



Liva Insurance Company

Ordinary General Assembly Meeting
26/06/2025G





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6. التصويت على الأعمال والعقود التي ستم بين الشركة وبنك الرياض والتي لعضوي مجلس الإدارة الأستاذ/ بندر بن عبدالعزيز القيسي و الدكتور/ عبدالله بن عبدالرحمن الشويعر مصلحة غير مباشرة فيها باعتبارهما ممثلي بنك الرياض على مستوى مجلس إدارة الشركة. وهي عبارة عن عقود تأمين المركبات حسب وثائق الشركة المعتمدة ولا يوجد أي شروط تفضيلية ومدتها سنة ميلادية. علماً أن قيمة التعامل في عام 2024م مبلغ 4,415,554 ريال. وتم دفع عمولة للبنك بمبلغ 239,413 ريال. (مرفق)
6. Voting on the business and contracts that will be concluded between the Company and Riyadh Bank. The Board Members, Mr. Bandar Abdulaziz Alqubisy and Dr. Abdullah Abdulrahman Alshwer have an indirect interest as they are representatives of Riyadh Bank at the Board of the Company. These businesses and contracts are Motor Insurance contracts as per the company approved insurance policies with no special treatment for one year. The total value of this transaction during 2024G amounts to SR 4,415,554 and a total commission of SR 239,413 has been earned by the Bank. **(Attached)**
7. التصويت على الأعمال والعقود التي ستم بين الشركة وبنك الرياض والتي لعضوي مجلس الإدارة الأستاذ/ بندر بن عبدالعزيز القيسي و الدكتور/ عبدالله بن عبدالرحمن الشويعر مصلحة غير مباشرة فيها باعتبارهما ممثلي بنك الرياض على مستوى مجلس إدارة الشركة. وهي عبارة عن إيرادات ودائع استثمارية حسب شروط السوق ولا يوجد أي شروط تفضيلية. علماً أن قيمة التعامل في عام 2024م مبلغ 9,001,662 ريال. (مرفق)
7. Voting on the business and contracts that will be concluded between the Company and Riyadh Bank. The Board Members, Mr. Bandar Abdulaziz Alqubisy and Dr. Abdullah Abdulrahman Alshwer have an indirect interest as they are representatives of Riyadh Bank at the Board of the Company. These are Investment Income as per the market terms with no special treatment. The total value of this transaction during 2024G amounts to SR 9,001,662. **(Attached)**
8. التصويت على الأعمال والعقود التي ستم بين الشركة ومجموعة ليثا للتأمين ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ سانجاي كاواترا، الدكتور/ ظافر عوض الشنفري، الأستاذ/ أدال ساروار، الأستاذ/ منير محمد المغيري مصلحة غير مباشرة باعتبارهم ممثلي مجموعة ليثا للتأمين على مستوى مجلس إدارة الشركة. وهي على النحو التالي: ترتيبات إعادة تأمين مع
8. Voting on the business and contracts that will be concluded between the Company and Liva Insurance Group. The Board Members Mr. Martin Rueegg, Mr. Sanjay Kawatra, Dr. Dhafar Awadh Alshanfari, Mr. Addal Sarwar, Mr. Muneer Mohammed Almughairi have, have an indirect interest as they are representatives of Liva Insurance Group at the Board of the Company, with no special treatment. These transactions are as



follows: Reinsurance arrangements through re-insurance treaties which are done annually according to the company's work requirements. The total value of these transactions during 2024G amounts to SR 9,378,045 which represents reinsurance premium further to which the company has registered a reinsurance commission income amounting to SR 5,306 during the same period. **(Attached)**

9. Voting on the business and contracts that will be concluded between the Company and Liva Insurance Group. The Board Members Mr. Martin Rueegg, Mr. Sanjay Kawatra, Dr. Dhafar Awadh Alshanfari, Mr. Addal Sarwar, Mr. Muneer Mohammed Almughairi have, have an indirect interest as they are representatives of Liva Insurance Group at the Board of the Company, as per market terms. These transactions are as follows: Technical Services Provided the company with no special treatment for one year. The total value of these services during 2024G amounts to SR 5,186,848. **(Attached)**

10. Voting on the business and contracts that will be concluded between the Company and Liva Insurance Group. The Board Members Mr. Martin Rueegg, Mr. Sanjay Kawatra, Dr. Dhafar Awadh Alshanfari, Mr. Addal Sarwar, Mr. Muneer Mohammed Almughairi have, have an indirect interest as they are representatives of Liva Insurance Group at the Board of the Company, as per market terms. These transactions are as follows: The branding fees of Liva Group. The total value of the transaction during 2024G amounts to SR 30,100. **(Attached)**

مجموعة ليڤا للتأمين من خلال إمضاء عقود إعادة التأمين دون وجود أي شروط تفضيلية لهذه الأعمال التي تتم بشكل سنوي وفقاً لمتطلبات عمل الشركة. علماً أن قيمة التعامل في عام 2024م مبلغ 9,378,045 ريال سعودي تمثل أقساط إعادة تأمين وحصلت الشركة على دخل يمثل عمولة إعادة تأمين وقدره 5,306 ريال سعودي خلال نفس الفترة. **(مرفق)**

9. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة ليڤا للتأمين ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ سانجاي كاواترا، الدكتور/ ظافر عوض الشنفري، الأستاذ/ أدال ساروار، الأستاذ/ منير محمد المغيري مصلحة غير مباشرة باعتبارهم ممثلي مجموعة ليڤا للتأمين. على مستوى مجلس إدارة الشركة. وهي على النحو التالي: خدمات فنية مقدمة من قبل مجموعة ليڤا للتأمين للشركة في مختلف مجالات الأعمال دون وجود أي شروط تفضيلية ومدتها سنة ميلادية. علماً أن قيمة التعامل في عام 2024م مبلغ 5,186,848 ريال سعودي. **(مرفق)**

10. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة ليڤا للتأمين ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ سانجاي كاواترا، الدكتور/ ظافر عوض الشنفري، الأستاذ/ أدال ساروار، الأستاذ/ منير محمد المغيري مصلحة غير مباشرة باعتبارهم ممثلي مجموعة ليڤا للتأمين على مستوى مجلس إدارة الشركة. وهي على النحو التالي: حقوق استخدام العلامة التجارية لمجموعة ليڤا للتأمين. علماً أن قيمة التعامل في عام 2024م بلغ 30,100 ريال. **(مرفق)**

11. Voting on the business and contracts that will be concluded between the Company and Liva Insurance Group. The Board Members Mr. Martin Rueegg, Mr. Sanjay Kawatra, Dr. Dhafar Awadh Alshanfari, Mr. Addal Sarwar, Mr. Muneer Mohammed Almughairi have, have an indirect interest as they are representatives of Liva Insurance Group at the Board of the Company, as per market terms. These transactions are as follows: Operational expenses paid on behalf of a related party and reinsurance placements as per market terms. The total value of the transaction during 2024G amounts to SR 1,260,468. (Attached)
11. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة ليڤا للتأمين. ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ سانجاي كاواترا، الدكتور/ ظافر عوض الشنفرى، الأستاذ/ أدال ساروار، الأستاذ/ منير محمد المغيري مصلحة غير مباشرة باعتبارهم ممثلي مجموعة ليڤا للتأمين على مستوى مجلس إدارة الشركة. وهي على النحو التالي: مصاريف تشغيلية المدفوعة نيابة عن الأطراف ذات العلاقة وعمليات إعادة التأمين حسب شروط السوق. علمًا أن قيمة التعامل في عام 2024م بلغ 1,260,468 ريال. (مرفق)
12. Voting on the business and contracts that will be concluded between the Company and Liva Insurance Group. The Board Members Mr. Martin Rueegg, Mr. Sanjay Kawatra, Dr. Dhafar Awadh Alshanfari, Mr. Addal Sarwar, Mr. Muneer Mohammed Almughairi have, have an indirect interest as they are representatives of Liva Insurance Group at the Board of the Company, as per market terms. These transactions are as follows: Operational expenses paid by related parties on behalf of the Company as per market terms. The total value of the transaction during 2024G amounts to SR1,658,637. (Attached)
12. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة ليڤا للتأمين. ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ سانجاي كاواترا، الدكتور/ ظافر عوض الشنفرى، الأستاذ/ أدال ساروار، الأستاذ/ منير محمد المغيري مصلحة غير مباشرة باعتبارهم ممثلي مجموعة ليڤا للتأمين على مستوى مجلس إدارة الشركة. وهي على النحو التالي: مصاريف تشغيلية المدفوعة من الأطراف ذات العلاقة نيابة عن الشركة حسب شروط السوق حسب شروط السوق. علمًا أن قيمة التعامل في عام 2024م بلغ 1,658,637 ريال. (مرفق)
13. Voting on the business and contracts that will be concluded between the Company and Perfect Presentation for Commercial Services. The Board Member, Dr. Tariq Abdullah Al Naeem has indirect interest as he is a
13. التصويت على الأعمال والعقود التي ستتم بين الشركة وشركة العرض المتقن والتي لعضو مجلس الإدارة الدكتور/ طارق بن عبدالله النعيم مصلحة غير مباشرة فيها باعتباره عضو مجلس إدارة في شركة العرض المتقن. وهي عبارة



board member of the Perfect Presentation for Commercial Services company (2P). These businesses and contracts are to manage the company's call center with no special treatment for one year. The total value of this transaction during 2024G amounts to SR 1,530,000.

(Attached)

عن إتفاقية إدارة مركز الاتصال الخاص بالشركة دون وجود أي شروط تفضيلية ومدتها سنة ميلادية . علماً أن قيمة التعامل في عام 2024م بلغ 1,530,000 ريال. (مرفق)

14. Voting on the discharge of the Directors from their liabilities for the financial period ended on 31/12/2024G.

14. التصويت على إبراء ذمة أعضاء مجلس الإدارة عن العام المالي المنتهي في 31/12/2024م.

15. Voting on paying an amount of SR 1,146,500 as remuneration to the Board members and committee members for the fiscal year ending on 31/12/2024G. **(Attached)**

15. التصويت على صرف مبلغ 1,146,500 ريال كمكافأة لأعضاء مجلس الإدارة وأعضاء اللجان عن العام المالي المنتهي في 31/12/2024م. (مرفق)

16. Voting on the Board's resolution to appoint Mr. Bandar Abdulaziz Alqubisy as a Non-Executive board member starting from the date of his appointment on 05/02/2025G. to complete the Board term until the end of the current term on 25/11/2025G, succeeding the former member Mr. Waleed Khalid Aldhubaib **(CV attached)**

16. التصويت على قرار مجلس الإدارة بتعيين الأستاذ/ بندر بن عبدالعزيز القبيسي عضو غير تنفيذي بمجلس الإدارة ابتداءً من تاريخ تعيينه في 05/02/2025م لإكمال دورة المجلس حتى تاريخ انتهاء الدورة الحالية في 25/11/2027م خلفاً للعضو السابق الأستاذ/ وليد بن خالد الضبيب عضو غير تنفيذي (مرفق السيرة الذاتية)



Agenda Item No. 1
Board of Directors Report for the fiscal year
ending 31/12/2024G.





Liva Insurance Company

Board of Directors' Report 2024G



The Board of Directors of Liva Insurance Company (hereinafter referred to as the "Company" or "Liva") is pleased to present to our esteemed Shareholders the Annual Report for the year ended December 31, 2024. This report highlights the Company's strategic initiatives, financial performance, and key achievements in a year marked by transformation and sustained growth.

The year 2024 was a pivotal period for Liva, marked by a significant transformation following the Launch of Liva brand in the Kingdom in 2023. Liva brand embodies our commitment to empowering individuals and businesses with confidence and financial security. Our vision extends beyond traditional insurance offerings to the creation of a comprehensive ecosystem that caters to the evolving needs of our customers, underpinned by innovation, digitalization, and customer-centric solutions.

The Saudi insurance market experienced robust growth throughout the year, driven by a dynamic economic environment, increasing regulatory enhancements, and a nationwide focus on digital transformation in line with Saudi Vision 2030. This evolution has accelerated operational efficiencies across the industry and unlocked new avenues for value creation. Insurance companies continued to adapt to emerging trends, leveraging technology and innovation to meet rising customer expectations for seamless digital engagement.

Aligned with Liva's growth ambition to expand its footprint in the Saudi Insurance market, on August 21, 2024, Liva Insurance Co. signed a non-binding Memorandum of Understanding with Malath Cooperative Insurance Company to explore a potential merger. This MoU initiates a period of due diligence, encompassing technical, financial, legal, and actuarial reviews, along with non-binding discussions regarding the terms and conditions of the proposed transaction. A definitive agreement, if reached, will be contingent upon various conditions precedent, including necessary regulatory approvals from bodies such as the Insurance Authority, the Capital Market Authority, the Saudi Exchange, and the General Authority for Competition, as well as shareholder approval from both companies. While this MoU represents a significant step, it does not guarantee the successful completion of a merger, and LIVA Insurance will continue its normal business operations pending further developments.

Key Business Initiatives & Performance Highlights

Recognizing the need for agility in a rapidly evolving landscape, Liva remained focused on enhancing its digital capabilities and diversifying its product offerings. The Company made substantial investments in technology, data analytics, claims and customer management which have strengthened our market position and improved customer experience.

Our Personal Lines Motor vertical is one of the key components of our business, where Liva has a competitive advantage of having superior underwriting, pricing tools capabilities and expansive presence on digital distribution channels. 2024 experienced softening of Motor Third Party Insurance rates where Liva kept its strong focus on balancing growth, profitability, and operational efficiency. Similarly, our Corporate Commercial Lines business capitalized on a strong underwriting framework, disciplined risk assessment, and robust reinsurance support, enabling us to provide tailored insurance solutions to key brokers and corporate clients.

Financial Performance

Liva has demonstrated exceptional financial resilience and a strong turnaround in profitability in 2024:

- Insurance Revenues decreased by SR 67.5 million, degrowing from SR 513.6 million in 2023 to SR 446.1 million in 2024. Decrease is due to lower motor business amounting to SR 91.1million, partly offset by non-motor business by SR 23.6million.
- Net Income after Zakat and Tax reached SR 32.8 million, marking a significant improvement compared to a Net Profit of SR 11.3 million in 2023.
- The Retail Personal Lines business, driven predominantly by Motor Insurance, de-grew by 30%, reaching SR 260.0 million in Gross Written Premiums (GWP). Our profitability on the other hand improved by 122 percent reflecting a disciplined approach to balancing profitability and risk diversification, and commitment to customer-centric innovation.
- The Corporate Commercial Lines segment achieved 45% growth in GWP, reaching SR 217.2 million. This was driven by our strong property & casualty underwriting expertise, a technically

disciplined approach, and a focus on delivering tailored insurance solutions to select brokers and clients.

- Investment income also saw notable growth, supported by a favorable investment climate and enhanced investment management strategies.

Looking ahead, Liva remains committed to building on its strong foundation by investing in:

- Digital acceleration to enhance customer experiences and distribution capabilities.
- Innovative product development aligned with the evolving needs of both retail and corporate clients.

A. Business Performance and Plans for The Future

(I) Principal Activities

The Company is licensed by the Insurance Authority "IA" to transact insurance and reinsurance business in the Kingdom of Saudi Arabia in the classes of General Insurance, Medical Insurance, and Protection and Savings Insurance. The split of the activities between the lines of business and the major business segments is as follows:

Turnover and contribution to trading results by lines of business

To comply with the adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) by the KSA insurance market in 2023, the company implemented these standards effective January 1, 2023. This has resulted in a change to the overall presentation of the financial statements. For improved comparability, the 2022 comparative period has been restated to reflect IFRS 17, while the opening equity for 2023 incorporates the impact of IFRS 9. Financial statements for 2021 and prior years remain and are presented below under IFRS 4 and other relevant Saudi Arabian standards. Consequently, the format for presenting financial information differs for periods before and after January 1, 2022.

IFRS 17 results:

SR Million									
Description	Year	Property	Motor	Engineering	Medical	Marine	Group Life	Others	Total
Insurance Revenue	2024	72.43	278.51	19.70	0.00	19.26	31.42	24.81	446.13
	2023	58.94	369.58	13.65	0.00	15.00	38.74	17.72	513.63
	2022	49.95	188.52	6.25	0.00	12.69	67.33	13.21	337.95
Insurance Service Expenses	2024	(32.40)	(262.10)	(4.90)	0.00	(24.28)	(21.81)	(5.06)	(350.55)
	2023	(23.68)	(383.34)	(9.10)	0.00	(11.58)	(2.22)	(3.42)	(433.34)
	2022	(6.85)	(243.59)	(2.75)	(0.08)	(8.65)	(40.98)	(2.49)	(305.39)
Net Expense from Reinsurance Contracts Held	2024	(34.81)	(3.08)	(7.30)	(0.00)	(2.14)	(8.25)	(12.84)	(68.42)
	2023	(36.18)	(4.90)	(3.41)	(0.00)	(2.43)	(27.45)	(12.32)	(86.69)
	2022	(37.88)	(8.08)	(4.29)	0.88	0.32	(24.14)	(7.37)	(80.56)
Net Insurance Service Result	2024	5.22	13.33	7.50	(0.00)	(7.16)	1.36	6.90	27.15
	2023	(0.91)	(18.67)	1.13	(0.00)	0.99	9.07	1.98	(6.41)
	2022	5.22	(63.16)	(0.78)	0.80	4.36	2.20	3.35	(48.01)
Net insurance finance (expense) / income	2024	(0.07)	(1.65)	(0.09)	0.00	(0.18)	0.04	(0.05)	(2.00)
	2023	(0.03)	(2.66)	(0.04)	0.00	(0.05)	(0.68)	(0.10)	(3.56)
	2022	(0.03)	(0.15)	(0.00)	(0.01)	(0.02)	(0.04)	(0.07)	(0.32)
Other Operating Expenses	2024								(22.50)
	2023								(17.41)
	2022								(19.00)
Other Income / (Expense)	2024								(0.40)
	2023								19.92
	2022								17.96

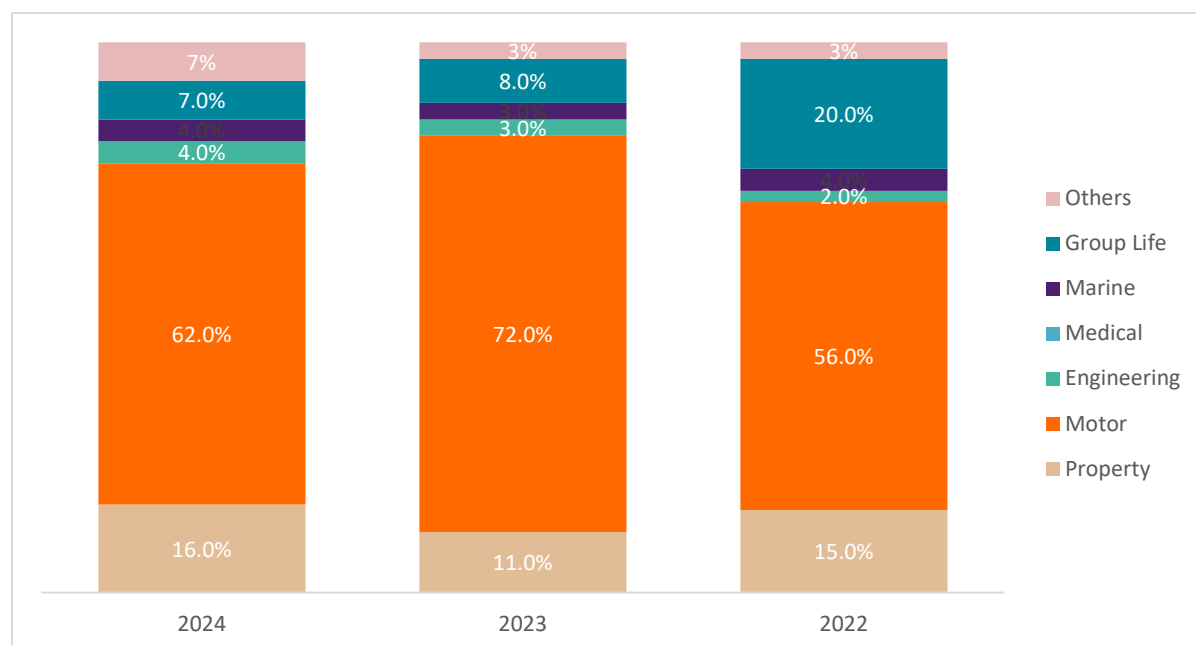
IFRS 4 results:

SR Million									
Description	Year	Property	Motor	Engineering	Medical	Marine	Group Life	Others	Total
Gross Premiums Written	2021	44.93	125.82	8.63	0.00	14.95	57.47	11.84	263.64
	2020	76.18	22.16	15.16	0.16	14.09	50.46	12.96	191.17
Net Premiums Written	2021	4.64	122.56	0.98	0.00	3.35	14.37	3.55	149.45
	2020	7.11	20.92	2.07	0.16	1.86	15.68	5.79	53.59
Net Premiums Earned	2021	5.56	63.58	0.96	0.00	3.45	14.57	5.56	93.68
	2020	4.88	37.28	2.01	0.45	1.75	15.65	5.48	67.50
Net Underwriting Result *	2021	6.60	17.65	1.07	(0.27)	5.37	1.59	4.83	36.84
	2020	9.82	22.50	3.77	(0.32)	5.12	1.99	4.28	47.16
Un-allocated Operating (Expenses) /Income	2021								(68.25)
	2020								(51.28)
Insurance operations' Total (loss) / income for the year	2021								(31.41)
	2020								(4.12)

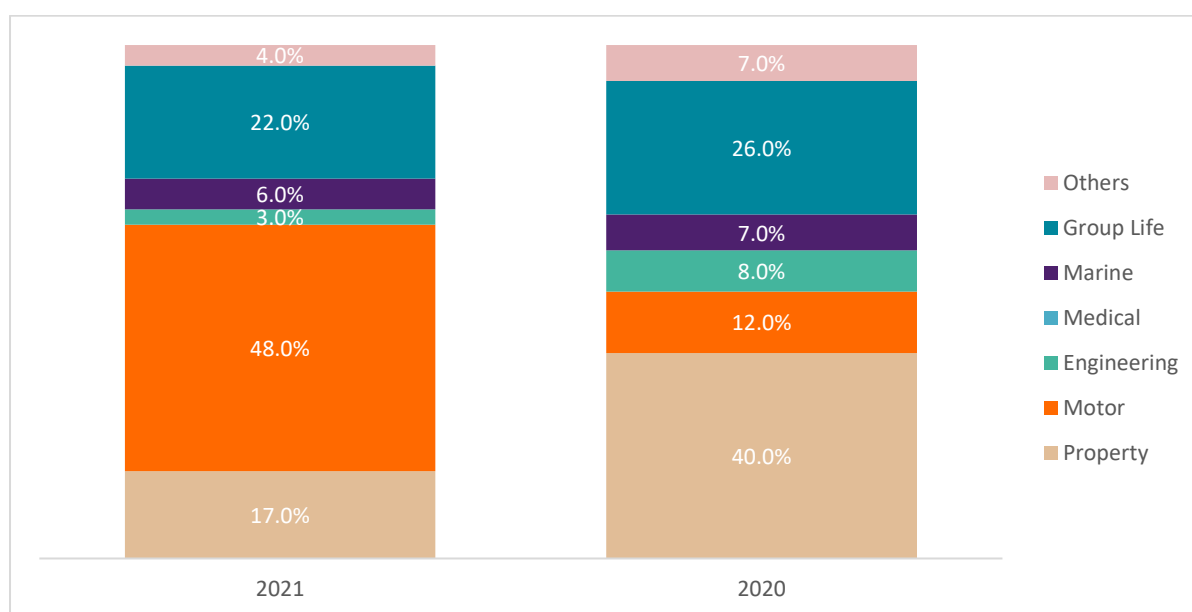
* Net Underwriting Result excludes the unallocated Other Underwriting Expenses.

