

Commitments in relation to lease obligations are payable as follows:

	31 December 2024	31 December 2023
Within one year	4,145,720	4,549,421
Later than one year but not later than five years	4,856,670	7,289,130
Later than five years	-	-
	9,002,390	11,838,551
Future finance costs	(379,877)	(730,860)
Total lease liabilities	8,622,513	11,107,691
Current	4,129,027	4,160,765
Non-current	4,493,486	6,946,926
	8,622,513	11,107,691

Movement in lease liabilities is as follows:

	31 December 2024	31 December 2023
January 1	11,107,691	6,776,329
Addition during the year	948,236	6,182,306
Termination during the year	(361,708)	(161,342)
Modification during the year	(23,326)	108,400
Finance costs	432,741	532,083
	12,103,634	13,437,776
Payment during the year	(3,481,121)	(2,330,085)
31 December	8,622,513	11,107,691

The total cash outflow for the 31 December 2024 amounts to Saudi Riyals 3.9 million (2023: Saudi Riyals 2.8 million).

b) *Amounts recognised in the statement of income:*

Total finance costs recognised in the statement of income pertaining to lease liabilities amounted to Saudi Riyals 0.4 million for the year ended 31 December 2024 (2023: Saudi Riyals 0.5 million). Expenses relating to short-term leases amounted to Saudi Riyals 0.5 million for the year ended 31 December 2024 (2023: Saudi Riyals 0.4 million).

c) *Details for leasing activities of the Company*

The Company leases office premises and various point-of-sale stores across the Kingdom of Saudi Arabia. Rental contracts are typically made for a period of six months to five years, but may have extension options. The weighted average incremental borrowing rate applied to the lease liability having range of 2.9% to 8.1%.

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

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12. Property and equipment

	Furniture and office equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost:					
1 January	16,080,366	8,492,727	475,308	3,983,109	29,031,510
Additions	<u>483,047</u>	<u>795,677</u>	<u>-</u>	<u>724,532</u>	<u>2,003,256</u>
At 31 December	16,563,413	9,288,404	475,308	4,707,641	31,034,766
Accumulated depreciation:					
1 January	(11,571,957)	(7,235,412)	(475,308)	(1,328,272)	(20,610,949)
Charge for the year	<u>(502,070)</u>	<u>(1,148,830)</u>	<u>-</u>	<u>(1,076,516)</u>	<u>(2,727,416)</u>
31 December	(12,074,027)	(8,384,242)	(475,308)	(2,404,788)	(23,338,365)
Net book value:					
31 December 2024	4,489,386	904,162	-	2,302,853	7,696,401

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

Depreciation charge amounting to Saudi Riyals 2.7 million (2023: Saudi Riyals 2.5 million) has been allocated to insurance service expenses.

The cost of other items of property and equipment is depreciated on the straight-line method to allocate the cost over estimated useful lives, as follows:

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

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13. Intangible assets

	Software	Motor pricing model	Customer Relationships	Capital work-in- progress	Total
<u>Cost:</u>					
1 January 2024	41,174,034	23,428,000	12,661,000	9,198,726	86,461,760
Additions	<u>7,655,349</u>	<u>-</u>	<u>-</u>	<u>5,200,860</u>	<u>12,856,209</u>
31 December 2024	48,829,383	23,428,000	12,661,000	14,399,586	99,317,969
<u>Accumulated amortisation:</u>					
1 January 2024	(28,158,203)	(10,319,474)	(5,576,872)	-	(44,054,549)
Charge for the year	<u>(7,171,407)</u>	<u>(3,346,856)</u>	<u>(1,808,716)</u>	<u>-</u>	<u>(12,326,979)</u>
31 December 2024	(35,329,610)	(13,666,330)	(7,385,588)	-	(56,381,528)
Net book value: 31 December 2024	13,499,773	9,761,670	5,275,412	14,399,586	42,936,441
	Software	Motor pricing model	Customer Relationships	Capital work-in- progress	Total
<u>Cost:</u>					
1 January 2023	38,631,262	23,428,000	12,661,000	3,880,194	78,600,456
Additions	<u>2,542,772</u>	<u>-</u>	<u>-</u>	<u>5,318,532</u>	<u>7,861,304</u>
31 December 2023	41,174,034	23,428,000	12,661,000	9,198,726	86,461,760
<u>Accumulated amortisation:</u>					
1 January 2023	(22,391,209)	(6,972,618)	(3,768,156)	-	(33,131,983)
Charge for the year	<u>(5,766,994)</u>	<u>(3,346,856)</u>	<u>(1,808,716)</u>	<u>-</u>	<u>(10,922,566)</u>
31 December 2023	(28,158,203)	(10,319,474)	(5,576,872)	-	(44,054,549)
Net book value: 31 December 2023	13,015,831	13,108,526	7,084,128	9,198,726	42,407,211

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13. Intangible assets (continued)

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

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

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

Amortisation charge amounting to Saudi Riyals 12.3 million (2023: Saudi Riyals 10.9 million) has been allocated to insurance service expenses.

14. Statutory deposit

The statutory deposit represents 15% of the paid-up share capital, which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia. According to Article 58, the statutory deposit shall be ten percent (10%) of the paid-up capital. However, where the risk profile of the Company's business warrants it, SAMA shall increase this percentage to a maximum of fifteen percent (15%). SAMA is entitled to the earnings of this statutory deposit and it cannot be withdrawn without its consent. In accordance with the instruction received from the Saudi Central Bank (SAMA) vide their circular dated 1 March 2016, the Company has disclosed the commission due on statutory deposit as at 31 December 2024 as an asset and a liability in these financial statements.

The gross carrying amount of statutory deposit represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized.

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

	31 December 2024	31 December 2023
Opening balance	8,170	12,078
Expected credit losses reversed in statement of income during the year	(4,234)	(3,908)
Closing balance	3,936	8,170

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15. Accrued and other liabilities

	31 December 2024	31 December 2023
Accrued expenses	8,912,552	9,857,492
Withholding tax payable	11,433,722	11,202,535
Other	3,116,158	2,962,979
	23,462,432	24,023,006

16. Employee 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.

	31 December 2024	31 December 2023
1 January	19,719,701	18,256,354
Current service cost	3,389,786	2,418,681
Interest expense	808,660	647,837
Payments	(4,156,649)	(1,647,628)
Remeasurement loss	217,311	44,457
31 December	19,978,809	19,719,701

16.2 Amounts recognised in the statements of income and comprehensive income

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

	31 December 2024	31 December 2023
Current service result	3,389,786	2,418,681
Finance costs	808,660	647,837
Total amount recognised in the statement of income	4,198,446	3,066,518
Remeasurement		
Loss from change in experience adjustments	217,311	44,457
Total amount recognised in the statement of comprehensive income	217,311	44,457

16.3 Principal actuarial assumptions

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

	31 December 2024	31 December 2023
Discount rate	5.25%	4.5%
Salary growth rate	5.25%	4.5%

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16. Employee benefit obligations (continued)

16.4 Sensitivity analysis for actuarial assumptions

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

	Change in assumption		Impact on employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	+1%	-1%	(1,110,121)	1,244,627
Salary growth rate	+1%	-1%	1,384,819	(1,260,406)

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

16.5 Expected maturity analysis

The weighted average duration of the defined benefit obligation is 5.9 years (2023: 6.9 years). The expected maturity analysis of undiscounted employee benefit obligations is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
31 December 2024	3,216,362	2,329,841	6,199,475	7,572,570	9,339,219	28,657,467
31 December 2023	2,089,807	4,388,621	3,301,503	6,352,772	11,698,179	27,830,882

17. Share capital

The authorized, issued and paid up capital of the Company was Saudi Riyals 458.9 million at 31 December 2024 (2023: Saudi Riyals 458.9 million) consisting of 45.8 shares (2023: 45.8 million shares) of Saudi Riyals 10 each.

Shareholding structure of the Company as of 31 December 2024 and 2023 is as below:

	Authorized and issued		Paid up
31 December 2024	No. of Shares	Saudi Riyals	
Rawabi Holding Company	4,717,999	47,179,990	47,179,990
Gulf Union Insurance and Projects			
Management Holding Company B.S.C. (c.)	2,475,113	24,751,130	24,751,130
Others	38,701,816	387,018,160	387,018,160
	45,894,928	458,949,280	458,949,280
	Authorized and issued		Paid up
31 December 2023	No. of Shares	Saudi Riyals	
Rawabi Holding Company	4,717,999	47,179,990	47,179,990
Gulf Union Insurance and Projects			
Management Holding Company B.S.C. (c.)	2,475,113	24,751,130	24,751,130
Others	38,701,816	387,018,160	387,018,160
	45,894,928	458,949,280	458,949,280

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18. Statutory reserve

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

19. Insurance service results

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for the year ended 31 December 2024 and 2023 is included in following tables respectively. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

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19. Insurance service results (continued)

	As at 31 December 2024								As at 31 December 2023							
	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2024																
Insurance revenue from contracts measured under PAA	330,054,941	332,422,074	55,416,410	21,178,804	25,831,761	38,976,018	872,388	804,752,396	262,710,093	266,068,695	42,824,210	16,297,069	20,926,962	14,645,765	1,010,588	624,483,382
Incurring claims and other incurred insurance service expenses*	(264,785,239)	(265,299,125)	(39,117,831)	(6,685,672)	(5,155,358)	(13,777,035)	(206,258)	(595,026,518)	(168,553,245)	(219,131,272)	(17,243,904)	(5,766,671)	(8,335,795)	(8,985,808)	(496,853)	(428,513,548)
(Losses) Reversal on onerous contracts and reversal of the losses	(2,446,718)	2,687,292	-	-	-	-	-	240,574	(210,875)	9,568,797	-	-	-	-	-	9,357,922
Changes that relate to past service - adjustments to the LIC	(1,104,716)	31,374,251	444,930	(1,989,278)	3,284,798	(2,299,808)	153,733	29,863,910	10,290,451	13,458,352	1,663,209	3,357,376	2,537,565	7,422,787	595,703	39,325,443
Insurance acquisition cash flows amortisation	(50,656,724)	(75,629,223)	(11,761,631)	(4,496,513)	(4,313,202)	(5,424,145)	(193,884)	(152,475,322)	(33,548,742)	(75,438,000)	(11,202,888)	(3,670,175)	(4,238,283)	(2,576,592)	(315,045)	(130,989,725)
Total insurance service expenses	(318,993,397)	306,866,805)	(50,434,532)	(13,171,463)	(6,183,762)	(21,500,988)	(246,409)	(717,397,356)	(192,022,411)	(271,542,123)	(26,783,583)	(6,079,470)	(10,036,513)	(4,139,613)	(216,195)	(510,819,908)
Reinsurance income - contracts measured under the PAA																
Reinsurance premium ceded	(20,273,204)	(10,641,072)	(14,561,787)	(11,637,411)	(13,714,955)	(32,731,018)	(662,975)	(104,222,422)	(11,222,327)	(17,580,803)	(10,003,854)	(10,064,544)	(14,707,906)	(8,140,108)	(564,475)	(72,284,017)
Claims recovered	13,132,157	2,923,832	11,677,571	4,781,174	3,807,774	11,041,797	67,072	47,431,377	3,480,669	14,274,205	2,524,214	3,908,487	5,445,032	6,278,773	121,960	36,033,340
Effect of changes in the risk of reinsurers non-performance	(686,391)	531,942	(683,140)	(100,171)	112,423	(72,646)	8,817	(889,166)	(26,661)	762,543	(20,087)	(9,189)	(26,480)	(239,594)	25,192	465,724
Losses on onerous contracts and reversal of the losses	(177,063)	-	-	-	-	-	-	(177,063)	6,919	(3,554,160)	-	-	-	-	-	(3,547,241)
Changes that relate to past service - adjustments to incurred claims	2,239,077	(3,106,840)	2,144,925	2,593,073	(2,043,978)	2,644,656	(547)	4,470,366	8,335,200	(1,205,580)	(834,878)	(2,816,065)	(2,013,158)	(6,802,314)	(71,830)	(5,408,625)
Changes in reinsurance due to adjustment premiums	(3,368,125)	-	-	-	-	-	-	(3,368,125)	(251,095)	-	-	-	-	-	-	(251,095)
Total net (expenses) income from reinsurance contracts	(9,133,549)	(10,292,138)	(1,422,431)	(4,363,335)	(11,838,736)	(19,117,211)	(587,633)	(56,755,033)	322,705	(7,303,795)	(8,334,605)	(8,981,311)	(11,302,512)	(8,903,243)	(489,153)	(44,991,914)
Insurance service result from Company's directly written business	1,927,995	15,263,131	3,559,447	3,644,006	7,809,263	(1,642,181)	38,346	30,600,007	71,010,387	(12,777,223)	7,706,022	1,236,288	(412,063)	1,602,909	305,240	68,671,560
Share of surplus from insurance pool	-	-	-	-	-	-	-	8,290,522	-	-	-	-	-	-	-	35,730,359
Total insurance service result	1,927,995	15,263,131	3,559,447	3,644,006	7,809,263	(1,642,181)	38,346	38,890,529	71,010,387	(12,777,223)	7,706,022	1,236,288	(412,063)	1,602,909	305,240	104,401,919

* This includes surplus distribution amounting to Saudi Riyals 2.7 million for the year ended December 31, 2024 (Refer Note 35).

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20. Investment income

	31 December 2024	31 December 2023
<u>Interest income from financial assets not measured at FVTPL</u>		
Sukuks	5,598,295	5,092,851
Term deposits	22,676,556	15,161,025
Time deposit	320,817	2,086,900
	28,595,668	22,340,776
<u>Interest income from financial assets measured at FVTPL</u>	2,581,160	2,540,677
<u>Net (losses) gains on financial assets measured at FVTPL</u>	(1,053,167)	12,127,512
Dividend income	1,549,259	866,183
Expected credit loss reversal (loss) on financial assets	(6,318)	500
Total Investment Income	31,666,602	37,875,648

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21. Insurance finance expense - net

An analysis of the net insurance finance income (expense) by product line for year ended 31 December 2024 and 31 December 2023 respectively is presented below:

For the year ended 31 December 2024:

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
31 December 2024								
Finance (expenses) income from insurance contracts issued								
Interest accreted	(1,033,106)	969,712	159,577	599,778	239,634	(237,449)	4,260	702,406
Effects of changes in interest rates and other financial assumptions	109,930	18,516	(32,379)	(32,405)	(18,859)	17,282	-	62,085
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance (expense) income from insurance contracts issued	(923,176)	988,228	127,198	567,373	220,775	(220,167)	4,260	764,491
Finance income (expense) from reinsurance contracts held								
Interest accreted	227,942	56,860	(121,891)	(445,763)	(167,126)	131,126	(5,043)	(323,895)
Effects of changes in interest rates and other financial assumptions	232	1,026	(4,373)	(25,348)	(14,109)	14,311	-	(28,261)
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income (expense) from reinsurance contracts held	228,174	57,886	(126,264)	(471,111)	(181,235)	145,437	(5,043)	(352,156)
Net insurance finance (expense) income	(695,002)	1,046,114	934	96,262	39,540	(74,730)	(783)	412,335

For the year ended 31 December 2023:

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

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22. Operating expenses

	31 December 2024	31 December 2023
Commission incurred and other underwriting expenses	86,642,861	73,686,052
Salaries and benefits	71,006,480	61,850,379
Depreciation and amortisation	15,054,395	11,041,285
Information technology	7,904,853	8,529,161
Insurance expense (Note 22.2)	6,293,771	6,077,814
Professional fee	9,844,038	10,301,420
Rentals	3,055,752	2,738,967
Office Maintenance	445,869	1,910,287
Utilities	471,191	301,928
Other	5,386,938	4,844,610
	206,106,148	181,281,903

22.1 Allocation of expenses is as follows:

	31 December 2024	31 December 2023
Other incurred insurance service expenses (Note 22.3)	34,645,746	31,301,098
Insurance acquisition cash flows amortisation (Note 22.3)	152,475,322	130,989,725
Other operating expenses (Note 22.4)	18,985,080	18,991,080
	206,106,148	181,281,903

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

22.3 Reported as part of insurance service expenses.

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

23. Finance costs

	31 December 2024	31 December 2023
Finance cost on lease liabilities	432,741	532,083
	432,741	532,083

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24. Share of surplus from insurance pool

	31 December 2024	31 December 2023
Share of surplus from Hajj and Umrah (Note 24.1)	6,439,359	35,730,359
Share of surplus from Inherent Defect Insurance (Note 24.2)	1,851,163	-
	8,290,522	35,730,359

24.1 Share of surplus from Umrah & Hajj scheme

This represents the Company's share in the surplus for general accident and medical products arising from the Hajj and Umrah scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from January 1, 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and medical of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement in 2024 as the aforementioned arrangement has been discontinued. The Company's share of income in the Hajj and Umrah scheme is derived from insurance revenues of Saudi Riyals 32.5 million (2023: Saudi Riyals 74.4 million) and net expenses of Saudi Riyals 26.1 million (2023: Saudi Riyals 38.7 million).

24.2 Share of surplus from Inherent defects insurance

This represents the Company's share of surplus 5.13% (2023: 5.13%) in the Inherent Defects Insurance ("IDI") product. On June 25, 2020, a Joint Venture agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on the Saudi Central Bank ('SAMA') approval authorizing Malath Cooperative Insurance Company as the leading company ("Operator"), to manage the IDI program on behalf of the participating insurance companies, selling the product and providing its insurance coverage by creating joint insurance portfolios. However, on 1 January 2023, the arrangement states the addition of Tawuniya and the Company, which resulted in reduction of initial companies shares relatively to their former shares, which therefore resulted in a total of fourteen insurance companies. Malath Cooperative Insurance Company will exclusively manage the portfolio during the period of validity of the IDI agreement of five years from issue date.

IDI is a mandatory insurance policy for contractors to insure against inherent defects that may appear in buildings and constructions after their occupation in non-governmental sector projects, according to Saudi Council of Ministers Decree No. 509 of 21/09/1439 AH (corresponding to 05/06/2018) and in accordance with the decision 441/187of the Governor of Saudi Central Bank ("SAMA") dated 05/08/1441 AH (corresponding to 29/03/2020).

24.3 Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance

The Company along with nineteen other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Al-Etihad Cooperative Insurance Company, effective from 3 November 2024. This compulsory product covers defaults default of entities in paying the rights and entitlements of non-Saudi employees in private sector entities offered by the "Ministry of Human Resources and Social Development" through IA.

The agreement is valid for an initial term of five years, starting from 3 November 2024, and renewable for another five years, subject to the terms and conditions of the agreement.

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25. Zakat and Income Tax

(a) Zakat

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

	<u>31 December 2024</u>
Equity and provisions at the end of year	640,991,681
Liabilities and other additions to Zakat base	58,378,295
Lease liabilities	4,493,486
Investments	(348,720,016)
Right-of-use assets	(7,481,027)
Property and equipment	(7,696,401)
Intangible assets	(42,936,441)
Goodwill	(67,697,750)
Statutory deposits	(68,838,456)
Zakat base	160,493,371
Zakat due at 2.578% (Saudi Shareholders' share of zakat base @ 99%)	4,096,144
	<u>31 December 2023</u>
Share capital	458,949,280
Reserves, opening provisions and other adjustments	(143,804,639)
Provisions	190,036,297
Book value of long-term assets	(38,082,854)
Investments	(348,374,682)
Goodwill	(67,697,750)
Statutory deposits	(68,842,392)
Adjusted net profit for the year	93,583,969
Zakat base	75,767,229
Zakat due at 2.578% (Saudi Shareholders' share of zakat base @ 93.1%)	2,000,000

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25. Zakat and Income Tax (continued)

(a) Zakat (continued)

ZATCA has issued a new regulation namely, "The Implementing Regulation for Zakat Collection", under Minister of Finance Decision (MD) No. 1007 dated 29 February 2024 (Corresponding to 19 Shaban 1445H). The later replaces earlier issued regulation under MD No. 2216 dated 14 March 2019 (Corresponding to 7 Rajab 1440H).

Accordingly, the Zakat base for the year ended 31 December 2024 has been calculated based on new regulations, whereas for the year ended 31 December 2023, the Zakat base has been based on the former regulations.

