

Gulf General Cooperative Cooperative Insurance Company announces its interim condensed financial results

for the period ending on 31-03-2023 (Three Months)



Element List	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	CHANGE%
Insurance revenue	88,671	68,693	29.08%
Insurance service expense	70,694	72,852	-2.96%
Net insurance financial result	8,775	(13,201)	-
Net Profit before Zakat	4,973	(18,204)	-
Total Comprehensive (Loss) Income	4,073	(19,323)	-
Total shareholders' equity (after deducting minority equity)	299,756	379,777	-21.07%
Profit (Loss) per Share	0.08	(0.39)	-

All figures are in (Thousands) Saudi Arabia, Riyals

Element List	Explanation
<p>The reason of the increase (decrease) in the net profit during the current quarter compared to the same quarter of the last year is</p>	<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 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 explanation on the new presentation of the financial results which are attached to this announcement:</p> <p>The Increase in net profit before zakat and income tax for the quarter is SR 23,177K compared with same quarter of the previous year was due to the following main reasons:</p> <ul style="list-style-type: none"> • Improvement in insurance service result of SR 21,976K compared with the same quarter of the previous year. This was driven by an increase in insurance revenue of SR 19,978K, an increase of 29.08%, and a decrease in net expenses from reinsurance contracts held of SR 892K, a decrease of 7.12% compared with the same quarter of the previous year and a decrease in insurance service expense of SR 2,158K, a decrease of 2.96%, compared with the same quarter of the previous year. • A decrease in operating expenses of SR 1,201K compared with the same quarter of the previous year, a decrease of 24.01%. <p>Moreover, Gross Written Premiums (GWP) decreased by SR 48,550K compared with the same quarter of the previous year, decrease of 32.82%</p> <p>As a result the company achieved a net income before zakat of 4,973 thousand Saudi riyals during the current quarter of the current year, compared to loss of (18,204) thousand riyals for the same quarter of the previous year.</p>
<p>The reason of the increase (decrease) in the net profit during the current quarter compared to the previous quarter of the current year is</p>	<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 reported as "0" are no longer presented in the new financial statements under IFRS 17 and IFRS 9.</p> <p>The previous quarter has been reported under the repealed financial reporting standards, IFRS 4 and IAS 39, the restated balances of the previous quarter are not included in the current quarter financial statements. Therefore, no explanation is provided due to the divergence of the reporting standards between the two quarters.</p>
Statement of the type of external auditor's report	Unmodified Conclusion
Modification, Qualification or Emphasis of a Matter as Stated within the External Auditor Opinion	<p>We draw attention to note 2(b) of the condensed interim financial statements which indicates that the Company accumulated losses amounted to SR 241.5 million which represents 48.3% of the share capital. The condition and other matter as set forth in note 2(b) indicates that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in this respect</p>
Reclassification of Comparison Items	The Company has reclassified and restated comparative information to meet the requirements of the newly implemented standards IFRS 17 and IFRS 9.
Additional Information	EPS calculated based on Net Profit after Zakat.
Attached Documents	