Lines of Business

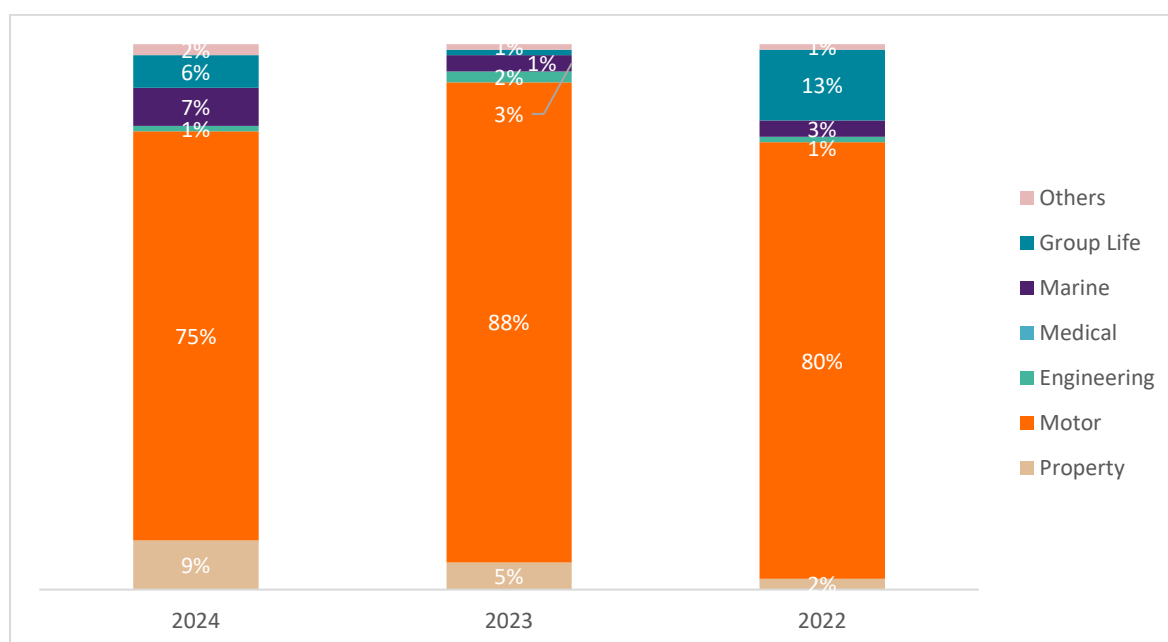
Insurance Revenue (IFRS 17)



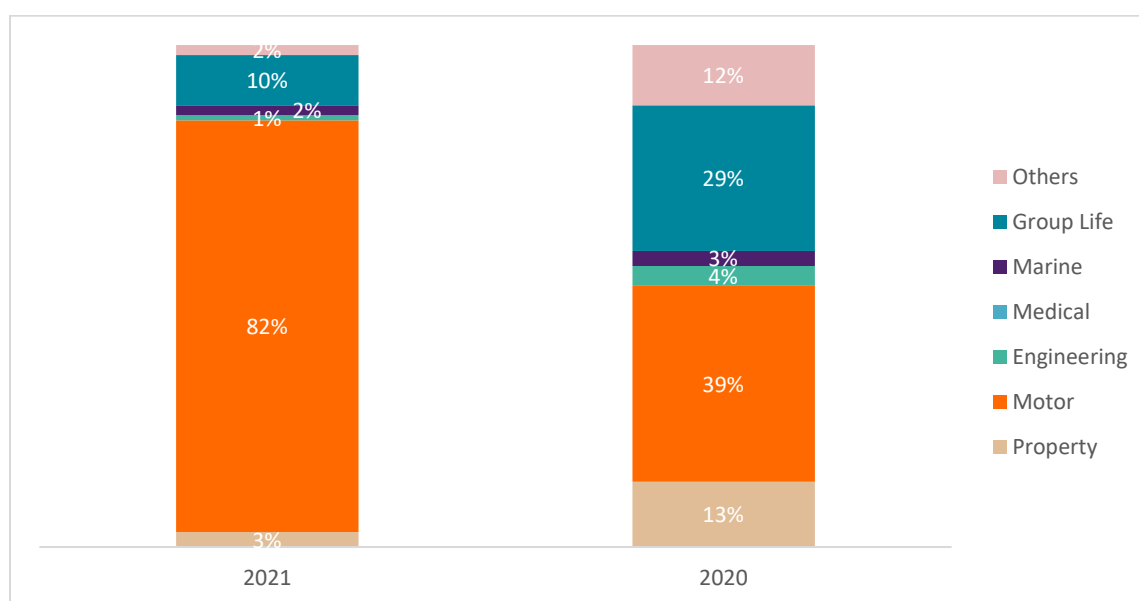
Gross Written Premiums (IFRS 4)



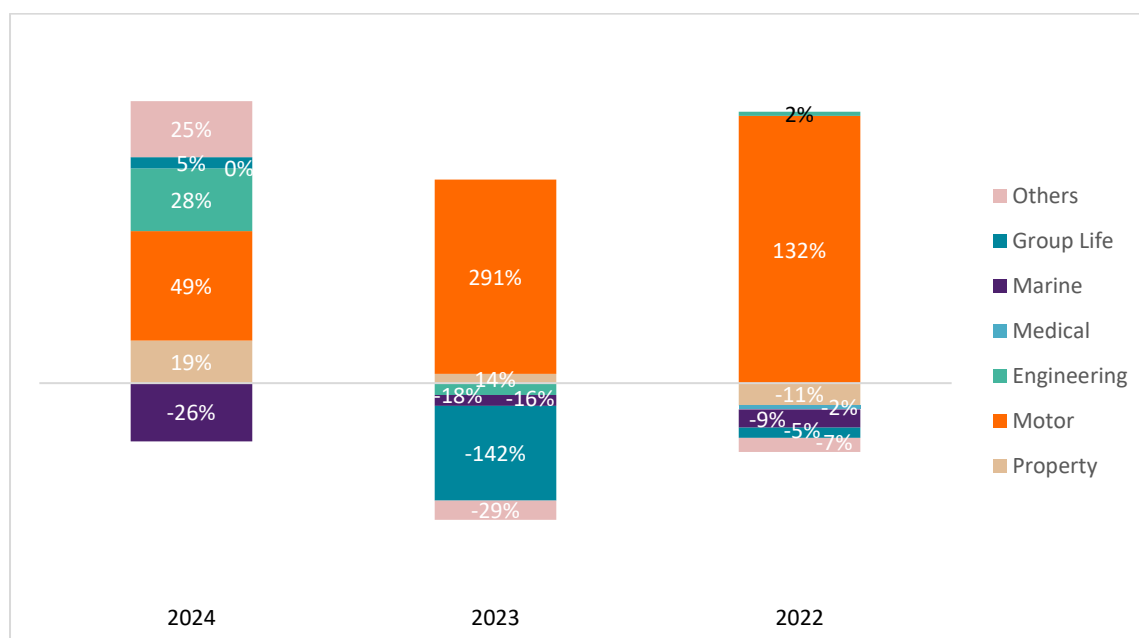
Insurance Service Expenses (IFRS 17)



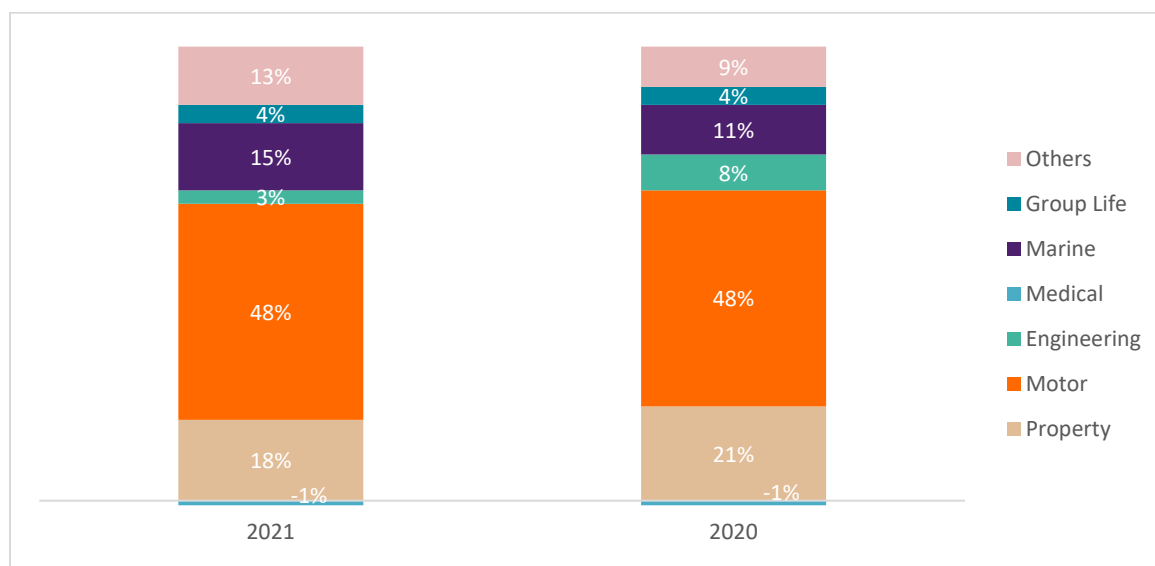
Net Written Premiums (IFRS 4)



Insurance Service Results (IFRS 17)



Net Underwriting Result (IFRS 4)



(II) Plans for the future

Liva Insurance Company remains committed to capitalizing on the opportunities presented by the dynamic Saudi insurance market and aligning with the strategic objectives of Saudi Vision 2030. With a solid foundation and a clear growth trajectory, the Company will focus on the following key priorities to drive sustainable and profitable expansion:

- **Grow Direct Commercial Lines business:** Leveraging our expertise in Commercial Lines, we will continue to expand our market share by growing a sustainable corporate commercial portfolio supported by a robust reinsurance structure. Through strategic partnerships with brokers, business partners, and direct clients, Liva aims to enhance market penetration and solidify its leadership in this segment.
- **Establish Footprint on Inward Facultative Reinsurance business:** Being a licensed reinsurer in the Kingdom, with an investment grade and positive rating and one of the strongest and largest capacities, Liva will provide best in class local facultative reinsurance capacity to the market on P&C and selected lines of business
- **Expanding Digital and Bancassurance Distribution:** By utilizing advanced data analytics and agile IT platforms, we will enhance our digital and bancassurance capabilities. This will enable the introduction of innovative Personal Lines products tailored to the evolving needs of our customers, ensuring a seamless and customer-centric experience.
- **Launching Retail Protection & Savings Products:** In response to the increasing financial literacy and awareness of insurance solutions among consumers, Liva will introduce a range of Retail Protection & Savings insurance products. This initiative will be supported by distinct distribution channels to optimize accessibility and customer engagement.
- **Investing in Employee Development:** Recognizing that our employees are integral to our success, we will continue to invest in specialized training programs, career development initiatives, and a supportive organizational culture. This commitment to upskilling will empower our workforce to excel and contribute to the Company's long-term growth.
- Through these strategic priorities, Liva Insurance Company is well-positioned to achieve sustainable growth, enhance customer value, and solidify its position as a leading insurer in the Saudi market.

(III) Summary Statements of Financial Position, Comprehensive Income, and Changes in Shareholders' Equity

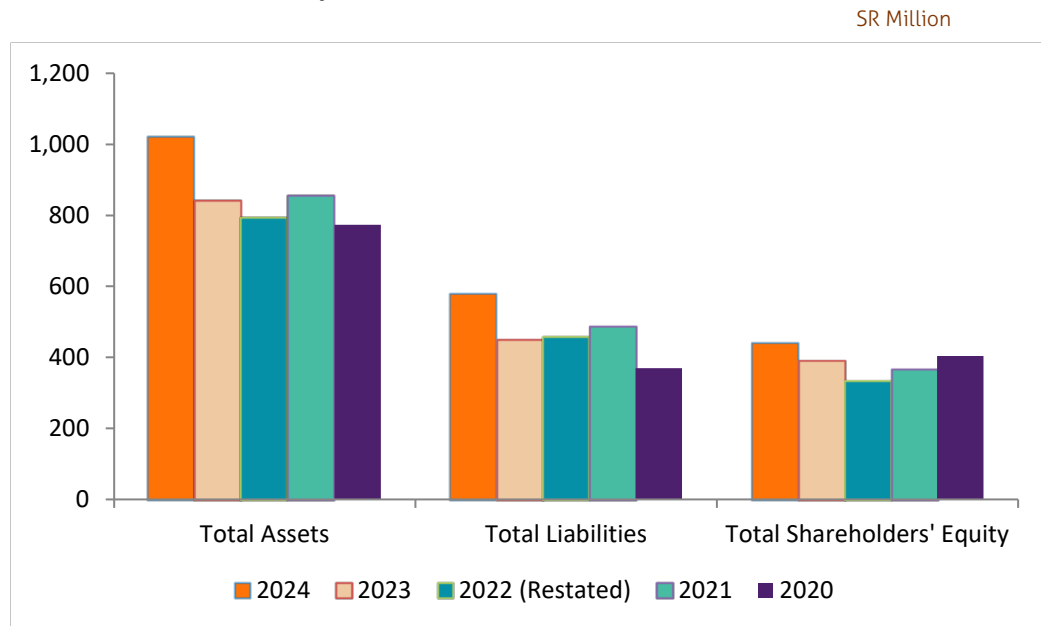
The Company's Statement of Financial Position as of 31-12-2024G, the Statement of Comprehensive Income for the financial year ended 31-12-2024G, and the Statement of Changes in Shareholders' Equity are shown in the tables below:

Summary Statement of Financial Position as at 31-12-2024G

Summary Statement	SR Million				
	2024	2023	2022 (Restated)	2021	2020
Insurance Operations' Assets	551.31	424.51	410.81	453.87	374.88
Shareholders' Operations' Assets	467.73	414.17	379.63	399.85	398.20
Total Assets	1019.04	838.68	790.44	853.72	773.08

SR Million					
Summary Statement	2024	2023	2022 (Restated)	2021	2020
Insurance Operations' Liabilities	468.50	360.78	388.78	424.56	308.24
Shareholders' Operations' Liabilities	109.99	87.91	68.24	62.33	61.16
Total Liabilities	578.49	448.69	457.02	486.89	369.4
Total Shareholders' Equity	440.55	389.99	333.42	366.83	403.68

Statement of Financial Position - Key Indicators



Summary Statement of Comprehensive Income - Insurance Operations for the Year Ended 31-12-2024G.

IFRS 17 Results:

SR Million			
Comprehensive Income - Insurance Operations	2024	2023	2022
Insurance revenue	446.13	513.63	337.95
Insurance service expenses	(350.55)	(433.35)	(305.39)
Net expenses / (income) from reinsurance contracts held	(68.42)	(86.69)	(80.57)
Insurance service result	26.75	13.50	(48.01)
Net Insurance results	38.54	21.22	(55.40)
Other operating expenses	(21.05)	(16.00)	(17.58)
Net profit for the year attributable to the shareholders before zakat	17.49	5.21	(58.05)

IFRS 4 Results:

SR Million			
Comprehensive Income - Insurance Operations	2022	2021	2020
Gross Premiums Written	455.16	263.64	191.17
Net Premiums Written	327.56	149.45	53.59
Net Premiums Earned	215.72	93.68	67.50
Net Claims Incurred	(193.41)	(62.84)	(22.58)
Net Underwriting Income	(14.54)	16.88	45.78
General & Administrative Expenses	(57.16)	(56.04)	(60.79)
Insurance Operations' Total (Loss) / Income for the Year	(49.58)	(31.41)	(4.12)

Summary Statement of Comprehensive Income - Shareholders' Operations for the Year Ended 31-12-2024G.

IFRS 17 Results:

SR Million			
Comprehensive Income - Shareholders' Operations	2024	2023	2022
Investment income	17.44	13.67	7.96
General & Administrative Expenses	(1.46)	(1.46)	(1.46)
Total Comprehensive (Loss)/ Income before Zakat	15.99	12.21	(51.55)
Total Comprehensive (Loss) / Income after Zakat	15.27	6.04	(57.25)
Basic and Diluted (Loss) / Earning per share (Saudi Riyals)	0.82	0.28	(1.43)

IFRS 4 Results:

SR Million			
Comprehensive Income - Shareholders' Operations	2022	2021	2020
Investment income	7.96	5.20	7.02
General & Administrative Expenses	(1.46)	(1.46)	(1.46)
Total Income before Zakat and Income Tax for the Year Attributable to Shareholders	(43.07)	(27.67)	1.45
Total Comprehensive (Loss)/ Income before Zakat	(58.52)	(29.14)	3.05
Total Comprehensive (Loss) / Income after Zakat	(52.81)	(36.85)	(4.03)
Basic and Diluted (Loss) / Earning per share (Saudi Riyals)	(1.22)	(0.88)	(0.15)

Summary Statement of Changes in Shareholders' Equity

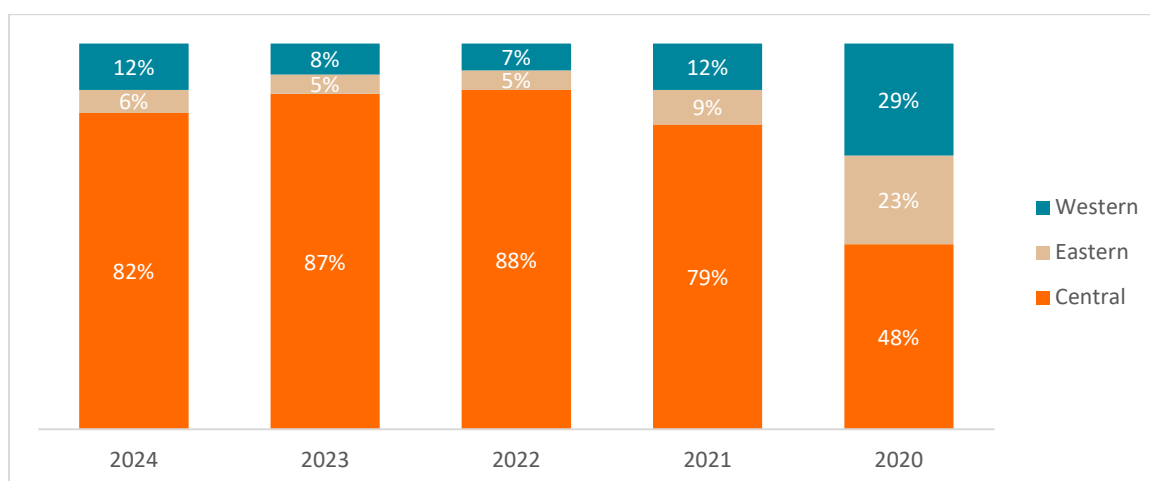
SR Million					
Changes in Shareholders' Equity	2024	2023	2022	2021	2020
Share Capital	400.00	400.00	400.00	400.00	400.00
Statutory reserve	1.16	1.16	1.16	1.16	1.16
(Accumulated losses) / Retained Earnings	(22.39)	(55.15)	(66.25)	(36.88)	(1.50)
Fair value reserve for available for sale investments	59.23	41.56	(4.11)	1.83	3.77
Actuarial Reservation for employee benefits	2.55	2.42	2.62	0.72	0.25
Total	440.55	389.99	333.42	366.83	403.68

(IV) Geographical Analysis and Material Variations from Previous Year

a) Geographical Analysis

The Company operates solely within the Kingdom of Saudi Arabia. Geographical details of Gross Written Premiums for the various financial reporting periods for the last 5 years up to 2024 are given below:

SR Million					
Gross Written Premiums by Region	2024	2023	2022	2021	2020
Central	395.19	452.80	400.74	208.99	92.17
Eastern	26.78	26.40	24.47	22.71	44.50
Western	55.22	42.91	30.32	31.94	54.50
Total KSA	477.19	522.11	455.53	263.64	191.17



The Company does not have any subsidiaries in any jurisdiction.

b) Highlights of Variances in Operating Results

The information presented in the above table covers the most recent five annual reporting periods. The analysis below explains the differences in the operating results for the year ending 31-12-2024G and the prior year (i.e. year ended 31-12-2023G). As there has been no forecast published by the company relating to the period from 01-01-2024G to 31-12-2024G, no comparison is made between actual results and forecast.

The Company's Insurance Revenue is SR 446.13 million in 2024 compared to SR 513.63 million in 2023 reflecting a decrease of 13%. The decrease is mainly driven by lower Motor business due to stiff market pricing.

Insurance Service Expenses decreased by 19% from SR 433.53 million in 2023 to SR 350.55 million in 2024 mainly due to lower business, operational efficiency and technical discipline.

Net Insurance and Investment results improved by 60% from income of SR 34.88 million in 2023 to income of SR 55.98 million in 2024 mainly due to higher Net Insurance Service Results and higher investment income.

Other Operating Expenses increased by 29% from SR 17.46 million in 2023 to SR 20.50 million in 2024.

Net Income for the year after Zakat and Tax improved from income of SR 11.26 million in 2023 to SR 32.76 million in 2024 mainly due to improvement in Net Insurance results and higher investment returns.

The Earning per Share in 2024 was SR 0.82 versus Loss per Share 0.28 in 2023.

(V) Basis of Reporting

The financial statements for the year ended December 31, 2024, have been prepared in accordance with:

IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and bylaws of the Company. The Company adopted IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" as endorsed in Kingdom of Saudi Arabia and the resulting changes to the material accounting policies are described in Note 3.

As required by Saudi Arabian Insurance Regulations, the Company maintains separate book of accounts for Insurance Operations and Shareholders' Operations. The physical custody of all assets related to the Insurance Operations and Shareholders' Operations are held by the Company. Revenues and expenses clearly attributable to either activity is recorded in the respective accounts. The basis of allocation of other revenue and expenses from joint operations is determined by the management and Board of Directors.

The statement of financial position, statement of income and statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in note 28 of the financial statement have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by the Insurance Authority implementing regulations. Insurance Authority implementing regulations requires 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 below in note 28 reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial information in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized 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 transactions and events in similar circumstances. Surplus from insurance operations and actuarial reserves from employee benefits are shown separately as Accumulated Surplus in the statement of financial position and as Actuarial reserve for employee benefits in the statement of equity, respectively.

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% is to be allocated to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by Insurance Authority. Any deficit arising from insurance operations is transferred to the shareholders' operations in full.

The Company's statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: bank balances and cash, term deposits, insurance contract assets, reinsurance contract assets, prepaid expenses, other assets and due from related parties. The following balances would generally be classified as non-current property and equipment and intangible assets, deferred tax assets, statutory deposit, accrued commission income on statutory deposit and investments in insurance operations.

The basis of presentation of the financial statements and the significant accounting policies are explained in greater detail under Notes 2 and 3 of the Notes to the Financial Statements for the year ended December 31, 2024G.

(VI) Dividend Policy

The Company intends to pay annual dividends on the Shares based on the level of required capital to support the Company's operations. However, the Company gives no assurance that any dividend will be paid thereafter, nor does it give any assurance as to the amount that will be paid in any given year.

In accordance with Article 42 of the Bylaws of the Company, 10% of the net surplus from Policyholders' operations shall be distributed to the Policyholders, and the balance of 90% shall be carried forward to the Shareholders' Income Statement.

From time to time, dividends will be paid to the Shareholders from the net profits subject to the following limitations contained in Article 43 of the bylaws and Article 70 of the Insurance Authority Implementing Regulation for the Law on Supervision of Cooperative Insurance Companies:

1. The decreed Zakat and income tax shall be set aside.
2. 20 percent of the net profits shall be allocated to form the statutory reserve. The ordinary General Assembly may discontinue this allocation when the said reserve reaches one hundred percent of the Company's paid-up capital.
3. The ordinary General Assembly may, at the recommendation of the Board, set aside a specific percentage of the annual net profits to build up additional reserves allocated for a specific purpose, or purposes as determined by the General Assembly.
4. The balance shall be distributed as a first payment in the amount of at least five percent of paid-up capital to the Shareholders.
5. The remaining balance shall be distributed to the Shareholders as a share in the profits or to be transferred to the retained profits account; and
6. The Board may issue a decision to distribute periodical profits to be deducted from annual profits specified in paragraph 4 above in accordance with the rules and regulations issued by the competent authorities.