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

	2024	2023
1 January	23,795,052	22,072,948
Provided during the year	4,785,000	2,000,000
Provided during the year for prior year	2,693,778	-
Payments during the year	(15,913,481)	(277,896)
31 December	15,360,349	23,795,052

(b) Income tax

	2024	2023
Total profit for the year before zakat and income tax	52,820,428	127,037,351
Accounting depreciation	15,406,553	15,371,442
Provisions for employee benefit obligations	4,220,608	2,418,681
Finance costs	372,534	1,179,920
Expected credit losses on premium receipts, reinsurance recoveries and other financial assets	11,705,406	(1,746,119)
Fines and penalties paid in the Kingdom of Saudi Arabia	384,933	572,897
Provision utilized	-	(1,418,890)
Tax depreciation	(7,222,986)	(6,336,298)
Bad debt write-offs	(15,248,804)	(6,006,462)
Lease rentals paid	(3,481,121)	(2,330,085)
Payments of employee benefit obligations	(4,220,608)	(1,647,628)
Brought forward losses	(14,554,545)	(31,194,656)
Adjusted net profit for the year	43,663,519	95,900,153
Tax at 20% (Foreign Shareholders' share @ 1% (2023: 6.9%))	213,078	1,323,422

Income tax charge for the current year is calculated at 20% of the adjusted taxable income on the portion of equity owned by the foreign shareholders. The movement in the tax provision for the year was as follows:

	2024	2023
1 January	-	-
Provision during the years	427,351	-
Payments during the year	(212,351)	-
31 December	215,000	-

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25. Zakat and Income Tax (continued)

(b) Income tax (continued)

Combined movement of zakat and income tax was as follows:

	2024	2023
1 January	23,795,052	22,072,948
Provided during the year	7,906,128	2,000,000
Payments during the year	(16,125,832)	(277,896)
31 December	15,575,348	23,795,052

(c) Status of assessment

The ZATCA issued a final assessment for the year 2014 with an additional Zakat liability of Saudi riyals 7.0 million. The company filed an appeal against the final assessment and received a revised assessment with an additional Zakat liability of Saudi riyals 3.3 million. The company has further filed an appeal against the revised assessment with the Tax Violations and Dispute Resolution Committee (TVDRC). The case was heard by the Committee and rendered its decision by partially accepting the Company's contention which resulted into a reduction in the Zakat liability to Saudi riyals 2.8 million. The Company filed an appeal against the TVDRC decision on the items ruled in favor of ZATCA with the Tax Violations and Dispute Appellate Committee (TVDAC). During the year ended 31 December 2024, the Company has settled the assessed liability.

During 2020, the Company also received zakat and income tax assessment for the year 2015 through 2018 amounting to Saudi riyals 10.3 million. The Company has recognized an additional provision amounting to Saudi riyals 1.9 million under protest and paid such amount to ZATCA, and in parallel filed an appeal against the ZATCA's final assessment. During the year ended 31 December 2022, the Company received a revised assessment with an additional Zakat liability of Saudi riyals 8.4 million. The Company has further filed an appeal against the revised assessment with the TVDRC. The case was heard by the Committee and rendered its decision by partially accepting the Company's contention which resulted into a reduction in the Zakat liability to Saudi riyals 7.2 million. The Company has filed an appeal against the TVDRC decision on the items ruled in favor of ZATCA with TVDAC and the case is currently under their review. During the year ended 31 December 2024, the Company has settled the assessed liability.

The final assessments for the years 2019 through 2023 are not yet issued by ZATCA. The zakat and income tax liability as computed by the Company could be different from the zakat and tax liability as assessed by the ZATCA for these years.

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

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

The Company has obtained Zakat and income tax certificates from the Zakat, Tax and Customs Authority ("ZATCA") for the years through 2023.

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26. Basic and diluted earnings per share

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

The basic and diluted earnings per share is calculated as follows:

	31 December 2024	31 December 2023
Net profit for the year attributable to the shareholders	43,645,516	125,037,351
Weighted average number of ordinary shares for basic and diluted income per share (Note 17)	45,894,928	45,894,928
Basic and diluted earnings per share	0.95	2.72

27. Related party transactions and balances

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

Nature of transactions	Transactions for the year ended	
	31 December 2024	31 December 2023
Shareholders		
Insurance revenue	38,616,088	5,600,471
Insurance service expense (claims paid)	2,026,552	438,887
Rent expense	1,035,760	-
Board members		
Fees and related expenses	3,805,499	5,166,500

Nature of transactions	Balance receivable / (payable) as at	
	31 December 2024	31 December 2023
Shareholders		
Insurance contract liabilities – Liability for remaining coverage (expected premium receipts)	25,899,394	7,498,915
Insurance contract liabilities – Liability for incurred claims (claims payable)	(1,700,484)	(31,964)

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27. Related party transactions and balances (continued)

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

	31 December 2024	31 December 2023
Salaries and benefits	7,574,553	7,861,660
Employee benefit obligations	975,970	411,419
	8,550,523	8,273,079

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

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

28. Fair value of financial instruments

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

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

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

(a) Carrying amounts and fair value

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Mutual funds	82,924,693	-	-	82,924,693
Ordinary shares	33,338,029	-	122,247,674	155,585,703
Sukuks	22,134,250	-	-	22,134,250
Total investments	138,396,972	-	122,247,674	260,644,646
	31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Mutual funds	82,872,012	-	-	82,872,012
Ordinary shares	29,840,895	-	86,968,505	116,809,400
Sukuks	22,432,060	-	-	22,432,060
Total investments	135,144,967	-	86,968,505	222,113,472

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28. Fair value of financial instruments (continued)

(a) Carrying amounts and fair value (continued)

Significant unobservable inputs were used in the valuation of level 3 investments based on fair value estimates from reputable third-party valuer who use technique such as discounted cash flows and other sophisticated models. During the year ended 31 December 2024, there have been no transfers between level 1, level 2 and level 3.

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

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

- **Discounted cash flows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis results into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the company in addition to its net debt position. In order to arrive to an equity value of a company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabahas and other investments, are subtracted from the Enterprise Value; and
- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

A weight of 60% (2023: 60%) and 40% (2023: 40%) are then applied to the fair values determined under both methods, to arrive at the equity valuation of najm and the Company then accounts for its share in equity of Najm i.e. 6.9%.

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

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

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

	31 December 2024	31 December 2023
Balance at the beginning of the year	86,968,505	79,406,254
Unrealised gain on fair value of FVOCI	35,279,169	7,562,251
Balance at the end of the year	122,247,674	86,968,505

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28. Fair value of financial instruments (continued)

		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	122,247,674	86,968,505	Earnings growth factor	Earnings growth factor	13.2%	6.9%		Reducing the Earnings growth factor to 10%, would decrease the fair value by Saudi Riyals 3.2 million. (2023: Reducing the Earnings growth factor to 5%, would decrease the fair value by Saudi Riyals 1.6 million)
			Revenue growth rate	Revenue growth rate	9.9%	9.0%		Reducing the revenue growth rate by 1 percent, would decrease the fair value by Saudi Riyals 1.2 million. (2023: Saudi Riyals 0.6 million)
			WACC	WACC	16.5%	16.5%		Increasing the WACC by 1 percent, would decrease the fair value by Saudi Riyals 3.4 million. (2023: Saudi Riyals 2.4 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%		Reducing the terminal value growth rate to 0.5%, would decrease the fair value by Saudi Riyals 2.2. (2023: Saudi Riyals 2.8 million)
			EV/EBITDA multiple	EV/EBITDA multiple	7	7		Reducing the EV/EBITDA multiple to 6.3, would decrease the fair value by Saudi Riyals 2.88 million (2023: Saudi Riyals 2.0 million).

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29. Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements.

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

Accordingly, segmental analysis of the statement of income and other comprehensive income and statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses. Refer Notes 10, 19 and 21 for such analysis.

30. Risk management

Risk governance

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

Risk management structure

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

Board of Directors

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

Senior management

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

Audit Committee and Internal Audit Department

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

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

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

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

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30. Risk management (continued)

30.1 Insurance risk

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

The Company purchases reinsurance as part of its risks mitigation program. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

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

Frequency and severity of claims

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

Concentration of insurance risk

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

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

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

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30. Risk management (continued)

30.1 Insurance Risk (continued)

Reinsurance Risk

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

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

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

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

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

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for reinsurance business. As at 31 December 2024, 40% of reinsurance receivables balance was due from one party (31 December 2023: 27 % due from one party).

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

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	217,449,278	(2,872,407)	214,576,871	155,222,621	(2,820,863)	152,401,758
Motor	172,370,604	(4,455,167)	167,915,437	189,421,371	(13,106,798)	176,314,573
General						
Accident & Liability	56,700,818	(13,552,652)	43,148,166	53,867,955	(7,231,455)	46,636,500
Engineering	22,669,426	(15,830,920)	6,838,506	15,395,304	(10,533,315)	4,861,989
Property	10,471,262	(6,099,430)	4,371,832	10,499,967	(7,408,240)	3,091,727
Marine	19,805,209	(18,657,303)	1,147,906	12,081,830	(8,667,988)	3,413,842
Protection	353,817	(223,263)	130,554	866,942	(594,066)	272,876
Total	499,820,414	(61,691,142)	438,129,272	437,355,990	(50,362,725)	386,993,265

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.

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30. Risk management (continued)

30.1 Insurance Risk (continued)

Sources of uncertainty in estimation of future claim payments

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

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position date and for the expected ultimate cost of claims at the statement of financial position date. The details of estimation of insurance contract liabilities are given under Note 3.

Process used to determine assumptions

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

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

Sensitivity analysis on significant assumptions used

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

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before tax for reasonably possible movements in key assumptions with all other assumptions in notes 3 and 4 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.

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30. Risk management (continued)

30.1 Insurance Risk (continued)

Sensitivity analysis on significant assumptions used (continued)

	31 December 2024	31 December 2023
Liability for incurred claims		
Estimates of present value of FCF	288,766,117	280,124,567
Risk adjustment for non-financial risk	7,467,962	7,005,678
Asset for incurred claims		
Estimates of present value of FCF	59,124,461	39,043,213
Risk adjustment for non-financial risk	1,677,555	1,023,334

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

	31 December 2024	31 December 2023
	Impact on profit before zakat and income Tax	Impact on profit before zakat and income tax
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims cost	20,908,183	(10,247,697)
Decrease of 5% in the ultimate claims cost	(23,518,291)	10,247,697
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	373,516	1,917,627
5 percentiles decrease in the confidence level	(373,516)	(1,590,688)

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

	31 December 2024	31 December 2023
	Impact on profit before zakat and income tax	Impact on profit before zakat and income tax
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims cost	4,282,012	1,541,069
Decrease of 5% in the ultimate claims cost	(3,713,943)	(1,541,069)
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	442,043	269,630
5 percentiles decrease in the confidence level	(396,662)	(241,949)

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30. Risk management (continued)

30.1 Insurance Risk (continued)

Sensitivity analysis on significant assumptions used (continued)

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

	31 December 2024	31 December 2023
Impact on net income of change in direct expense ratio – loss component*		
2% Increase	(4,565,874)	166,699
2% Decrease	3,409,906	(166,699)

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

Claims development table

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

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

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

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30. Risk management (continued)

30.1 Insurance risk (continued)

2024 Accident year	2019 & earlier	2020	2021	2022	2023	2024	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	2,608,796,547	571,906,479	640,483,774	406,072,624	421,594,970	560,372,367	-
1 year later	3,106,126,809	573,566,458	596,841,850	442,318,418	362,257,170	-	-
2 years later	3,164,446,840	563,588,212	627,962,126	376,468,926	-	-	-
3 years later	4,245,868,880	586,797,607	518,359,745	-	-	-	-
4 years later	4,273,783,379	436,590,330	-	-	-	-	-
5 years later	4,036,856,638	-	-	-	-	-	-
6 years later	-	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	4,036,856,638	436,590,330	518,359,745	376,468,926	362,257,170	560,372,367	2,608,212,138
Cumulative gross claims and other directly attributable expenses paid	(4,024,728,804)	(435,419,447)	(515,921,099)	(365,514,174)	(330,996,177)	(398,448,364)	(6,071,028,065)
Gross undiscounted liabilities for incurred claims	12,127,834	1,170,883	2,438,646	10,954,752	31,260,993	161,924,003	219,877,111
Effect of discounting	-	-	-	-	-	-	(7,651,227)
Effect of surplus distribution payable	-	-	-	-	-	-	17,674,488
Effects of Claims Payables	-	-	-	-	-	-	58,865,745
Gross discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	288,766,117
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	7,467,962
Gross liabilities for incurred claims	-	-	-	-	-	-	296,234,079
2023 Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	2,170,200,106	438,596,441	571,906,479	640,483,774	406,072,624	421,594,970	-
1 year later	2,491,476,489	614,650,320	573,566,458	596,841,850	442,318,418	-	-
2 years later	2,565,282,088	599,164,752	563,588,212	627,962,126	-	-	-
3 years later	3,649,269,407	596,599,473	586,797,607	-	-	-	-
4 years later	3,658,480,216	615,303,163	-	-	-	-	-
5 years later	3,682,693,037	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	3,682,693,037	615,303,163	586,797,607	627,962,126	442,318,418	421,594,970	6,376,669,321
Cumulative gross claims and other directly attributable expenses paid	(3,670,841,798)	(613,493,495)	(580,676,312)	(616,363,583)	(384,428,516)	(247,392,302)	(6,113,196,006)
Gross undiscounted liabilities for incurred claims	11,851,239	1,809,668	6,121,295	11,598,543	57,889,902	174,202,668	263,473,315
Effect of discounting	-	-	-	-	-	-	(7,659,164)
Effect of surplus distribution payable	-	-	-	-	-	-	24,310,416
Gross discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	280,124,567
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	7,005,678
Gross liabilities for incurred claims	-	-	-	-	-	-	287,130,245

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30. Risk management (continued)

30.1 Insurance risk (continued)

2024 Accident year	2019 & earlier	2020	2021	2022	2023	2024	Total
Undiscounted liabilities for incurred claims, net of reinsurance:							
At end of accident year	1,618,514,168	504,828,898	549,947,505	338,915,117	359,969,716	529,876,965	-
1 year later	1,793,705,861	509,542,555	513,250,085	349,155,072	332,767,078	-	-
2 years later	1,875,692,503	501,592,680	515,378,028	319,672,921	-	-	-
3 years later	2,926,035,008	506,568,810	464,953,097	-	-	-	-
4 years later	2,928,262,376	397,459,081	-	-	-	-	-
5 years later	2,676,322,446	-	-	-	-	-	-
6 years later	-	-	-	-	-	-	-
Net estimates of the undiscounted amount of the claims	2,676,322,446	397,459,081	464,953,097	319,672,921	332,767,078	529,876,965	4,721,051,588
Cumulative Net claims and other directly attributable expenses paid	(2,667,497,068)	(396,847,995)	(463,470,263)	(313,684,426)	(310,115,899)	(386,743,036)	(4,538,358,687)
Net undiscounted liabilities for incurred claims	8,825,378	611,086	1,482,834	5,988,495	22,651,179	143,133,929	182,692,901
Effect of discounting	-	-	-	-	-	-	(5,879,127)
Effect of surplus distribution payable	-	-	-	-	-	-	17,674,488
Effects of Claims Payables	-	-	-	-	-	-	<u>30,769,599</u>
Net discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	225,257,861
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	<u>5,790,407</u>
Net liabilities for incurred claims	-	-	-	-	-	-	<u>231,048,268</u>
2023 Accident year	2018 & earlier	2019	2020	2021	2022	2023	Total
Undiscounted liabilities for incurred claims, net of reinsurance:							
At end of accident year	1,306,085,261	312,428,907	504,828,898	549,947,505	338,915,117	359,969,716	-
1 year later	1,306,659,757	487,046,104	509,542,555	513,250,085	349,155,072	-	-
2 years later	1,407,353,268	468,339,235	501,592,680	515,378,028	-	-	-
3 years later	2,460,110,744	465,924,264	506,568,810	-	-	-	-
4 years later	2,461,867,863	466,394,513	-	-	-	-	-
5 years later	2,481,964,643	-	-	-	-	-	-
Net estimates of the undiscounted amount of the claims	2,481,964,643	466,394,513	506,568,810	515,378,028	349,155,072	359,969,715	4,679,430,781
Cumulative Net claims and other directly attributable expenses paid	(2,471,362,497)	(465,217,952)	(501,522,718)	(505,411,387)	(301,125,690)	(211,660,665)	(4,456,300,909)
Net undiscounted liabilities for incurred claims	10,602,146	1,176,561	5,046,092	9,966,641	48,029,382	148,309,050	223,129,872
Effect of discounting	-	-	-	-	-	-	(6,358,934)
Effect of surplus distribution payable	-	-	-	-	-	-	<u>24,310,416</u>
Net discounted liabilities for incurred claims excluding risk adjustment	-	-	-	-	-	-	241,081,354
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	<u>5,982,344</u>
Net liabilities for incurred claims	-	-	-	-	-	-	<u>247,063,698</u>

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30. Risk management (continued)

30.1 Insurance risk (continued)

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

31 December 2024	Estimates of present value of FCF	Risk adjustment for non- financial risk	Total
Gross liabilities for incurred claims	288,766,117	7,467,962	296,234,079
Amounts recoverable from reinsurers	(59,124,461)	(1,677,555)	(60,802,016)
Net liabilities for incurred claims	229,641,656	5,790,407	235,432,063

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

30.2 Financial risk

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

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

30.2.1 Market risk

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

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

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30. Risk management (continued)

30.2 Financial risk (continued)

30.2.1 Market risk (continued)

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

- (i) The currency risk is not required to be managed as Saudi Riyal is pegged to the United States Dollar and the transactions are processed in the local currency.
- (ix) The commission rate risk is managed by considering diversification of portfolio with having mix of fixed and floating rate instruments to offset the impact of interest rate changes on the overall portfolio. Further, the regular review is performed to monitor the trend and adjust the mix of investment.
- (x) The price risk is managed by diversifying the investment portfolio across different industries with ongoing monitoring of trends.

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

a) Currency risk

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

b) Commission rate risk

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

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

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

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30. Risk management (continued)

30.2 Financial risk (continued)

30.2.1 Market risk (continued)

b) Commission rate risk (continued)

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

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

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

	31 December 2024	31 December 2023
Insurance contract liabilities, net	296,234,079	287,130,245
Reinsurance contract assets, net	60,802,016	40,066,547
Debt instruments at amortised cost	175,996,001	156,102,104
Debt instruments at FVTPL	138,396,972	135,144,967
Cash and cash equivalents	22,000,000	40,000,000
Term deposits	400,168,421	342,772,700

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit/(loss) before tax. The correlation of variables will have a significant effect in determining the ultimate impact of commission rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

	Changes in commission rate	31 December 2024 Impact on profit before zakat and income tax	31 December 2023 Impact on profit before zakat and income tax
Insurance contract liabilities, net	+/-5%	10,993,855	11,151,495
Reinsurance contract assets, net	+/-5%	1,836,927	1,494,150
Debt instruments at amortised cost	+/-5%	279,915	254,643
Debt instruments at FVTPL	+/-5%	129,058	127,034
Cash and cash equivalents	+/-5%	16,041	104,345
Term deposits	+/-5%	1,133,828	758,051

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30. Risk management (continued)

30.2 Financial risk (continued)

30.2.1 Market risk (continued)

c) Price risk

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

The Company's price risk exposure relates to financial instruments whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk. The Company's investments amounting to Saudi Riyals 260.5 million (December 31, 2023: Saudi Riyals 222.1 million) are susceptible to market price risk arising from uncertainty about the future value of invested securities, which are principally listed securities. The Company limits this nature of market risk by diversifying its invested portfolio and by actively monitoring the developments in markets.

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

	Fair value change	Impact on profit before zakat and income tax
31 December 2024	+/- 5%	13,032,232
31 December 2023	+/- 5%	11,105,674

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.

30.3 Credit risk

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

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

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

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

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

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30. Risk management (continued)

30.3 Credit risk (continued)

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

	31 December 2024	31 December 2023
Cash and cash equivalents	53,973,519	55,114,476
Term deposit	400,168,421	342,772,700
Investments carried at FVTPL	138,396,972	135,144,967
Investments carried at FVOCI	122,247,674	86,968,505
Investments carried at amortised cost	175,996,001	156,102,104
Other receivables (included in prepaid expenses and other assets)	5,966,301	8,665,717
Reinsurance contract assets	61,691,142	50,362,725
Accrued income on statutory deposit	1,819,113	3,233,205
Statutory deposits	68,838,456	68,834,222
Total	1,029,097,599	907,198,621

Concentration of credit risk

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

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

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

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30. Risk management (continued)

30.3 Credit risk (continued)

31 December 2024	Investment grade	Non-investment grade		Total
		Not impaired	Impaired	
Cash and cash equivalent	53,973,519	-	-	53,973,519
Term deposits	400,168,421	-	-	400,168,421
Investments carried at FVTPL	138,396,972	-	-	138,396,972
Investments carried at FVOCI	-	122,247,674	-	122,247,674
Investments carried at amortised cost	175,996,001	-	-	175,996,001
Other receivable (included in Prepaid expenses and other assets)	-	5,966,301	-	5,966,301
Reinsurance contract assets	-	61,691,142	-	61,691,142
Accrued income on statutory deposit	1,819,113	-	-	1,819,113
Statutory deposits	68,838,456	-	-	68,838,456
	839,192,482	189,905,117	-	1,029,097,599

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

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30. Risk management (continued)

30.3 Credit risk (continued)

The gross carrying amount of time deposits, term deposits, investments and statutory deposits represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. The Company's exposures to credit risk are not collateralized. At 31 December 2024 and 31 December 2023 the ECL allowance on such financial assets has been recorded and disclosed in Note 6,7,8 and 14 respectively.

