

Gulf Cooperative insurance Co.

for the three months and six-months period ending on 30-06-2023



Element List	Current Quarter	Similar quarter of previous year	Change %	Previous quarter	Change %
Insurance revenue	76,608	79,882	-4%	88,671	-14%
Insurance service expense	(78,996)	(68,904)	15%	(70,694)	12%
Net expense from reinsurance contracts	(5,373)	(6,607)	-19%	(11,628)	-54%
Investment Return	4,986	(6,609)	-	3,797	31%
Net insurance financial result	(5,276)	(2,373)	122%	8,775	-160%
Net Profit before Zakat	(6,090)	(5,900)	3%	4,973	-222%
Total Comprehensive (Loss) Income	(6,990)	(7,131)	-2%	4,073	-272%

All Amounts are in thousand SAR

Element List	Current Period	Similar period of previous year	Change %
Insurance revenue	165,279	148,575	11%
Insurance service expense	(149,690)	(141,756)	6%
Net expense from reinsurance contracts	(17,001)	(19,127)	-11%
Investment Return	8,783	(2,905)	-
Net insurance financial result	3,499	(15,574)	-
Net Profit before Zakat	(1,117)	(24,104)	-95%
Total Comprehensive (Loss) Income	(2,917)	(26,454)	-89%

All Amounts are in thousand SAR

Element List	Current Period	Similar period of previous year	Change %
Total shareholders' equity (after deducting minority equity)	292,766	372,646	-21%
Profit (Loss) per Share	(0.06)	(0.53)	-89%

All Amounts are in thousand SAR

Element List	Explanation
Reason for increase (decrease) in net profit for current quarter compared to the same quarter of the previous year	<p>The Company has adopted IFRS17 (Insurance Contracts) and IFRS9 (Financial Instruments), as endorsed in Saudi Arabia starting 01 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods beginning on Q1 2023 onwards with the comparative periods restated under the new standards. As a result, the Company has only reflected the relevant financial information under the new standards in the above announcement. Items that are reported as "0" are no longer presented in the new financial statements under IFRS 17 and IFRS 9.</p> <p>The following explanation will cover the relevant financial information reflected in the announcement above along with an explanation on the new presentation of the financial results, which is attached to this announcement.</p> <p>The Increase in loss before zakat for the quarter of SR 190K, an increase of loss 3.22% compared with same quarter of the previous year was due to the following main reasons:</p> <ul style="list-style-type: none"> • Decrease in insurance service result of SR 12,132K compared with the same quarter of the previous year, decrease of 277.56%. This was driven by an decrease in insurance revenue of SR 3,274K, an decrease of 4.10%, and increase in insurance service expense of SR 10,092K, an increase of 14.65%, and despite decrease in net expenses from reinsurance contracts held of SR 1,234K, decrease of 18.68%. • Increase in net investment income of SR 11,595K compared with the same quarter of the previous year, an increase of 175.44%. • decrease in operating expenses of SR 2,713K compared with the same quarter of the previous year, decrease of 76.92%. <p>Gross Written Premiums (GWP) decreased by SR 42,601K compared with the same quarter of the previous year, a decrease of 50.98%.</p>
Type of the external auditor's opinion	Unmodified opinion
Modification, Qualification or Emphasis of a Matter as Stated within the External Auditor Opinion	<p>We draw attention to Note 2(b) of the interim financial statements, which indicates that the Company incurred a net loss of SR 2.9 million during the six-months period ended 30 June 2023 and, as of that date, the Company's accumulated losses amounted to SR 248.5 million which represents 49.7% of the share capital. These conditions along with other matters as set forth in note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.</p>

Reclassifications in quarter financial result	The company has restated the financial statements for the comparative figures for the previous year to be in line with the requirements of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments).
Additional Information	<p>The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standards. As a result, the Company has only reflected the relevant financial information under the new standards in the above announcement. Items that are marked "-" are no longer presented in the new financial statements under IFRS 17 and IFRS 9.</p> <p>Refer to the attachment for further details on the financial results items that are relevant under the newly implemented financial reporting standards for insurance companies.</p> <p>The loss per share (LPS) for the current quarter is SR (0.14) per share versus SR (0.14) per share for the same quarter of the previous year which is calculated by dividing the net Loss amount of (6,990) K over the number of ordinary outstanding shares of 50,000 K .</p> <p>Total comprehensive loss for the current quarter is SR (6,990) K compared to SR (7,131) K for the same quarter of the previous year, a Decrease of 1.99%.</p> <p>Total Shareholders' Equity (no minority interest) as at end of current period is SR 293 million versus SR 373 million as at end of the same period in the previous year, an decrease of 21.44%.</p>