Any declaration of dividends will be dependent upon the Company's earnings, its financial condition, the condition of the markets, the general economic climate, and other factors, including the Company's analysis of investment opportunities and reinvestment needs, cash and capital requirements, business prospects, as well as other legal and regulatory considerations.

The Company shall immediately inform the public and the Capital Market Authority (the "CMA") of any resolutions or recommendations for the distribution of profit. Any profits so proposed for distribution shall be paid to the Shareholders at the place and time specified by the Board pursuant to the instructions issued by the Ministry of Commerce & Industry and subject to Insurance Authority written approval.

(VII) Risks Facing the Company

The Company has established a risk management framework to effectively manage the various risks facing the Company. For this purpose, the company has adopted the concept of three lines of defense involving all levels of the organization in the management of the risks as follows:

- 1st line of defense: this involves all the business units that are directly responsible for the management of the risks the company faces. They are required to implement the necessary controls and the 1st line assurance processes (which include reporting and reviews).
- 2nd line of defense: this includes the control functions which are Risk Management and Compliance. Risk Management is responsible for ensuring that the controls and assurance processes around all types of risks are being effectively implemented by the 1st line of defense. This is done through specific reporting on the various types of risks. The compliance function is responsible for the management and oversight of the regulatory risk through the development of a dedicated annual strategy and program for the purpose. The compliance function is fully independent from the management and reports to the Audit Committee of the company.

- 3rd line of defense: this line is managed by the Internal Audit Department which provides independent assurance over the effectiveness of the control system to the Audit Committee of the company.

The company has also set up a Risk Committee reporting to the Board of Directors and chaired by a non-executive Board Member. The Committee is responsible for the oversight of all the risk management arrangements of the company. All risks faced by the company are discussed within this forum and actions are defined and agreed on how to mitigate those.

The 2nd line and 3rd line of defense present their reports to the Audit Committee on a quarterly basis.

The company has also developed:

- 1- A Risk Appetite approved by the Board of Directors which sets risk indicators and limits against all the risks and compliance with this is reported on a quarterly basis to the Risk and Audit Committees.
- 2- A set of policies that have been implemented across the business and meant to manage the risks throughout the organization.
- 3- A delegated authority's framework which aims to clearly define the financial, operational and technical approval processes and limits.

The risks faced by the Company can be categorized as follows:

A) Strategic Risk:

Strategic risk encompasses the potential of not achieving financial and strategic objectives, which may arise from decisions made, partnerships formed, and changes in the business environment.

B) Insurance Risk:

The risk associated with the variable outcome of writing insurance business due to volatility in claims experience or failures in insurance operations, etc.

C) Financial Risk:

- A. Credit Risk - The risk that a person or institution with whom the Company has entered a financial contract, who is a counterparty to the contract, partially or fully defaults on the obligation, or is subject to a downgrade in their assessed credit quality. This excludes exposures to strategic debt such as loans which are included in strategic investments.
- B. Liquidity, Market, and Capital - The risk of a lower-than-expected return on non-strategic investments due to liquidity or market risks, in addition to the risk of capital inadequacy.

D) Operational Risk:

The risk of an incident occurring that leads to could lead to the actual outcome of a business process to differ from the expected outcome due to inadequate or failed processes, people, systems, or external factors.

E) Compliance & Conduct Risks:

Risk of loss arising from breaches of laws and regulations in the markets under which the Company operates. This also includes reputation Risk due to unethical business practices, negative media comments, etc.

B. Shares, Contractually Based Securities, Subscription Rights, Debt Instruments

I) Interest in a class of voting Shares held by persons (other than Issuer's Directors, Senior Executives, and their spouses and minor children)

There is no individual person who has more than 5% interest in a class of voting Shares of the Company. The significant (non-individual) shareholders and their ownership of the Company are as follows:

- Liva Insurance (Middle East) B.S.C (c) (Previously known as Royal & Sun Alliance Insurance (Middle East) BSC (c)) 50.07%
- Riyadh Bank 19.92%

II) Interest, contractually based securities and subscription rights of the Company's Directors, Senior Executives and their spouses and minor children in the shares or debt instruments of the Company or any of its Subsidiaries.

None of the spouses or minor children of the Members of the Board of Directors have any interest in the shares of the company. Also, none of the Senior Executives, their spouses or minor children have any interest in the Shares of the Company.

The Company does not have any debt instruments or contractually based securities that it has issued, nor does the Company have any subsidiaries operating inside or outside the Kingdom of Saudi Arabia.

III) Borrowings, Issue/ Redemption of Securities

The Company has neither borrowed any funds, nor has it issued any convertible or redeemable debt instruments, contractually based securities, warrants or any other rights of a similar nature. It has also not made any repayment of any loan or redeemed or converted any redeemable or convertible debt instruments during the period and does not have any outstanding loans or redeemable or convertible debt instruments or contractual based securities or warrants or any other rights of a similar nature as at the end of the period.

C. Related Party Transactions

Transactions with Liva Insurance Group

(previously known as Royal & Sun Alliance Insurance (Middle East))

- Intellectual Property Agreement

The intellectual property agreement has been signed with Liva Insurance Middle East formerly known as Royal & Sun Alliance Insurance Middle East and been renewed on 11/03/2014G. The duration of the agreement is not defined. During the period from 01-01-2024G to 31-12-2024G the Company incurred a total charge of SR 30,100 in its Statement of Shareholders' Comprehensive Income towards branding fees payable to Liva Insurance Middle East.

- Reinsurance Agreements

The Company made reinsurance arrangements on market terms with Liva Insurance Group entities, by entering into reinsurance facultative arrangements. Based on these reinsurance contracts, the company has ceded SR 9.3 million representing Reinsurance premiums and earned Reinsurance commission income of SR 500 thousand.

- Technical Services Agreement

The Company entered into a Technical Services Agreement with its strategic shareholder Liva Insurance Group (previously known as Royal & Sun Alliance Insurance (Middle East)). This agreement is approved by the regulator on 21/09/2014G. Through this agreement, Liva Insurance Group provides technical services in various areas of the business, and for which, during the period from 01-01-2024G to 31-12-2024G, the Company incurred a charge of SR 5.18m in its Statement of Insurance Operations.

Liva Insurance Group is a related party to the company through one of its major shareholders, Liva Insurance (Middle East) B.S.C (c) and the following members on the Board represent Liva Insurance on the Board of Directors of the company.

- Mr. Christopher Philip Dooley (Membership Expired on 25-11-2024G)
- Mr. Martin Rueegg
- Mr. Abdulaziz Mohammed AlBalushi (Membership Expired on 25-11-2024G)
- Mr. Sanjay Kawatra
- Dr. Dhafir Alshanfari (Appointed on 26-11-2024G)
- Mr. Addal Sarwar (Appointed on 26-11-2024G)
- Mr. Muneer Almughairi (Appointed on 26-11-2024G)

Transactions with Riyadh Bank

- Insurance contracts:

During the period 01-01-2024G to 31-12-2024G the Company entered into annual Insurance Contracts on market terms with one of its shareholders, Riyadh Bank, with a total amount of SR 4.59 million representing Gross Written Premiums, details of which are as follows:

SR			
Description of Contract	Line of Business	Date of Contract	Gross Written Premiums
Insurance	General Accident (Group Life)	A number of insurance policies issued from 01-01-2024G to 31-12-2024G	184,349
Insurance	Motor	A number of insurance policies issued from 01-01-2024G to 31-12-2024G	4,415,554
Total			4,599,903

Riyadh Bank is one of the main shareholders in the Company, holding 19.92% of the shares in the Company. The following members on the Board represent Riyadh bank:

- Mr. Waleed Khalid AlDhubaib (Resigned on 12-12-2024G)
- Dr. Abdullah Abdulrahman Alshwer
- Mr. Bandar Abdulaziz AlQubisy (Appointed on 05-02-2025G)

Transactions with Board Members and Top Executives

- Insurance contracts

During the reporting period, the Company entered into Insurance Contracts at arm's length and on market terms directly or with business establishments having the direct interest of the Company's Board of Directors, the CEO and CFO, to meet their personal needs, the details as below.

SR

Name	Position	Name of Establishment	Line of Business	Period From / To	Gross Written Premiums for the period
Dr. Saleh Hamad AlShinifi	Board Member	N/A	Motor	A number of insurance policies issued from 01-01-2024G to 31-12-2024G	3,761
Waleed Khalid AlDhubaib	Board Member	N/A	Motor	14- March - 2024G to 13-March-2025G	2,700

Both contracts are carried out as per the company approved insurance policies with no special treatment.

- Call Centre Outsourced Services

The company entered into an agreement with company 2P Perfect Presentation Company for call center outsources services at arm's length and on market terms. The company has incurred expenses for SR 1.67 million for running the day-to-day operations for the call center with 2P Perfect Presentation Company. The following member on the Board is a board member of 2P Perfect Presentation company:

- Dr. Tariq Abdullah Al Naeem.

Besides the above, there were no transactions or contracts entered into by the Company pertaining to its operations and activities related thereto, in which Directors or the Chief Executive Officer, Chief Financial Officer, or any associate had a material interest. Also, no board members have engaged in any business competing with the Company or any of its activities.

D. Outstanding Statutory Dues and Payments Made to Government Authorities

I) The Company does not have any outstanding statutory dues as of 31-12-2024G, except for the following:

SR

Description	31-12-2024G	31-12-2023G
GOSI for December 2024*	319,976	317,306
Insurance Authority Supervision Fees payable for Q4 2024 **	709,346	568,578
Department of Zakat & Income Tax – Withholding Tax ***	35,783	16,300
Department of Zakat & Income Tax – VAT ****	3,762,185	2,280,756
Zakat & Income Tax (Provision)*****	717,000	6,168,734
Total	5,544,290	9,351,674

* GOSI payable is part of the other accrued expenses in Note 12 to the financial statements

** Insurance Authority supervision fees are part of Accrued supervision fees in Note 12 of the financial statements.

***Withholding tax and VAT payable is included in the Accrued Withholding Tax amount and value added tax payable in Note 12 to the financial statements. In addition to this balance there are other withholding tax provisions which are not yet due for payment and have been accrued in the financial statements.

**** Zakat & Income Tax provision is shown above for the years 2024 and 2023 standalone liability recorded in the financial statements of the Company (Please refer to note 14) to the financial statements). The total provision in respect of Zakat and Income tax is for a total amount of SR 59,460 thousand at the end of 2024 and SR 62,500 thousand at the end of 2023 (Please refer to note 14 to the financial statements)

II) Statement of Payments made to Government Authorities during the period from 01-01-2024G to 31-12-2024G

SR

Description	2024	2023
Department of Zakat & Income Tax (zakat and corporate tax)	3,757,103	0.00
Department of Zakat & Income Tax (VAT and withholding tax)	57,480,033	69,006,013
GOSI	3,708,644	1,840,450
Ministry of Interior, Labor Office, Chamber of Commerce, Municipality, SAGIA	263,426	195,354
Insurance Authority Supervision Fees quarterly payments	2,368,813	2,697,165
CHI License Renewal payments	50,000	150,000
CHI Supervision Fees payments	0	0
Total	67,828,019	73,888,982

E. Employee Benefits

The Company did not make any investments or set up any reserves for the benefit of the employees other than those required for payment of a performance bonus and end-of-service benefits in the normal course of business.

F. Statements

- The Company has maintained proper books of accounts.
- The system of internal control is sound in design and has been effectively implemented.
- There are no significant doubts concerning the ability of the Company to continue as a going concern.

G. External Auditors' Report

The external auditors have issued an unqualified opinion, and their report did not contain any reservations on the financial statements. In their audit report they stated that, in their opinion, the financial statements taken as a whole:

- Present fairly, in all material respects, the financial position of the Company as of 31 December 2024G, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA) (collectively referred to as "IFRS as endorsed in KSA").
- The auditors' have performed their audit in accordance with the International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Their responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of the report.
- They are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements, and they have fulfilled their other ethical responsibilities in accordance with these requirements. Auditors believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for their opinion.
- 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Refer to the "Independent Auditors' Report" section reflected in the Financial Statements and Independent Auditors' Report for the Year Ended on 31-12-2024G for more details.

H. Continuation of External Auditors

The Board has accepted the recommendations of the Audit Committee relating to the appointment, and the determination of the remuneration of the external auditors.

The Board of Directors has not recommended that the external auditors should be changed before their current term elapses.

The Board, through the Board Audit Committee shall consider the appointment of external auditors for 2025 and make recommendations to the Shareholders for consideration at the Annual General Assembly Meeting.

I. Corporate Governance

i) Compliance with Rules and Regulations

- a. Compliance with the Corporate Governance Regulations Issued by the Capital Market Authority "CMA"

The Company complies with the CMA's Corporate Governance Regulations with the exception of the provisions listed below:

Article	Sub-Article	Paragraph	Reason for not compliant
36	-	The Board must specify the conditions that the secretary must meet, provided that they include at least one of the following: 1) he/she holds a bachelor's degree in law, finance, accounting, or administration or their equivalent, and has relevant practical experience of not less than three years; or 2) he/she has relevant practical experience of not less than five years.	The board secretary has extensive experience and knowledge spanning 18 years, in the insurance sector. He has a certification in Insurance – compliance, corporate governance, disclosure, AML etc. Also, He has been handling the corporate governance, compliance, and legal matters of the company since 2014. Additionally, this article is a Guiding Article.
37	-	Training and preparation of the Board members and the Executive Management	Guiding Article
39	-	The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management	Guiding Article
82	-	Employee Incentives	Guiding Article
84	-	Social Responsibility	Guiding Article
85	-	Social Initiatives	Guiding Article
86	3	The Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods.	Guiding Paragraph
90	B	The disclosures in this article and in the Board, report shall be pursuant to the appended in Annex (A) of the regulation.	Clarifying the commitment of Liva to the remuneration granted to senior Executives as a whole according to the statutory requirements mentioned in Sub-paragraph (B) of Article (90) of the Corporate Governance Regulation, but to protect the interests of the Company, its Shareholders and affiliates, and to avoid any harm that may result from disclosing separately according to the position, the details are not presented as contained in Annex (A) of senior Executives from the Corporate Governance Regulation.

Numbers of company requests of shareholders records, dates, and reasons thereof:

Number	Date	Reason
1	18/03/2024G	For Company usage
2	27/06/2024G	General Assembly
3	21/10/2024G	For Company usage
4	26/11/2024G	General Assembly
5	26/11/2024G	General Assembly

ii) Board of Directors

Composition of the Board of Directors

The Company's By-Laws provide that the Company shall be managed by a Board of Directors consisting of eleven (11) members appointed by the ordinary General Assembly for a term not exceeding three years. The current three-year term of the board expires on 25 November 2027G.

The fifth three-year term of the board came to an end during the year at which time the following members did not offer themselves for reappointment in the sixth term of the board.

- Dr. Saleh Hamad Saleh ALShinifi (Independent)
- Mr. Abdulaziz Mohammed AlBalushi (Non-Executive)
- Mr. Christopher Philip Dooley (Non-Executive)

An Ordinary General Assembly meeting was held on 26-11-2024G at which the remaining six members were appointed for the sixth three-year term commencing 26-11-2024G along with the following new members.

- Mr. Ali Juma (Independent)
- Mr. Noorur Rahman Abid (Independent)
- Dr. Dhafir Alshanfari (Non-Executive)
- Mr. Addal Sarwar (Non-Executive)
- Mr. Muneer Almughairi (Non-Executive)

During the year the following change took place on the Board of Directors:

- Mr. Waleed Khalid AlDhubaib resigned from his position on the Board and Committees on 12-12-2024G. and Mr. Bandar Abdulaziz AlQubisy was appointed to fill this vacancy with effect from 05-02-2025G.

IA approvals for Board Chairman, The Vice Chairman, and The Board Committees were received on 30th December 2024. All the above changes have been notified to the regulators as required under regulation and presented to the Shareholders at the General Assembly Meeting held during the year.

The position of membership of the Board, following the above changes, is as follows:

	Name of Director	Position	Classification
1.	Dr. Tariq Abdullah AlNaeem	Chairman *	Independent Board Member
2.	Mr. Sanjay Kawatra	Vice Chairman **	Non-Executive Board Member
3.	Mr. Bader Ibrahim Alswailem	Board Member	Independent Board Member
4.	Mr. Ali Juma (Appointed on 26-11-2024G)	Board Member	Independent Board Member
5.	Mr. Noorur Rahman Abid (Appointed on 26-11-2024G)	Board Member	Independent Board Member
6.	Dr. Abdullah Abdulrahman Alshwer	Board Member	Non-Executive Board Member
7.	Mr. Bandar Abdulaziz AlQubisy (Appointed on 05-02-2025G)	Board Member	Non-Executive Board Member
8.	Mr. Martin Rueegg	Board Member	Non-Executive Board Member
9.	Dr. Dhafir AlShanfari (Appointed on 26-11-2024G)	Board Member	Non-Executive Board Member
10.	Mr. Addal Sarwar (Appointed on 26-11-2024G)	Board Member	Non-Executive Board Member
11.	Mr. Muneer Almughairi (Appointed on 26-11-2024G)	Board Member	Non-Executive Board Member

* Appointed as a Chairman on 30-12-2024G

** Appointed as a Vice Chairman 30-12-2024G

Name(s) of Joint Stock Company(s) in which Members of the Company's Board of Directors act as a Member of the Board of Directors.

Name of Director	Board or other positions held in another Company(s) inside or outside KSA	Position	Entity Type / Domicile
Dr. Tariq Abdullah AlNaeem	Liva Insurance Company	Board Chairman	Listed Company
	Securities Depository Center Company ("Edaa")	Vice Chairman of the Board	Listed Company
	Perfect Presentation for Commercial Services Company	Vice Chairman of the Board	Listed Company
	Abdul Latif Jameel Enterprises	Board Member	Private limited company
Mr. Bader Ibrahim Alswailem	Liva Insurance Company	Member of the Board of Directors and Chairman of the Audit Committee	Listed Company
	Electrical Industries Company	Member of the Board of Directors and Chairman of the Audit Committee	Listed Company
	MEFIC REIT	Member of the Board of Directors	Listed REIT Fund
	Care Shield Holding Company	Chairman of the Audit Committee	Closed Joint Stock Company
	Vision Bank	Chairman of the Audit Committee	Closed Joint Stock Company
	Raqmat Real Estate Development & Investment Company	Member of the Board of Directors and Member of the Audit Committee	Closed Joint Stock Company
Mr. Noorur Rahman Abbas Ali Abid*	Liva Insurance Company	Member of the Board of Directors and Chairman of NRC Committee and member of Risk Committee	Listed Company
	Kuwait Finance House	Member of the Audit and HR Committee	Public Listed Company – Kuwait
	Arcapita Bahrain	Member of the Audit Committee	Closed Joint Stock Company – Bahrain
	Fakeeh Care Group	Member of the Board of Directors and Member of the Audit and HR Committee	Listed Company
	The Accounting and Auditing Organization for Islamic Financial Institutions	Member of the Nomination Committee	Non-profit Organization – Bahrain
Mr. Ali Mohamed Juma Allawati*	Liva Insurance Company	Member of the Board of Directors and Chairman of Investment Committee	Listed Company
	Muscat Stock Exchange	Member of the Board of Directors	Governmental Entity – Oman
	Future Journey Company	Board Chairman	Joint Stock Company
	Al Hassan Engineering Company	Board Chairman	Joint Stock Company – Oman
	Oman Development Bank	Member of the Board of Directors	Joint Stock Company – Oman
Dr. Abdullah Abdulrahman Alshwer	Liva Insurance Company	Member of the Board of Directors and Member of the Investment Committee	Listed Company
	Takaful Foundation	Member of the Investment Committee	Charity
	Gulf International Bank (GIB)	Member of the Audit Committee	Closed Joint Stock Company
	Diriyah Gate Development Authority	Chairman of the Audit Committee	Governmental Company
Mr. Bandar Abdulaziz Alqubisy*	Liva Insurance Company	Member of the Board of Directors and Member of Risk Committee	Listed Company
Mr. Martin Rueegg	Liva Insurance Company	Member of the Board of Directors and Member of the Executive and NRC Committee	Listed Company

	Liva Insurance (Middle East) B.S.C (c) (previously known as Royal & Sun Alliance Insurance (Middle East) BSC (c))	Managing Director and member of Nomination & Remuneration Committee	Closed Joint Stock Company, Bahrain
	Liva Insurance (Middle East) B.S.C (c) (previously known as Royal & Sun Alliance Insurance (Middle East) BSC (c))	Board Member and member of Audit & Risk Committee and Nomination & Remuneration & Investment Committee	Public Listed Company in Sultanate of Oman
Mr. Sanjay Kawatra	Liva Insurance Company	Deputy Chairman Board of Directors and Chairman of Executive Committee	Listed Company
	Oman International Development and Investment Company SAOG (OMNIVEST)	CEO - Strategic Businesses	An investment holding company based in Oman
	Alizz Islamic Bank	Member of the Board of Directors	Omani joint stock company
	National Finance Company	Member of the Board of Directors	Omani public limited company
	National Finance House Company	Member of the Board of Directors	Bahrain Public Limited Company
	Liva Insurance (Middle East) B.S.C (c) (previously known as Royal & Sun Alliance Insurance (Middle East) BSC (c))	Member of the Board of Directors	Closed Joint Stock Company, Bahrain
Dr. Dhafir Awadh AlShanfari*	Liva Insurance Company	Member of the Board of Directors and Member of NRC and Risk Committee	Listed Company
	National Finance Company SAOG	Member of the Board of Directors	Public Listed – Oman
	The First Mazon Fund	Member of the Board of Directors	Public Listed – Oman
	Inayah TPA LLC	Member of the Board of Directors	Closed Joint Stock Company – Dubai
Mr. Muneer Mohammed Al mughairy *	Liva Insurance Company	Member of the Board of Directors and Chairman of Risk Committee	Listed Company
	Oman Electricity Transmission Company SAOC	Member of the Board of Directors and Member of Audit Committee	Listed Joint Stock Company – Oman
	Sultan Qaboos University Investment Group LLC	Member of the Board of Directors and Chairman of Audit Committee	Listed Joint Stock Company – Oman
	Institute of Internal Auditors, Amman Branch (IIA Amman)	Chairman of Audit Committee	Listed Joint Stock Company – Oman
Mr. Addal Sarwar*	Liva Insurance Company	Member of the Board of Directors and Member of Investment Committee	Listed Company

* Appointed during the period

Functions

The Board is responsible for the direction and oversight of the Company on behalf of the Shareholders and is accountable to them for all aspects of the Company's business. It is the Board's responsibility to adopt strategic plans, monitor operational performance, ensure that an effective risk management strategy is in place and all applicable legislation and regulations are complied with. The Board operates the following Board Committees to assist in discharging its duties:

- The Executive Committee.
- The Investment Committee.
- The Disclosure Committee.
- The Audit Committee.
- The Risk Committee.
- The Nomination & Remuneration Committee.

The Company is committed to implementing a sound corporate governance framework through which the objectives of the Company are set and the means of attaining these objectives and monitoring performance is determined. To achieve this, the Company operates within a set of corporate governance principles which, together with the roles and responsibilities of the Board, are set out in the form of a Board Governance Manual.

Chairman and Chief Executive Officer

The division of responsibilities between the Chairman and the Chief Executive Officer are clearly defined by the Board and are in compliance with applicable laws and regulations in the Kingdom of Saudi Arabia. The Chairman is not involved in the day-to-day management of the Company or its business, whereas the Chief Executive Officer has direct responsibility for the management of the Company.