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

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

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

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

Other financial assets at amortised cost include other receivables. These instruments are considered to be low credit risk since they have a low risk of default and the issuers have a strong capacity to meet their contractual cash flow obligations in the near term. At 31 December 2024 and 2023, the ECL allowance on other financial assets was immaterial.

30.4 Liquidity risk

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

- The Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- The company ensures the use of sound asset-liability management practices.

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30. Risk management (continued)

30.4 Liquidity risk (continued)

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

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

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

The table below summarizes the maturities of the Company's undiscounted contractual obligations at 31 December 2024 and 2023. As the Company does not have any commission bearing liabilities, contractual cash flow of financial liabilities approximates their carrying value.

	31 December 2024				
	Less than one year	1 - 5 years	More than 5 years	No maturity	Total
Cash and cash equivalent	53,973,519	-	-	-	53,973,519
Term deposits	342,260,088	57,908,333	-	-	400,168,421
Investments carried at FVTPL	-	36,352,901	636,751	101,407,320	138,396,972
Investments carried at FVOCI	-	-	-	122,247,674	122,247,674
Investments carried at amortised cost	4,998,856	22,998,733	147,998,412	-	175,996,001
Other assets (included in Prepaid expenses and other assets)	5,966,301	-	-	-	5,966,301
Accrued income on statutory deposit	1,819,113	-	-	-	1,819,113
Statutory deposit	68,838,456	-	-	-	68,838,456
	477,856,333	117,259,967	148,635,163	223,654,994	967,406,457
	31 December 2024				
	Less than one year	1 - 5 years	More than 5 years	No maturity	Total
Accrued and other liabilities	23,462,432	-	-	-	23,462,432
Employee benefit obligations	3,216,362	8,529,316	16,911,789	-	28,657,467
Lease liabilities	4,129,027	4,493,486	-	-	8,622,513
Accrued commission income payable to Insurance Authority	1,819,113	-	-	-	1,819,113
Total	32,626,934	13,022,802	16,911,789	-	62,561,525
Total liquidity gap	445,229,399	104,237,165	131,723,374	223,654,994	904,844,932

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30. Risk management (continued)

30.4 Liquidity risk (continued)

	31 December 2023				Total
	Less than one year	1 - 5 years	More than 5 years	No maturity	
Cash and cash equivalent	55,114,476	-	-	-	55,114,476
Term deposits	292,772,700	50,000,000	-	-	342,772,700
Investments carried at FVTPL	-	12,093,300	18,432,060	104,619,607	135,144,967
Investments carried at FVOCI	-	-	-	86,968,505	86,968,505
Investments carried at amortised cost	2,102,041	15,000,000	139,000,063	-	156,102,104
Other assets (included in Prepaid expenses and other assets)	8,665,717	-	-	-	8,665,717
Accrued income on statutory deposit	3,233,205	-	-	-	3,233,205
Statutory deposit	68,834,222	-	-	-	68,834,222
	430,722,361	77,093,300	157,432,123	191,588,112	856,835,896
	31 December 2023				Total
	Less than one year	1 - 5 years	More than 5 years	No maturity	
Accrued and other liabilities	24,023,006	-	-	-	24,023,006
Employee benefit obligations	2,089,807	7,690,124	18,050,951	-	27,830,882
Lease liabilities	4,160,765	6,946,926	-	-	11,107,691
Accrued commission income payable to Insurance Authority	3,233,205	-	-	-	3,233,205
Total	33,506,783	14,637,050	18,050,951	-	66,194,784
Total liquidity gap	397,215,578	62,456,250	139,381,172	191,588,112	790,641,112

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30. Risk management (continued)

30.4 Liquidity risk (continued)

For the purpose of the financial assets, non-financial assets amounting to Saudi Riyals 9.1 million (2023: Saudi Riyals 7.0 million) have been excluded from prepaid expenses.

Insurance contracts issued	Up to 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Medical	102,418,316	10,816,115	960,872	-	-
Motor	81,499,353	7,910,468	3,885,194	2,061,011	712,951
General Accident & Liability	24,721,849	10,347,401	7,006,785	2,107,012	77,154
Engineering	6,693,396	3,306,666	-	2,255,079	507,463
Property	5,891,053	2,041,691	667,285	818,341	351,655
Marine	19,434,201	255,894	79,633	-	-
Protection	-	-	-	-	-

31 December 2024 **240,658,168** **34,678,235** **12,599,769** **7,241,443** **1,649,223**

Reinsurance contracts held	Up to 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Medical	12,246,610	20,012	2,334	-	-
Motor	5,584,329	429,941	226,769	105,593	32,634
General Accident & Liability	9,539,450	1,461,880	199,359	440,515	31,305
Engineering	6,036,511	2,586,222	-	1,763,751	396,899
Property	3,341,266	1,527,520	499,239	612,253	263,095
Marine	17,209,337	211,912	65,946	-	-
Protection	-	-	-	-	-

31 December 2024 **53,957,503** **6,237,487** **993,647** **2,922,112** **723,933**

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

31 December 2023 **249,178,528** **33,773,262** **3,002,719** **1,827,555** **1,667**

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

31 December 2023 **34,192,477** **4,679,364** **1,165,451** **131,199** **121**

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30. Risk management (continued)

30.5 Capital management risk

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

- To comply with the insurance capital requirements as set out in the Law on Supervision of Cooperative Insurance Companies. The Company's current paid-up share capital is in accordance with Article 3 of the Law;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Company has fully complied with the regulatory capital requirements during the reported financial period. As at 31 December 2024 the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

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

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

As of 31 December 2024, the Company is in compliance with the minimum solvency margin as required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

31. Auditors' remuneration

Auditors' remuneration for the audit and reviews of the Company's financial statements for the year ended 31 December 2024 amounts to Saudi Riyals 1.7 million (2023: Saudi Riyals 1.6 million) and the fee for other services provided by the auditors to the Company amounts to Saudi Riyals 0.2 million (2023: Saudi Riyals 0.2 million).

32. Subsequent event

No events have arisen subsequent to 31 December 2024, and before the date of approval of these financial statements, that could have a significant effect on the financial statements as at 31 December 2024.

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33. Commitments and contingencies

- 1 The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Company's financial performance.
- 2 As at 31 December 2024 the Company has capital commitments amounting to Saudi Riyals 26.1 million pertaining to implementation of a new software (31 December 2023: Saudi Riyals 31.1 million).
- 3 See Note 25 for contingencies pertaining to zakat and income tax assessments.
- 4 The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings. The Company, based on in-house legal advice, does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

34. Approval of the financial statements

These financial statements has been approved by the Board of Directors on 26 Ramadan 1446 H corresponding to 26 March 2025.

35. Surplus distribution

	31 December 2024	31 December 2023
1 January	24,310,416	12,707,310
Surplus transferred during the year	2,502,956	11,603,106
Reversal of surplus during the year	(9,138,802)	-
Surplus paid to policy holders	(82)	-
31 December	17,674,488	24,310,416

During the year, the Company has made a reversal of surplus distribution amounting to Saudi Riyals 9.1 million (31 December 2023: Nil) that had remained unclaimed for more than five years, in accordance with Article 35 of the Surplus Distribution Policy issued by the IA (formerly SAMA).

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36. Supplementary information

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

Statement of financial position

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
ASSETS						
Cash and cash equivalents	53,369,498	604,021	53,973,519	14,499,936	40,614,540	55,114,476
Term deposits	-	400,168,421	400,168,421	-	342,772,700	342,772,700
Investments:						
Financial assets at fair value through profit or loss ("FVTPL")	24,516,852	113,880,120	138,396,972	106,196,154	28,948,813	135,144,967
Financial assets at fair value through other comprehensive income ("FVOCI")	-	122,247,674	122,247,674	-	86,968,505	86,968,505
Financial assets at amortised cost	107,981,528	68,014,473	175,996,001	102,984,034	53,118,070	156,102,104
Prepaid expenses and other assets	42,480,980	4,553,932	47,034,912	28,441,042	11,471,813	39,912,855
Reinsurance contract assets	61,691,142	-	61,691,142	50,362,725	-	50,362,725
Right-of-use assets	7,481,026	-	7,481,026	10,255,189	-	10,255,189
Property and equipment	7,696,401	-	7,696,401	8,420,561	-	8,420,561
Intangible assets	42,936,441	-	42,936,441	42,407,211	-	42,407,211
Accrued income on statutory deposit	-	1,819,113	1,819,113	-	3,233,205	3,233,205
Goodwill	-	67,697,750	67,697,750	-	67,697,750	67,697,750
Statutory deposit	-	68,838,456	68,838,456	-	68,834,222	68,834,222
Due from shareholders' operations	105,662,104	-	105,662,104	106,943,300	-	106,943,300
TOTAL ASSETS	453,815,972	847,823,960	1,301,639,932	470,510,152	703,659,618	1,174,169,770
Less: inter-operations elimination	(105,662,104)	-	(105,662,104)	(106,943,300)	-	(106,943,300)
TOTAL ASSETS AS PER FINANCIAL STATEMENTS	348,153,868	847,823,960	1,195,977,828	363,566,852	703,659,618	1,067,226,470

(continued)

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36. Supplementary information (continued)

Statement of financial position (continued)

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
LIABILITIES						
Accrued and other liabilities	20,206,519	3,255,913	23,462,432	19,670,546	4,352,460	24,023,006
Insurance contract liabilities	499,820,414	-	499,820,414	437,355,990	-	437,355,990
Employee benefit obligations	19,978,809	-	19,978,809	19,719,701	-	19,719,701
Lease liabilities	8,622,513	-	8,622,513	11,107,691	-	11,107,691
Zakat and income tax payable	-	15,575,348	15,575,348	-	23,795,052	23,795,052
Accrued income payable to Insurance authority	-	1,819,113	1,819,113	-	3,233,205	3,233,205
Due to insurance operations	-	105,662,104	105,662,104	-	106,943,300	106,943,300
TOTAL LIABILITIES	548,628,255	126,312,478	674,940,733	487,853,928	138,324,017	626,177,945
Less: inter-operations elimination	-	(105,662,104)	(105,662,104)	-	(106,943,300)	(106,943,300)
TOTAL LIABILITIES AS PER FINANCIAL STATEMENTS	548,628,255	20,650,374	569,278,629	487,853,928	31,380,717	519,234,645
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
EQUITY						
Share capital	-	458,949,280	458,949,280	-	458,949,280	458,949,280
Statutory reserve	-	14,076,961	14,076,961	-	5,347,858	5,347,858
Retained earnings	-	36,765,081	36,765,081	-	1,848,668	1,848,668
Fair value reserve	-	118,401,518	118,401,518	-	83,122,349	83,122,349
Remeasurement reserve of employee benefit obligations	(1,493,641)	-	(1,493,641)	(1,276,330)	-	(1,276,330)
TOTAL EQUITY	(1,493,641)	628,192,840	626,699,199	(1,276,330)	549,268,155	547,991,825
TOTAL LIABILITIES AND EQUITY	547,134,614	648,843,214	1,195,977,828	486,577,598	580,648,872	1,067,226,470

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36. Supplementary information (continued)

Statement of income for the year ended 31 December

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
REVENUES						
Insurance revenue	804,752,396	-	804,752,396	624,483,382	-	624,483,382
Insurance service expense	(717,397,356)	-	(717,397,356)	(510,819,908)	-	(510,819,908)
Net expenses from reinsurance contracts	(56,755,033)	-	(56,755,033)	(44,991,914)	-	(44,991,914)
Insurance service result from Company's directly written business	30,600,007	-	30,600,007	68,671,560	-	68,671,560
Share of surplus from insurance pools	8,290,522	-	8,290,522	35,730,359	-	35,730,359
Total insurance service result	38,890,529	-	38,890,529	104,401,919	-	104,401,919
Interest income from financial assets not measured at FVTPL	3,258,608	25,337,060	28,595,668	3,048,346	19,292,430	22,340,776
Interest income from financial assets measured at FVTPL	1,756,943	824,217	2,581,160	1,798,943	741,734	2,540,677
Expected credit loss reversal (loss) on financial assets	(1,499)	(4,819)	(6,318)	(164)	664	500
Net gains (losses) on financial assets measured at FVTPL	(3,697,321)	2,644,154	(1,053,167)	1,870,736	10,256,776	12,127,512
Dividend income	-	1,549,259	1,549,259	-	866,183	866,183
Net investment income	1,316,731	30,349,871	31,666,602	6,717,861	31,157,787	37,875,648
Finance income from insurance contracts issued	764,491	-	764,491	3,262,115	-	3,262,115
Finance (expenses) income from reinsurance contracts held	(352,156)	-	(352,156)	1,020,832	-	1,020,832
Net insurance finance income	412,335	-	412,335	4,282,947	-	4,282,947
Net insurance and investment result	40,619,595	30,349,871	70,969,466	115,402,727	31,157,787	146,560,514
Finance costs	(432,741)	-	(432,741)	(532,083)	-	(532,083)
Other operating expenses	(18,985,080)	-	(18,985,080)	(10,817,538)	(8,173,542)	(18,991,080)
Net surplus from operations	21,201,774	30,349,871	51,551,645	104,053,106	22,984,245	127,037,351
Surplus transfer to shareholders	(21,201,774)	21,201,774	-	(104,053,106)	104,053,106	-
Total profit for the year before zakat and income tax	-	51,551,645	51,551,645	-	127,037,351	127,037,351

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36. Supplementary information (continued)

Statement of income for the year ended 31 December (continued)

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders’ operations	Total	Insurance operations	Shareholders’ operations	Total
Zakat expense	-	(7,478,778)	(7,478,778)	-	(2,000,000)	(2,000,000)
Income tax	-	(427,351)	(427,351)	-	-	-
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	-	43,645,516	43,645,516	-	125,037,351	125,037,351
Earnings per share (expressed in Saudi Riyals per share)						
Basic earnings per share			0.95			2.72
Diluted earnings per share			0.95			2.72

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
 (A SAUDI JOINT STOCK COMPANY)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2024
 (All amounts expressed in Saudi Riyals unless otherwise stated)

36. Supplementary information (continued)

Statement of comprehensive income for the year ended 31 December

	31 December 2024			31 December 2023		
	Insurance operations	Shareholders’ operations	Total	Insurance operations	Shareholders’ operations	Total
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	-	43,645,516	43,645,516	-	125,037,351	125,037,351
Other comprehensive income						
<i>Items that will not be reclassified to the statement of income in subsequent years</i>						
Remeasurement loss on employee benefit obligations	(217,311)	-	(217,311)	(44,457)	-	(44,457)
Net change in fair value of FVOCI investments	-	35,279,169	35,279,169	-	7,562,251	7,562,251
Total other comprehensive income	(217,311)	35,279,169	35,061,858	(44,457)	7,562,251	7,517,794
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	(217,311)	78,924,685	78,707,374	(44,457)	132,599,602	132,555,145

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
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36. Supplementary information (continued)

Statement of cash flows for the year ended 31 December

CASH FLOWS FROM OPERATING ACTIVITIES	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Total profit for the year before zakat and income tax	-	51,551,645	51,551,645	-	127,037,351	127,037,351
Adjustments for non-cash items:						
Depreciation of property and equipment	2,727,416	-	2,727,416	2,518,755	-	2,518,755
Amortisation of intangible assets	12,326,979	-	12,326,979	10,922,566	-	10,922,566
Depreciation for right-of-use assets	3,223,173	-	3,223,173	3,328,979	-	3,328,979
Finance costs	1,241,401	-	1,241,401	1,179,920	-	1,179,920
Interest income from financial assets not measured at FVTPL	(3,258,608)	(25,337,060)	(28,595,668)	(3,048,346)	(19,292,430)	(22,340,776)
Interest income from financial assets measured at FVTPL	(1,756,943)	(824,217)	(2,581,160)	(1,798,943)	(741,734)	(2,540,677)
Expected credit loss reversal (loss) on financial assets	1,499	4,819	6,318	164	(664)	(500)
Net gains on financial assets measured at FVTPL	3,697,321	(2,644,154)	1,053,167	(1,870,736)	(10,256,776)	(12,127,512)
Dividend income	-	(1,549,259)	(1,549,259)	-	(866,183)	(866,183)
Provision for employees benefit obligations	3,389,786	-	3,389,786	2,418,681	-	2,418,681
Gain on remeasurement of lease liabilities	114,190	-	114,190	(7,069)	-	(7,069)
Changes in operating assets and liabilities:						
Prepaid expenses and other assets	(14,039,938)	2,542,701	(11,497,237)	6,983,648	13,830,545	20,814,193
Changes in reinsurance contract assets	(11,328,417)	-	(11,328,417)	24,364,297	-	24,364,297
Accrued income on statutory deposit	-	1,414,092	1,414,092	-	5,721,491	5,721,491
Accrued and other liabilities	535,973	2,057,446	2,593,419	(10,127,743)	(2,400,000)	(12,527,743)
Changes in insurance contract liabilities	62,464,424	-	62,464,424	(1,404,796)	-	(1,404,796)
Accrued income payable to SAMA	-	(1,414,092)	(1,414,092)	-	(5,721,491)	(5,721,491)
Cash generated from operations	59,338,256	25,801,921	85,140,177	33,459,377	107,310,109	140,769,486
Employee benefit obligations paid	(4,156,649)	-	(4,156,649)	(1,647,628)	-	(1,647,628)
Zakat and income tax paid	-	(16,125,833)	(16,125,833)	-	(277,896)	(277,896)
Net cash generated from operating activities	55,181,607	9,676,088	64,857,695	31,811,749	107,032,213	138,843,962

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts expressed in Saudi Riyals unless otherwise stated)

36. Supplementary information (continued)

Statement of cash flows for the year ended 31 December (continued)

	31 December 2024			31 December 2023		
CASH FLOWS FROM INVESTING ACTIVITIES	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
(Placement) redemption of term deposits, net	-	(34,740,817)	(34,740,817)	-	(182,692,639)	(182,692,639)
Payments for purchases of financial assets at FVTPL	-	(5,039,811)	(5,039,811)	-	-	-
Payments for purchases of financial assets at FVTPL	(5,000,000)	(17,000,000)	(22,000,000)	-	-	-
Proceeds from sale of investments held at FVTPL	734,639	-	734,639	3,912,118	-	3,912,118
Proceeds from sale of investments held at amortised cost	-	2,000,000	2,000,000	-	-	-
Interest income received from financial assets not measured at FVTPL	3,128,263	2,540,589	5,668,852	3,037,360	1,853,200	4,890,560
Interest income received from financial assets measured at FVTPL	1,884,443	3,834,628	5,719,071	1,798,943	1,607,917	3,406,860
Payments for purchases of property and equipment	(2,003,256)	-	(2,003,256)	(3,373,378)	-	(3,373,378)
Payments for purchases of intangible assets	(12,856,209)	-	(12,856,209)	(7,861,304)	-	(7,861,304)
Net cash used in investing activities	(14,112,120)	(48,405,411)	(62,517,531)	(2,486,261)	(179,231,522)	(181,717,783)
CASH FLOWS FROM FINANCING FLOWS FROM INVESTING ACTIVITIES						
Principal elements of lease payments	(3,048,380)	-	(3,048,380)	(1,798,002)	-	(1,798,002)
Finance costs paid on lease liabilities	(432,741)	-	(432,741)	(532,083)	-	(532,083)
Due to insurance operations	(4,129,428)	4,129,428	-	(41,081,283)	41,081,283	-
Net cash used in financing activities	(7,610,549)	4,129,428	(3,481,121)	(43,411,368)	41,081,283	(2,330,085)
Net decrease in cash and cash equivalents	38,869,562	(40,010,519)	(1,140,957)	(14,085,880)	(31,118,026)	(45,203,906)
Cash and cash equivalents at the beginning of the year	14,499,936	40,614,540	55,114,476	28,585,816	71,732,566	100,318,382
Cash and cash equivalents at end of the year	53,369,498	604,021	53,973,519	14,499,936	40,614,540	55,114,476
Supplemental non-cash information:						
Net changes in fair value of investment measured at FVOCI	-	35,279,169	35,279,169	-	7,562,251	7,562,251
Remeasurement loss on employee benefit obligations	(217,311)	-	(217,311)	(44,457)	-	(44,457)
Additions of right-of-use assets	948,236	-	948,236	6,182,306	-	6,182,306
Modification of right-of-use asset	(59,951)	-	(59,951)	118,968	-	118,968
Termination of right-of-use assets	(931,122)	-	(931,122)	(205,756)	-	(205,756)

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

37. Gross written premium

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

31 December 2024						31 December 2023						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)					Individual	Group (Term life)	
Large corporates	302,298,341	84,316,962	85,655,610	-	-	472,270,913	78,181,352	133,266,917	38,921,171	-	-	250,369,440
Medium corporates	4,225,651	63,816,469	34,722,036	-	-	102,764,156	32,228,734	5,975,439	1,650,680	-	-	39,854,853
Small enterprises	14,135,118	28,838,711	10,114,221	-	-	53,088,050	25,491,157	27,564,040	6,919,786	-	-	59,974,983
Micro enterprises	55,506,811	29,894,720	1,844,944	-	-	87,246,475	34,767,124	54,741,808	31,876,854	-	-	121,385,786
Retail	70,616,045	163,969,747	25,593,202	-	-	260,178,994	90,604,286	80,484,002	48,247,656	-	-	219,335,944
Total	446,781,966	370,836,609	157,930,013	-	-	975,548,588	261,272,653	302,032,206	127,616,147	-	-	690,921,006

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
 (A SAUDI JOINT STOCK COMPANY)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2024
 (All amounts expressed in Saudi Riyals unless otherwise stated)

38. Net written premium

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

	31 December 2024						31 December 2023					
	Medical	Motor	Property & casualty	Protection & Savings		Total	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)					Individual	Group (Term life)	
Gross written premium	446,781,966	370,836,609	157,930,013	-	-	975,548,588	261,272,653	302,032,206	127,616,147	-	-	690,921,006
Reinsurance premium ceded – globally (including excess of loss)	(14,018,961)	(7,217,455)	(87,773,120)	-	-	(109,009,536)	(7,712,777)	(5,676,855)	(52,505,308)	-	-	(65,894,940)
Reinsurance premium ceded – locally (including excess of loss)	(6,254,244)	(2,405,817)	(21,312,577)	-	-	(29,972,638)	(3,509,538)	(831,392)	(17,668,578)	-	-	(22,009,508)
Net written premium – total	426,508,761	361,213,337	48,844,316	-	-	836,566,414	250,050,338	295,523,959	57,442,261	-	-	603,016,558

Agenda Item # 5

5- Voting on the discharging the Board members from any liabilities for the fiscal year ending on 31 /12/ 2024 G.