Meetings

During the financial year 2024, the Board of Directors held 5 meetings. The dates of the meetings and the attendance were as follows

Name	Date of Meeting					Remarks
	21-03-2024G	02-05-2024G	01-08-2024G	31-10-2024G	22-12-2024G	
Dr. Tariq Abdullah AlNaeem	Y	Y	Y	Y	Y	
Dr. Saleh Hamad Saleh AlShinifi	Y	Y	Y	Y	NA	Membership Expired on 25-11-2024G
Mr. Bader Ibrahim Alswailem	Y	Y	Y	Y	Y	
Mr. Ali Juma	NA	NA	NA	NA	Y	Appointed on 26-11-2024G
Mr. Noorur Rahman Abid	NA	NA	NA	NA	Y	Appointed on 26-11-2024G
Mr. Waleed Khalid AlDhubaib	Y	Y	Y	Y	NA	Resigned on 12-12-2024G
Dr. Abdullah Abdulrahman Alshwer	Y	Y	Y	Y	Y	
Mr. Christopher Philip Dooley	Y	Y	Y	Y	NA	Membership Expired on 25-11-2024G
Mr. Martin Rueegg	Y	Y	Y	Y	Y	
Mr. Abdulaziz Mohammed AlBalushi	Y	Y	Y	N	NA	Membership Expired on 25-11-2024G
Mr. Sanjay Kawatra	Y	Y	Y	Y	Y	
Dr. Dhafir AlShanfari	Y	Y	Y	Y	Y	Appointed on 26-11-2024G
Mr. Addal Sarwar	NA	NA	NA	NA	Y	Appointed on 26-11-2024G
Mr. Muneer Almughairi	NA	NA	NA	NA	Y	Appointed on 26-11-2024G
Mr. Bandar Abdulaziz AlQubisy	NA	NA	NA	NA	NA	Appointed on 02-02-2025G

Y Attended in person or by proxy.

N Did not attend

NA Had either resigned or was not appointed at that time.

Board & Committee's Performance Assessment

The Board in conjunction with the Nomination & Remuneration Committee has put in place a two-stage process for the review of the performance of the performance of the board. In stage 1, the board secretary circulates a questionnaire to the members inviting them to provide their responses to a range of parameters covering the board's constitution, structure, activities, and performance. These responses are summarized by the board secretary and presented to the Nomination & Remuneration Committee. The Chairman of the Committee then provides an update to the board on the self-assessment responses of the board members highlighting key observations as applicable. Stage-2 provides an avenue for the Chairman to have confidential one to one discussion with other members of the board as requested by a member or as considered necessary by him, which provides a two-way platform for providing feed back to the respective members on their performance and contributions and receiving suggestions and feedback from them.

The board Committees at the end of each year carry out a discussion based self-assessment, facilitated by the secretary, against their respective duties as set out in the Committee's terms of reference. The conclusions are captured in the form of a memo from the Committee Chairman and shared with the Nomination & Remuneration Committee and the board.

iii) Shareholder Meeting

During the financial year 2024G, the Company held Two shareholders general assembly meetings as below.

At these meetings, the Company took all the necessary steps to provide the Shareholders the opportunity to exercise their rights, raise questions or clarifications, and provide suggestions or remarks to the board members. Following these meetings, the Company uploaded the results, and the minutes of the meetings as required on Tadawul and Capital Markit Authority websites. The Chairman shared with other board members any suggestions or remarks received from or made by the shareholders.

The date and attendance by board members at the meetings were as follows:

Date	Type of Meeting	Attendance by Board Members
27-06-2024G	Annual General Assembly & Ordinary General Assembly	1. Dr. Tariq Abdullah Alnaeem. (Chairman) 2. Mr. Sanjay Kawatra. (Deputy Chairman) 3. Mr. Bader Brahim Alsuwailem. 4. Mr. Martin Rueegg. 5. Mr. Christopher Philip Dooley. *
26-11-2024G	Ordinary General Assembly Meeting	1. Dr. Tariq Abdullah Alnaeem. (Chairman) 2. Mr. Bader Brahim Alsuwailem. 3. Mr. Martin Rueegg. 4. Mr. Christopher Philip Dooley. * 5. Dr. Saleh Hamad Alshinifi. * 6. Dr. Abdullah Abdulrahman Alshwer. 7. Mr. Waleed Khalid AlDhubaib. #

* Membership Expired on 25-11-2024G

Resigned on 12-12-2024G

iv) Board Committees:

Executive Committee:

A. Composition

The Executive Committee shall comprise a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name	Designation	Role in Committee
Mr. Abdulaziz Mohammed AlBalushi #	Non-Executive Board Member	Chairman
Mr. Sanjay Kawatra	Non-Executive Board Member	Chairman
Mr. Martin Rueegg	Non-Executive Board Member	Member
Dr. Dhafir Alshanfari *	Non-Executive Board Member	Member
Mr. Kamran Mazhar	Chief Executive Officer	Member

Membership Expired on 25-11-2024G

* Appointed during the period

B. Functions

The Committee is mandated by the Board of Liva to supervise the management to ensure they are complying with the Company's strategic plans and objectives. Its activities would cover areas such as:

- Deliberation of policy matters requires in-depth study and making appropriate recommendations to the relevant Board committees and/or where necessary to the Board directly.
- Advising on strategic matters of business.
- Monitoring the performance of the Company and reviewing the strategy and operating plans prior to their presentation to the relevant board committees and/or where necessary to the board directly.
- assisting the Nomination & Remuneration Committee in the nomination of proficient managers and/or directors and the election of the most fit for purpose and in selecting the appropriate and necessary executives for the executive management; and
- deliberation, advice and assisting on any other matter considered appropriate by the board committees and/or the Board.

C. Meetings

The Committee held Four meetings during the period from 01-01-2024G up to 31-12-2024G. The dates of the meetings and the attendance were as follows:

Name	Date of Meeting				Remarks
	04-03-2024G	01-05-2024G	02-09-2024G	18-11-2024G	
Mr. Abdulaziz Mohammed AlBalushi	Y	Y	N	N	Membership Expired on 25-11-2024G
Mr. Sanjay Kawatra	Y	Y	N	Y	
Mr. Martin Rueegg	Y	Y	Y	Y	
Dr. Dhafir Alshanfari	NA	NA	NA	NA	Appointed on 30-12-2024G
Mr. Kamran Mazhar	Y	Y	Y	Y	

Y Attended in person

N Did not attend

NA Had either resigned or was not appointed at that time

Investment Committee:

A. Composition

The Investment Committee shall comprise of a minimum of Three and a maximum of five members. The current composition of the committee is as follows:

Name	Designation	Role in Committee
Dr. Tariq Abdullah AlNaeem #	Chairman of the Board	Chairman
Mr. Ali Juma *	Independent Board Member	Chairman
Mr. Bader Ibrahim Alswailem #	Independent Board Member	Member
Dr. Abdullah Abdulrahman Alshwer	Non-Executive Board Member	Member
Mr. Addal Sarwar *	Non-Executive Board Member	Member
Mr. Kamran Mazhar	Chief Executive Officer	Member

Either Membership Expired or resigned during the period.

* Appointed during the period

B. Functions

The purpose of the committee is to manage all aspects of the investment assets held by the Company subject to adherence to the terms of the Investment Directives and the Committee Dealing Limits and in line with the applicable laws of the Kingdom of Saudi Arabia.

C. Meetings

The Committee held Four meetings during the period from 01-01-2024G up to 31-12-2024G. The dates of the meetings and the attendance were as follows:

Name	Date of Meeting				Remarks
	19-03-2024G	30-04-2024G	30-07-2024G	20-10-2024G	
Dr. Tariq Abdullah AlNaeem	Y	Y	NA	NA	Resigned from the committee on 15-04-2024G
Mr. Ali Juma	NA	NA	NA	NA	Appointed on 30-12-2024G
Mr. Bader Ibrahim Alswailem	Y	Y	Y	N	Membership Expired on 25-11-2024G
Dr. Abdullah Abdulrahman Alshwer	Y	Y	Y	Y	
Mr. Addal Sarwar	NA	NA	NA	NA	Appointed on 30-12-2024G
Mr. Kamran Mazhar	Y	Y	Y	Y	

Y Attended in person

N Did not attend

NA Had either resigned or was not appointed at that time.

Disclosure Committee:

A. Composition

The Disclosure Committee shall comprise a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name Designation	Designation	Role in Committee
Mr. Christopher Philip Dooley #	Non-Executive Board Member	Chairman
Mr. Martin Rueegg *	Non-Executive Board Member	Member
Mr. Kamran Mazhar	Chief Executive Officer	Member
Mr. Mohamed AlTooblani	Chief Financial Officer	Member

Membership Expired during the period.

* Appointed during the period

B. Functions

The purpose of the committee is to ensure the Company's compliance with all legal and regulatory requirements relating to announcement through Tadawul. In line with its Terms of Reference, the committee can hold meetings through electronic means.

C. Meetings

The committee held meetings through electronic means to review and approve the company's announcements on Tadawul website. The committee held thirty-three of these meetings during the period from 01-01-2024G up to 31-12-2024G. All Committee members participated in all these meetings through electronic means in line with their terms of reference.

Audit Committee:

A. Composition

The Audit Committee shall be comprised of a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name Designation	Designation	Role in Committee
Dr. Saleh Hamad Saleh Al Shinifi #	Independent Board Member	Chairman
Mr. Ayman Saleh Al Ghamdi #	Independent Member on the Committee	Member
Dr. Ahmed Mohammed Al Salman #	Independent Member on the Committee	Member
Mr. Bader Brahim Alswailem *	Independent Board Member	Chairman
Mr. Ahmed Mohammed Turbush *	Independent Member on the Committee	Member
Mr. Riyadh Otibi Alzahrani *	Independent Member on the Committee	Member

Membership Expired during the period.

* Appointed on 21-01-2025G

B. Functions

The purpose of the Committee is to review the compliance function and assess the Company's processes relating to its risk, compliance, and internal control systems. Furthermore, the Committee reviews the company's financial statements and the effectiveness of the external audit process and internal audit functions.

C. Meetings

The Committee held a total of five meetings during the period from 01-01-2024G up to 31-12-2024G. The dates of the meetings and the attendance were as follows:

Name	Date of Meeting					Remarks
	19-03-2024G	06-05-2024G	31-07-2024G	18-09-2024G	30-10-2024G	
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Mr. Ayman Saleh Al Ghamdi	Y	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Dr. Ahmed Mohammed Al Salman	Y	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Mr. Bader Brahim Alswailem	NA	NA	NA	NA	NA	Appointed on 21-01-2025G
Mr. Ahmed Mohammed Turbush	NA	NA	NA	NA	NA	Appointed on 21-01-2025G
Mr. Riyadh Otibi Alzahrani	NA	NA	NA	NA	NA	Appointed on 21-01-2025G

Y Attended in person

NA Was not appointed at that time.

Risk Committee:

A. Composition

The Risk Committee shall be comprised of at least three members and not more than five members headed by a non-executive member. The current members are as follows:

Name	Designation	Role in Committee
Mr. Christopher Philip Dooley #	Non-Executive Board Member	Chairman
Mr. Waleed Khalid AlDhubaib #	Non-Executive Board Member	Member
Mr. Sanjay Kawatra #	Non-Executive Board Member	Member
Mr. Muneer Almughairi *	Non-Executive Board Member	Chairman
Mr. Noorur Rahman Abid *	Independent Board Member	Member
Mr. Bandar Abdulaziz AlQubisy **	Non-Executive Board Member	Member

Membership Expired during the period.

* Appointed during the period

** Appointed on 05-02-2025G

B. Functions

The Committee has the responsibility to oversee the Company's risk management arrangements, ensuring the risk appetite is appropriate and adhered to and that key risks are identified and managed.

C. Meetings

The Committee held four meetings during the period from 01-01-2024G up to 31-12-2024G. The dates of the meetings and the attendance were as follows:

Name	Date of Meeting				Remarks
	21-03-2024G	02-05-2024G	01-08-2024G	31-10-2024G	
Mr. Christopher Philip Dooley	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Mr. Waleed Khalid AlDhubaib	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Mr. Sanjay Kawatra	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Mr. Muneer Almughairi	NA	NA	NA	NA	Appointed on 30-12-2024G
Mr. Noorur Rahman Abid	NA	NA	NA	NA	Appointed on 30-12-2024G
Mr. Bandar Abdulaziz AlQubisy	NA	NA	NA	NA	Appointed on 05-02-2025G

Y Attended

NA Was not appointed at that time.

Nomination and Remuneration Committee:

A. Composition

The Nomination and Remuneration Committee shall be comprised of a minimum of three and a maximum of five members. The current composition of the Committee is as follows:

Name	Designation	Role in Committee
Mr. Bader Ibrahim Alswailem #	Independent Board Member	Chairman
Dr. Tariq Abdullah AlNaeem	Chairman of the Board	Member
Mr. Martin Rueegg	Non-Executive Board Member	Member
Mr. Abdulaziz Mohammed AlBalushi #	Non-Executive Board Member	Member
Dr. Abdullah Abdulrahman Alshwer #	Non-Executive Board Member	Member
Mr. Noorur Rahman Abid *	Independent Board Member	Chairman
Dr. Dhafir Alshanfar *	Non-Executive Board Member	Member

Either Membership Expired or resigned during the period.

* Appointed during the period

B. Functions

The purpose of the committee is to ensure transparency in the procedures for the selection, appointment, and removal of Directors. All appointments and removals are to be ratified by the General Assembly. The committee will also be responsible for establishing policies regarding indemnity and remuneration for Directors and Senior Managers.

C. Meetings

The committee held six meetings during the period from 01-01-2024G up to 31-12-2024G. The dates of the meetings and the attendance were as follows:

Name	Date of Meeting						Remarks
	29-02-2024G	20-03-2024G	02-05-2024G	21-08-2024G	31-08-2024G	29-10-2024G	
Mr. Bader Ibrahim Alswailem	Y	Y	Y	Y	Y	Y	Membership Expired on 25-11-2024G
Dr. Tariq Abdullah AlNaeem	Y	Y	Y	Y	Y	Y	
Mr. Martin Rueegg	Y	Y	Y	Y	Y	Y	
Mr. Abdulaziz Mohammed AlBalushi	Y	Y	Y	Y	Y	N	Membership Expired on 25-11-2024G
Dr. Abdullah Abdulrahman Alshwer	Y	Y	Y	NA	NA	NA	Resigned from the committee on 07-05-2024G
Mr. Noorur Rahman Abid	NA	NA	NA	NA	NA	NA	Appointed on 30-12-2024G
Dr. Dhafir AlShanfari	NA	NA	NA	NA	NA	NA	Appointed on 30-12-2024G

Y Attended

N Did not attend

NA Had either resigned or was not appointed at that time.

v) Compensation paid to Board members, Board Committee Members and Senior Executives

A. Board Members

The remuneration payable to the Chairman and the Directors of the Company, including the fees for attendance at Board and Committee meetings, is in line with the bylaws of the Company. Accruals have been made in the Financial Statements in accordance with these provisions, after considering the waiver by the non-independent members of the Board of their rights to remuneration as explained below.

The details of remuneration payable to the Chairman and the Independent Directors for the period from 01-01-2024G up to 31-12-2024G for which provisions has been made in the financial statements are as follows:

Board Remuneration

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	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board	Total Allowance for attending committee meetings committee	In-kind benefits	Remuneration of the technical, management and consultative work	Remuneration of the chairman, Management Directors, or Secretary, if a member	Total	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
First: Independent Members																
Dr. Tariq Abdullah AlNaeem	245,000	20,000	28,000	0	0	0	293,000	0	0	0	0	0	0	0	0	0
Dr. Saleh Hamad Saleh Al Shinifi #	165,000	16,000	20,000	0	0	0	201,000	0	0	0	0	0	0	0	0	0
Mr. Bader Ibrahim Alswailem	165,000	20,000	32,000	0	0	0	217,000	0	0	0	0	0	0	0	0	0
Mr. Ali Juma *	13,750	4,000	0	0	0	0	17,750	0	0	0	0	0	0	0	0	0
Mr. Noor Abid *	13,750	4,000	0	0	0	0	17,750	0	0	0	0	0	0	0	0	0
Total	602,000	64,000	80,000	0	0	0	746,500	0	0	0	0	0	0	0	0	0

Membership ended during the period

* Appointed during the period

	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board	Total Allowance for attending committee meetings committee	In-kind benefits	Remuneration of the technical, management and consultative work	Remuneration of the chairman, Management Directors, or Secretary, if a member	Total	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
Second: Non-Executive Members																
Mr. Waleed Khalid AlDhubaib * (Resigned on 12-12-2024G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dr. Abdullah Abdulrahman Alshwer *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Christopher Philip Dooley * (Membership Expired on 25-11-2024G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Martin Rueegg *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Abdulaziz Mohammed AlBalushi * (Membership Expired on 25-11-2024G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Sanjay Kawatra *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dr. Dhafir AlShanfari * (Appointed on 26-11-2024G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Addal Sarwar * (Appointed on 26-11-2024G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Muneer Almughairi * (Appointed on 26-11-2024G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mr. Bandar Abdulaziz AlQubisy * (Appointed on 05-02-2025G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* The Non-Independent Directors on the Board (i.e. the nominees of Riyad Bank and Liva Insurance (Middle East) B.S.C (c) have waived their rights to remuneration and fees for the attendance of Board and Committee meetings.

Committee Members Remuneration

Independent members of the Committees are paid an annual remuneration of Saudi Riyals 120,000 per annum and attendance fees of Saudi Riyals 4,000 per meeting. In the event that they are required to attend any of the Board meetings, they are eligible to the Board Meeting attendance fees of Saudi Riyals 4,000 per meeting, for such attendance. SR

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Committee meetings	Total
Audit Committee Members			
Dr. Saleh Hamad Saleh Al Shinifi (Membership Expired on 25-11-2024G)	120,000	20,000	140,000
Mr. Ayman Saleh Al Ghamdi (Membership Expired on 25-11-2024G)	120,000	20,000	140,000
Dr. Ahmed Mohammed Al Salman (Membership Expired on 25-11-2024G)	120,000	20,000	140,000
Mr. Bader Brahim Alswailem (Appointed on 21-01-2025G)	0	0	0
Mr. Ahmed Mohammed Turbush (Appointed on 21-01-2025G)	0	0	0
Mr. Riyadh Otibi Alzahrani (Appointed on 21-01-2025G)	0	0	0
Total	360,000	60,000	420,000
Remuneration & Nomination Committee Members			
Mr. Bader Ibrahim Alswailem (Membership Expired on 25-11-2024G)	0	20,000	20,000
Dr. Tariq Abdullah AlNaeem	0	20,000	20,000
Mr. Martin Rueegg**	0	0	0
Mr. Abdulaziz Mohammed AlBalushi** (Membership Expired on 25-11-2024G)	0	0	0
Dr. Abdullah Abdulrahman Alshwer ** (Membership Expired on 25-11-2024G)	0	0	0
Mr. Noorur Rahman Abid (Appointed on 30-12-2024G)	0	0	0
Dr. Dhafir AlShanfari ** (Appointed on 30-12-2024G)	0	0	0
Total	0	40,000	40,000
Risk Committee Members			
Mr. Christopher Philip Dooley** (Membership Expired on 25-11-2024G)	0	0	0
Mr. Waleed Khalid AlDhubaib** (Membership Expired on 25-11-2024G)	0	0	0
Mr. Sanjay Kawatra** (Membership Expired on 25-11-2024G)	0	0	0
Mr. Muneer Almughairi** (Appointed on 30-12-2024G)	0	0	0
Mr. Noorur Rahman Abid (Appointed on 30-12-2024G)	0	0	0
Mr. Bandar Abdulaziz AlQubisy** (Appointed on 05-02-2025G)	0	0	0
Total	0	0	0
Executive Committee Members			
Mr. Abdulaziz Mohammed AlBalushi** (Membership Expired on 25-11-2024G)	0	0	0
Mr. Sanjay Kawatra **	0	0	0
Mr. Martin Rueegg**	0	0	0
Dr. Dhafir AlShanfari** (Appointed on 30-12-2024G)	0	0	0
Mr. Kamran Mazhar (Appointed on 30-12-2024G)	0	0	0
Total	0	0	0

**The Non-Independent Directors on the Board (i.e. the nominees of Riyadh Bank and Royal & Sun Alliance Insurance (Middle East) B.S.C(c) have waived their rights to remuneration and fees for the attendance of Board and Committee meetings.

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Committee meetings	Total
Investment Committee Members			
Dr. Tariq Abdullah AlNaeem (Resigned from the committee on 15-04-2024G)	0	8,000	8,000
Mr. Ali Juma (Appointed on 30-12-2024G)	0	0	0
Mr. Bader Ibrahim Alswailem (Membership Expired on 25-11-2024G)	0	12,000	12,000
Dr. Abdullah Abdulrahman Alshwer**	0	0	0
Mr. Addal Sarwar** (Appointed on 30-12-2024G)	0	0	0
Mr. Kamran Mazhar	0	0	0
Total	0	20,000	20,000
Disclosure Committee Members			
Mr. Christopher Philip Dooley** (Membership Expired on 25-11-2024G)	0	0	0
Mr. Martin Rueegg** (Appointed on 30-12-2024G)	0	0	0
Mr. Kamran Mazhar	0	0	0
Mr. Mohamed AlToobani	0	0	0
Total	0	0	0

**The Non-Independent Directors on the Board (i.e. the nominees of Riyadh Bank and Royal & Sun Alliance Insurance (Middle East) B.S.C(c) have waived their rights to remuneration and fees for the attendance of Board and Committee meetings.

B. Senior Executives

Compensation and remuneration paid to the top five executives (including the Chief Executive Officer and the Chief Financial Officer who are within the top five) are as follows:

SR Thousands

Senior Executives	Fixed remunerations				Variable remunerations								End-of-service award	Total remunerations for Board executives if any	Aggregate Amount
	Salaries	Allowance	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total	Granted shares (insert the value)	Total			
Total	4,206	2,249	0	6,455	462	0	0	0	0	0	0	0	226	0	7,145

vi) Insurance Authority Penalties

Any penalty, punishment, precautionary measures, or reserve restriction imposed on The Company by Insurance Authority Resolutions or Capital Market Authority "CMA"

Insurance Authority

SR

Violation Subject	2024		2023	
	No. of Executive Decisions	Total Amount of Fines (In SAR)	No. of Executive Decisions	Total Amount of Fines (In SAR)
Violating Insurance Authority's supervisory instructions	3	446,000	1	30,000
Violating Insurance Authority's instructions related to customer protection	1	0	1	0
Violating Insurance Authority's instructions for conducting due diligence in combating money laundering and terrorist financing	0	0	0	0

Capital Market Authority or other regulatory authorities.

SR

Violation Subject	2024		2023	
	No. of Executive Decisions	Total Amount of Fines (In SAR)	No. of Executive Decisions	Total Amount of Fines (In SAR)
Violating instructions of Capital Market Authority	0	0	1	0
Violating Other regulatory authorities	0	0	0	0

vii) Results of the Annual Review of the Internal Control Systems of the Company

The Board of Directors has formed an Audit Committee to support the Board in the discharge of its responsibilities in respect of supervising the Company's financial reporting processes, evaluating the adequacy and effectiveness of the Company's audit arrangements, and overseeing the Company's overall control environment.

The Audit Committee has conducted an overall review of the internal and external auditors' assessment of the Company's system of internal controls during 2024 and no significant issues were identified.

The internal and external auditors and the Company's Compliance function have conducted several reviews during 2024, which provide a reasonable degree of assurance on the Company's ability to meet its strategic objectives. The results of these reviews have been considered by the Audit Committee in reviewing the effectiveness of the internal control systems of the company. The Committee has also gained a reasonable degree of satisfaction with respect to the actions taken by the management to address the observations and recommendations arising from the reviews. Based on the above, the Audit Committee believes that there were no material control weaknesses that might result in unforeseen outcomes or contingencies that have had, could have had, or in the future have, a material impact on the company's financial performance or conditions.