BOD Members List

For Item of discharging the Board members from any liabilities for the fiscal year ended on 31 December 2024.

Board Members in the current BOD Term

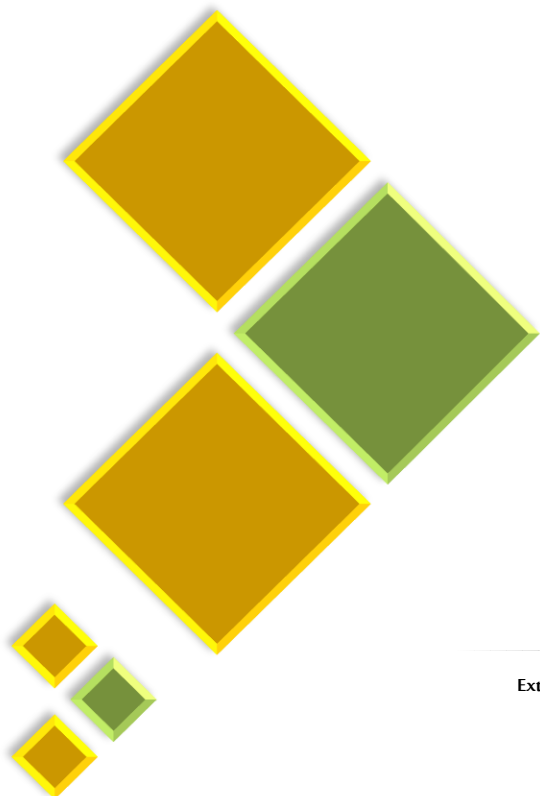
Nationality	Membership type	Position	Name	Sr.
Saudi	Non - Executive	Chairman	Abdulaziz Ali Al-Turki	1
Saudi	Independent	Vice Chairman	Zaid Abdullah Al Yaeesh	2
Canadian	Executive	Member	Munir Hashem Al-Borno	3
Saudi	Independent	Member	Ahmed Sulaiman Al Muzaini	4
Saudi	Non - Executive	Member	Majid Shatti Al Dhafiri	5
Saudi	Independent	Member	Abdullah Abdulwahab	6
Saudi	Independent	Member	Mohammed Abdulrahman Al Katheer	7

Gulf Union Al Ahlia Cooperative Insurance Co.



Agenda Item # 6

6- Voting on appointing the Auditors for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the second and third quarter and annual financial statements, of the fiscal year 2025 G, and the first quarter of the fiscal year 2026 G, and the determination of the auditors' fees..



التصويت على تعيين مراجعي حسابات الشركة من بين المرشحين بناء على توصية لجنة المراجعة، وذلك لفحص ومراجعة وتدقيق القوائم المالية للربع الثاني والثالث والسنوي من العام المالي 2025م والربع الأول من العام 2026م وتحديد أتعابهم.

Voting on appointing the Auditors for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the second and third quarter and annual financial statements, of the fiscal year 2025 G, and the first quarter of the fiscal year 2026 G, and the determination of the auditors' fees.

الأتعاب Fees (SAR)	الشركة Company
1,085,000 ريال سعودي	شركة برايس وترهاوس كوبرز محاسبون قانونيون (PwC) <i>PricewaterhouseCoopers Public Accountants (PwC)</i>
600,000 ريال سعودي	شركة سليمان عبدالله الخراشي وشركاه محاسبون و مراجعون قانونيون (Mazars) <i>Al-Kharashi & Co. Certified Accountants and Auditors (Mazars)</i>

Date: 09/04/2025 AD

Corresponding: 11/10/1446 H

Esteemed Members of the Board of Directors of Gulf Union Al Ahlia Cooperative Insurance Company.

Greetings,

Recommendation of the Audit Committee for the Reappointment of the External Auditors




With reference to the company's desire to appoint external auditors for the financial audit of the company's accounts, examination, review and audit of the financial statements for the second and third quarters, and annual of the year 2025 AD, and the first quarter of the year 2026 AD, we inform you that, the Audit Committee reviewed the following offers submitted by the auditors, accompanied by the analysis prepared by Internal Audit Department, and discussed their experience in the financial audit of insurance companies.

Audit Firm	CROWE	PwC	Al-Kharashi (Mazars)	BDO Alamri	Alsaleh & Alzoman Alfahad	RSM	Al-Bassam & Co (PKF)
Fees (SR)	400,000	1,085,000	600,000	800,000	595,000	796,000	582,750

And based on the foregoing, the Audit Committee recommends the reappointment of PricewaterhouseCoopers Public Accountants (PwC), and reappointment of Al-Kharashi & Co. Certified Accountants and Auditors (Mazars) for the financial audit of the company's accounts and the examination, review and audit of financial statements for the second and third quarters, and annual of the year 2025 AD, and the first quarter of the year 2026 AD, according to the fees shown below:

Audit Firm	Fees (SR)
PricewaterhouseCoopers Public Accountants (PwC)	1,085,000
Al-Kharashi & Co. Certified Accountants and Auditors (Mazars)	600,000

Please accept our warmest regards

Audit Committee Signatures		
Mr. Ahmed Suliman Almuzaini	Audit Committee Chairman	
Mr. Ibrahim Abdulaziz Almukhem	Audit Committee Member	
Mr. Abdullah Ali Alhajri	Audit Committee Member	



Creating Value Through Quality

Gulf Union Alahlia Cooperative Insurance Company
Audit proposal for the year ending 31 December 2025



Private and confidential
December 2024





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- 04 A technology enabled audit tailored to your business (page 11)
- 05 About PwC (page 16)
- 06 Proposed fee (page 21)
- 07 The right team for you (page 23)



**The Directors
Gulf Union Alahlia Cooperative
Insurance Company
P.O. Box 5719
Dammam 31432
Kingdom of Saudi Arabi**

16 December 2024

PricewaterhouseCoopers, License No. 25,
Al Hugayet Tower, P.O. Box 467
Dhahran Airport 31932
Kingdom of Saudi Arabia
T: +966 (13) 849-6311,
F: +966 (13) 849-6281,
www.pwc.com/middle-east

Dear Sirs,

Proposal for statutory audit and quarterly reviews for Gulf Union Alahlia Cooperative Insurance Company (the “Company”)

It is our extreme pleasure to submit our condensed commercial proposal for providing our services the independent auditors for Gulf Union Alahlia Cooperative Insurance Company for the year ending 31 December 2025

We have a passion for your business and industry, a passion that is reflected in the depth of our knowledge. More importantly, we know you and understand your businesses, your environment and your priorities. We believe that we are the best placed firm to audit the Company.

As your trusted partner, we can bring:

- A technology enabled audit that drives quality, value and insight.
- A consistent team with huge bench strength and extensive industry experience.
- Leveraging our worldwide network for your benefit.

We bring to you an experienced team to best serve your assurance needs. Your audit team will be led by Farrukh Faizi, who is uniquely placed to serve as your engagement leader. Farrukh will be supported by Mohammad Umer and Mohammad Alhajri on the audit. Farrukh and the team have handled the audits of several large companies and groups. In addition, the team will bring you the breadth of their audit knowledge and extensive experience of your industry.

Our commitment to you, and on behalf of the team and the firm, is that we will work with you as one connected team to improve the value you derive from your audit, to deliver on time, to ensure there are no surprises and to identify ways to continuously improve your business.

Upon acceptance of our proposal and completion of our independence and other risk assessment procedures, we will provide you with engagement letter for your signature which will formalize the terms of the engagement for our professional service for the above-mentioned year.

If you have any questions or require any additional details, please feel free to contact us.

Yours sincerely,

Ali H. Al Basri
Licensed Partner

Executive summary



1

Executive summary - our understanding of your needs

Your needs

The right team



Our value adding responses

We bring you a highly credentialed team that is passionate to work with you. The team we propose to you has been hand-picked and brings extensive experience in auditing insurance clients. The team will be based out of our Al Khobar office and led by Farrukh Faizi and supported by Muhammad Umer and Mohammad Alhajri

Deep knowledge of your reporting requirements



We have extensive knowledge of IFRS and its requirements for businesses in your industry. We bring you an experienced team fully aware of the financial and regulatory reporting requirements applicable to the Company.

Proactive dialogue



We believe in the value of proactive dialogue and constructive recommendations. Our audit approach entails careful year-round planning, up-front communication, and coordination between your management and your PwC engagement team. This partner-led initiative is designed to enable us to listen to your concerns, discuss alternative points of view, as appropriate, and inform you of significant issues in a timely manner. Throughout the engagement, you'll have regular interactions with all the members of our team.

A competitive audit fee with value



In setting the level of our audit fee, we have aimed to balance your need for a value-for-money proposition with your desire for a service of the highest quality with no surprises.

Availability of subject matter experts



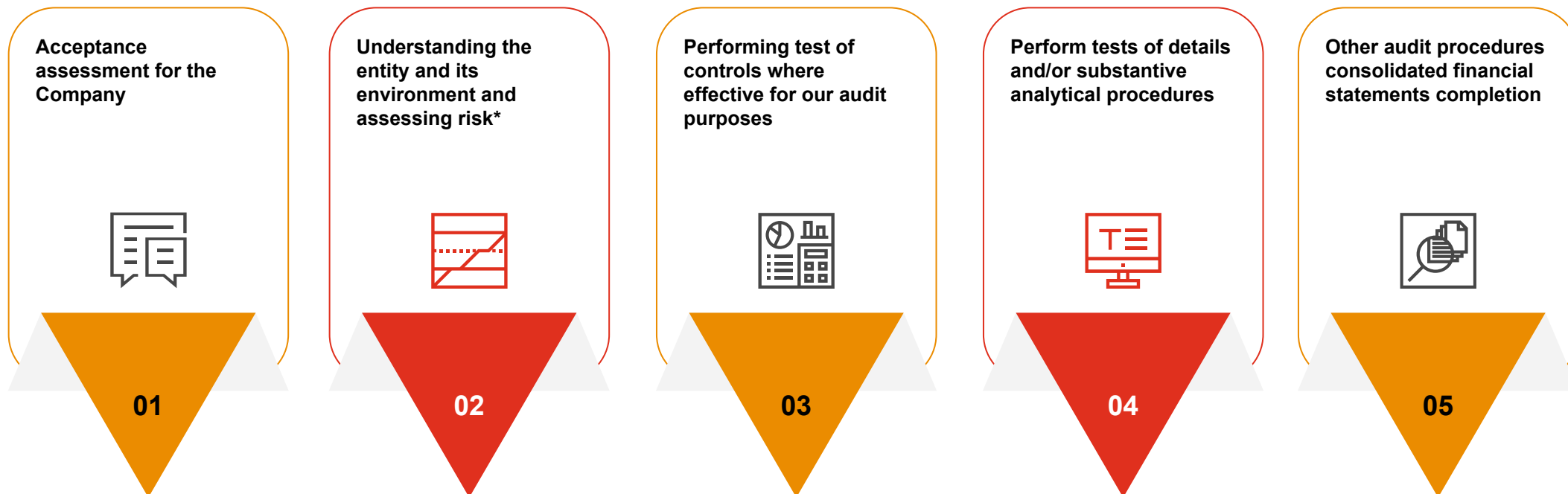
Our extensive experience goes beyond the audit. We have assembled a wider team to meet the audit needs as they arise. This wider team can help the core audit team in resolving and concluding on key matters related to tax, IT and complex IFRS matters. However, as you are aware, the current local independence requirements prohibit us to provide any non-audit services to our audit clients with the exception of zakat and tax compliance services. In case of any changes in the current regulation permitting us to provide any additional non-audit services, we will share with you the details accordingly.

A deep
understanding of
your businesses,
people and
operating system



2

A focused audit approach



Our audit approach starts at the same point as your business - with your strategies and business objectives. Through discussions with senior and operational management, we understand and update your business objectives and risks. We then focus our audit on those risks that may impact financial reporting.

Our “top-down” management discussions not only identifies the business objectives and risks, but also key controls in place to manage those risks. We test those management controls. We then determine how we will substantively test significant account balances and classes of transactions.

Applying the audit comfort cycle will enable us to obtain an understanding of the Company and its environment, including its internal control, that is sufficient to assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and sufficient to design and perform our detailed audit procedures. We then validate controls on which we seek to rely for audit comfort.

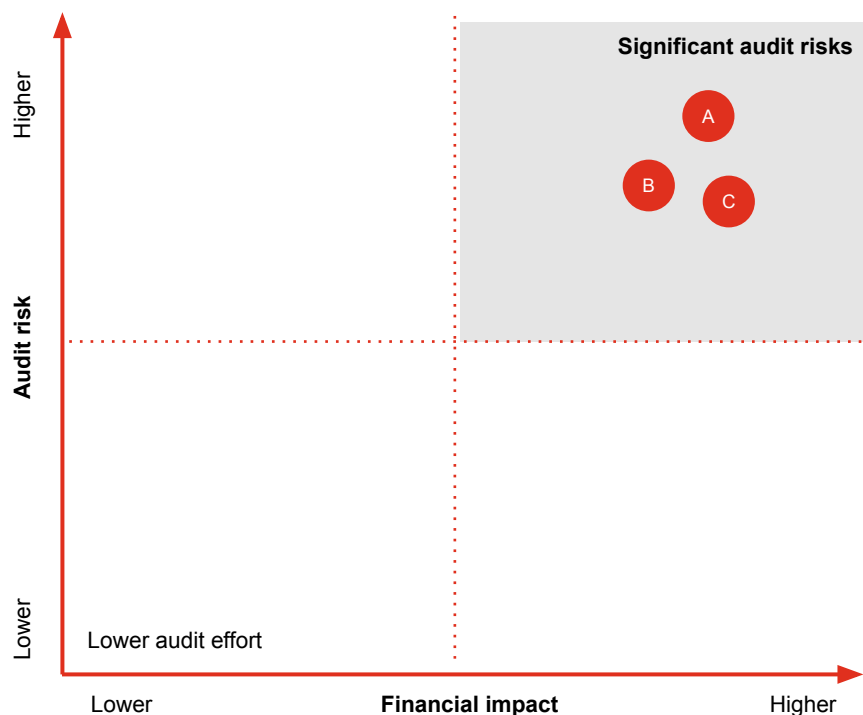
We apply the audit comfort cycle by holding meetings with management and other personnel and testing the effectiveness of controls we intend to validate.

Our areas of focus

We have considered the nature, magnitude and likelihood of each audit risk to the financial statements in order to determine if the identified risks are significant or normal. This subsequently drives the design and extent of our testing procedures.

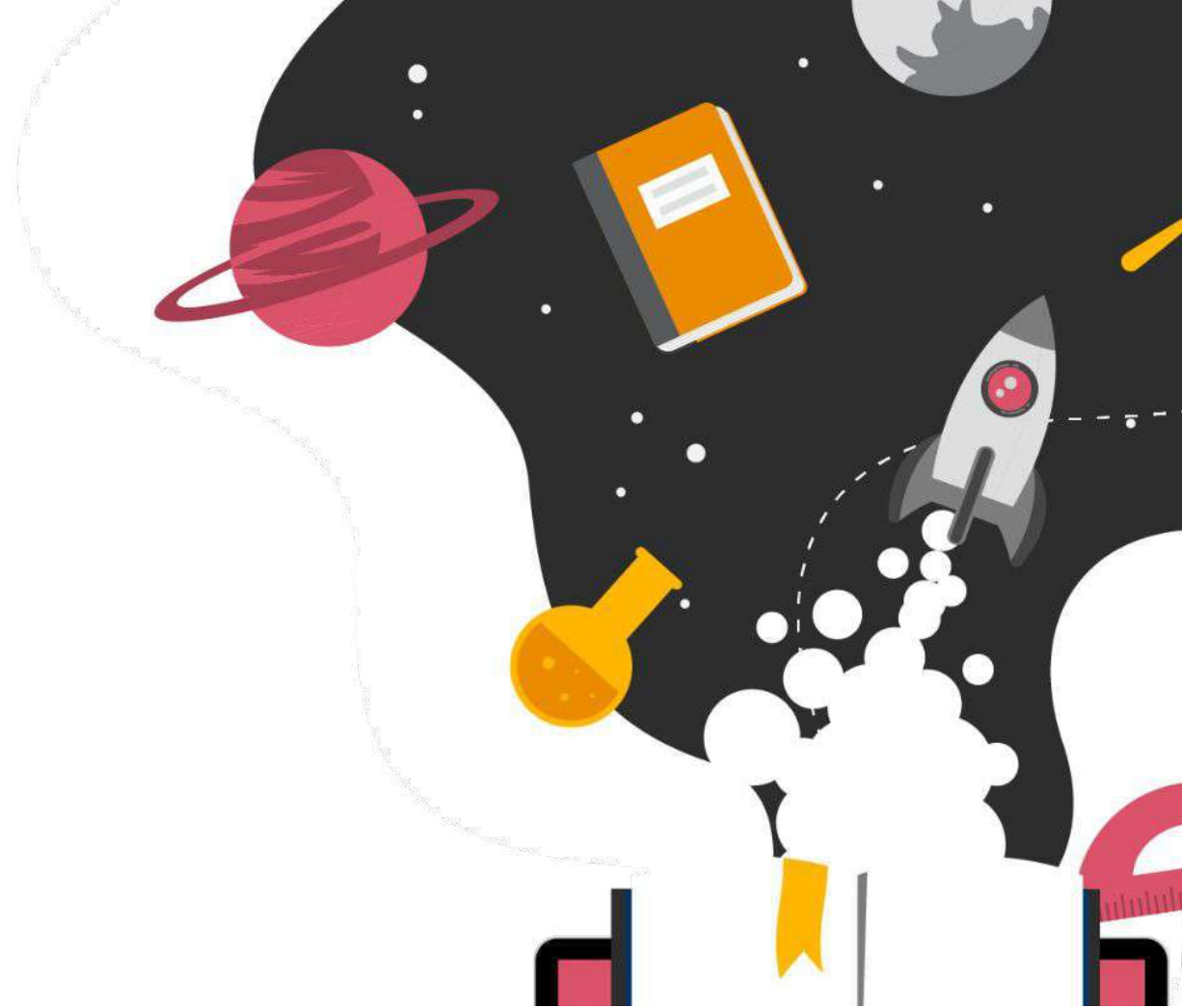
Our preliminary audit risk assessment, based on the most recent audited financial statements, is set out below which highlights those risks that are deemed to be significant in the context of the risks facing the Company (key audit risks). We have summarised below our audit responses in these areas.

Risk map



Audit risk	Nature	Our proposal approach
A. Risk of management override of controls	Fraud	<ul style="list-style-type: none"> Examine journal entries and other adjustments; Review related party transactions outside the normal course of business; Review of business rationale of significant unusual transactions; and Inquiries with management including those outside finance.
B. Risk of fraud in revenue recognition	Fraud	<ul style="list-style-type: none"> Evaluate accounting policy and its application; Evaluate design of key controls for all revenue streams; and Test material contracts and transactions.
C. Risk of inadequate provision for technical reserves	Error & Judgement	<ul style="list-style-type: none"> Evaluate accounting policies and their application; Review calculation and methodologies in determination of technical reserves; and Use of PwC expert to assess technical reserve balances at each reporting period.

A highly
credentialed team,
passionate about
bringing you our
best



3

A highly credentialed team, passionate about bringing you our best

A team of dedicated professionals

Our team is structured to mirror your organisation. Farrukh Faizi will lead the audit of the Company to provide continuity, seamless communication and insights. He is supported by dedicated teams who are experienced in your business.

The audit is led from our Al Khobar office. We have a dedicated team for the Company. This means that there is a point of contact for all your key management team members.

We also have a selection of specialist partners and directors in place, who are subject matter experts and remain available to offer valuable insights and perspectives to support your wider business objectives.

CVs of our key team members can be found in Appendix C.

Our audit team

Ali H. Al Basri
Lead Client Service Partner

Farrukh Faizi
Engagement Leader

Muhammad Umer
Engagement Support Partner

Mohammad Alhajri
Engagement Senior Manager

Audit team

Specialists

Zakat/tax compliance

Actuarial teams for the technical reserves

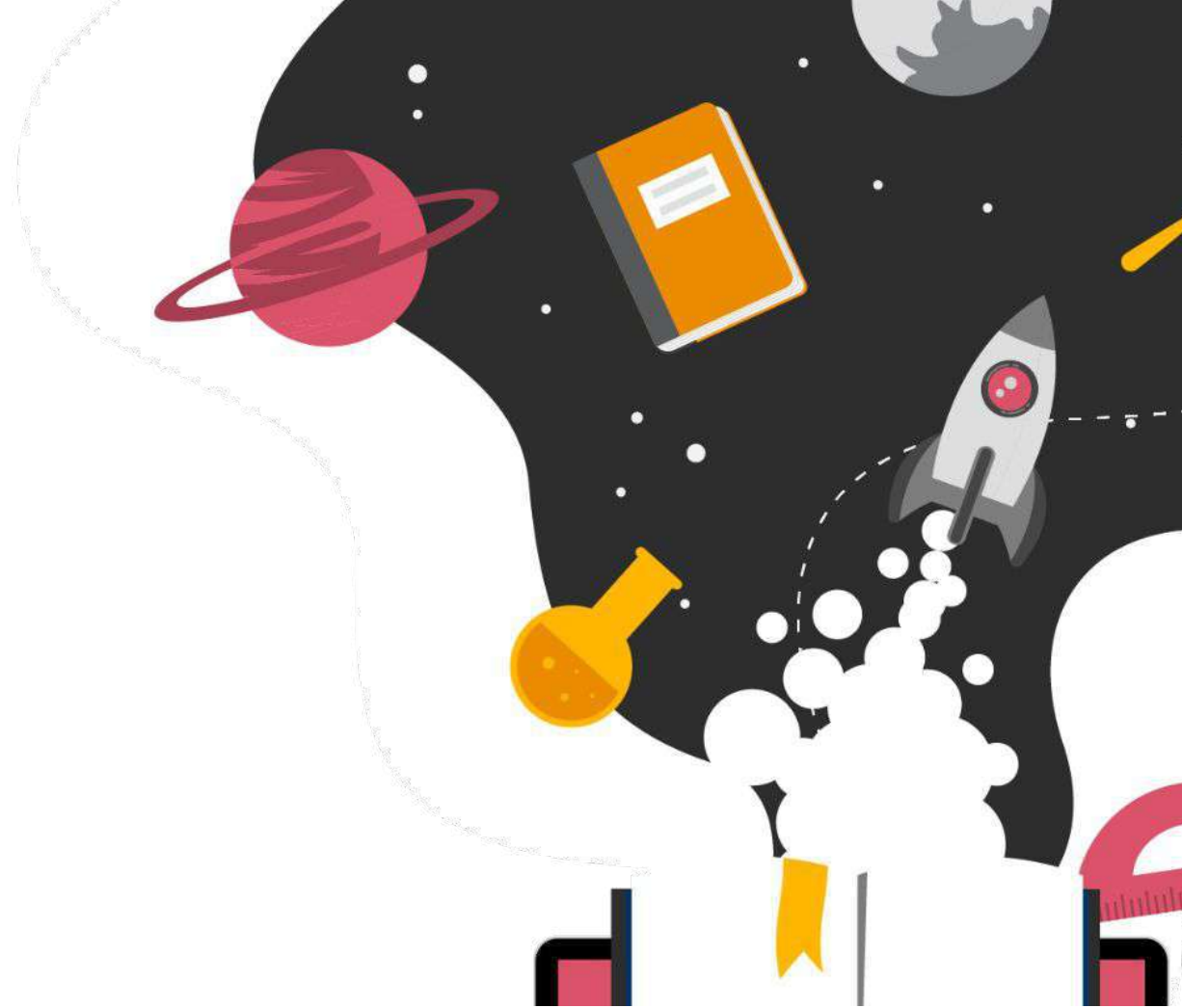
IT assurance team

IT Risk Assurance Director

IT Risk Assurance Manager



A technology
enabled audit
tailored to your
business



4

A technology enabled audit tailored to your business

Our industry-leading, cutting-edge technology supports our ability to deliver a smooth, no surprises audit, to bring greater insight, and to help us drive audit efficiency. Our investment in technology has been significant and is embedded in the way we work for the benefit of our clients. We set out below how our technology may bring value to the Company.



Connect - Our project management tool

- Web-based collaboration tool to electronically request and exchange documents and information securely.
- Allows all stakeholders to track the status of audit deliverables real-time.

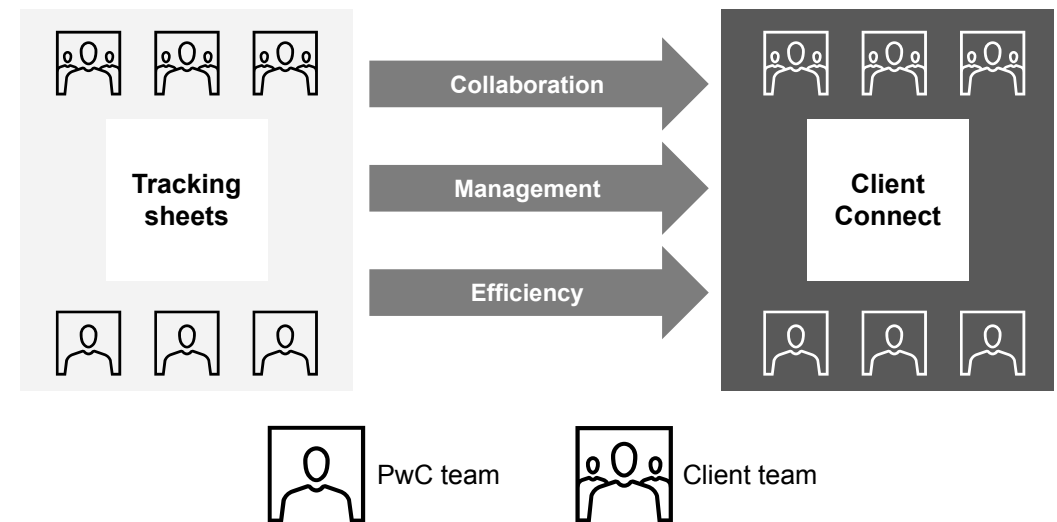
How can this bring value to the Company

Connect gives you a real time view of the status of audit deliverables across all audits, in a secure database environment. This will help both you and us manage the audit across a spread of locations.

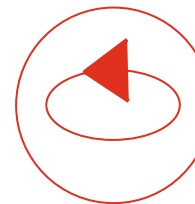
One of the key benefits of using Connect is that it creates institutional memory that can be leveraged later on, saving time and effort agreeing deliverables every year with your teams. This is particularly useful where there is staff turnover, as once secure access is granted all prior year documents provided by you can be viewed.

Our clients tell us that they value Connect.

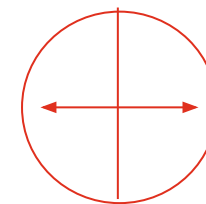
We use Connect with majority of our clients, similar to you and it has been really beneficial in the exchange of information. We plan to use this tool to facilitate information exchange in an efficient and effective manner.



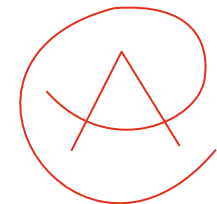
Personalised dashboard with real time visibility of status



Halo



Connect



Aura

A technology enabled audit tailored to your business



Halo - Our data auditing tool

- Uses analytics to better identify, assess and quantify risks
- Evaluates 100% of the population and identifies unusual and high risk transactions
- Provides insights on business and controls performance

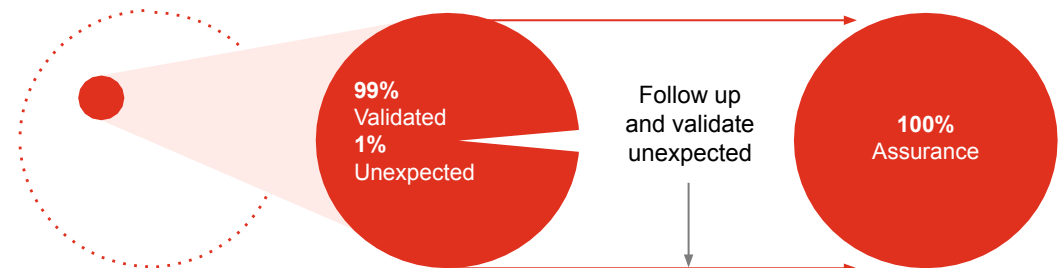
How can this bring value to the Company

Use of data analytics has the potential to bring great insights. We will continue to seek opportunities to use data auditing techniques, but at a pace with which you are comfortable. Generally the investment made to set up data analytics, leads to efficiencies later on.

We are using data auditing techniques more and more with our clients, with examples including tests to analyse unusual payroll transactions, such as more than one employee linked to the same bank account, and tests to understand the profile of accounts payable, for example where the three way match is circumvented or where vendor bank accounts match those of an employee. We will work with you to identify those areas that provide useful insight to you, as well as leading to efficiencies in our audit approach.



We will seek to identify areas where these techniques can be used, delivering greater assurance and insight.



A technology enabled audit tailored to your business

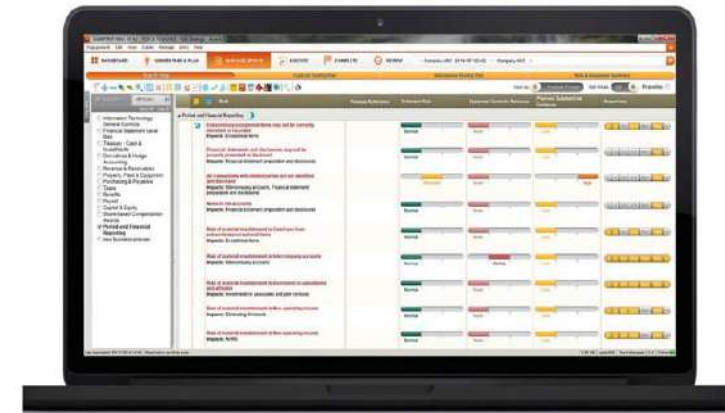


Aura - Our audit software

- Built and evolved over the last seven years
- Used by every PwC professional performing audits around the globe - 100,000 users
- Work performed consistently and effectively, centrally and locally
- Systematic, risk based approach with workflow technology

How can this bring value to the Company

Via our use of Aura, you can be assured of a high quality and consistent audit approach for each entity. Our Aura audit software is used by every PwC team executing an audit, ensuring that the right amount of work is performed on every risk. We use Aura to review the audit risks identified and to monitor the status of work performed. This supports our delivery of the highest quality audit. Further, Aura has built-in sampling tools to assist us in the audit.



A technology enabled audit tailored to your business

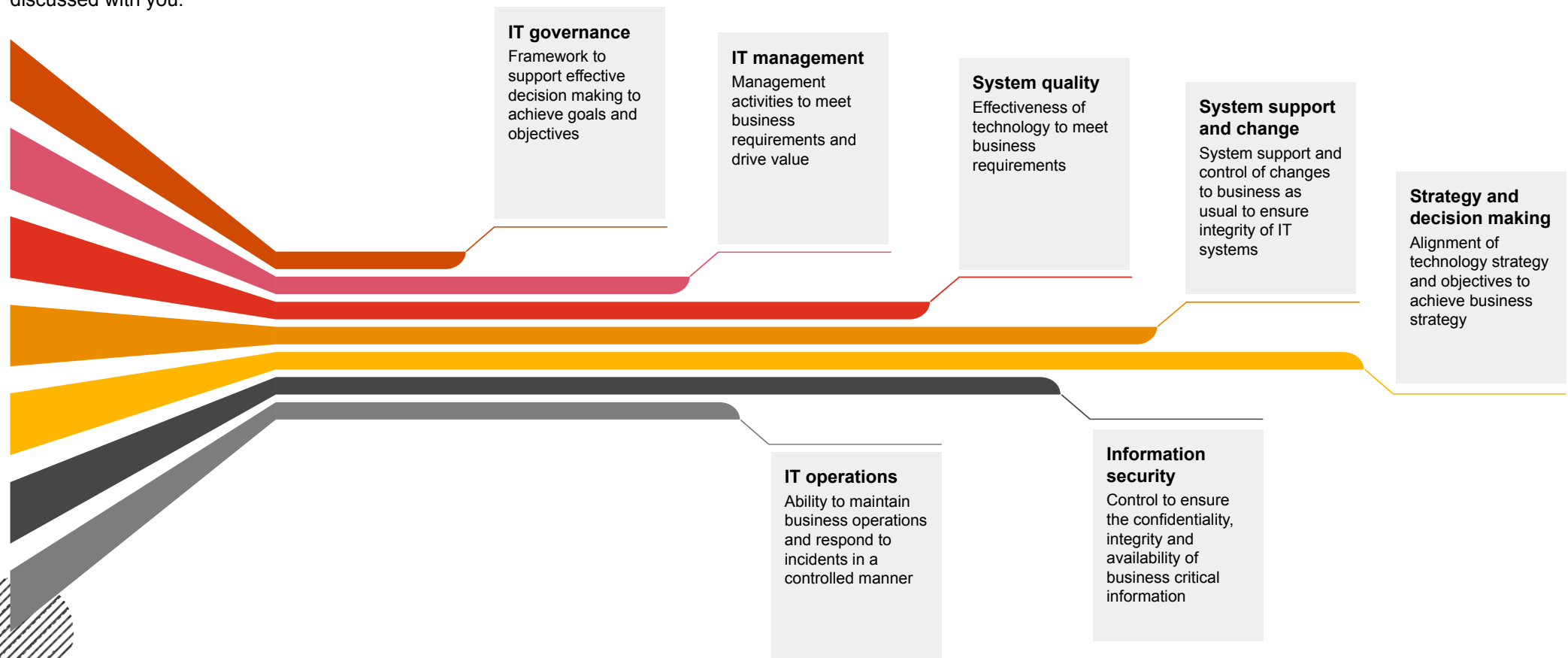
Your ERP

Your business is critically dependent on IT and processes large volumes of data. As your efforts towards strengthening your IT processes and controls progresses, we will work closely with our IT audit specialists to develop an audit approach that fits your timetable.

How can this bring value to the Company

Based on the assessment of your IT environment, we will identify areas where reliance can be placed on automated controls throughout your application landscape. Further, we will provide you with insight into how your controls compare against your peers and the industry using our diagnostic and benchmarking tool to assist you in the understanding of IT risks.

Our IT risk assessment consists of seven key focus areas based on industry standards such as COBIT, ITIL, ISO27001, regulatory rules and PwC market expertise. We will analyse results of our risk assessment to identify any impact on audit approach and the root causes of any deficiencies identified. Our observations and recommendations will be discussed with you.



About PwC



5

About PwC - Our global network

Global network of firms

For the fiscal year 2024, PwC firms around the world earned total gross revenue of:

\$55.3 billion



370,393

Partners and staff

86%

Fortune Global 500 Clients

149

Countries
688 Cities

PwC firms provided services to:

180,125

clients across our global network

102,549

people joined PwC firms around
the world this year

Source: PwC, Global annual review 2024; pwc.com

Drawing on the talents and capabilities of more than 370,393 people in 149 countries, PwC provides a full range of services to leading global, national and local companies and public institutions.

We are organised by industry practices rather than geographic regions; this industry-led operational model enables us to deliver the best-aligned and highest quality services to our unique client portfolio.

We are proud to have long-standing business partnerships with industry leaders.

About PwC - Middle East

PwC has operated in the Middle East region for more than 40 years.

Collectively, our Middle East network employs in the region of over 12,000 people including over 500 partners working from 30 offices (in 22 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates and 41% of our Middle East workforce is female.

We are one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East.

Our tailored solutions help clients to meet the challenges and opportunities of doing business in the Middle East market and beyond.

We have experience in industries including government, energy and utilities, financial services and banking, retail, construction and engineering, manufacturing, entertainment and telecoms.

Our clients in the Middle East include prominent public and private companies, governments, banks and family businesses.

There are over 50 members of staff from other international territories on secondment to our Middle East firm, meaning we bring global perspectives and the full extent of our worldwide network to the work that we do for our clients in the region.



**12,000 +
people**

including over
500 partners, in
12 countries



The largest
professional
services firm in
the
**Middle
East**



Supporting
clients in the
region for
**over 40
years**



“

Our regional network functions as one seamless practice unit structured on the basis of industry lines. This enables us to mobilise our industry specialists across the Middle East region, whenever and wherever needed.

”

PwC in KSA

PwC is strongly committed to the Kingdom of Saudi Arabia where we've had a presence since 1979. Today we have around +2,000 people serving clients from 6 offices in five main locations: Riyadh, Jeddah, Al Khobar, Dhahran and Al Ula.

In line with the new global strategy “**The New Equation**”, we'll be further **ramping up our presence and commitment** to Saudi Arabia. We've already announced that we'll establish our regional consulting HQ in Riyadh, to continue our central role in supporting the Kingdom's Vision 2030 and beyond.

Through our Assurance, Advisory, and Tax practices based in the Kingdom, we advise a wide range of clients including high-profile local businesses, industrial and service companies, and global organisations. We are also lead advisors to the Government and some of the Kingdom's largest public sector entities. Due to our long history of delivering services from this region, we have extensive experience of working with clients in most industries. PwC KSA is registered firm with the Saudi Organization for Chartered and Professional Accountants.

76%

are Arabic speakers



Over **+2,000** people
out of which **56%** are
Saudis and **32%**
of our workforce
are females



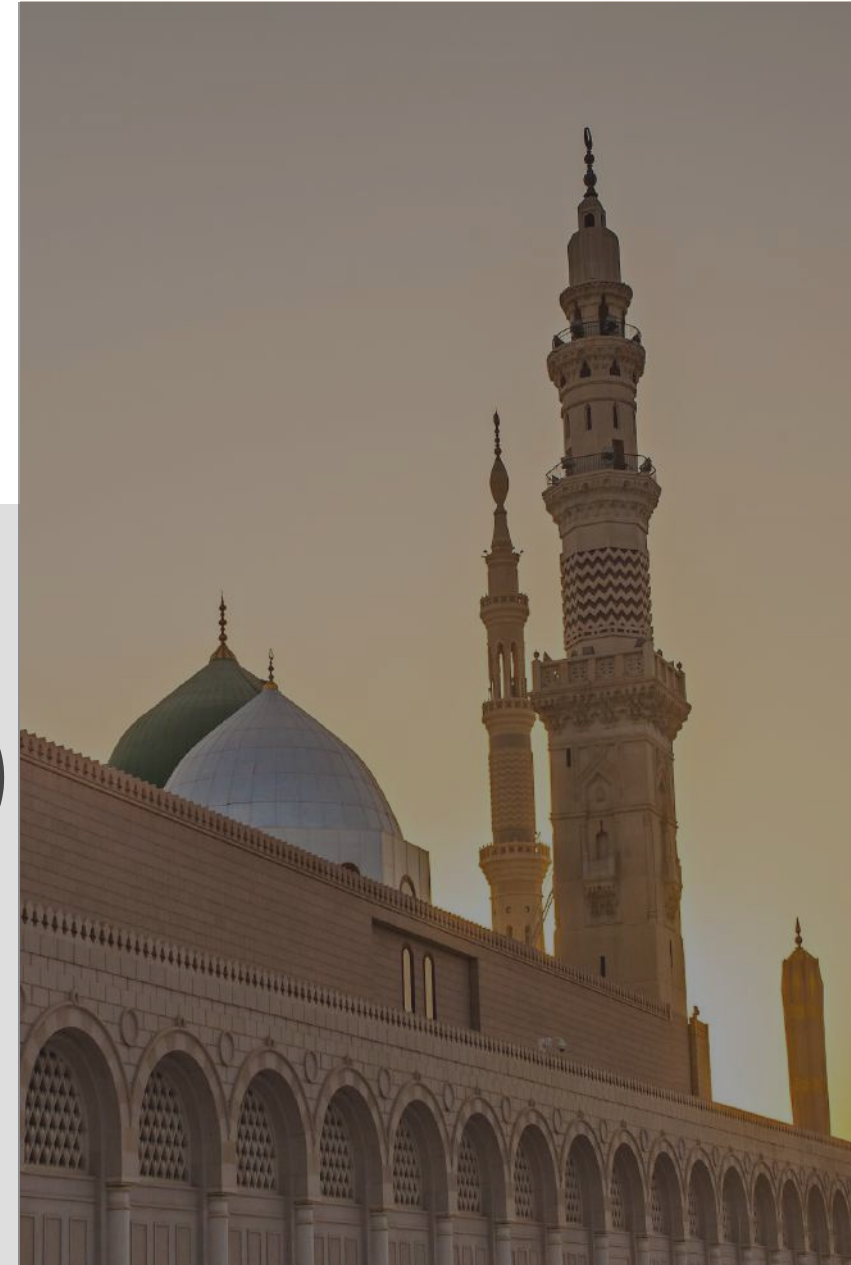
Presence in the
Kingdom of Saudi
Arabia since

1979



6 Offices (Riyadh, Al
Khobar, Dhahran, Jeddah
and Al Ula)

PwC is an advisor to the
companies in the **100**
Saudi Fast Growth
awards
organized by
MISA



PwC in KSA

Assurance Center of Excellence

During 2019, PwC's KSA office welcomed an all female Saudi staff team to start off the Assurance Center of Excellence (ACE) in Al Khobar. The team is the first fully female team in the firm's rapidly growing Assurance practice. ACE is a service delivery center supporting our audit engagement teams across varied tasks and will be a key part of our proposed audit team at the Company.