All the issues arising from the review have been reported to the Board of Directors with recommendations on actions to be implemented by the management of the Company.

During the period from 01-01-2024G to 31-12-2024G the Audit Committee held five meetings. During these meetings the Committee amongst other activities:

- Reviewed the internal and external audit arrangements and assessed their independence.
- Reviewed and approved the internal audit plans as well as the adequacy of internal audit resources to execute the plans.
- Assessed the effectiveness of the internal audit function and reviewed the findings reported within the audit reports and the management actions to address them.
- Ensured that the external auditors had access to all information and explanations required by them for carrying out their audit and expressing their audit opinion.
- Reviewed the interim and final financial statements prior to their approval by the Board and publication.
- Reviewed the activities of the compliance department in developing and implementing mitigating actions and managing the regulatory risks identified.
- Reviewed the arrangements in place to achieve compliance with applicable regulations.

viii) Profiles of Board and Audit Committee Members

Dr. Tariq Abdullah AlNaeem, Chairman

Qualifications

- Ph.D. in Information Systems, UNSW Sydney, Australia
- Master of Computer Science, King Saud University (KSU), The Kingdom of Saudi Arabia
- Bachelor of Computer Science, King Saud University (KSU), The Kingdom of Saudi Arabia

Professional Experience

- Chief Executive Officer at Water Transmission and Technologies Company from 2021 till date,
- Chief Executive Officer at Medgulf Insurance Company from 2018 to 2020,
- Board Commissioner, Capital Market Authority, from 2016 to 2017.
- Deputy Minister at the Ministry of Commerce & Investment, from 2014 to 2016.
- General Manager at AL Rajhi Bank, from 2012 to 2014.
- General Manager at Tadawul Stock Exchange, from 2007 to 2012.

Other Positions

- Vice Chairman, Perfect Presentation Company
- Vice Chairman, Securities Depository Center Company ("Edaa")
- Board Member, Abdul Latif Jameel Enterprises

Mr. Abdulaziz Mohammed Al Balushi, Non-Executive, Deputy Chairman*

Qualifications

- Master Of Science Degree in Finance (1994 – 1995) University of Strathclyde - Scotland, United Kingdom

Professional Experience

- Group Chief Executive Officer (CEO), Oman International Development & Investment Co. SAOG (Ominvest) From 2014 Till Date.
- Chief Executive Officer (CEO), Ahli Bank SAOG from 2007 to 2014
- Deputy CEO & Chief Corporate Banking & Capital Market, National Bank of Oman SAOG (NBO) from 1997 to 2007
- Various managerial positions, Oman International Bank (now HSBC) from 1985 to 1997

Other Positions

- Chairman, Ubhar Capital SAOC December 2017 – To Date
- Chairman, Oman Real Estate Investments and Services SAOC March 2014 – till date
- Deputy Chairman, National Life and General Insurance Co. SAOG November 2015 – till date
- Deputy Chairman, Salalah Resorts SAOC March 2016 – till date
- Deputy Chairman, Jabreen Capital SAOC November 2015 – Till date
- Board Member, Oman Arab Bank SAOG March 2014 – Till date
- Board Member, National Finance Company SAOG March 2014 – Till date
- Board Member, Capital Market Authority (Oman) June 2020 – till date
- Chairman, And Chairman of Exec. Strategic Committee Oman Electricity and Transmission Company SAOC 2014 – 2020
- Board Member, Oman Investment and Finance Company SAOG 2004 – 2006
- Board Member, Gulf Hotels Company Limited 2004 – 2006
- Board Member, Chairman of The Audit Committee Oman National Investment Corporation Holding 2002 – 2007
- Board Member, Chairman of The Audit Committee Al Ahlia Insurance Company SAOC and National Life & General Insurance Company 2003 – 2007
- Advisory Board Member, College of Agricultural and Marine Services At Sultan Qaboos University 2004 – 2007

*End of Board of Directors Term 25-11-2024

Dr. Saleh Hamad Saleh Al Shinifi, Independent Board Member *

Qualifications

- Ph.D. in Business Administration / Major Financial Accounting and Auditing, Florida Atlantic University, USA
- Master of Business Administration (MBA), Major in Accounting, Saint Louis University, USA
- Bachelor of Economics and Business (Accounting), King Saud University (KSU), The Kingdom of Saudi Arabia

Professional Experience

- Secretary General of SAAFAH Foundation & Member Board of Director, Riyadh, The Kingdom of Saudi Arabian from 2008 till date.
- Associate Professor of Accounting King Saud University Riyadh from 2003 to 2019.

*End of Board of Directors Term 25-11-2024

Mr. Waleed Khalid ALDhubaib, Non-Executive Board Member *

Qualifications

- Bachelor of Science in Finance from King Fahad University of Petroleum and Minerals 2002.

Professional Experience:

- Chief Retail Banking Officer Riyadh Bank From 2022 till date.
- EVP Branch Network & Sales Riyadh Bank From 2021 till 2022.
- Head Of Branch Network & Sales Banque Saudi Fransi From 2018 till 2021.
- Head Of Private Banking; Kingdom-Wide AL Rajhi Bank From 2016 till 2018.
- Head Of Affluent Banking; Kingdom-Wide Arab National Bank From 2015 till 2016.
- Area Manager Banque Saudi Fransi From 2013 till 2015.
- Priority Banking Department Head; Kingdom-Wide Banque Saudi Fransi From 2008 till 2013.
- King Abdulaziz Branch Manager Banque Saudi Fransi From 2007 till 2008.
- Commercial Relationship Officer Banque Saudi Fransi From 2005 till 2007
- Commercial Credit Analyst Banque Saudi Fransi From 2003 till 2005.

* Resigned on 12-12-2024G.

Dr. Abdullah Abdulrahman Al Shwer, Non-Executive Board Member

Qualifications

- Doctor of Philosophy in Business Administration (Ph.D.) Major: Investment & Finance Lubar School of Business University of Wisconsin, USA 2012.
- Master of Business Administration (MBA) Double Majors: Finance & MIS John Neff School of Business the University of Toledo, USA 2004.
- Bachelor of Administrative Sciences Major: Finance King Saud University 2000.

Professional Experience:

- Chief Executive Officer Riyadh Capital Co. From May 2023 Till Date.
- Chief Executive Officer & Managing Director Ashmore Investment Saudi Arabia from September 2017 till April 2023.
- Secretary General & CEO of Higher Education Fund, Saudi Arabia from January 2016 to September 2017.
- Chairman, Advisory Committee Capital Market Authority (CMA), Saudi Arabia from January 2017 till January 2018.
- Member, Advisory Committee Capital Market Authority (CMA), Saudi Arabia from January 2016 till January 2017.
- Advisor to the Minister of Education Ministry of Education, Saudi Arabia from February 2015 till January 2016.
- Investment Strategist Agricultural Development Fund (ADF), Saudi Arabia from October 2014 till January 2016.
- Investment Strategist at the Higher Commission for Endowments Ministry of Endowments, Saudi Arabia from August 2012 till January 2016.
- Chairman (two consecutive terms) Department of Finance, Business School King Saud University from August 2012 till September 2015.
- Assistant Professor of Investment & Finance Specializing in asset management, corporate finance, investments, and portfolio management Department of Finance, Business School King Saud University from August 2012 till September 2015.
- Lecturer of Finance Lubar School of Business University of Wisconsin from June 2009 till December 2010.
- Head of Accounts Payable Al shwer Real Estates Est. From December 1999 till December 2000.

Mr. Christopher Phillip Dooley, Non-Executive Board Member *

Qualification:

- Chartered Insurer - Chartered Insurance Institute, UK. 1995
- Bachelor of Arts (Honors) Degree in Business Studies (The Open University, UK) 1982
- Diploma in Direct Marketing (Institute of Direct Marketing UK) 1999
- Professional Certificate in Coaching - (Henley Business School) 2020

Professional Experience:

- Founder and Director, Execme Ltd, UK, Leadership Coaching & Consultancy. 2019 – Till date.
- Chief Executive Officer of the UAE and Bahrain & MD Middle East of Royal & Sun Alliance Insurance (Middle East), from 2011 up to 30 June 2019 retirement.
- CEO of RSA Insurance Hong Kong, from 2010 to 2011
- Director and Chief Executive Officer, Insurance Australia Group (Thailand), from 2005 to 2010
- Director & Chief Executive Officer, Royal & Sun Alliance Insurance (Thailand), from 2003 to 2005
- Director Corporate Partners, Customers & People, Asia, Royal & Sun Alliance Insurance Asia Regional Team, Singapore, from 1999 to 2002
- Regional Manager, Asia (Brokers & Customers), Royal & Sun Alliance Insurance Global Risks Asia, from 1997 to 1999
- Development Manager, Asia, Royal Insurance International Hong Kong, from 1995 to 1997

Other Positions:

- Non-Executive Board Member, Liva (UAE/Bahrain), Liva (Oman), and LIVA (KSA) 2013 till date
- Board Member of Royal & Sun Alliance Insurance (Middle East), a closed joint stock company in Bahrain operating in the insurance sector, since 2011 and Managing Director 2012-2019
- Chairman of Al Ahlia Insurance Company SAOG, a public listed joint stock company in Oman operating in the insurance sector, from October 2017 up to May 2020. Subsequently Non-Executive Director on the Board of Al Ahlia Insurance Co SAOG.

*End of Board of Directors Term 25-11-2024

Mr. Martin Rueegg, Non-Executive Board Member

Qualification:

- Academic Baccalaureate, Insurance Business Administration, Winterthur Business School- 1994 to 1997
- Chartered Public Accountant, Winterthur Business School – 1998- 2001

Professional Experience:

- Group Chief Executive Officer Liva Insurance Company from October 2022 till Date
- Acting Chief Executive Officer, Liva Insurance Company "KSA" from December 2022G till March 2023
- Regional Chief Executive Officer of Royal & Sun Alliance Insurance (Middle East), from September 2019 till October 2022
- Chief Executive Officer of AXA Corporate Solutions, Hong Kong from 2018 up to August 2019
- Managing Director AXA General Insurance Hong Kong Limited from 2018 up to August 2019
- Chief Executive Officer, AXA Insurance Thailand from 2013 to 2017
- Chief Business Officer, AXA Insurance Singapore from 2012 to 2013
- Chief Operating Officer, AXA Insurance Singapore from 2010 to 2012
- Chief Executive Officer, AXA Corporate Solutions, Hong Kong from 2007 to 2010
- Chief Executive officer, Swiss Pool for Aviation Insurance, Zurich from 2005 to 2007
- Managing Director, Customer Economical Organization, Winterthur from 2001 to 2004

Other Positions:

- Managing Director on the board of Royal & Sun Alliance Insurance (Middle East), a closed joint stock company in Bahrain operating in the insurance sector.
- Member of Board Investment Committee of Royal & Sun Alliance Insurance (Middle East).

Mr. Sanjay Kawatra, Non-Executive Board Member, Deputy Chairman *

Qualifications:

- Bachelor of Commerce Bhopal School of Science 1994
- Chartered Accountant Institute of Chartered Accountants 1998

Executive Experience:

- CEO - Strategic Businesses OMINVEST from April 2019 Till Date
- Partner and Assurance Leader - Oman and Qatar - EY MENA Ernst & Young from September 1998 till March 2019

Other Positions:

- Member of the Board of Directors of Alizz Islamic Bank from March 2022 Till Date
- Member of the Board of Directors of National Finance Company from June 2020 Till Date
- Member of the Board of Directors of National Finance House Company, from February 2021 Till Date
- Member of the Board of Directors of National Life and General Insurance SAOG, from March 2021 till date.

* Appointed as a Deputy chairman of the company on 30-12-2024G

Mr. Ali Mohamed Juma Al Lawati, Independent Board Member *

Qualifications:

- Bachelor of Mathematics and Statistics, Sultan Qaboos University / Oman, 1992
- Masters (MSc) in General Management, London Business School / London, 2017

Professional Experience:

- Founder & Managing Director Future Journey Company LLC - Muscat, Oman from 2019G Till Date
- Executive Chairman Al Arkan Construction LLC - Muscat, Oman from 2012G Till Date
- Founder & Managing Director Al Omnia Properties - Muscat, Oman from 1998G Till 2020G
- Chief Executive Officer Vision Investment Services SAOG - Muscat, Oman from 1998G Till 2020G

Other Positions:

- Member of the Board of Directors of Muscat Stock Exchange
- Chairman of the Board of Directors of Al Hassan Engineering Company
- Member of the Board of Directors of Oman Development Bank
- Chairman of the Board of Directors of Future Journey Company

* Appointed on 26-11-2024G

Mr. Noorur Rahman Abbas Ali Abid, Independent Board Member *

Qualifications:

- Bachelor of Accounting Finance, University of the Punjab, 1972
- FCA, Auditing Institute of Chartered Accountants in England 1976

Professional Experience:

- Head of Assurance Middle East & North Africa - Ernst & Young – MENA From 1999G to 2012G
- Managing Partner EY Bahrain Office - Ernst & Young – Bahrain from 1993G to 1999G
- Partner - Ernst & Young – Kuwait & Bahrain from 1987G to 1993G
- Supervisor to Senior Audit Manager - Ernst & Young – Jeddah Saudi Arabia from 1979G to 1986G
- Joined London office Audit Dept then transferred to Iran - KPMG – London & Iran from 1977G to 1999G

Other Positions:

- Member of Audit Committee and HR Committee of Kuwait Finance House
- Member of Audit Committee of Arcapita Bahrain
- Member of Audit Committee and HR Committee of Fakeeh Care Group - Saudi Arabia
- Member of Nomination Committee of AAOIFI Bahrain

* Appointed on 26-11-2024G

Mr. Addal Sawar, Non-Executive Board Member *

Qualifications:

- Bachelor of Science in Economics, Sultan Qaboos University, 1999
- Master of Business Administration, Duquesne University, Pittsburgh, USA, 2002
- PHD of Entrepreneurship / Entrepreneurial studies, Australia, Deakin University, Melbourne, 2010

Professional Experience:

- Group Chief Operating Officer (Liva Group) – Dubai, UAE From 2022G to Till Date
- CEO of the Public Authority for Privatization and Partnership – Oman from 2019G to 2021G
- CEO of the Omani Authority of Partnership and Development – Oman from 2015G to 2019G
- Head of the Department of Management, College of Economics and Political Science - Sultan Qaboos University, Oman, From 2011G to 2015G
- Co-Director of Academic Innovation Support Program - Sultan Qaboos University the Research Council, Oman, From 2012G to 2015G

* Appointed on 25-11-2024G

Dr. Dhafar Awadh Badar Al Shanfari, Non-Executive Board Member *

Qualifications:

- Bachelor of Accounting Finance, University of the Punjab, 1972
- FCA, Auditing Institute of Chartered Accountants in England 1976

Professional Experience:

- Head of Assurance Middle East & North Africa - Ernst & Young – MENA From 1999G to 2012G
- Managing Partner EY Bahrain Office - Ernst & Young – Bahrain from 1993G to 1999G
- Partner - Ernst & Young – Kuwait & Bahrain from 1987G to 1993G
- Supervisor to Senior Audit Manager - Ernst & Young – Jeddah Saudi Arabia from 1979G to 1986G
- Joined London office Audit Dept then transferred to Iran - KPMG – London & Iran from 1977G to 1999G

Other Positions:

- Board Member of Inayah TPA LLC
- Board Member of The First Mazon Fund
- Board Member of the National Finance Company SAOG

* Appointed on 26-11-2024G

Mr. Muneer Mohammed Salim Al Mughairy, Non-Executive Board Member *

Qualifications:

- Bachelor of Accounting, Yarmouk University – Jordan, 2008
- Master of Management, Strathclyde University, 2016

Professional Experience:

- Chief Audit Executive Oman International Development and Investment Company – Oman
- Internal Audit Manager Takamul Investment Company – Oman from 2009G till 20014G
- Lead Auditor Oman LNG LLC – Oman from 2008G till 2013G
- Internal Auditor Al-Maha Petroleum Products Marketing Company – Oman from 2007G till 2008G

Other Positions:

- Board member and Chairman of the Audit Committee Oman Electricity Transmission Company SAOC
- Board Member and Audit Committee Chairman Sultan Qaboos University Investment Group LLC
- Audit Committee Chairman Institute of Internal Auditors, Amman Branch (IIA Amman)

* Appointed on 26-11-2024G

Mr. Bander Abdulaziz Al Qubisy, Non-Executive Board Member *

Qualifications:

- Bachelor of Public Relations, King Saud University, 2002
- Masters (MSc) in Business Administration with concentration in Marketing Management Vancouver, Canada, 2006

Professional Experience:

- EVP Retail Products & Services, Riyadh Bank, from November 2022 Till Date
- Head of Business Assets & Consumer Assets, Saudi Fransi Bank from September 2019 till November 2022
- Head of Cards Business & Digital Payments, Alrajhi Bank, August 2016 till April 2019
- Senior Manager, Consumer Banking, Samba Financial Group, from July 2014 till August 2016
- Head of Prepaid Cards & Remittance, Saudi Investment Bank, from March 2013 till July 2014
- Head of Debit & Prepaid Cards, Alrajhi Bank, from January 2010 till March 2013
- Cards Product Manager, SABB, from November 2008 till December 2009
- Operation Manager – Credit Cards, SABB, from November 2006 till October 2007

* Appointed on 05-02-2025G

Mr. Bader Brahim Al Swailem, Independent Board Member, Chairman Audit Committee *

Qualifications:

- Bachelor of Accounting, King Saud University, Saudi Arabia.

Professional Experience:

- Chief Executive Officer & Deputy Chief Executive Officer at YANAL Finance Company, Associate company of ORIX Group Japan. 2015 - 2022
- Chief Executive Officer at Electronics & Systems Holding Company, Al Faisaliah Group. 2009 - 2014
- General Manager at Modern Electronics Company – SONY, Al Faisaliah Group. 2006 - 2009
- Group Financial Controller Al Faisaliah Group. 2002 – 2006

Memberships:

- Board Member and Chairman of the Audit Committee, Electrical Industries Company
- Chairman of the Audit Committee, Care Shield Holding Company
- Member of the Audit Committee, Feedco Investment Company
- Chairman of the Audit Committee, Zawaya Properties Company
- Board Member and Chairman of the Audit Committee, Liva Insurance Company
- Chairman of the Audit Committee, Arsan Arabia Company
- Member of the Audit Committee, MEFIC Capital
- Chairman of the Audit Committee, Vision Bank
- Board Member and Chairman of the Audit Committee, Raqamat Development and Investment Company
- Member of the Audit Committee, Sport Clubs Company
- Chairman of the Audit Committee, United Motors
- Chairman of the Audit Committee, Al-Basar for medical supplies
- Chairman of the Audit Committee, Meras Medical Holding Company

* Appointed as a chairman of the Audit Committee on 21-01-2025G

Mr. Ahmed Mohammed Turbush, Member of the Audit Committee "Non-Board Member" *

Qualifications:

- Bachelor of Accounting, King Abdulaziz University, Saudi Arabia.

Professional Experience:

- Group Chief Financial Officer, Tejoury CJSC. 2022 – present.
- Group Chief Financial Officer, Morni Holding Group. 2021 - 2022
- Chief Financial Officer (CFO), (MEDGULF). 2019 - 2021
- Financial controller, (MEDGULF). 2016 - 2019
- Chief Financial Officer (CFO), Alfadl Services Group. 2011 - 2015
- Audit Manager, UHY- Al Bassam CPA's & Consultants. 2004 – 2011

Memberships:

- Member of the Audit Committee, Liva Insurance Company

* Appointed as a member of the Audit Committee on 21-01-2025G

Mr. Riyadh Otibi Al Zahrani–, Member of the Audit Committee “Non-Board Member” *

Qualifications:

- Bachelor of Accounting, King Saud University, Riyadh, Saudi Arabia.

Professional Experience:

- Chief Executive Officer, Riyadh Bank. 2022 - 2023
- Chief Retail Banking Officer, Riyadh Bank. 2016 - 2022
- Executive Vice President, Business Support. Riyadh Bank. 2014 - 2016
- Executive Vice President, Operations, Riyadh Bank. 2011 - 2014
- Senior Vice President, Retail Banking Services, Riyadh Bank. 2008 - 2011
- Senior Vice President, Remote Banking, Riyadh Bank. 2000 - 2008
- Internet Banking Project Manager, Riyadh Bank. 2000 - 2002
- Retail Banking Financial Controller, Riyadh Bank. 1997 - 2000
- Senior Financial Analyst, Riyadh Bank. 1995 - 1997
- Financial Analyst, Riyadh Bank. 1993 - 1995

Memberships:

- Member of the Audit Committee, Liva Insurance Company
- Board Member and member of the Audit Committee, Liva Insurance Company, Mekyal Financial Tech
- Board Member and Chairman of the NRC Committee, Herfy Food Services Company
- Board Member and Chairman of the Risk Committee, Vision Bank
- Member of the Audit Committee, Vision Bank
- Member of the Executive Committee, Vision Bank

* Appointed as a member of the Audit Committee on 21-01-2025G

ix) Profiles of Management Team

Kamran Mazhar Jaffery

Date of birth: 22/03/1979

Nationality: Pakistani

Position: Chief Executive Officer (CEO)

Qualification:

- Executive MBA from HEC Paris, France, 2013.
- Bachelor of Arts in Economics from The University of Texas at Austin, USA, 2001.
- Chartered Insurance Institute London Diploma in Insurance, 2004.

Professional Experience:

- Chief Executive Officer of Liva Insurance, from March 2023 till date.
- Chief Executive Officer, Chubb Arabia Cooperative Insurance Co. Ltd, 2019
- Chief Operating Officer, Chubb Arabia Cooperative Insurance Co. Ltd, 2015
- Chief Operating Officer, Chubb Insurance Limited (Formerly ACE), 2013
- Property & Casualty Manager, Chubb Insurance Limited (Formerly ACE), 2002

Bader Attaalah Alenazi

Date of birth: 27/05/1979G

Nationality: Saudi

Position: Head of Regulatory Compliance and Board Secretary

Qualification:

- Diploma in Insurance Management, Bahrain Institute of Banking and Finance (BIBF), 2008

Professional Experience:

- Board Secretary at Liva Insurance from 02/2022 till date.
- Head of Regulatory Compliance at Liva Insurance from 09/2017 till date
- Head of Customer Care Department at Liva Insurance from 03/2017 to 09/2017
- Compliance Analyst & Complaints Manager at Liva Insurance from 01/2014 to 03/2017
- Claims Initiatives Manager - Motor & Casualty at Liva Insurance from 09/2011 to 12/2013
- Deputy Claims Manager - Motor at AXA for Cooperative Insurance from 04/2005 to 08/2011
- Customer Account Executive at ALJ- Abdul Latif Jameel Co. Ltd. from 01/1999 to 03/2005

Mohamed Mahmood AL Tooblani

Date of birth: 04/03/1989G

Nationality: Bahraini

Position: Chief Financial Officer (CFO)

Qualifications:

- Ahlia University – BSc - Accounting and Finance.
- ACCA qualified – Fundamental Level.

Professional Certification:

- Equivalent courses to Certification, Chartered Insurance Institute (CII) – 2011 attended in BIBF.
- IFRS 9 and 17 seminars and trainings
- Attended several VAT seminars and conferences.

Professional Experience:

- Chief Financial Officer Liva Insurance Company, CFO, from April 2023 till date.
- Chubb (ACE American Insurance Company Bahrain and Tunisia and Chubb Underwriting DIFC Ltd.), Finance Manager of 3 companies in (Bahrain, UAE and Tunisia), 2014
- AIG (Takaful Enaya and New Hampshire insurance company), Financial Controller of 2 entities in Bahrain, 2012
- AIG (Chartis Takaful Enaya B.S.C) Accountant, 2010.
- Elyaa Auditing and consulting – Auditor, 2008.