"I am extremely pleased to achieve this milestone at a time when the Kingdom continues to implement Vision 2030. We, as PwC, are committed to support this vision by playing our part in enabling and empowering women to fully participate in the workforce and the economy."

Omar M. Al Sagga
KSA Assurance Leader



Our ACE team

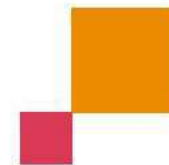
Our ACE staff strength has grown over the period and we currently have more than 100 female Saudis supporting our diverse client base across the Kingdom.

Proposed fee



6

Our understanding of the Scope and our proposed fees



Our clients recognize that our fees are just one of the many components of business competition. Other key differentiating factors are quality, commitment to timely service delivery and industry expertise - and we do our best to demonstrate these to you when given the opportunity.

Time spent on the audit forms the basis for our fees, computed at rates which reflect factors such as complexity, level and grade of staff assigned, degree of skill and specialist input, urgency and inherent risks and the use of techniques, research and know-how developed within our firm.

Scope	Proposed fee Saudi Riyals
Audit of the financial statements of the Company for the year ending 31 December 2025 *	695,000
Quarterly review of the statutory interim financial information of the Company for the periods ending 30 June 2025, 30 September 2025 and 31 March 2026 *	130,000 per quarter

Notes





- The above proposed fee does not include our fees for uploading the Company's financial statements and related financial information on the Ministry of Commerce (MoC) portal as required by the MoC's resolution No. (353/Q) dated 18 Safar 1436H. Such fee would be Saudi Riyals 10,000.
- Our proposed fee excludes out of pocket expenses, mainly related to travel and courier service, which will be billed at actual.
- Our proposed fee excludes the additional costs for the significant changes in operation, merger or acquisition, or Company's structure.
- Our above fee is exclusive of any taxes as you will pay any taxes, including VAT, that are due in relation to our services. You will pay us the full amount of any invoice, regardless of any deduction that you are required by law to make.
- In accordance with our normal terms of engagement, 75% of our fees are payable prior to commencement of the audit, 20% on completion of detailed audit work and 5% on submission of our report.

The right team for
you



7

The right team for you

	<p>Ali H. Al Basri Lead Client Service Partner</p> <p>M: +966 50 670 4733 E: ali.basri@pwc.com</p>	<p>Ali has over 24 years public accounting experience and worked on a large number of audit engagements for listed and multinational companies. Ali is currently managing a variety of audits for clients operating mainly in construction, manufacturing, hospitality and petrochemicals industry sectors and is engaged in advising clients on a number of other assurance assignments.</p> <p>He is also a basic member of the Saudi Organization for Chartered and Professional Accountant (SOCPA).</p>
	<p>Farrukh Faizi Engagement leader</p> <p>M: +966 50 498 4872 E: farrukh.faizi@pwc.com</p>	<p>Farrukh is the lead assurance partner in our Al Khobar office at PwC Saudi Arabia, serving mainly the eastern province clients. He has over 25 years' public accounting experience working with listed and multinational companies and groups.</p> <p>Farrukh is managing variety of audits of listed and multinational entities operating mainly in insurance, construction, manufacturing, hospitality, and petrochemicals industry sectors and is engaged in advising clients on a number of other assurance assignments including IFRS conversions, regulatory reporting and internal control compliance reporting.</p> <p>Farrukh is a fellow member of the Institute of Chartered Accountants of Pakistan.</p>
	<p>Muhammad Umer Support Engagement Leader</p> <p>M: +966 56 934 4800 E: muhammad.umer@pwc.com</p>	<p>Umer has over 15 years of experience servicing audit and accounting needs including 12 years with PwC Middle East, KSA and Oman and 3 years with PwC Canada. Umer has provided services to clients in various industries including the insurance, energy, hospitality, manufacturing, construction, engineering, public sector, automobiles, trading and not-for-profit and has specific audit and assurance experience with IFRSs and US GAAPs.</p> <p>Umer is a fellow member of the Institute of Chartered Accountants of Pakistan and also holds ACCA Diploma in International Financial Reporting Standards.</p>
	<p>Mohammad Al-Hajri Engagement Senior Manager</p> <p>M: +966 54 806 0238 E: Mohammad.Alhajri@pwc.com</p>	<p>Al-Hajri has experience of assurance and non-assurance services in several industries including insurance, construction, trading, drilling and manufacturing. He joined PwC in 2017 with previous experience in Assurance services.</p> <p>Al-Hajri graduated from University of Dammam majoring accounting and holds a Master of Business Administration from King Fahd University of Petroleum and Minerals (KFUPM). He is also a licensed member of Saudi Organization of Chartered and Professional Accountants (SOCPA).</p>

Thank you

www.pwc.com/me

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with nearly 370,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

Established in the Middle East for over 40 years, PwC Middle East has 30 offices across 12 countries in the region with around 12,000 people. (www.pwc.com/me).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

This proposal contains information that is proprietary and confidential to PricewaterhouseCoopers. As such, the addressee should not disclose this document or any attachments in whole, or in part to any third party without the prior written consent of PricewaterhouseCoopers.

The addressee also acknowledges that information shared here within is the intellectual property of PricewaterhouseCoopers and is subject to a non disclosure agreement as recognised by the copyright and intellectual property regulations.

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Audit, and assurance

Proposal to Gulf Union Al Ahlia Cooperative Insurance Company

For the provision of external audit services related to the financial statements of the year ended December 31, 2025

December 19, 2024



December 19, 2024

Gulf Union Alahlia Cooperative Insurance Company
Dammam
Kingdom of Saudi Arabia

Attention: Audit Committee,

I am delighted to have this opportunity to propose for the audit of the financial statements for Gulf Union Alahlia Cooperative Insurance Company ("the Company") for the year ended December 31, 2025.

I want Forvis Mazars to be your audit firm. The audit is at the heart of our business and the team I will lead is committed both to provide you with a quality audit and ensuring that the experience will be positive and rewarding for you. We offer:

1. An audit that adds value and is tailored to your needs. This is your audit, no one else's. We will provide a professional audit that goes beyond statutory obligations to consider the key strategic risks to your business, providing insight, a balanced perspective, and challenge to help the Company prepare for the future.
2. A highly qualified team. The experts I have chosen have deep manufacturing sector knowledge and experience of supporting businesses like yours.
3. Global presence that matches your international activity, both now and in the future. We are a united and connected partnership with a shared commitment to serving our global and local clients.
4. A fair and transparent fee that reflects our desire to work with the Company, without compromising the quality of our service.

I want Forvis Mazars to be the right fit for you. My aim is to build a valued and enduring professional relationship with you for the benefit of all your stakeholders. If appointed, I give you my personal commitment that you will receive the highest quality of service and a first-class audit.

If you have any questions or want to discuss any aspect of our tender, do not hesitate to contact me.

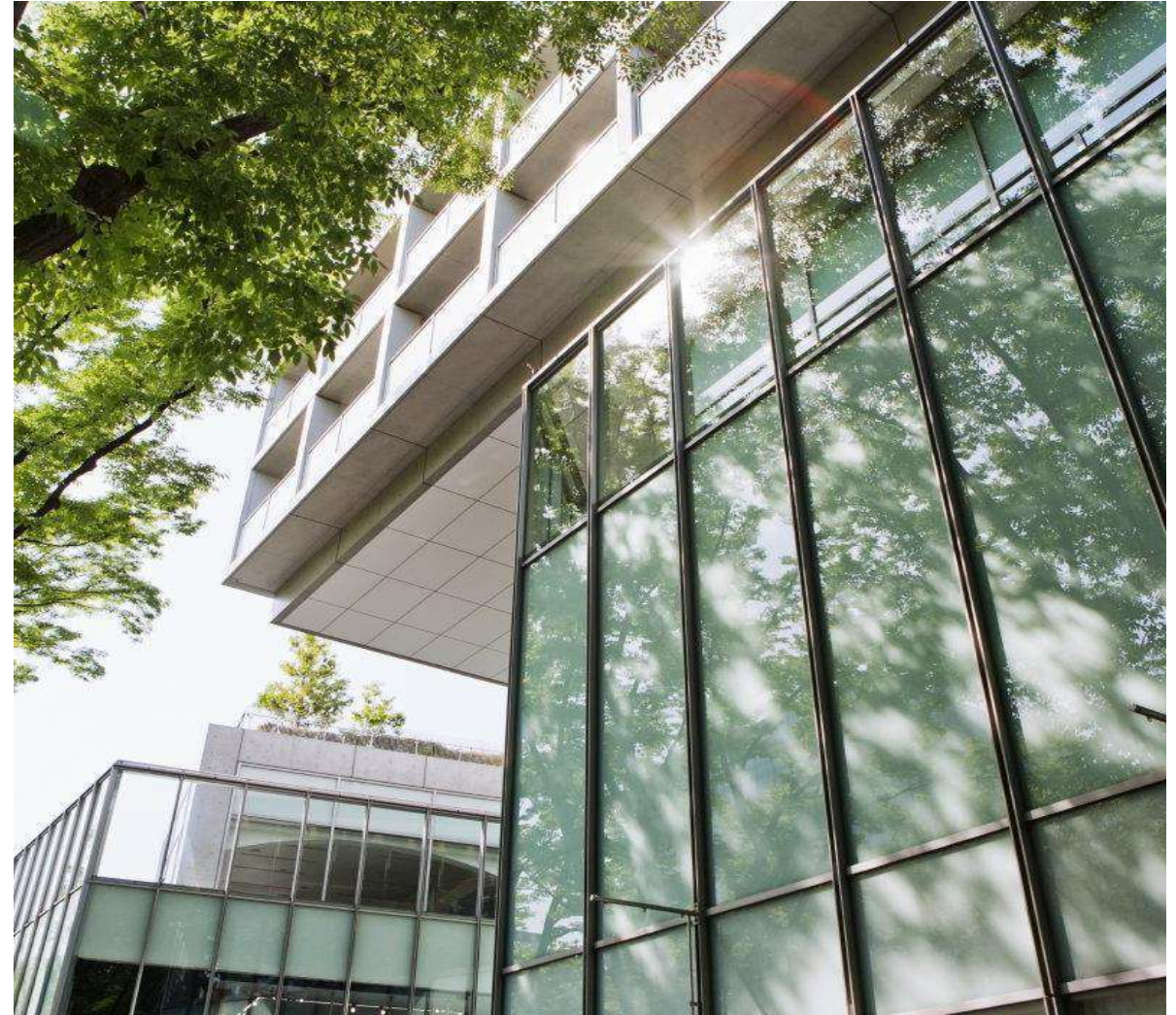
Yours sincerely,



Abdulla S. AlMsned
Partner

Contents

1. Executive Summary
2. Understanding your needs
3. A Tailored approach to your audit
4. Our team and Capabilities
5. Our competitive fees
6. Forvis Mazars In Saudi Arabia
7. Forvis Mazars (Who are we)



01

Executive Summary



Executive Summary

Forvis Mazars has one of the largest Business services sector footprint amongst its competitor firms. Our experience, international presence and commitment make us the right fit for the Company.

We are a leading audit service provider with an ever-expanding portfolio of listed clients. We are backed by Forvis Mazars Global knowledge and experience.

We believe we would be able to tailor our audit service specific to circumstances of the Company thus providing “YOUR AUDIT”. We further believe with the personalized attention we will be providing to serve you.

This proposal contains our offer for the below services:

- ❑ Annual Audit of Financial Statements for the year ended December 31,2025
- ❑ Quarterly reviews of Condensed Financial statements (Q2, Q3 for 2025 and Q1 for 2026).

Note: As per your required scope that this proposal will be valid only if the Company has not merge with Gulf General Cooperative Insurance Company in according to their current binding merger agreement which still need some regulatory approvals and the Shareholders approval for both insurance companies. In case, the Company is going for merger process, another proposal should be requested according to the changing of our scope.

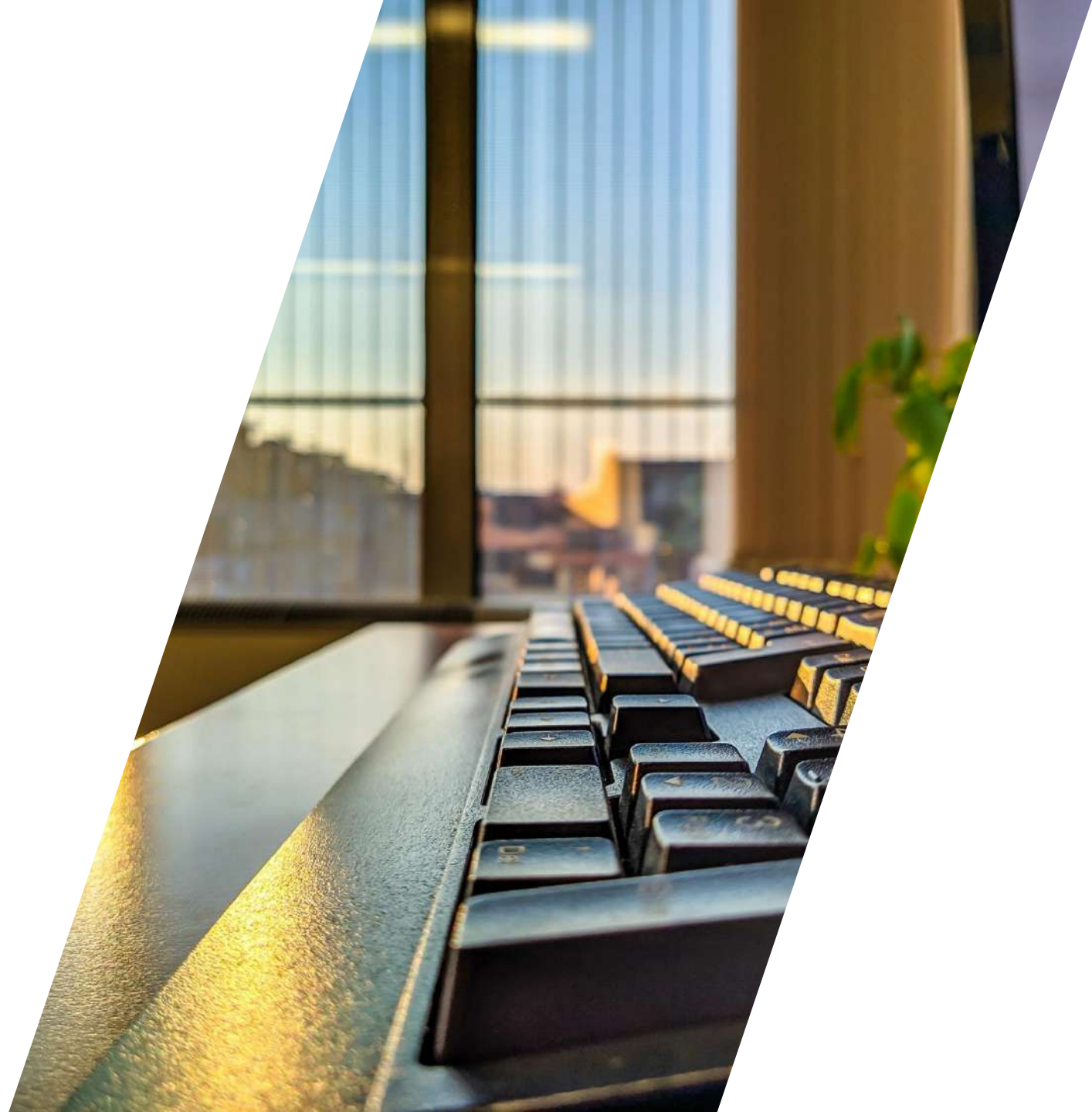
We have included a detailed communication protocol to keep the management on board for possible delays, observations and elements which may impact our opinion.

We believe you would find our proposal specific to your needs.



02

Understanding your needs



Understanding your needs

Understanding your business and what you need from us allows us to focus our global expertise to provide you with a first-class audit now, and as you grow.

Understanding your business and your needs

Our understanding of the Scope is as below:

You require Forvis Mazars to perform the Annual Audit of Financial Statements for the year December 31, 2025 and quarterly review for the periods June 30, 2025, September 30, 2025, and March 31, 2026.

Note: As per your required scope that this proposal will be valid only if the Company has not merge with Gulf General Cooperative Insurance Company in according to their current binding merger agreement which still need some regulatory approvals and the Shareholders approval for both insurance companies. In case, the Company is going for merger process, another proposal should be requested according to the changing of our scope.

How we will respond

We offer a tailored approach to your audit – one that starts and finishes with your business, your risks, your needs, and your challenges. Your audit.

We offer:

- ✓ a seamless transition;
- ✓ a robust audit approach;
- ✓ a responsive audit team with the necessary technical ability and experience to provide insight and constructive challenge;
- ✓ clear and effective communication with all your stakeholders; and
- ✓ a fair and transparent fee.



03

A tailored approach to your audit



A tailored approach to your audit

A focus on the key risk areas. Integrated audit platform for an efficient audit. Relentless communication. No surprises on findings.

Our approach to your audit

Audit must go beyond regulation. It is an opportunity to challenge constructively the quality and relevance of your governance, controls, judgements, outlooks and people. As a result, your business should be stronger and better able to deal with its risks and challenges: a business that is futureproofed.

We will:

Plan your audit based on a thorough understanding of your business risks and transactions;

Communicate and coordinate activities with management and your Audit Committee. We will talk to the finance team and the wider management team. It is the quality of this dialogue with all key parties that drives the reliability of our opinion and provides the depth and richness of our contribution;

Work with management to resolve any complex accounting or reporting issues as early as possible in the audit process; and

Provide well thought-through and practical recommendations to management and TCWG on areas for improvement, capitalizing on best practice observed in comparable organizations.

Audit risk areas

Our audit plan starts with what we know about your business, your strategy and your industry environment. We can then identify and assess the significant audit risks at an early stage.

The table below identifies your key audit risks as we see them at this early stage, the time we propose to allocate to each and how we will address each during the audit.

A tailored approach to your audit

Providing an audit that starts and ends with your needs.

Significant audit risks	Management override of controls.	Accounting for complex arrangements.	Revenue recognition.	Existence and evaluation of inventory.	Emphasis on quality financial reporting.	Adoption of new/revised accounting standards.
Audit approach	<ul style="list-style-type: none"> Assess the design and implementation of the key controls over the journal entry posting process. Make inquiries with the finance team involved in the financial reporting process about any inappropriate or unusual activity relating to the process of journal entries and other adjustments. Perform journal entry testing. Maintain professional scepticism when reviewing key management estimates and other areas of management judgement and seek to identify any evidence of management bias. Review any significant transactions outside the normal course of business. 	<ul style="list-style-type: none"> Discussions with management to identify complex arrangements. Discussion of proposed treatment by reference to contractual terms and accounting requirements. Conclusions to be agreed with management and discussed with your Board 	<ul style="list-style-type: none"> Assessment of the appropriateness of the accounting treatments adopted with reference to IFRS 17 Insurance Contracts. Understanding and evaluation of the design and implementation of the system of internal controls relating to revenue recognition, with focus on key controls relevant to audit. Where found appropriate and audit-efficient, testing of the operating effectiveness of the key controls relevant to our audit over revenue recognition. Perform substantive analytical procedures. Perform test of details and substantive cut off procedures. 	<ul style="list-style-type: none"> Year-end test counts through attendance at stock counts at selected sites, e.g. sites with material inventory levels. Documentation review for other inventory, such as in-transit. Sample testing of purchase and sale invoices to assess valuation at lower of cost or net realisable value. 	<ul style="list-style-type: none"> Perform a review of current year financial statements, focusing on the presentation and disclosure of key items, with the view of concluding whether we considered the current level of disclosure appropriate and adequate to the users of the financial statements. Evaluate Company's significant accounting policies for consistency with the applicable financial reporting framework. 	<ul style="list-style-type: none"> Discussions with management to identify transactions affected by the new/revised accounting standards. Discussion of proposed treatment by reference to contractual terms and accounting requirements. Conclusion to be agreed with management and discussed with the Board.

A tailored approach to your audit

Professional judgement

Your audit must cover your key issues and risks, including those that can be more subjective in nature. We endeavor to bring significant “hands-on” time from senior members of the team than other firms, allowing more time for on-site coaching of junior team members. We instill in our auditors the traits that enable them to exercise appropriate professional scepticism: a questioning mind, the ability to analyse and critically evaluate, problem solving ability, and a willingness to exercise judgement.

Our partners and senior team set the tone at the top to maintain and enhance our professional judgement and scepticism throughout the audit.

This culture provides you with the appropriate challenge over accounting policies, practices and internal controls as well as comfort on the key issues and risks.

Materiality

Setting an appropriate level of materiality is a critical part of the audit approach. It helps us plan our audit and determines the extent of our audit procedures. It is key to evaluating the impact of any identified financial statements misstatements on our audit opinion.

We will set financial statement materiality at 1%] of revenue and we will report to the TCWG all audit differences we identify representing more than 3% of financial statement materiality.

A tailored approach to your audit

Using ATLAS to underpin your audit

ATLAS is Forvis Mazars' global, cloud-based audit platform. It frees up time for our auditors to focus on your key risks and judgement areas. It enables us to consistently deliver robust and efficient audits in full compliance with international regulatory requirements.

ATLAS allows our teams to work collaboratively and internationally: anytime, anywhere and on any device.

IT audit

Our IT audit methodology is designed to gain efficiency by reducing sample sizes and moving towards a control's reliance approach, whilst addressing key risks to financial audit.

The methodology enables us to perform testing that is tailored to your needs. Our audit approach will consist of the following IT audit areas:

- General IT Controls
- Automated and IT-Dependent Controls
- System Generated Reports (SGR)
- Information provided by the Entity (IPE)
- Interfaces testing

Auditing your financially-significant IT systems allows us to understand your IT control environment and automated controls in your business processes.

A tailored approach to your audit

Data analytics and process mining

We use data analytics in various audit areas such as journal entries testing, revenue recognition, and investments to better understand your business and assess your risks. We take a practical and proportionate approach in using a variety of data analytic tools to solve your challenges. Depending on the complexity of the procedure, we use tools such as Audit Command Language (ACL) and IDEA for low or less complex procedures. As the complexity of these procedures increases from medium to high, we use SQL and Python for analytics scripting and perform the analysis on a SQL Server. These audit scripts are custom-developed for each audit client whilst re-using components from our proprietary suite of tests coded previously.

Our data analysis experts process large volumes of information efficiently to identify anomalies and patterns that could indicate error or potential fraud. Data analysis offers additional assurance that your internal controls are working effectively.

Communication is simple

We provide you with one engagement partner who leads on every aspect of the audit – wherever the audit takes place – and has the final say on all technical decisions and queries. Even for the most complex audits, integration is seamless: there is one reporting structure and one cohesive team;

audit teams and specialists can be mobilised quickly where you need them. We think, decide, act and respond quickly; and

consistency is a given. Using globally shared tools and quality control processes, unnecessary work is eliminated, and the audit process is streamlined as much as possible.



A tailored approach to your audit

Delivering your audit on time.

Audit plan	Scope	Audit effort	Key interactions with your teams and deliverables
<p>Planning and review of interim reporting (including transition).</p> <p>May 2025 for initial understanding and July, October 2025 , April 2026 for quarterly reviews</p>	<ul style="list-style-type: none"> ➤ Review audit files of predecessor auditor in year one. (If any) ➤ Hold meetings with key executives. Issue audit instructions to Concerned auditors. ➤ Assess impact of key changes in the year. 	<p>10 days in April and 17 days in each quarterly Intervention</p>	<ul style="list-style-type: none"> ➤ Audit plan discussed with management and presented to the Audit Committee. ➤ Reviewed quarterly condensed Financial Statements.
<p>Internal controls and pre-final</p> <p>October 2025</p>	<ul style="list-style-type: none"> ➤ Select key controls relating to audit risks and review their design and effectiveness in all material entities or significant business processes and a selection of non-material entities. ➤ Consolidate findings on internal controls and material audit issues. ➤ Define any necessary changes to audit plan. 	<p>12 days</p>	<ul style="list-style-type: none"> ➤ Report on internal controls and any material year-end accounting estimates or treatments discussed with management and presented to the Audit Committee.
<p>Field work.</p> <p>January and February 2026</p>	<ul style="list-style-type: none"> ➤ Update and evaluate changes to key controls subsequent to pre-final, if any ➤ Consolidate any issues which may have an impact on audit opinion, at [both local and] group levels, and liaise with your central team accordingly. 	<p>22 days</p>	<ul style="list-style-type: none"> ➤ Weekly progress report with the CFO and escalation of any material audit issues arising on a timely basis.
<p>Completion and reporting.</p> <p>February 2025</p>	<ul style="list-style-type: none"> ➤ Review of audit files. ➤ Review of draft financial statements. 	<p>10 days</p>	<ul style="list-style-type: none"> ➤ Audit completion report and draft audited financial statements discuss with management. ➤ Audit completion report presented to the Audit Committee.
<p>Sign-off.</p> <p>March 2025</p>	<ul style="list-style-type: none"> ➤ Arrange financial statements to be signed off. 		<ul style="list-style-type: none"> ➤ Audit completion reports for individual statutory accounts discussed with local management. ➤ Review SAMA Forms ➤ Related party transactions review ➤ Qawaeem Upload.

A tailored approach to your audit

Communicating with your senior management

We know that good communication is crucial. We will communicate regularly with your team, at all levels and throughout the year.

Communication with senior management requires planning and structuring. We always suggest formal meetings with your CFO and members of the senior management team.

Our communication will cover:

- a shared vision of the risk assessment to build our audit approach addressing your key challenges and risk;
- timely briefings and updates about the internal control framework and your business;
- detailed work plans and discussion on how working methods can be improved; and
- debrief meetings at the end of each audit cycle so that potential future improvements can be discussed.

However, communication must go beyond formal meetings. Muhammad Anwar is always available. He can be contacted at any time and will respond within 24 hours. He will contact the key management as soon as the need arises.

Communicating with your board of directors

Reporting to the Board will take account of the requirements of the European Audit Reform and/or International Standards on Auditing and include the following considerations:

Presenting our annual audit plan before starting our work: this document includes our timetable for communication with the Board, our responsibilities and audit scope, potential areas of focus and a description of our audit approach; we will also obtain from the Board information relevant to the audit.

Reporting on the financial statements: our conclusions will be presented to the Board in a document describing the broad lines of work performed, highlighting any special accounting treatments, qualitative aspects of accounting practices, and estimates made by management and audit findings.

Reporting on internal control: we will report separately on our internal control review relevant to your audit and on significant deficiencies raised by our teams.

Staying independent: each year we will confirm our independence in writing to the Board

Dealing with requests for additional services not directly related to audit: we will consult the group's financial management and Board in advance for any specific engagement not directly linked to our audit and present our analysis regarding compliance with independence rules.

We will be available to meet with the Board. to present these documents. All reports will be discussed in draft with management before reporting to the Board, although we will retain editorial control.

A tailored approach to your audit

Communicating with your Internal Audit function

You will receive more value from your audit if our activities are aligned with your Internal Audit processes.

We will work closely with your Internal Audit team to understand their strategic plan, areas of concern and the extent to which we can leverage on work they have performed. With the agreement of your Board, we will share our detailed local findings with your Internal Audit team to help them focus their plans on entities with greater risks or issues.

Innovation and technology

Audit innovation

Our audit approach and methodology are constantly evolving to reflect the needs of our clients.

Efficiency and innovation are embedded in our audit methodology; through our global audit platform, our audit tools and utilities, data analytics and processes.

Digitisation will bring tremendous changes to audit, just like to any other industry. Both our operations and support functions will be affected in three main areas:

1. Artificial Intelligence, creating value, reducing / handling risks, providing simulations and intelligence.
2. Real-time reliable processes and data, enabling continuous cutting-edge monitoring.
3. Improved quality of interactions with external third parties and with internal decision-makers.

Growing the next generation of auditors

Technology is an important factor in driving innovation, change and efficiencies. However, at Forvis Mazars we also consider that our team's mind set is a key driver to providing an innovative, high quality, tailored audit approach. We use design thinking techniques to shape our audits to the specifics of our clients and encourage our teams to think differently about their approach to the audit, as well as how to problem solve individual issues they encounter within the audit.

04

Our team and capabilities

Working as a single, integrated team, our professionals draw on the depth and breadth of their expertise to provide actionable insights that add value and put your organisation in a strong position.



Our team and capabilities

One team

At Forvis Mazars AlKharashi & Co, we differentiate ourselves through our people, working on a single integrated platform which brings together our experts in audit, tax, and advisory services.



We combine our global and local expertise to provide our clients with tailored, practical, and innovative solutions that make a difference in solving the pressing challenges faced by our clients every day.

Our team and capabilities

One team with one reporting line. Deep industry experience. Global presence. We can mobilise teams wherever you need us to be.

Our commitment to you

You must have confidence in the technical ability, commerciality and accessibility of your auditors. You expect them to work with you so that information is shared effectively, activities are co-ordinated efficiently and decisions made promptly. You want your auditors to embrace a culture of positive, constructive challenge where the willingness to raise difficult issues is matched by the ability to help the central management team to better understand what is happening on the ground day-to-day and suggest ways to improve business processes as the group evolves.

This is what we offer you.

Our team for you

Your core team

Abdullah AlMsned will be your engagement partner. Muhammad Anwar will ensure the process is tailored, relevant and of the highest standard. We believe that a strong relationship between the lead audit partner, the senior management of the group and its Board is a key element of a successful audit. Muhammad Anwar will be the linchpin of this relationship.

Muhammad Anwar will be supported by Ahmed aboelsaoud, an experienced audit manager. He will be your day-to-day contact, coordinating the audit team's activities, regularly communicating with your management and liaising with our specialists.

Specialist support

Specialists are an integral part of our audit team, not separate to it. We will call upon their expertise, where appropriate, to ensure that you receive the maximum benefit from our audit services.

An enduring relationship: continuity and succession

Team continuity enhances our understanding of your business, which reduces audit risk. We are committed to maintaining continuity at senior levels on the team.

We do not anticipate your audit partner will change throughout the engagement. However, if for any reason it becomes necessary to change your audit partner, we would only do so in consultation with you. We want to build an enduring relationship with you.

Team continuity is important to you and to us. However, we recognise, particularly for our larger engagements, that it is also important to develop and progress team members and therefore we will develop a continuity plan for your audit.

Continuity is also linked to training. All staff have an annual training plan to ensure they are trained in Forvis Mazars' audit methodology as well as on specific industry developments and issues on monthly basis.

Our team and capabilities

One team

At AlKharshi & co Forvis Mazars, we differentiate ourselves through our people, working on a single integrated platform which brings together our experts in audit, tax, and advisory services.



Sulaiman AlKharashi

Managing Partner
Kingdom of Saudi Arabia



Mohamed Anwar

Audit Senior Director
Kingdom of Saudi Arabia

Junaid Akram

Lead Actuary



Abdullah AlMsned

Partner
Kingdom of Saudi Arabia



Ahmed Aboelsaoud

Audit Senior Manager
Kingdom of Saudi Arabia

Our team and capabilities



Sulaiman AlKharashi

Managing Partner, Kingdom of Saudi Arabia

Telephone **+966 920028229**

Email **sulaiman.kh@mazars.sa**

Areas of expertise

Audit, Dispute advisory, Fraud investigations, incl. for government bodies, and Financial reporting disputes (incl. for government bodies)

Background

- ❖ Sulaiman is the managing partner and has been associated with Forvis Mazars since 1991.
- ❖ He has a wide experience in the International Financial Reporting Standards (IFRS), and has managed and supervised outsourcing and audit works as well as consulting services for different kinds of activities / sectors.
- ❖ He has been involved within a various of international assignments with Forvis Mazars affiliates, including French, European and Multinational Groups.
- ❖ He has been the direct contact with the French central team, and the partner in charge of all Saudi subsidiaries of Forvis Mazars's international clients, such as ALSTOM, THALIS, EDF, SCHNEIDER ELECTRIC, SAUR and many others.
- ❖ He is familiar to working with the Forvis Mazars central team for all the audit requirements, including consolidation, group audit reporting instructions and audit committees etc.
- ❖ Under the leadership of the Engagement Partner, all field teams will be centrally managed. Sulaiman AlKharashi will be the engagement lead and responsible for the quality of deliverables and managing key relationship with you.

Degree and Qualifications

- ❖ A board member at the Saudi Organization for certified public accountants (SOCPA).
- ❖ A licensed chartered accountant at UAE.
- ❖ His current audit portfolio includes (1 bank, 5 insurance companies, and 25 listed companies), in addition to many governmental and nongovernmental clients.
- ❖ Member of the American accounting association.
- ❖ Member of the International Tax association.
- ❖ Member of the GCC accounting and auditing organization.

Our team and capabilities



Abdullah AlMsned

Partner, Kingdom of Saudi Arabia

Telephone [+966 920028229](tel:+966920028229)

Email abdullah.m@mazars.sa

Areas of expertise

Audit, Dispute advisory, Financial reporting disputes, Accounting, and Asset Tracing

Background

- ❖ Abdullah is a partner and has been with AlKharashi - Forvis Mazars since 2009.
- ❖ He has a wide experience in the International Financial Reporting Standards (IFRS), and has managed and supervised outsourcing and audit works as well as consulting services for different kinds of activities / sectors, including:
- ❖ Oil and gas exploration companies,
- ❖ Oil services companies
- ❖ Manufacturing companies,
- ❖ Commercial companies,
- ❖ Agricultural and dairy farms,
- ❖ Insurance,
- ❖ Hotel and related industries.
- ❖ Abdullah is also acting as the tax services partner at AlKharashi & Co. Forvis Mazars SA.

Degree and Qualifications

- ❖ Fellow of Saudi Organization for Certified Public Accountants (SOCPA).
- ❖ Fellow of Accounting and Auditing Organization For Islamic Financial Institutions CIPA.
- ❖ Fellow of the Saudi Authority of Accredited financial Valuers (licensed valuer by the authority).
- ❖ Fellow of Saudi Bankruptcy Authority and a bankruptcy officeholder.

Our team and capabilities



Mohamed Anwar

Audit Senior Director, Kingdom of Saudi Arabia

Telephone [+966 920028229](tel:+966920028229)

Email anwar.abdelghany@mazars.sa

Areas of expertise

Audit, Advisory, and Accounting, used a variety of accounting standards (EAS, IFRS, SOCPA and US GAAP).

Background

- ❖ Anwar has 22 years of experience across different service lines mainly assurance and internal audit.
- ❖ Prior to join Alkharashi & Co - Forvis Mazars SA, he worked at Grant Thornton SA, KPMG UAE, Forvis Mazars Egypt, Abu Dhabi Audit Authority (UAE) and at Etisalat Egypt in internal audit department.
- ❖ During the last 20 years he provided external and internal audit services to local and multinational clients including several stock exchanges listed and traded clients, in various lines of business namely in the consumer and industrial products and services.
- ❖ Has vast experience with a variety of industries including telecommunication, governmental, investments, real estate development, healthcare, construction & engineering, retail & trading, manufacturing and other consumer and industrial products and services.
- ❖ Strong accounting, auditing, laws and regulations foundation.
- ❖ Wealth of experience in various countries in the Middle East with different accounting frameworks and regulations (i.e. Egypt, Saudi Arabia and UAE).
- ❖ Used a variety of accounting standards (i.e. EAS, IFRS, SOCPA and US GAAP).
- ❖ Excellent knowledge of the risk assessment, internal controls evaluation, SOX and compliance.

Degree and Qualifications

- ❖ Bachelor Degree of Commerce, Ain Shams University, Egypt.
- ❖ Certified Public Accountant (CPA), USA.
- ❖ Chartered Accountant, Egypt.

Our team and capabilities



Ahmed Aboelsaoud

Audit Senior Manager, Kingdom of Saudi Arabia

Telephone +966 920028229

Email ahmed.aboelsaoud@mazars.sa

Areas of expertise

Audit, Advisory, Accounting, Internal audit, and Special assignments.

Background

- ❖ Ahmed Aboelsaoud has more than 19 years of experience encompassing auditing, advisory services, due diligence and valuation services.
- ❖ Mr. Aboelsaoud served a wide range of clients in various sectors including Insurance, Financial institution, Manufacturing, Hotel and Resorts, Constructions, Health Care, Hospitality, Entertainment, Investment and other trading activities. governmental entities, general trading, services organizations and privately owned business. He was the main team leader conducted several assignments for external audit engagements, Internal audit engagements , and special assignments.

Degree and Qualifications

- ❖ Egyptian Legal Accountant.

Our team and capabilities

Junaid Akram – FSA, USA (Actuary)

Lead Actuary

Areas of expertise

Actuarial technical reserves.

Background

- ❖ Junaid Akram comes with 17+ years of consulting experience in insurance and retirement benefits. He has the rare combination of expertise in the fields of life and non-life insurance as well as retirement benefits/social security funds. Most recently, he was serving as Technical Director in one of the leading actuarial consultancy firms (TAF Consulting Group) in Middle East, Africa and South Asia, managing overall operations of the actuarial practice of the firm for life, non-life insurance and retirement benefits. Junaid has also been associated with Sidat Hyder Murshed Associates as Senior Manager actuarial services.
- ❖ He has over 16 years of hands-on experience in providing consultancy services to insurance companies and retirement benefit schemes in Africa, U.A.E., Saudi Arabia, Bahrain, Nigeria, Qatar, Oman, Lebanon, Iran, Luxembourg, Ireland and Pakistan.
- ❖ Hands –on experience of actuarial and valuation services to insurance companies and retirement benefit schemes in Africa, UAE, Saudi Arabia, Bahrain, Qatar, Oman, Nigeria, Iran, Lebanon, Luxembourg, Ireland and Pakistan.
- ❖ His major areas of expertise include EOS Scheme valuations, life product development, non-life principle-based pricing, business plan development, valuation & reserving including IBNR, IBNER, PDR & UPR, pricing/profit testing, Enterprise Risk Management (ERM), Asset Liability Management (ALM), Embedded Value (EV), IAS 19R, Mergers & Acquisitions, Capital Modeling, Solvency calculation, strategy and planning, for life & nonlife insurance companies, insurance regulators, reinsurance and retirement benefit funds. • His pricing experience includes extensive experience in individual life, group life, health and motor insurance portfolios. He is a fellow member of Society of Actuaries USA (FSA) and pursuing Associateship of Casualty Actuarial Society USA. • He has been working / has worked as auditors' expert for well known firms like PwC, BDO, Crowe, Grant Thornton and PKF in Saudi Arabia, Qatar and Pakistan. • He has served more than 300 entities in Saudi Arabia as consultant actuary .

05

Our Competitive Fees



Our Competitive Fees

Transparent. Fair. Realistic.

Our fees:

Our firm wants to build a long professional business relationship with your esteemed Company. Based on our understanding of the operations of the Company we evaluate our fees to provide the professional services as follows:

Scope	Interventions	Amount Per Intervention (Saudi Riyal)	Total (Saudi Riyal)
Annual Audit of Financial Statements for the year December 31,2025	1	345,000	345,000
Quarterly Review of Condensed Financial Statements (Q2, Q3 for 2025 and Q1 for 2026)	3	85,000	225,000
Total Fees by Saudi Riyal			600,000
VAT isn't included in the above fees			

Note:

As per your required scope that this proposal will be valid only if the Company has not merge with Gulf General Cooperative Insurance Company in according to their current binding merger agreement which still need some regulatory approvals and the Shareholders approval for both insurance companies. In case, the Company is going for merger process, another proposal should be requested according to the changing of our scope.

Notes and assumptions

1. Our fee is exclusive of VAT and disbursements.

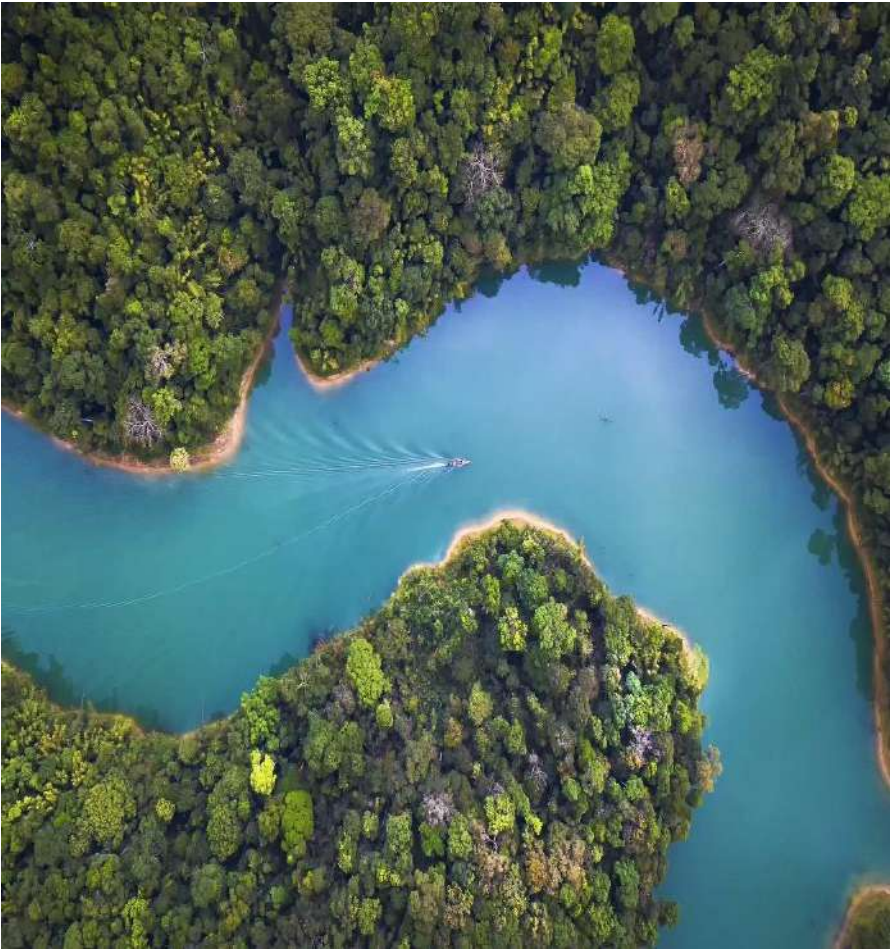
2. We will not charge you extra for meetings, telephone calls or ad hoc queries that arise during the normal course of our work.