Fatima Mohammed Al Abri *

Date of birth: 14/11/1983G

Nationality: Bahraini

Position: Acting Head of Internal Audit

Qualification:

- B.S. in Accounting, University of Bahrain, 2006
- Certified Islamic Professional Accountant (CIPA), 2007.

Professional Experience:

- Acting Head of Internal Audit at Liva Insurance Company, from August 2024 till date
- Internal Auditor Tariq Ishaq AlKooheji and Sons W.L.L., from June 2021 till august 2022.
- Credit Control Manager, ACE American Insurance Company (CHUBB), from November 2013 till June 2021
- Senior Associate, PricewaterhouseCoopers, August 2006 till October 2013

* Appointed on 13-08-2024

Mohammed Mahmoud Ali

Date of birth: 21/02/1982G

Nationality: Saudi

Position: Head of Risk for KSA and ME

Qualification:

- Master of Risk Management Glasgow Caledonian University, UK 2011
- Bachelor of Industrial Engineering & Management Arab Academy for Science, Technology and Maritime Transport, Egypt 2006

Professional Certification:

- Chartered Insurance Institute (CII) Advanced Diploma Q4,2020
- Insurance Foundation Certificate Exam (IFCE) 2019

Professional Experience:

- Head of Risk for KSA and ME, Liva Insurance Company from June 2020 till date
- Chief Risk Officer (CRO), Gulf General Cooperative Insurance Company (GGI) from May 2019 to June 2020.
- Country Risk Manager, Ghassan Ahmed Al Sulaiman Furniture Trading Co. Ltd (IKEA KSA) from March 2015 to April 2019
- Risk Manager, Saudi Enaya Cooperative Insurance Company from July 2014 to February 2015
- Senior Risk Officer (Retail Banking Group) The National Commercial Bank (NCB) from September 2012 to June 2014
- Risk Control Officer (Consumer Finance), The National Commercial Bank (NCB) from October 2008 to November 2009
- Technical Services Engineer, Rabigh Arabian Water Electricity Company (RAWEC) from April 2007 to September 2008

Hamood Hassan AlAnazi

Date of birth: 07/09/1979G

Nationality: Saudi

Position: Claims Director

Qualifications:

- High School 1997

Professional Experience:

- Claims Director, Liva Insurance Company from December 2020 till date.
- Head of Motor Claims, Liva Insurance Company from July 2018 to November 2020.
- National Claim Technical Manager, Liva Insurance Company from November 2009 to June 2018.
- Customer Service Supervisor, KIA Motors from July 2007 to September 2009.
- Salesman, AlSaif Motors from February 2007 to June 2007.

Naif Munif AL Otaibi

Date of birth: 02/03/1989G

Nationality: Saudi

Position: IT Director

Qualifications:

- Bachelor of Technology: Technology Management from Northern Alberta Institute of Technology – Edmonton Canada, 2015.
- Digital Media & Information Technology: System Administration from Northern Alberta Institute of Technology – Edmonton Canada, 2010

Professional Experience:

- IT Manager, Liva Insurance Company, from August 2023 till date
- IT Department Manager, Alinma Tokyo Marine (ATMC), 2022
- IT Manager, Insurance House Company (IHC), 2016
- Intern - Project Manager, JV Driver Projects Inc, Leduc, CA, 2014

Abdulaziz Abdullah AL Rowais

Date of birth: 26/07/1979G

Nationality: Saudi

Position: Head of Customer Care Unit

Qualifications

- Bachelor's degree in industrial engineering, KSU, 2004
- Insurance Foundation Diploma, The Institute of Banking, 2007

Professional Experience:

- Head of Customer Care Unit, Liva Insurance Company, from March 2023 till date
- Senior Manager – Customer Care, Malath Insurance, 2017
- Senior Manager – Compliance, Malath Insurance, 2014
- Senior Manager – Motor Claims, Malath Insurance, 2012
- Support Unit Manager – Motor Claims, Malath Insurance, 2011
- Motor Claims Center Manager, Malath Insurance, 2010
- Claims Department, Claims Officer, SABB Takaful, 2008
- Claims Management Services – P&C, Claims Executive, Tawuniya (NCCI), 2006
- Investment Operations, SABB Bank, 2005
- Customer Service Executive, AXA Cooperative Insurance Company from February 2010 to September 2011

Mohammed Nasser Bin Suffayan

Date of birth: 29/06/1983G

Nationality: Saudi

Position: HR & Admin Director

Qualifications

- Diploma in Human Resources Practice (The Chartered Institute of Personnel and Development, CIPD) 2015
- Diploma in Professional Human Resources Management (Chamber of Commerce) 2009

Professional Experience:

- HR & Admin Director Liva Insurance Company from February 2022 till date
- GM HR & Admin Malath Insurance from November 2017 to January 2022
- HR Operations Manager Malath Insurance from June 2013 to October 2017
- Payroll & Payables Manager Al-Rajhi Takaful from February 2011 to June 2013
- Senior Payroll Executive Deutsche Gulf Finance from June 2010 to January 2010
- Senior HR Executive Malath Insurance from April 2008 to June 2010
- Accountant Tawuniya Insurance Company from March 2006 to April 2008
- Accountant Al-Racheed Engineering Office from October 2005 to March 2006

Meshal Abdulkadir AlMazro

Date of birth: 05/11/1988G

Nationality: Saudi

Position: Technical Director

Qualifications

- Master of Science, University of Limerick, Ireland December 2014.
- Bachelor of Science, University of Wisconsin, La Crosse, WI, USA June 2011

Professional Certification:

- Certificate in Insurance, CERT. CII, CII - UK 2015
- Certificate in Insurance, Award CII, CII - UK 2011
- The Lloyd's Market Saudi Insurance Professionals Development program Lloyd's of London - UK 2018
- Certified Professional Manager, Chartered Management Institute 2017
- Essential Management Skills for New Managers, Institute of Leadership and Management 2016
- Swiss Re Academy, P&C Reinsurance - Causality 2015/2016

Professional Experience:

- Technical Director Liva Insurance Company from March 2022 till date
- Technical Director, Arabia Insurance Cooperative Company from August 2021 till February 2022.
- Head of Business Corporate Centre (P&C Underwriting), Allianz Saudi Fransi from September 2019 till August 2021.
- Technical Manager Non-Motor, Arabia Insurance Cooperative Company from January 2017 till September 2019.
- Placement Talbot Underwriting), Lloyd's of London, London from September 2018 till November 2018.
- Assistant Technical Manager Non-Motor, Arabia Insurance Cooperative Company from January 2015 till December 2016.
- Senior Technical Manager Non-Motor, Arabia Insurance Cooperative Company from October 2014 till January 2015.
- Technical Insurance Supervisor Non-Motor, Arabia Insurance Cooperative Company from September 2012 till October 2014.
- Jr. Underwriting Executive - General Insurance, Takaful Al-Rajhi from August 2011 till September 2012

Rizwan Abdulaziz

Date of birth: 20/10/1977G

Nationality: Australian

Position: Head of Actuarial Department

Qualifications

- Bachelor of Commerce, Accounting / Commerce University of Karachi, Pakistan 2001

Professional Certification:

- Fellow of Society of Actuaries Actuarial Science, Society of actuaries USA 2004

Professional Experience:

- Head of Actuarial Department Liva Insurance Company from July 2022 till date
- Senior Consulting Actuary Milliman Consultancy, Dubai from September 2021 to June 2022.
- Senior Actuary, MetLife insurance company Sydney from August 2020 to August 2021.
- Senior Actuary - Life Corp TAL/ Asteron Life, Sydney from September 2017 to March 2020
- Product Actuary Manager, MLC Sydney from January 2014 to August 2017.
- Actuarial Director Taha Actuaries, Dubai UAE from May 2012 to November 2013.
- Senior Actuary Association Generali Dubai, UAE from November 2009 to May 2012.
- Regional Company Actuary FWU AG Dubai UAE from May 2008 to October 2009.
- Company Actuary SALAMA IAIC Dubai UAE from 2006 to May 2008.

Yousif Ahmed Al Qwaiz *

Date of birth: 08/05/1981G

Nationality: Saudi

Position: Sales & Marketing Director

Qualifications

- Oregon State University, USA, courses completed in: (English, Mathematics, Chemistry, Physics, Engineering, Digital Design and Logic.), 2001 – 2007 High School Diploma, King Faisal School, Riyadh, 1999

Professional Experience:

Acting Chief Sales Officer, Allianz SF, from January 2022 till 2024. Director of Key Accounts and Brokers, Allianz SF, from December 2020 till 2024. Broker Relations Country Manager, MedGulf, October 2018. COO, Masarat Insurance Brokers, September 2015. Brokers Regional Manager – Central, Tawuniya, June 2013. Brokers Supervisor – Central, Tawuniya, August 2010. Customer Relations Executive, Key Accounts, Tawuniya, January 2008.

* Appointed on 26-05-2024

For and on behalf of the Board of Directors

Dr. Tariq Abdullah AlNaeem
Chairman of the Board of Directors

Kamran Mazhar
Chief Executive Officer



Agenda Item No. 2
Auditors Report on the Company's account for
the fiscal year ending 31/12/2024G after
discussion.





Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company)

Opinion

We have audited the financial statements of LIVA Insurance Company - a Saudi Joint Stock Company ("the Company"), which comprise the statement of financial position as at 31 December 2024, and 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 International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in the Kingdom of Saudi Arabia").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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) that is endorsed in the Kingdom of Saudi Arabia (the "Code") that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirement. 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 judgement, 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 on the Audit of the Financial Statements (continued)

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of estimates of present value of cashflows and risk adjustment for non-financial risk - insurance contract liabilities</p> <p>As at 31 December 2024, the total estimate of the present value of cash flows, risk adjustment for non-financial risk and loss component amounts to Saudi Riyals 141 million, Saudi Riyals 5.2 million and Saudi Riyals 13.4 million, respectively, as further disclosed in Note 4 to the financial statements.</p> <p>The estimation of the liability for incurred claims involves a significant degree of judgement. This entails estimating the present value of future cash flows and the risk adjustment for non-financial risk. 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 around the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The present value of future cash flows 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, together with the related claims handling costs.</p> <p>Accordingly, the complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, such as claims cost and inflation, as well as the actuarial methodology that is applied and the assumptions on current and future events.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested key controls around the claims handling and provision setting processes. • Evaluated the competence, capabilities and objectivity of the management's appointed actuary based on their professional qualifications and experience and assessed their independence. • Performed substantive tests, on sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of the ultimate expected claims. • Assessed the integrity of data used as inputs into the actuarial valuations by testing, on sample basis, the accuracy of underlying claims data utilised by management's appointed actuary in estimating the present value of the future cashflows and the risk adjustment for non-financial risk and tracing it to the accounting and other records. • Engaged our internal actuarial specialists to assess the Company's methods and assumptions and evaluate the Company's actuarial practices and provisions established, including the actuarial report issued by management's appointed actuary, by performing the following:

Independent Auditors' Report on the Audit of the Financial Statements (continued)

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Due to the inherent estimation uncertainty and subjectivity involved in the assessment of the valuation of the liability for incurred claims arising from insurance contracts, along with these amounts being material, we have considered this as a key audit matter.</p> <p><i>Refer to notes 3(b)(i) for the accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company, involved in the initial recognition and subsequent measurement of insurance contract liabilities. Also, refer to note 6 for the movement in insurance contract liabilities.</i></p>	<p>i. Evaluated whether the actuarial methodologies adopted by the Company were consistent with generally accepted actuarial practices and with prior years. We sought justification for any significant differences; and</p> <p>ii. Assessed the appropriateness of key actuarial assumptions including expected loss ratios. We tested these assumptions by comparing them with the Company's historical experience and our own industry knowledge. We also performed reprojections of the present value of future cashflows using these assumptions and methods, and compared them with the amounts recorded by the management.</p> <ul style="list-style-type: none"> Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Other information

Those charged with governance (the "Board of Directors") are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report 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 when it becomes available 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.



Independent Auditors' Report on the Audit of the Financial Statements (continued)

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

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 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.



Independent Auditors' Report on the Audit of the Financial Statements (continued)

To the Shareholders of LIVIA Insurance Company (A Saudi Joint Stock Company) (continued)

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

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.



Independent Auditors' Report on the Audit of the Financial Statements (continued)
To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

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

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.

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.

**For PricewaterhouseCoopers
(Public Accountants)**

Khalid A. Mahdhar
License No. 368

**For RSM Allied Accountants
Professional Services**

Mohammed Farhan Bin Nader
License No. 435

Riyadh, Kingdom of Saudi Arabia
20 Shaban 1446H
19 February 2025





Agenda Item No. 3
Financial Statements for the fiscal year ending
31/12/2024G.



**LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2024

INDEX	PAGE
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Statement of financial position	8
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Statement of comprehensive income	10
Statement of changes in equity	11
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Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company)

Opinion

We have audited the financial statements of LIVA Insurance Company - a Saudi Joint Stock Company ("the Company"), which comprise the statement of financial position as at 31 December 2024, and 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 International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in the Kingdom of Saudi Arabia").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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) that is endorsed in the Kingdom of Saudi Arabia (the "Code") that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirement. 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 judgement, 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 on the Audit of the Financial Statements (continued)

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of estimates of present value of cashflows and risk adjustment for non-financial risk - insurance contract liabilities</p> <p>As at 31 December 2024, the total estimate of the present value of cash flows, risk adjustment for non-financial risk and loss component amounts to Saudi Riyals 141 million, Saudi Riyals 5.2 million and Saudi Riyals 13.4 million, respectively, as further disclosed in Note 4 to the financial statements.</p> <p>The estimation of the liability for incurred claims involves a significant degree of judgement. This entails estimating the present value of future cash flows and the risk adjustment for non-financial risk. 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 around the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The present value of future cash flows 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, together with the related claims handling costs.</p> <p>Accordingly, the complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, such as claims cost and inflation, as well as the actuarial methodology that is applied and the assumptions on current and future events.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested key controls around the claims handling and provision setting processes. • Evaluated the competence, capabilities and objectivity of the management's appointed actuary based on their professional qualifications and experience and assessed their independence. • Performed substantive tests, on sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of the ultimate expected claims. • Assessed the integrity of data used as inputs into the actuarial valuations by testing, on sample basis, the accuracy of underlying claims data utilised by management's appointed actuary in estimating the present value of the future cashflows and the risk adjustment for non-financial risk and tracing it to the accounting and other records. • Engaged our internal actuarial specialists to assess the Company's methods and assumptions and evaluate the Company's actuarial practices and provisions established, including the actuarial report issued by management's appointed actuary, by performing the following:

Independent Auditors' Report on the Audit of the Financial Statements (continued)

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Due to the inherent estimation uncertainty and subjectivity involved in the assessment of the valuation of the liability for incurred claims arising from insurance contracts, along with these amounts being material, we have considered this as a key audit matter.</p> <p><i>Refer to notes 3(b)(i) for the accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company, involved in the initial recognition and subsequent measurement of insurance contract liabilities. Also, refer to note 6 for the movement in insurance contract liabilities.</i></p>	<p>i. Evaluated whether the actuarial methodologies adopted by the Company were consistent with generally accepted actuarial practices and with prior years. We sought justification for any significant differences; and</p> <p>ii. Assessed the appropriateness of key actuarial assumptions including expected loss ratios. We tested these assumptions by comparing them with the Company's historical experience and our own industry knowledge. We also performed reprojections of the present value of future cashflows using these assumptions and methods, and compared them with the amounts recorded by the management.</p> <ul style="list-style-type: none"> Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Other information

Those charged with governance (the "Board of Directors") are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report 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 when it becomes available 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.

Independent Auditors' Report on the Audit of the Financial Statements (continued)

To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

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 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.

Independent Auditors' Report on the Audit of the Financial Statements (continued)

To the Shareholders of LIVIA Insurance Company (A Saudi Joint Stock Company) (continued)

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

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

Independent Auditors' Report on the Audit of the Financial Statements (continued)
To the Shareholders of LIVA Insurance Company (A Saudi Joint Stock Company) (continued)

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

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.

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.

**For PricewaterhouseCoopers
(Public Accountants)**



Khalid A. Mahdhar
License No. 368

**For RSM Allied Accountants
Professional Services**



Mohammed Farhan Bin Nader
License No. 435

Riyadh, Kingdom of Saudi Arabia
20 Shaban 1446H
19 February 2025



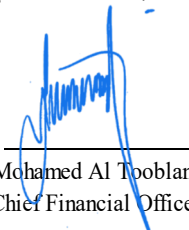
LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION

As at 31 December 2024


(All amounts in Saudi Riyals thousands unless otherwise stated)

		31 December 2024	31 December 2023 (Restated - Note 25)	1 January 2023 (Restated - Note 25)
	<u>Notes</u>			
ASSETS				
Bank balances and cash	5	85,512	105,128	37,424
Term deposits	6	358,573	340,345	477,911
Insurance contract assets	4.1	-	73	-
Reinsurance contract assets	4.2	145,661	59,263	66,534
Prepaid expenses and other assets	7	29,157	41,041	37,336
Investments	8	352,146	249,089	163,778
Due from related parties	9	1,074	52	14
Property and equipment	10	1,114	1,460	1,550
Intangible assets	10	1,783	714	1,772
Statutory deposit	11	39,993	39,985	39,986
Accrued income on statutory deposit	11	4,033	1,535	5,873
TOTAL ASSETS		1,019,046	838,685	832,178
LIABILITIES				
Accrued expenses and other liabilities	12	30,490	25,303	46,319
Insurance contract liabilities	4.1	344,985	317,063	315,989
Reinsurance contract liabilities	4.2	120,366	30,946	9,017
Due to related parties	9	12,007	4,420	16,290
Provision for end-of-service benefits	13	7,154	6,926	7,202
Provision for zakat and income tax	14	59,460	62,500	56,331
Accrued income payable on statutory deposit	11	4,033	1,535	5,873
TOTAL LIABILITIES		578,495	448,693	457,021
EQUITY				
Share capital	15	400,000	400,000	400,000
Statutory reserve	16	1,161	1,161	1,161
Accumulated losses		(22,387)	(55,148)	(66,406)
Investments fair value reserve	8.2	59,231	41,561	37,780
Re-measurement reserve for end-of-service benefits		2,546	2,418	2,622
TOTAL EQUITY		440,551	389,992	375,157
TOTAL LIABILITIES AND EQUITY		1,019,046	838,685	832,178
COMMITMENTS AND CONTINGENCIES	22			

The accompanying notes 1 to 27 form an integral part of these financial statements.


 Mohamed Al Tooblani
 Chief Financial Officer

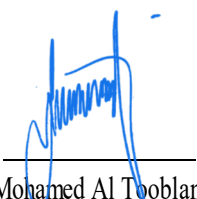

 Kamran Mazhar
 Chief Executive Officer


 Tariq Al Naeem
 Chairman


LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF INCOME
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	2024	2023 (Restated - Note 25)
Insurance revenue	4.1	446,127	513,629
Insurance service expenses	4.1	(350,552)	(433,353)
Net expenses from reinsurance contracts held	4.2	(68,425)	(86,688)
Net insurance service results from Company's direct written business		27,150	(6,412)
(Reversal) / share of surplus from insurance pools	17	(402)	19,917
Net insurance service results		26,748	13,505
Investment income on financial assets at amortised cost	8.3	31,235	24,931
Allowance for / (reversal of) expected credit losses on financial assets		(2)	11
Net investment results		31,233	24,942
Net finance expenses from insurance contracts	4.1	(2,517)	(7,024)
Net finance income from reinsurance contracts	4.2	517	3,460
Net insurance financial expenses		(2,000)	(3,564)
Net insurance and investment results		55,981	34,883
Other operating expenses	18	(22,503)	(17,456)
Net profit for the year attributable to the shareholders before zakat		33,478	17,427
Provision for zakat and tax	14	(717)	(6,169)
Net profit for the year attributable to the shareholders after zakat		32,761	11,258
Basic and diluted earnings per share (expressed in Saudi Riyals per share)	24	0.82	0.28

The accompanying notes 1 to 27 form an integral part of these financial statements.


 Mohamed Al Tooblani
 Chief Financial Officer

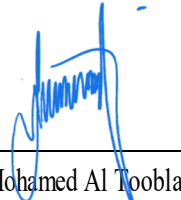

 Kamran Mazhar
 Chief Executive Officer


 Tariq Al Naeem
 Chairman


LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

	<u>Notes</u>	2024	2023 (Restated - Note 25)
Net profit for the year attributable to the shareholders after zakat		32,761	11,258
Other comprehensive income:			
<i>Items that will not be reclassified to statement of income in subsequent periods</i>			
Remeasurement gain / (loss) on end-of-service benefits	13	128	(204)
Equity investments at FVOCI – net change in fair value	8.2	17,670	3,781
Other comprehensive income for the year		17,798	3,577
Total comprehensive income for the year		50,559	14,835

The accompanying notes 1 to 27 form an integral part of these financial statements.


 Mohamed Al Tooblani
 Chief Financial Officer

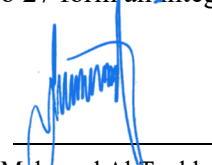

 Kamran Mazhar
 Chief Executive Officer



 Tariq Al Naeem
 Chairman


LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Accumulated losses	Investments fair value reserve	Actuarial gain on retirement benefit schemes	Total equity
2024						
Balance at 31 December 2023	400,000	1,161	(55,148)	41,561	2,418	389,992
Profit for the year after zakat	-	-	32,761	-	-	32,761
Other comprehensive income for the year	-	-	-	17,670	128	17,798
Total comprehensive income for the year	-	-	32,761	17,670	128	50,559
Balance at 31 December 2024	400,000	1,161	(22,387)	59,231	2,546	440,551
2023						
Balance at 31 December 2022	400,000	1,161	(66,251)	(4,109)	2,622	333,423
Adjustment on initial application of IFRS 9	-	-	(155)	41,889	-	41,734
Restated balance at 1 January 2023	400,000	1,161	(66,406)	37,780	2,622	375,157
Profit for the year after zakat	-	-	11,258	-	-	11,258
Other comprehensive income for the year	-	-	-	3,781	(204)	3,577
Total comprehensive income for the year	-	-	11,258	3,781	(204)	14,835
Balance at 31 December 2023	400,000	1,161	(55,148)	41,561	2,418	389,992

The accompanying notes 1 to 27 form an integral part of these financial statements.


 Mohamed Al Tooblani
 Chief Financial Officer

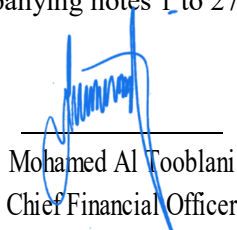

 Kamran Mazhar
 Chief Executive Officer

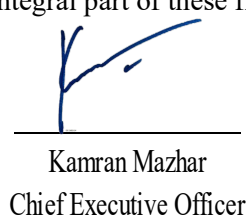

 Tariq Al Naeem
 Chairman

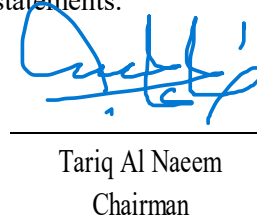
LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year attributable to the shareholders before zakat		33,478	17,427
<u>Adjustments for non-cash items:</u>			
Depreciation of property and equipment		1,108	1,003
Amortisation of intangible assets		263	1,149
Amortisation of premium on investments		2,031	270
Allowance for / (reversal of) expected credit losses on financial assets		2	(11)
Provision for end-of-service benefits		1,793	1,651
Investment income on financial assets at amortized costs		(31,235)	(24,931)
		<u>7,440</u>	<u>(3,442)</u>
<u>Changes in operating assets and liabilities:</u>			
Insurance contract assets		73	(73)
Insurance contract liabilities		27,922	1,074
Reinsurance contract assets		(86,398)	7,271
Reinsurance contract liabilities		89,420	21,929
Due from related parties		(1,022)	(38)
Prepaid expenses and other assets		11,884	(3,705)
Accrued expenses and other liabilities		(12,831)	(8,012)
Due to related parties		7,587	(11,870)
		<u>44,075</u>	<u>3,134</u>
Zakat paid	14	(3,757)	-
End-of-service benefits paid		(1,437)	(2,131)
Net cash generated from operating activities		<u>38,881</u>	<u>1,003</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Placements of term deposits		(1,307,094)	(1,001,288)
Proceeds from maturity of term deposits		1,312,742	1,130,175
Addition to intangible assets		(1,332)	(91)
Addition to property and equipment		(762)	(913)
Additions to investments carried at amortized costs		(96,397)	(131,957)
Proceeds from maturity of investments carried at amortized costs		11,026	54,000
Interest income received from financial assets carried at amortized cost		23,321	16,782
Net cash (used in) / generated from investing activities		<u>(58,496)</u>	<u>66,708</u>
Net changes in cash and cash equivalents		(19,615)	67,711
Cash and cash equivalents at the beginning of the year	5	104,454	36,743
Cash and cash equivalents at end of the year	5	<u>84,839</u>	<u>104,454</u>

The accompanying notes 1 to 27 form an integral part of these financial statements.


Mohamed Al Tooblani
Chief Financial Officer


Kamran Mazhar
Chief Executive Officer


Tariq Al Naeem
Chairman

LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 ORGANISATION AND PRINCIPAL ACTIVITIES

Liva Insurance Company is a Saudi joint stock Company registered on 29 Dhu-al Qu'dah, 1430H (17 November 2009) under commercial registration (CR) number 4030194978. The registered head office of the Company is in Riyadh under CR number of 1010287831 with branches in Jeddah (CR 4030194978) and Khobar (CR 2051042939). The registered address of the Company's head office is as follows:

Liva Insurance Company
8428 King Fahad Road, Al Muhammadiyah District
Grand Tower, Floor 20, P.O. Box: 6393
Riyadh 11442, Kingdom of Saudi Arabia

The activities of the Company are to transact cooperative insurance and reinsurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations in the Kingdom of Saudi Arabia. On 26 Dhu Al Hijjah, 1430H (13 December 2009), the Company received the license from the Insurance Authority to transact insurance business in the Kingdom of Saudi Arabia.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standard ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Company.

As required by the Insurance Implementing Regulations of Insurance Authority, the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Accordingly, assets, liabilities, revenues and expenses clearly attributable to either operations, are recorded in the respective accounts.

In preparing the Company's financial information in compliance with IFRS as endorsed in KSA, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealized gains and losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

The financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments measured at their FVOCI and liabilities for defined benefit obligations i.e., Employees' End Of Service Benefits ("EOSBs") recorded at the present value using the projected unit credit method and liability for incurred claims ("LIC") and assets for incurred claims ("AIC") recorded at the present value at the current discount rates. The Company's statement of financial position is presented in order of liquidity.

LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

2 BASIS OF PREPARATION (CONTINUED)

(b) Functional and presentation currency

The financial statements have been presented in Saudi Riyals ("SAR"), which is also the functional and presentation currency of the Company.

(c) Fiscal year

The Company follows a fiscal year ending December 31.

(d) Seasonality of operations

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

(e) Use of accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the reporting date and the reported amounts of revenue and expenses during the reporting year. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Insurance Contracts

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. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The measurement of these insurance contracts also requires significant judgement and estimates. These significant judgement and estimates include Risk Adjustment ("RA") and LIC – estimate of future cash flows. Refer to note 3 for further details.

ii) Fair value of financial instruments

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values. Refer note 19 for details.

2 BASIS OF PREPARATION (CONTINUED)

(e) Use of accounting judgments, estimates and assumptions (continued)

iii) Going Concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

iv) Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled Expected Credit Losses ("ECL") scenarios and the relevant inputs used. Refer to note 3 for further details.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are summarised below. These policies have been consistently applied to each of the years presented except new IFRS Accounting Standards, IFRIC interpretations and amendments thereof, adopted by the Company as explained below:

(a) New IFRS standards and amendments thereof, adopted by the Company

<u>Standard, interpretation and amendments</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities as current or non-current	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	It requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 7 and IFRS 7 Supplier finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company'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. No material impact is expected for the Company.	Annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year)

LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

(b) Standards issued but not yet effective

The Company has chosen not to early adopt the following new standards, which have been issued but not yet effective for the Company's accounting year beginning on or after January 1, 2025, and is currently assessing their impact:

<u>Standard, interpretation and amendments</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IFRS 10 and IAS 28	Amendments to IFRS 10 consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	The effective date of the amendments is yet to be set by The IASB.
Amendments to 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. No material impact is expected for the Company.	Annual periods beginning on or after 1 January 2025
IFRS 18 - Presentation and disclosure in financial statements	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	Annual reporting period beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 IFRS 17 - accounting policies, including key judgments and estimates

Level of aggregation

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e., by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- 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.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

For reinsurance contracts held, the Company distinguishes between different types of reinsurance arrangements when defining the terms 'similar risks' and 'managed together', as such below:

Reinsurance contracts - Treaty reinsurance

By the nature and definition of a reinsurance programme, similar risks are often already grouped in reinsurance contracts. Where reinsurance treaties cover different type of risks arising from multiple underlying contracts, the lowest level of aggregation for a portfolio aligns to the reinsurance structure at a treaty level. For the definition of 'portfolio', the reinsurance programme has been split to be aligned with corresponding gross insurance contract, to establish one-to-one mapping between gross group of contracts.

Reinsurance contracts - Non-treaty reinsurance

This covers a single underlying insurance contract or related insurance contracts and mirrors its coverage period and contract boundary. As with the underlying individual insurance contracts they cover, such reinsurance contracts can be grouped together with other reinsurance contracts (that are managed together and cover broadly similar risks) to form groups and portfolios. These reinsurance portfolios and groups would naturally align with the portfolios and groups of the underlying gross contracts.

Groups of reinsurance contracts held do not contain reinsurance contracts issued more than one year apart.

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 into 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 IFRS 17 - accounting policies, including key judgments and estimates (continued)

Initial recognition and subsequent measurement

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Liability for Remaining Coverage

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage ("LRC") is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows). The Company has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of LRC is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Company expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Company has chosen not to adjust LRC to reflect the time value of money and the effect of financial risk.

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 profit or loss and increases LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of LRC.

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.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid. For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- increased for ceding premiums paid in the period; and
- decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

Significant financing component

The Company has assessed its Liability for remaining coverage ("LRC") and Asset for remaining coverage ("ARC") and concluded that no significant financing component exists within LRC and ARC respectively. Therefore, the Company has not adjusted the carrying amount of the LRC and ARC to reflect the time value of money and the effect of financial risk using the discount rates.

Measurement Model Application and PAA Eligibility Assessment

The Company has calculated LRC and ARC for all groups of insurance contracts written and reinsurance contracts held, respectively, where the coverage period was more than one year. After calculating the liabilities / assets applying premium allocation approach ("PAA") and general measurement model ("GMM") approach respectively, the Company then checks for any material differences for the contracts with coverage period of more than one year. Since there were no material differences, the Company has opted for PAA approach across all its insurance and reinsurance contracts issued and reinsurance contracts held.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 IFRS 17 - accounting policies, including key judgments and estimates (continued)

Liability for Incurred Claims

For contracts measured under PAA, the LIC is measured similarly to the LIC's measurement under GMM. The Company estimates LIC and expenses as FCF related to incurred claims and expenses. FCF are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfills its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Company has disaggregated the change in risk adjustment for non – financial risk between the insurance service result and insurance finance income or expense.

The Company establishes insurance claim liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the balance sheet date, including claims incurred but not reported ("IBNR") and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Company. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by accident year, as well as claim type.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking into account all the uncertainties involved.

Discounting methodology

Insurance contract liabilities and reinsurance contracts assets are calculated by discounting expected future cash flows at a discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. The Company applied a bottom-up approach to derive the applicable yield curve when determining the discount rate, where the curve is based on the European Insurance and Occupational Pensions Authority ("EIOPA") volatility adjusted risk-free curve denominated in United States Dollars while applying certain adjustments for factors under IFRS 17. Discount rates applied for discounting of future cash flows are listed below:

Reporting date	1 year	3 year	5 year	10 year	20 year
31 December 2024	5.62%	5.50%	5.46%	5.51%	5.54%
31 December 2023	6.26%	5.22%	5.00%	4.95%	4.96%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value of claims.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines, as an indication of the compensation that it requires for bearing non-financial risk as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows.

The Company's appointed actuary supports in reviewing and providing recommendation with regards to the expected ultimate claims and the associated claims reserves. The Company booked reserves following the recommendation of the appointed actuary who is external and independent from the Company.

The methodology is based on a mix of results of Company's own experience variability and the Value at Risk ("VaR") approach. The appointed actuary calibrated the parameters of the distribution based on the experience and credibility of the historical data. To estimate the risk adjustment, Company used a method derived from the risk margin calculation methodology used in Solvency II.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 IFRS 17 - accounting policies, including key judgments and estimates (continued)

Insurance acquisition costs and directly attributable expenses

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts issued and that are directly attributable to a portfolio of insurance contracts.

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Company allocates the attributable costs based on a number of drivers.

Both acquisition and attributable expenses fall under the insurance service expense while the non-attributable expenses are reported under other operating expenses. The Company amortises the insurance acquisition expenses over the contract period.

Other operating expenses

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

Insurance revenue

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

Insurance revenue is adjusted with the amounts of expected premium receipts adjustment calculated on premiums not yet collected as at date of the statement of financial position. The computation is performed using IFRS 9 simplified approach to calculate Expected Credit Loss (ECL) allowance. The corresponding impact of this adjustment is recorded to LRC.

Insurance service expenses

Insurance service expense includes the following:

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

Onerous contract / loss component

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. A group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the statement of income in insurance service expense. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

Insurance finance income and expense / reinsurance finance income and expenses

Insurance / reinsurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts issued / reinsurance contracts held arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 IFRS 9 – accounting policies, including key judgments and estimates

Classification and measurement

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI").

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

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 interest 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.

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

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, then the financial assets are classified measured at FVTPL.

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 interest. 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 IFRS 9 – accounting policies, including key judgments and estimates (continued)

Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the application of those policies in practice.
- whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

The solely payments of principal and interest ("SPPI") test

As part of the classification process, the Company also assesses the contractual terms to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Based on these factors, the Company has classified its debt instruments as carried at amortised cost. These assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are not designated at FVTPL. The carrying amount of these assets is adjusted by any ECL. Interest income from these financial assets is included in 'commission income' using the effective interest rate ("EIR") method.

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.

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 the statement of income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. 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.

As at 31 December 2024, all the equity investments of the Company are classified at FVOCI.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 IFRS 9 – accounting policies, including key judgments and estimates (continued)

Subsequent measurement

Debt instrument at amortised cost

After initial measurement, financial assets are measured at amortised cost, using EIR method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR method. ECL is recognised in the statement of income and deducted from the gross carrying amount of an asset.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of income or statement of comprehensive income as the case may be.

Recognition of commission income

Under IFRS 9, the Company records commission income using the EIR method for all debt instruments measured at amortised cost.

Financial liabilities

The Company classifies its financial liabilities, other than financial guarantees if any, as measured at amortized cost. Amortized cost is calculated by considering any discount or premium and costs that are an integral part of EIR method. A liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of income. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

3.3 Bank balances and cash

Bank balances and cash comprise cash on hand and with banks and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Property and equipment

Property and equipment are initially recorded in the statement of financial position at cost. Subsequent measurement is carried out at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

	Years
- Furniture and fixtures	3
- Office equipment	3
- Motor vehicles	5

Residual values, useful lives and the methods of depreciation are reviewed and adjusted as appropriate at each financial year end. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable. The depreciation charge for the year is recognised in the statement of income on an actual basis. Similarly, impairment losses, if any, are recognised in the statement of income.

Expenditure for repairs and maintenance is charged to the statement of income. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Gain / loss on sale of fixtures, furniture and equipment and Right-of-use assets is included in statement of income.

3.5 Intangible assets

Separately acquired intangible assets (software) are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. The Company amortises intangible assets with a limited useful life using straight-line method over the following periods:

	Years
- IT development and software	3

3.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

3.7 Provision for end-of-service benefits

Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as it falls due. Re-measurement (actuarial gains / losses) as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of other comprehensive income.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Provisions, accrued expenses and other liabilities

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

3.9 Zakat

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat is computed on the Saudi shareholders' share of equity or net income using the basis defined under the Zakat regulations. Zakat is accrued on a quarterly basis and charge to the statement of income. Additional amounts, if any, are accounted for when determined to be required for payment.

3.10 Value Added Tax ("VAT")

Output VAT related to revenue is payable to tax authorities on the earlier of :

- (a) Collection of receivables from customers or
- (b) Delivery of services to customers.

Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales/services and purchases is recognized in the statement of financial position on a gross basis and disclosed separately as an asset and a liability. VAT that is not recoverable is charged to statement of income as expense.

3.11 Withholding Tax ("WHT")

The Company withholds taxes on certain transactions with non-resident parties as required under Saudi Arabian Income Tax Law.

3.12 Statutory reserve

The Company allocates 20% of its net income from shareholders operations each year to the statutory reserve until it has built up a reserve equal to the share capital, as mandated by Article 70(2)(g) of the Insurance Implementing Regulations issued by Insurance Authority. The reserve is not available for distribution.

3.13 Investment income

Investment income is recognised under effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

3.14 Income from pool arrangements

The Company participated in pool arrangement of Medical Umrah and General Accident Hajj and Umrah (the arrangement) which is managed by The Company for Cooperative Insurance. The Company does not have control over the arrangement and therefore does not account for this as a joint arrangement. The Company recognises its net share from the arrangement as '(Reversal) / share of surplus from insurance pools' in its statement of income.

3.15 Foreign currencies

The accounting records of the Company are maintained in SAR. Transactions in foreign currencies are recorded in SAR at the approximate rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate at the reporting date. All differences are taken to the statement of income.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 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 legally enforceable 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 liabilities simultaneously. Income and expenses are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

3.17 Operating segment

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. The Company has following reportable segments.

- i) Property - coverage against fire insurance, and any other insurance included under this class of insurance.
- ii) Motor - coverage for motor insurance and third party liability insurance for foreign vehicles arising through accidents.
- iii) Engineering - coverage for builder's risks, construction, mechanical, electrical, electronic, and machinery breakdown, and any other insurance included under this class of insurance.
- iv) Marine - coverage against losses and liability related to marine vessels and marine cargo.
- v) Group life - coverage for group life insurance.
- vi) Others - coverage against money insurance, fidelity guarantee insurance, business all risk insurance, business travel insurance and exhibition insurance. Liability provide general third-party liability, product liability, workmen's compensation/employer's liability, damages to motor vehicles after the manufacturer warranty expires and professional indemnity cover protecting the insured's legal liability arising out of acts of negligence during their business operations.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer that makes strategic decisions. No inter-segment transactions occurred during the year.

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4 INSURANCE AND REINSURANCE CONTRACTS

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - All portfolios

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	150,378	11,619	149,506	5,560	317,063	122,125	10,725	175,203	7,936	315,989
Opening insurance contract assets	(73)	-	-	-	(73)	-	-	-	-	-
Net opening balance	150,305	11,619	149,506	5,560	316,990	122,125	10,725	175,203	7,936	315,989
Insurance revenue	(446,127)	-	-	-	(446,127)	(513,629)	-	-	-	(513,629)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	299,167	4,220	303,387	-	-	376,960	3,922	380,882
Losses on onerous contracts and reversal of those losses	-	1,771	-	-	1,771	-	894	-	-	894
Changes that relate to past service - adjustments to the LIC	-	-	(37,041)	(4,935)	(41,976)	-	-	(27,745)	(6,695)	(34,440)
Amortisation of insurance acquisition cash flows	87,370	-	-	-	87,370	86,017	-	-	-	86,017
Insurance service expenses	87,370	1,771	262,126	(715)	350,552	86,017	894	349,215	(2,773)	433,353
Insurance service result	(358,757)	1,771	262,126	(715)	(95,575)	(427,612)	894	349,215	(2,773)	(80,276)
Net finance expenses from insurance contracts	-	-	2,170	347	2,517	-	-	6,627	397	7,024
<i>Cash flows:</i>										
Premiums received	462,272	-	-	-	462,272	515,773	-	-	-	515,773
Claims and other directly attributable expenses paid	-	-	(272,719)	-	(272,719)	-	-	(381,539)	-	(381,539)
Insurance acquisition cash flows	(68,500)	-	-	-	(68,500)	(59,981)	-	-	-	(59,981)
Total cash flows	393,772	-	(272,719)	-	121,053	455,792	-	(381,539)	-	74,253
Closing insurance contract liabilities	185,320	13,390	141,083	5,192	344,985	150,378	11,619	149,506	5,560	317,063
Closing insurance contract assets	-	-	-	-	-	(73)	-	-	-	(73)
Closing net insurance contract liabilities	185,320	13,390	141,083	5,192	344,985	150,305	11,619	149,506	5,560	316,990

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - Property

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	(3,115)	-	16,898	610	14,393	8,423	-	15,239	579	24,241
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	(3,115)	-	16,898	610	14,393	8,423	-	15,239	579	24,241
Insurance revenue	(72,435)	-	-	-	(72,435)	(58,944)	-	-	-	(58,944)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	25,032	938	25,970	-	-	15,197	440	15,637
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(3,204)	(487)	(3,691)	-	-	2,543	(436)	2,107
Amortisation of insurance acquisition cash flows	10,123	-	-	-	10,123	5,932	-	-	-	5,932
Insurance service expenses	10,123	-	21,828	451	32,402	5,932	-	17,740	4	23,676
Insurance service result	(62,312)	-	21,828	451	(40,033)	(53,012)	-	17,740	4	(35,268)
Net finance expenses from insurance contracts	-	-	305	38	343	-	-	560	27	587
<i>Cash flows:</i>										
Premiums received	83,779	-	-	-	83,779	46,394	-	-	-	46,394
Claims and other directly attributable expenses paid	-	-	(8,627)	-	(8,627)	-	-	(16,641)	-	(16,641)
Insurance acquisition cash flows	(10,861)	-	-	-	(10,861)	(4,920)	-	-	-	(4,920)
Total cash flows	72,918	-	(8,627)	-	64,291	41,474	-	(16,641)	-	24,833
Closing insurance contract liabilities	7,491	-	30,404	1,099	38,994	(3,115)	-	16,898	610	14,393
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing net insurance contract liabilities	7,491	-	30,404	1,099	38,994	(3,115)	-	16,898	610	14,393

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - Motor

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	151,172	11,619	86,842	2,769	252,402	123,925	10,725	67,866	2,251	204,767
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	151,172	11,619	86,842	2,769	252,402	123,925	10,725	67,866	2,251	204,767
Insurance revenue	(278,509)	-	-	-	(278,509)	(369,579)	-	-	-	(369,579)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	221,843	1,300	223,143	-	-	318,298	2,596	320,894
Losses on onerous contracts and reversal of those losses	-	1,771	-	-	1,771	-	894	-	-	894
Changes that relate to past service - adjustments to the LIC	-	-	(23,642)	(2,875)	(26,517)	-	-	(4,712)	(2,205)	(6,917)
Amortisation of insurance acquisition cash flows	63,704	-	-	-	63,704	68,478	-	-	-	68,478
Insurance service expenses	63,704	1,771	198,201	(1,575)	262,101	68,478	894	313,586	391	383,349
Insurance service result	(214,805)	1,771	198,201	(1,575)	(16,408)	(301,101)	894	313,586	391	13,770
Net finance expenses from insurance contracts	-	-	1,474	173	1,647	-	-	2,533	127	2,660
<i>Cash flows:</i>										
Premiums received	230,159	-	-	-	230,159	374,943	-	-	-	374,943
Claims and other directly attributable expenses paid	-	-	(235,809)	-	(235,809)	-	-	(297,143)	-	(297,143)
Insurance acquisition cash flows	(42,370)	-	-	-	(42,370)	(46,595)	-	-	-	(46,595)
Total cash flows	187,789	-	(235,809)	-	(48,020)	328,348	-	(297,143)	-	31,205
Closing insurance contract liabilities	124,156	13,390	50,708	1,367	189,621	151,172	11,619	86,842	2,769	252,402
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing net insurance contract liabilities	124,156	13,390	50,708	1,367	189,621	151,172	11,619	86,842	2,769	252,402

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - Engineering

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	5,309	-	6,189	242	11,740	1,613	-	3,934	156	5,703
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	5,309	-	6,189	242	11,740	1,613	-	3,934	156	5,703
Insurance revenue	(19,698)	-	-	-	(19,698)	(13,646)	-	-	-	(13,646)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	3,196	136	3,332	-	-	5,138	156	5,294
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(2,696)	(212)	(2,908)	-	-	269	(82)	187
Amortisation of insurance acquisition cash flows	4,480	-	-	-	4,480	3,624	-	-	-	3,624
Insurance service expenses	4,480	-	500	(76)	4,904	3,624	-	5,407	74	9,105
Insurance service result	(15,218)	-	500	(76)	(14,794)	(10,022)	-	5,407	74	(4,541)
Net finance expenses from insurance contracts	-	-	133	15	148	-	-	204	12	216
<i>Cash flows:</i>										
Premiums received	31,320	-	-	-	31,320	16,669	-	-	-	16,669
Claims and other directly attributable expenses paid	-	-	(2,050)	-	(2,050)	-	-	(3,356)	-	(3,356)
Insurance acquisition cash flows	(5,657)	-	-	-	(5,657)	(2,951)	-	-	-	(2,951)
Total cash flows	25,663	-	(2,050)	-	23,613	13,718	-	(3,356)	-	10,362
Closing insurance contract liabilities	15,754	-	4,772	181	20,707	5,309	-	6,189	242	11,740
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing net insurance contract liabilities	15,754	-	4,772	181	20,707	5,309	-	6,189	242	11,740

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - Marine

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	(3,493)	-	9,930	393	6,830	(3,118)	-	6,444	254	3,580
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	(3,493)	-	9,930	393	6,830	(3,118)	-	6,444	254	3,580
Insurance revenue	(19,259)	-	-	-	(19,259)	(14,999)	-	-	-	(14,999)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	23,293	729	24,022	-	-	8,863	298	9,161
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(3,415)	(368)	(3,783)	-	-	57	(171)	(114)
Amortisation of insurance acquisition cash flows	4,037	-	-	-	4,037	2,535	-	-	-	2,535
Insurance service expenses	4,037	-	19,878	361	24,276	2,535	-	8,920	127	11,582
Insurance service result	(15,222)	-	19,878	361	5,017	(12,464)	-	8,920	127	(3,417)
Net finance expenses from insurance contracts	-	-	205	25	230	-	-	221	12	233
<i>Cash flows:</i>										
Premiums received	21,711	-	-	-	21,711	13,747	-	-	-	13,747
Claims and other directly attributable expenses paid	-	-	(10,681)	-	(10,681)	-	-	(5,655)	-	(5,655)
Insurance acquisition cash flows	(3,413)	-	-	-	(3,413)	(1,658)	-	-	-	(1,658)
Total cash flows	18,298	-	(10,681)	-	7,617	12,089	-	(5,655)	-	6,434
Closing insurance contract liabilities	(417)	-	19,332	779	19,694	(3,493)	-	9,930	393	6,830
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing net insurance contract liabilities	(417)	-	19,332	779	19,694	(3,493)	-	9,930	393	6,830