3. Our fee quote is based on information available to us at the time of preparing this document. Circumstances can change. It is our policy not to charge you more than the amount quoted. However, if circumstances change and we need to do extra work, we will agree a revised fee with you before undertaking the work. No surprises – we promise.
4. We have made a number of assumptions when putting our fee together:

a) Accounting records and internal controls are properly maintained.

b) Timetables agreed in advance with you are met and information is provided on time.

c) Financial statements and appropriate disclosures are prepared by the finance team with minimal assistance from our financial reporting technical team. We would agree the list of required information with you well in advance of the start of each phase of the audit.



06

Forvis Mazars In Saudi Arabia



Forvis Mazars In Saudi Arabia

GCC countries regulations

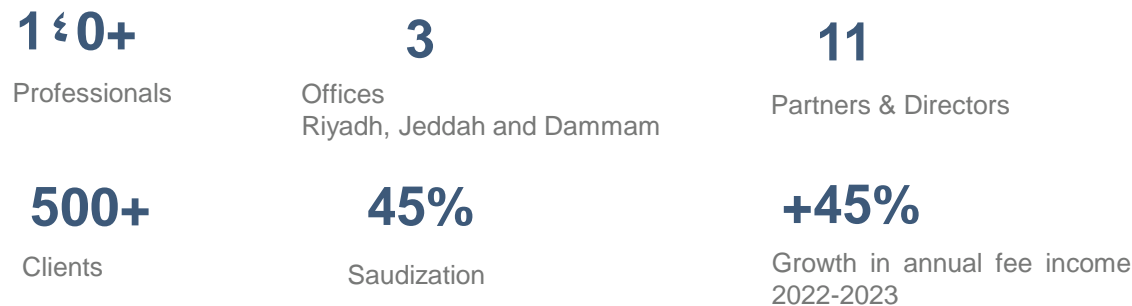
Global expertise with local presence

Our global and local team has years of experience and In-depth knowledge of local and GCC countries regulations. As advisors and auditors, we provide innovative, tailored and global solutions to a wide range of sectors and industries, with particularly strong experience in insurance, banking, public services, retail, energy and utilities. Below presents our spread of operations across the GCC region and in Saudi Arabia.

Our presence in the GCC region:

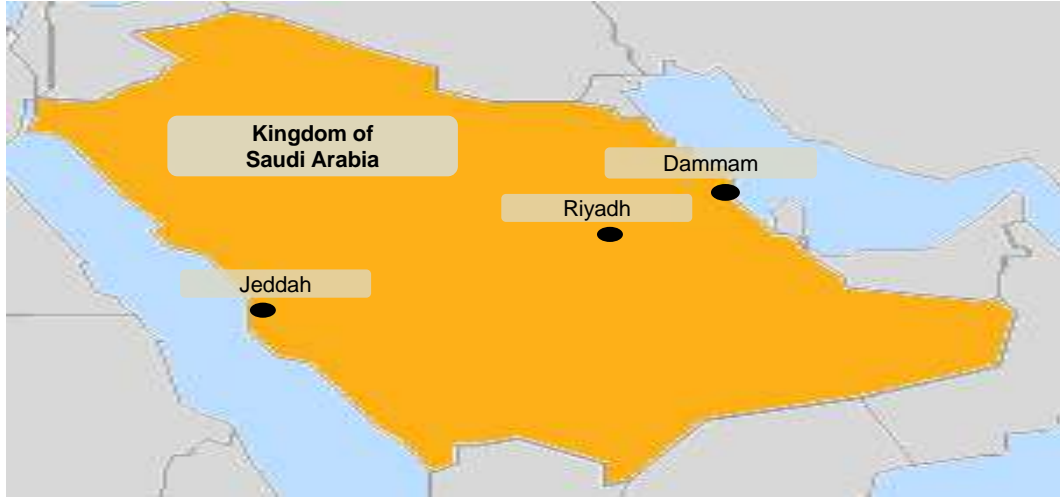


Forvis Mazars in Saudi Arabia:



Forvis Mazars In Saudi Arabia

Al-kharashi & Co. Certified Accountants And Auditors



“Al-kharashi & Co. Certified Accountants And Auditors, A Saudi National Licensed Audit Firm.

Alkharashi & Co. Is The Member Office Of Forvis Mazars In Saudi Arabia

3 Offices: Riyadh, Jeddah And Dammam

120 Multi-national Professionals

Strong Connections With Forvis Mazars' International Structure

Forvis Mazars In Saudi Arabia

Client experience

<p>Industrial property Authority</p>	<p>Riyadh Chamber of commerce and Industry</p>	<p>Saudi Arabian Monetary Agency (SAMA)</p>	<p>Ministry of Commerce and Investment</p>
<p>NADEC (Saudi Joint Stock Co.)</p>	<p>Ministry of Defense</p>	<p>Ministry of Interior</p>	<p>Human Resources development Fund</p>
<p>Qassim Agricultural (Joint stock Co.)</p>	<p>Tabuk Agricultural (Joint stock Co.)</p>	<p>Capital Market Authority</p>	<p>Saudi Stock Exchange Market</p>
<p>Dar Al-Arkan (Joint stock Co.)</p>	<p>National Medical Care Co.</p>	<p>Riyadh Care Hospital</p>	<p>Yamama Cement (Joint stock Co.)</p>

Forvis Mazars In Saudi Arabia

Client experience

 <p>SABIC STEEL</p>	 <p>Saudi Public Transportation Co.</p>	 <p>Al-Jouf Cement Company (Saudi Joint Stock Co.)</p>	 <p>Qassim Cement (Saudi Joint Stock Co.)</p>
 <p>Arabian Danish Paint Co.</p>	 <p>DHL</p>	 <p>Saudi Ceramic Co. (Saudi Joint Stock Co.)</p>	 <p>AlAwal Bank</p>
 <p>Sheraton (AlHada)</p>	 <p>Intercontinental (Riyadh)</p>	 <p>Marriot (Riyadh)</p>	 <p>Radisson Sas (Jeddah)</p>
 <p>Arriyadh Development (Saudi Joint Stock Co.)</p>	 <p>Saudi Real estate (AKARIA) (Saudi Joint Stock Co.)</p>	 <p>Hilton (Jeddah)</p>	 <p>Movenpic (Almadeenah)</p>

Forvis Mazars In Saudi Arabia

Client experience

 <p>Saudi Oracle Ltd.</p>	 <p>Saudi Basic Industries Corp.</p>	 <p>Al-Nakheel Resort Areas Co. Ltd.</p>	 <p>Saudi Hotels and Resorts Areas (Saudi Joint Stock Co.)</p>
 <p>Petromin Petrola Rabigh Refinery Co.</p>	 <p>Petromin Shell Refinery Co.</p>	 <p>Saudi Aramco</p>	 <p>DELTA Computers</p>
 <p>American life insurance Co.</p>	 <p>Malath Insurance and Reinsurance Company</p>	 <p>Tawuniya التعاونية National Company for Cooperative Insurance (Saudi Joint Stock Co.)</p>	 <p>At&t International Saudi Arabia</p>
 <p>King Abdulaziz Public Library</p>	 <p>King Salman Center For Disability Research Science Benefiting People علم يرفع الناس www.kscdr.org.sa King Salman center fir disability research</p>	 <p>King Abdulaziz Center for National Dialogue King abdulaziz center for national dialogue</p>	 <p>Imam Mohammad bin Saud Islamic University</p>

Forvis Mazars In Saudi Arabia

Client experience

 <p>UACC (Saudi joint stock Co.)</p>	 <p>AlJouf Agriculture Co. (Saudi joint stock Co.)</p>	 <p>The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company</p>	 <p>Saudi transport & Investment Co. (Saudi joint stock Co.)</p>
 <p>EDF Saudi Arabia</p>	 <p>BILFAL heavy Industries</p>	 <p>Axa cooperative Insurance</p>	 <p>Schnider Electric Saudi Arabia</p>
 <p>RFIB Saudi Arabia</p>	 <p>Alstom</p>	 <p>THALES</p>	 <p>BESIX</p>
 <p>Diet Center</p>	 <p>SARA</p>	 <p>Northern region cement Co. (Saudi joint stock Co.)</p>	 <p>Hail cement (Saudi Joint stock Co.)</p>

07

Forvis Mazars

Who are we



Forvis Mazars

Who we are

Introducing Forvis Mazars

Forvis Mazars is a leading global professional services network. Uniquely formed of just two members, it is designed to be agile, to deliver consistency and with the global scale to meet clients' needs.

- Two members operating under a single brand - Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories, and Forvis Mazars LLP in the United States.
- Committed to providing an unmatched client experience, delivering audit & assurance, tax, advisory, and consulting services around the world.
- Our strategic mission is to move our clients, people, industry and communities forward.

[Learn more about us](#)



Forvis Mazars

Who we are

At a glance

Top 10

global network*

100+

countries and territories

40,000+

combined professionals

US\$5bn

combined revenue**

400+

combined offices

1,800+

combined partners

Forvis Mazars is the brand name for the Forvis Mazars Global network (Forvis Mazars Global Limited) and its two independent members: Forvis Mazars LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories.

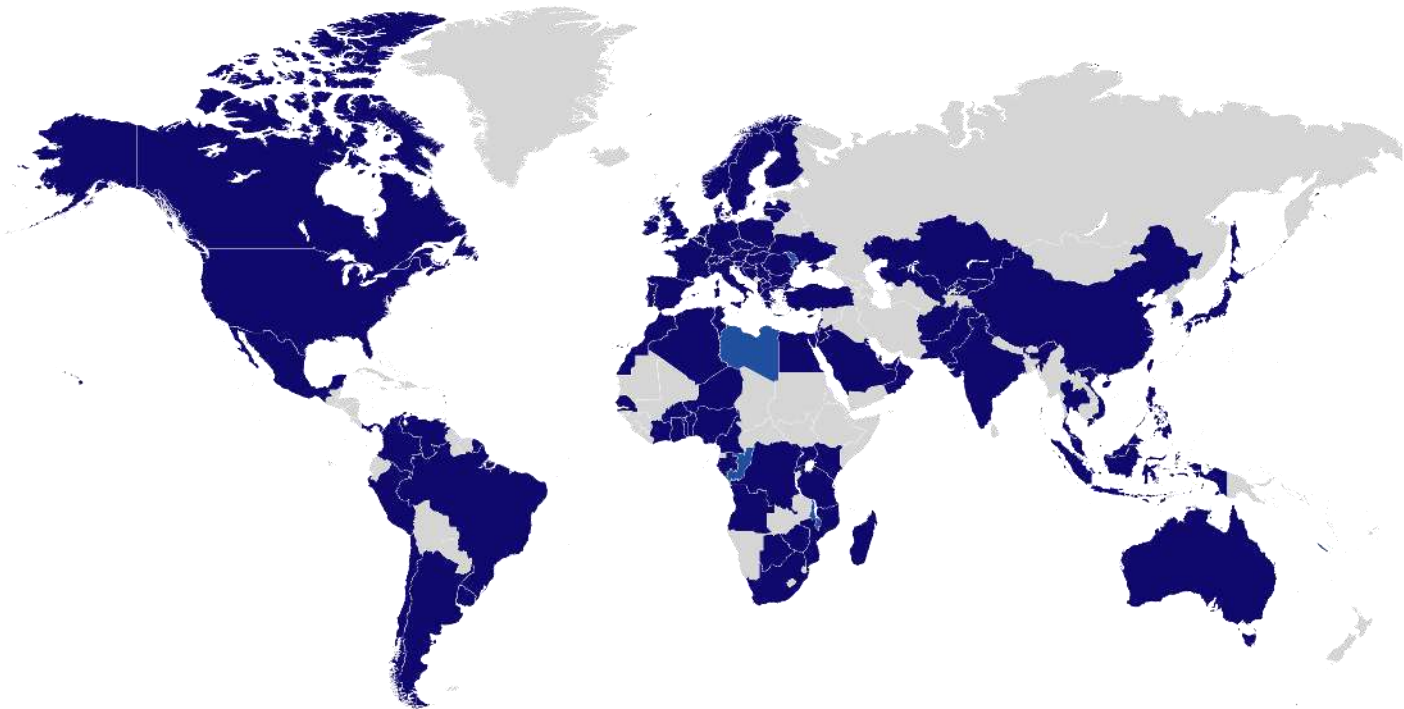
*Source: IAB World Network rankings 2023. Based on 2023 revenues for Mazars and FORVIS.

**Mazars €2.8bn (\$3bn) at 31/8/2023 + FORVIS €1.6bn (\$1.7bn) at 31/5/2023



Truly global geographic footprint

Forvis Mazars is a leading global professional services network. Our 40,000+ strong team is committed to delivering an unmatched client experience across the globe.



- | | | | |
|--------------------------|--|-------------------|------------------------|
| ■ Afghanistan | ■ Democratic Republic of the Congo (DRC) | ■ Lithuania | ■ Saudi Arabia |
| ■ Albania | ■ Denmark | ■ Luxembourg | ■ Senegal |
| ■ Algeria | ■ Egypt | ■ Madagascar | ■ Serbia |
| ■ Angola | ■ Finland | ■ Malawi | ■ Singapore |
| ■ Argentina | ■ France | ■ Malaysia | ■ Slovakia |
| ■ Australia | ■ Gabon | ■ Malta | ■ Slovenia |
| ■ Austria | ■ Germany | ■ Mauritius | ■ South Africa |
| ■ Bahrain | ■ Ghana | ■ Mexico | ■ Spain |
| ■ Belgium | ■ Greece | ■ Moldova | ■ Sweden |
| ■ Benin | ■ Hong Kong | ■ Morocco | ■ Switzerland |
| ■ Bermuda | ■ Hungary | ■ Mozambique | ■ Taiwan |
| ■ Bosnia and Herzegovina | ■ India | ■ Netherlands | ■ Tanzania |
| ■ Botswana | ■ Indonesia | ■ New Caledonia | ■ Thailand |
| ■ Brazil | ■ Ireland | ■ Niger | ■ Togo |
| ■ Bulgaria | ■ Israel | ■ Nigeria | ■ Tunisia |
| ■ Burkina Faso | ■ Italy | ■ North Macedonia | ■ Türkiye |
| ■ Cameroon | ■ Ivory Coast | ■ Norway | ■ Uganda |
| ■ Canada | ■ Japan | ■ Oman | ■ Ukraine |
| ■ Cayman Islands | ■ Jordan | ■ Pakistan | ■ United Arab Emirates |
| ■ Chile | ■ Kazakhstan | ■ Palestine | ■ United Kingdom |
| ■ China | ■ Kenya | ■ Panama | ■ United States |
| ■ Colombia | ■ Korea | ■ Peru | ■ Uruguay |
| ■ Congo | ■ Kosovo | ■ Philippines | ■ Uzbekistan |
| ■ Côte d'Ivoire | ■ Kuwait | ■ Poland | ■ Venezuela |
| ■ Croatia | ■ Kyrgyzstan | ■ Portugal | ■ Vietnam |
| ■ Cyprus | ■ Latvia | ■ Qatar | ■ Zimbabwe |
| ■ Czech Republic | ■ Lebanon | ■ Romania | |
| | ■ Libya | ■ Rwanda | |

As at 1 June 2024

- Forvis Mazars
- Correspondents of Forvis Mazars Group

Forvis Mazars is the brand name for the Forvis Mazars Global network (Forvis Mazars Global Limited) and its two independent members: Forvis Mazars, LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories.

Forvis Mazars

Who we are

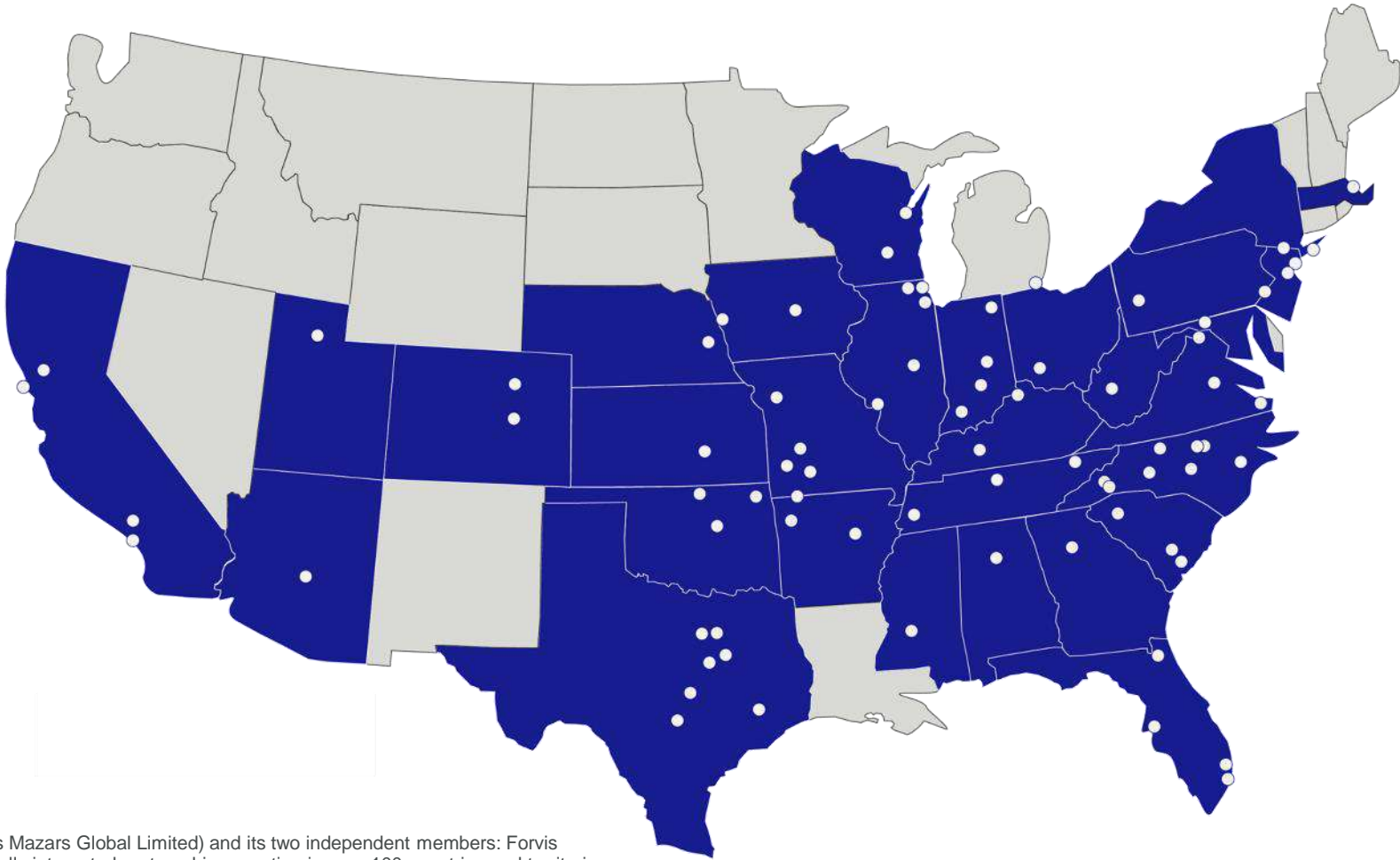
Coast-to-coast coverage in the U.S.

79
offices

28
states

600+
partners and principals

7,000+
professionals



Forvis Mazars is the brand name for the Forvis Mazars Global network (Forvis Mazars Global Limited) and its two independent members: Forvis Mazars LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories.

Contact

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Kingdom of Saudi Arabia

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إتحاد الخليج الأهلية للتأمين التعاوني
GULF UNION AL AHLIA COOPERATIVE INSURANCE

Thank You

Gulf Union Al Ahlia Cooperative Insurance