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - Group Life

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	(6,354)	-	26,748	1,476	21,870	(18,041)	-	79,023	4,613	65,595
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	(6,354)	-	26,748	1,476	21,870	(18,041)	-	79,023	4,613	65,595
Insurance revenue	(31,416)	-	-	-	(31,416)	(38,743)	-	-	-	(38,743)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	23,388	1,042	24,430	-	-	28,086	412	28,498
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(1,937)	(892)	(2,829)	-	-	(25,662)	(3,764)	(29,426)
Amortisation of insurance acquisition cash flows	206	-	-	-	206	3,152	-	-	-	3,152
Insurance service expenses	206	-	21,451	150	21,807	3,152	-	2,424	(3,352)	2,224
Insurance service result	(31,210)	-	21,451	150	(9,609)	(35,591)	-	2,424	(3,352)	(36,519)
Net finance expenses from insurance contracts	-	-	(25)	92	67	-	-	3,052	215	3,267
<i>Cash flows:</i>										
Premiums received	73,654	-	-	-	73,654	50,270	-	-	-	50,270
Claims and other directly attributable expenses paid	-	-	(14,178)	-	(14,178)	-	-	(57,751)	-	(57,751)
Insurance acquisition cash flows	(494)	-	-	-	(494)	(2,992)	-	-	-	(2,992)
Total cash flows	73,160	-	(14,178)	-	58,982	47,278	-	(57,751)	-	(10,473)
Closing insurance contract liabilities	35,596	-	33,996	1,718	71,310	(6,354)	-	26,748	1,476	21,870
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing net insurance contract liabilities	35,596	-	33,996	1,718	71,310	(6,354)	-	26,748	1,476	21,870

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.1 Analysis by remaining coverage and incurred claims for insurance contracts - Others

	31 December 2024					31 December 2023 (Restated)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Insurance contracts issued:</i>										
Opening insurance contract liabilities	6,859	-	2,899	70	9,828	9,323	-	2,697	83	12,103
Opening insurance contract assets	(73)	-	-	-	(73)	-	-	-	-	-
Net opening balance	6,786	-	2,899	70	9,755	9,323	-	2,697	83	12,103
Insurance revenue	(24,810)	-	-	-	(24,810)	(17,718)	-	-	-	(17,718)
<i>Insurance service expenses:</i>										
Incurred claims and other directly attributable expenses	-	-	2,415	75	2,490	-	-	1,378	20	1,398
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(2,147)	(101)	(2,248)	-	-	(240)	(37)	(277)
Amortisation of insurance acquisition cash flows	4,820	-	-	-	4,820	2,296	-	-	-	2,296
Insurance service expenses	4,820	-	268	(26)	5,062	2,296	-	1,138	(17)	3,417
Insurance service result	(19,990)	-	268	(26)	(19,748)	(15,422)	-	1,138	(17)	(14,301)
Net finance expenses from insurance contracts	-	-	78	4	82	-	-	57	4	61
<i>Cash flows:</i>										
Premiums received	21,649	-	-	-	21,649	13,750	-	-	-	13,750
Claims and other directly attributable expenses paid	-	-	(1,374)	-	(1,374)	-	-	(993)	-	(993)
Insurance acquisition cash flows	(5,705)	-	-	-	(5,705)	(865)	-	-	-	(865)
Total cash flows	15,944	-	(1,374)	-	14,570	12,885	-	(993)	-	11,892
Closing insurance contract liabilities	2,740	-	1,871	48	4,659	6,859	-	2,899	70	9,828
Closing insurance contract assets	-	-	-	-	-	(73)	-	-	-	(73)
Closing net insurance contract liabilities	2,740	-	1,871	48	4,659	6,786	-	2,899	70	9,755

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - All portfolios

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	(36,714)	-	(20,949)	(1,600)	(59,263)	10,347	-	(72,346)	(4,535)	(66,534)
Opening reinsurance contract liabilities	39,841	-	(8,402)	(493)	30,946	14,936	-	(5,648)	(271)	9,017
Net opening balance	3,127	-	(29,351)	(2,093)	(28,317)	25,283	-	(77,994)	(4,806)	(57,517)
<i>Allocation of reinsurance premium paid</i>	95,929	-	-	-	95,929	101,707	-	-	-	101,707
Claims recovered and other directly attributable expenses	-	-	(35,073)	(1,678)	(36,751)	-	-	(32,701)	(672)	(33,373)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	7,598	1,649	9,247	-	-	14,739	3,615	18,354
Net expense / (income) from reinsurance contracts held	95,929	-	(27,475)	(29)	68,425	101,707	-	(17,962)	2,943	86,688
Net finance income from reinsurance contracts	-	-	(386)	(131)	(517)	-	-	(3,230)	(230)	(3,460)
<i>Cash flows:</i>										
Premiums paid	(78,280)	-	-	-	(78,280)	(123,863)	-	-	-	(123,863)
Amounts received	-	-	13,394	-	13,394	-	-	69,835	-	69,835
Total cash flows	(78,280)	-	13,394	-	(64,886)	(123,863)	-	69,835	-	(54,028)
Closing reinsurance contract assets	(108,630)	-	(35,152)	(1,879)	(145,661)	(36,714)	-	(20,949)	(1,600)	(59,263)
Closing reinsurance contract liabilities	129,406	-	(8,666)	(374)	120,366	39,841	-	(8,402)	(493)	30,946
Net closing balance	20,776	-	(43,818)	(2,253)	(25,295)	3,127	-	(29,351)	(2,093)	(28,317)

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Property

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	(6,848)	-	(1,601)	(119)	(8,568)	(14,564)	-	(5,642)	(270)	(20,476)
Opening reinsurance contract liabilities	20,435	-	(3,335)	(182)	16,918	8,641	-	(5,645)	(271)	2,725
Net opening balance	13,587	-	(4,936)	(301)	8,350	(5,923)	-	(11,287)	(541)	(17,751)
 Allocation of reinsurance premium paid	 40,004	 -	 -	 -	 40,004	 43,939	 -	 -	 -	 43,939
<i>Amounts recoverable from reinsurers</i>										
Claims recovered and other directly attributable expenses	-	-	(7,586)	(336)	(7,922)	-	-	(3,282)	(116)	(3,398)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	2,356	374	2,730	-	-	(4,747)	383	(4,364)
Net expense / (income) from reinsurance contracts held	40,004	-	(5,230)	38	34,812	43,939	-	(8,029)	267	36,177
 Net finance income from reinsurance contracts	 -	 -	 (256)	 (19)	 (275)	 -	 -	 (527)	 (27)	 (554)
<i>Cash flows:</i>										
Premiums paid	(12,366)	-	-	-	(12,366)	(24,429)	-	-	-	(24,429)
Amounts received	-	-	3,864	-	3,864	-	-	14,907	-	14,907
Total cash flows	(12,366)	-	3,864	-	(8,502)	(24,429)	-	14,907	-	(9,522)
Closing reinsurance contract assets	(11,289)	-	1,051	40	(10,198)	(6,848)	-	(1,601)	(119)	(8,568)
Closing reinsurance contract liabilities	52,514	-	(7,609)	(322)	44,583	20,435	-	(3,335)	(182)	16,918
Net closing balance	41,225	-	(6,558)	(282)	34,385	13,587	-	(4,936)	(301)	8,350

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Motor

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	(2,752)	-	14	-	(2,738)	-	-	8	-	8
Opening reinsurance contract liabilities	5,881	-	50	-	5,931	3,745	-	-	-	3,745
Net opening balance	3,129	-	64	-	3,193	3,745	-	8	-	3,753
<i>Allocation of reinsurance premium paid</i>	2,803	-	-	-	2,803	7,861	-	-	-	7,861
<i>Amounts recoverable from reinsurers</i>										
Claims recovered and other directly attributable expenses	-	-	272	-	272	-	-	(2,965)	-	(2,965)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	7	-	7	-	-	-	-	-
Net expense / (income) from reinsurance contracts held	2,803	-	279	-	3,082	7,861	-	(2,965)	-	4,896
Net finance income from reinsurance contracts	-	-	-	-	-	-	-	-	-	-
<i>Cash flows:</i>										
Premiums paid	(3,338)	-	-	-	(3,338)	(8,477)	-	-	-	(8,477)
Amounts received	-	-	(268)	-	(268)	-	-	3,021	-	3,021
Total cash flows	(3,338)	-	(268)	-	(3,606)	(8,477)	-	3,021	-	(5,456)
Closing reinsurance contract assets	(235)	-	-	-	(235)	(2,752)	-	14	-	(2,738)
Closing reinsurance contract liabilities	2,829	-	75	-	2,904	5,881	-	50	-	5,931
Net closing balance	2,594	-	75	-	2,669	3,129	-	64	-	3,193

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Engineering

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	(794)	-	547	(1)	(248)	(1,520)	-	(2,467)	(129)	(4,116)
Opening reinsurance contract liabilities	5,103	-	(2,963)	(175)	1,965	552	-	-	-	552
Net opening balance	4,309	-	(2,416)	(176)	1,717	(968)	-	(2,467)	(129)	(3,564)
<i>Allocation of reinsurance premium paid</i>	7,238	-	-	-	7,238	5,772	-	-	-	5,772
<i>Amounts recoverable from reinsurers</i>										
Claims recovered and other directly attributable expenses	-	-	(808)	(44)	(852)	-	-	(2,644)	(75)	(2,719)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	751	159	910	-	-	321	38	359
Net expense / (income) from reinsurance contracts held	7,238	-	(57)	115	7,296	5,772	-	(2,323)	(37)	3,412
Net finance income from reinsurance contracts	-	-	(52)	(11)	(63)	-	-	(167)	(10)	(177)
<i>Cash flows:</i>										
Premiums paid	(7,236)	-	-	-	(7,236)	(495)	-	-	-	(495)
Amounts received	-	-	987	-	987	-	-	2,541	-	2,541
Total cash flows	(7,236)	-	987	-	(6,249)	(495)	-	2,541	-	2,046
Closing reinsurance contract assets	(36,480)	-	(944)	(45)	(37,469)	(794)	-	547	(1)	(248)
Closing reinsurance contract liabilities	40,791	-	(594)	(27)	40,170	5,103	-	(2,963)	(175)	1,965
Net closing balance	4,311	-	(1,538)	(72)	2,701	4,309	-	(2,416)	(176)	1,717

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Marine

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	-	-	-	-	-	(2,558)	-	(4,284)	(224)	(7,066)
Opening reinsurance contract liabilities	7,264	-	(2,208)	(132)	4,924	777	-	-	-	777
Net opening balance	7,264	-	(2,208)	(132)	4,924	(1,781)	-	(4,284)	(224)	(6,289)
<i>Allocation of reinsurance premium paid</i>	15,777	-	-	-	15,777	3,723	-	-	-	3,723
<i>Amounts recoverable from reinsurers</i>										
Claims recovered and other directly attributable expenses	-	-	(13,964)	(637)	(14,601)	-	-	(2,238)	(67)	(2,305)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	848	114	962	-	-	848	169	1,017
Net expense / (income) from reinsurance contracts held	15,777	-	(13,116)	(523)	2,138	3,723	-	(1,390)	102	2,435
Net finance income from reinsurance contracts	-	-	(43)	(8)	(51)	-	-	(168)	(10)	(178)
<i>Cash flows:</i>										
Premiums paid	(5,691)	-	-	-	(5,691)	5,322	-	-	-	5,322
Amounts received	-	-	997	-	997	-	-	3,634	-	3,634
Total cash flows	(5,691)	-	997	-	(4,694)	5,322	-	3,634	-	8,956
Closing reinsurance contract assets	11,998	-	(13,832)	(638)	(2,472)	-	-	-	-	-
Closing reinsurance contract liabilities	5,352	-	(538)	(25)	4,789	7,264	-	(2,208)	(132)	4,924
Net closing balance	17,350	-	(14,370)	(663)	2,317	7,264	-	(2,208)	(132)	4,924

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Group Life

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	(796)	-	(20,213)	(1,477)	(22,486)	42,104	-	(59,742)	(3,897)	(21,535)
Opening reinsurance contract liabilities	280	-	24	-	304	507	-	-	-	507
Net opening balance	(516)	-	(20,189)	(1,477)	(22,182)	42,611	-	(59,742)	(3,897)	(21,028)
<i>Allocation of reinsurance premium paid</i>	18,392	-	-	-	18,392	28,711	-	-	-	28,711
<i>Amounts recoverable from reinsurers</i>										
Claims recovered and other directly attributable expenses	-	-	(13,349)	(661)	(14,010)	-	-	(21,744)	(410)	(22,154)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	2,895	973	3,868	-	-	17,880	3,012	20,892
Net expense / (income) from reinsurance contracts held	18,392	-	(10,454)	312	8,250	28,711	-	(3,864)	2,602	27,449
Net finance income from reinsurance contracts	-	-	(16)	(93)	(109)	-	-	(2,408)	(182)	(2,590)
<i>Cash flows:</i>										
Premiums paid	(33,419)	-	-	-	(33,419)	(71,838)	-	-	-	(71,838)
Amounts received	-	-	8,826	-	8,826	-	-	45,825	-	45,825
Total cash flows	(33,419)	-	8,826	-	(24,593)	(71,838)	-	45,825	-	(26,013)
Closing reinsurance contract assets	(42,635)	-	(21,833)	(1,258)	(65,726)	(796)	-	(20,213)	(1,477)	(22,486)
Closing reinsurance contract liabilities	27,092	-	-	-	27,092	280	-	24	-	304
Net closing balance	(15,543)	-	(21,833)	(1,258)	(38,634)	(516)	-	(20,189)	(1,477)	(22,182)

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4 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Others

	31 December 2024					31 December 2023				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>Reinsurance contracts held:</i>										
Opening reinsurance contract assets	(25,524)	-	304	(3)	(25,223)	(13,115)	-	(219)	(15)	(13,349)
Opening reinsurance contract liabilities	878	-	30	(4)	904	714	-	(3)	-	711
Net opening balance	(24,646)	-	334	(7)	(24,319)	(12,401)	-	(222)	(15)	(12,638)
<i>Allocation of reinsurance premium paid</i>	11,715	-	-	-	11,715	11,701	-	-	-	11,701
<i>Amounts recoverable from reinsurers</i>										
Claims recovered and other directly attributable expenses	-	-	362	-	362	-	-	172	(4)	168
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	741	29	770	-	-	437	13	450
Net expense / (income) from reinsurance contracts held	11,715	-	1,103	29	12,847	11,701	-	609	9	12,319
Net finance income from reinsurance contracts	-	-	(19)	-	(19)	-	-	40	(1)	39
<i>Cash flows:</i>										
Premiums paid	(16,230)	-	-	-	(16,230)	(23,946)	-	-	-	(23,946)
Amounts received	-	-	(1,012)	-	(1,012)	-	-	(93)	-	(93)
Total cash flows	(16,230)	-	(1,012)	-	(17,242)	(23,946)	-	(93)	-	(24,039)
Closing reinsurance contract assets	(29,989)	-	406	22	(29,561)	(25,524)	-	304	(3)	(25,223)
Closing reinsurance contract liabilities	828	-	-	-	828	878	-	30	(4)	904
Net closing balance	(29,161)	-	406	22	(28,733)	(24,646)	-	334	(7)	(24,319)

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5. BANK BALANCES AND CASH

Bank balances and cash comprise of the following:

	31 December 2024	31 December 2023
Bank balances	60,663	58,018
Short term deposits (note 5.1)	24,000	46,385
Cash on hand	14	10
Accrued income on short term deposits	162	41
Cash and cash equivalents in statement of cashflows	84,839	104,454
Deposits against letters of guarantee (note 5.2)	700	700
	85,539	105,154
Less: ECL allowance (note 5.3)	(27)	(26)
Total bank balances and cash	85,512	105,128

5.1 The deposits are held with banks and financial institutions (with sound credit ratings between A+ to A-) registered with the Capital Market Authority in the Kingdom of Saudi Arabia. These deposits are denominated in Saudi riyals and have an original maturity of less than three months from the date of original placement. The average yield on these deposits is 5.5% p.a. (2023: 4.5% p.a.).

5.2 The Company holds an amount of SAR 0.7 million (2023: SAR 0.7 million) in the statement of financial position as letters of guarantee in favor of the Company's service providers.

5.3 Charge on ECL allowance is SAR 1 thousand for bank balances during the year (2023: SAR 26 thousand).

6. TERM DEPOSITS

Term deposits are placed with counterparties (with sound credit ratings between A+ to A-) with a maturity from more than three-month to more than one year from the date of original placement and earn investment income at weighted average of 5.7% p.a. (2023: 5.5% p.a.).

	31 December 2024	31 December 2023
Term deposits	352,920	336,183
Accrued investment income	5,691	4,205
Less: ECL allowance	(38)	(43)
Total	358,573	340,345

Reversal on ECL allowance is SAR 5 thousand for term deposits during the year (2023: charge of SAR 43 thousand).

7. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets comprise of the following:

	31 December 2024	31 December 2023
Prepaid taxes	13,239	13,239
Sundry debtors	11,375	27,616
Receivable from service provides	1,747	-
Others	2,796	186
Total	29,157	41,041

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8. INVESTMENTS

Investments are classified as follows:

	31 December 2024	31 December 2023
Investments in Sukuk carried at amortised cost	289,005	201,762
Accrued investment income	2,061	3,903
Less: ECL allowance (note 8.4)	(74)	(60)
	290,992	205,605
Investment in equity carried at FVOCI	61,154	43,484
Total investments	352,146	249,089

The investment in equity security represents 3.45% (2023: 3.45%) shareholding in Najm for Insurance Services, a Saudi Closed Joint Stock Company, which provides loss determination services in Saudi Arabia. This investment is in unquoted shares and is reported at fair value of SAR 61.2 million (2023: SAR 43.5 million) as at the reporting date.

8.1 Movement in investments in Sukuk are as follows:

	31 December 2024	31 December 2023
Opening balance as previously reported	205,605	120,004
Impact on adoption of IFRS 9	-	4,071
Purchases	96,397	131,957
Maturity	(11,026)	(54,000)
Amortization of investments	(2,031)	(270)
Accrued investment income	2,061	3,903
Movement in allowance for expected credit losses	(14)	(60)
Closing balance	290,992	205,605

8.2 The following changes in fair value have been recognised for investment in equity carried at FVOCI:

	31 December 2024	31 December 2023
Opening balance as previously reported	41,561	(4,109)
Impact on adoption of IFRS 9	-	41,889
Change for the year	17,670	3,781
Closing balance	59,231	41,561

8.3 Details on investment income for the year are as follows:

	2024	2023
Investment income on term deposits	20,070	20,921
Investment income on bonds and sukuku	11,165	4,010
	31,235	24,931

8.4 Charge on ECL allowance is SAR 14 thousand for investments during the year (2023: SAR 60 thousand).

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9 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. Other related parties represent entities under common control and entities controlled by key management personnel of the Company. Contract pricing policies and terms are approved by the Company's management or where required and applicable the Company's Board of Directors. The due from and to balances of related parties are unsecured, interest free and repayable in cash on demand. Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The following are the details of the major related party transactions during the period and their related balances:

	Transactions for the year	
	2024	2023
Shareholder with significant influence		
Premium written	4,600	46,343
Claims paid	11,957	55,805
Brokerage commission paid	239	2,500
Investment income on term deposits	9,002	8,652
Shareholder having control over the Company		
Technical service charges	5,187	6,570
Other expenses	497	497
Brand fees	30	30
Operational expenses paid on behalf of related party and reinsurance placements	1,260	3,237
Operational expenses paid by related party on behalf of the Company	(1,659)	(5,719)
Reinsurance premium ceded	9,378	1,241
Reinsurance commission income	5	67
	Balance (payable) / receivable	
	31-Dec-24	31-Dec-23
Shareholder with significant influence		
Outstanding claims reserves	(11,181)	(21,855)
Premium receivable	-	3,995
Bank balances	2,287	2,052
Term deposits	119,834	134,539
Statutory deposit including accrued income	44,033	41,520
Accrued income receivable on term deposits	3,972	2,290
Accrued expenses and other liabilities	(7,795)	(7,808)
Shareholder having control over the Company		
Due from related parties	1,074	52
Due to related parties	(12,007)	(4,420)

These due from and due to related party balances pertain to inter-company transactions during the year. The compensation of key management personnel during the year is as follows:

	Transactions for the year ended	
	2024	2023
Salaries and other allowances	6,918	5,945
Provision for end-of-service benefits	227	205
	7,145	6,150

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9 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The remuneration and related expenses of the Board of Directors' during the year is as follows:

	Transactions for the year ended	
	31-Dec-24	31-Dec-23
Board of directors' remuneration	603	390
Board of directors' attendance fees	124	65
	727	455

10. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

	Furniture and fixtures	Office equipment	Motor vehicles	Total	Intangible assets
Cost:					
As at 1 January 2024	5,425	10,963	315	16,703	6,531
Additions during the year	727	35	-	762	1,332
As at 31 December 2024	6,152	10,998	315	17,465	7,863
Accumulated depreciation / amortization:					
As at 1 January 2024	(4,854)	(10,074)	(315)	(15,243)	(5,817)
Charge during the year	(744)	(364)	-	(1,108)	(263)
As at 31 December 2024	(5,598)	(10,438)	(315)	(16,351)	(6,080)
Net Book Value:					
As at 31 December 2024	554	560	-	1,114	1,783
	Furniture and fixtures	Office equipment	Motor vehicles	Total	Intangible assets
Cost:					
As at 1 January 2023	5,332	10,143	315	15,790	6,440
Additions during the year	93	820	-	913	91
As at 31 December 2023	5,425	10,963	315	16,703	6,531
Accumulated depreciation / amortization:					
As at 1 January 2023	(4,242)	(9,683)	(315)	(14,240)	(4,668)
Charge during the year	(612)	(391)	-	(1,003)	(1,149)
As at 31 December 2023	(4,854)	(10,074)	(315)	(15,243)	(5,817)
Net Book Value:					
As at 31 December 2023	571	889	-	1,460	714

Depreciation and amortisation is charged to insurance service expense and other operating expenses in the statement of income based on expense attribution model as mentioned in note 18.

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11. STATUTORY DEPOSIT

In compliance with Insurance Implementing Regulations of Insurance Authority, the Company deposited 10% of its paid-up capital, amounting to SAR 40 million (2023: SAR 40 million) in a bank designated by Insurance Authority. The accrued return on investment of statutory deposit as at 31 December, 2024 amounts to SAR 4.0 million (2023: SAR 1.5 million) and has been disclosed in assets as “Accrued income on statutory deposit” and the corresponding amount is shown in the liabilities as “Accrued income payable to Insurance Authority” as this deposit cannot be withdrawn without Insurance Authority’s consent.

	December 2024	31 December 2023
Statutory deposit	40,000	40,000
Less: Impairment allowance	(7)	(15)
	39,993	39,985

Reversal on ECL allowance is SAR 8 thousand for statutory deposits during the year (2023: charge of SAR 15 thousand).

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	2024	2023
Accrued salaries and benefits	2,368	1,400
Board of Directors' remuneration	272	222
Accrued withholding tax	14,117	12,045
Accrued IT related services	589	476
Accrued legal and professional fees	1,604	1,039
Outsourced service charges payable	1,204	1,440
Training and recruitments	1,035	50
VAT payable	3,006	2,293
Other	6,295	6,338
Total	30,490	25,303

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13. END OF SERVICE BENEFITS

The Company operates an end of service benefits plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefits payments obligation is discharged as and when it falls due. The amounts recognized in the statement of financial position and movement in the obligation during the year based on its present value are as follows:

	2024	2023
Balance as 1 January	6,926	7,202
Current service cost	1,455	1,328
Interest cost	338	323
Amount recognised in statement of income	1,793	1,651
Re-measurement (gain) / loss recognized in other comprehensive income	(128)	204
Benefits paid during the year	(1,437)	(2,131)
Balance as 31 December	7,154	6,926

The following were the principal actuarial assumptions:

	2024	2023
Discount rate used	5.40%	5.10%
Future growth in salary	3.00%	3.00%
Retirement age	60 Year	60 Year

Sensitivity analysis

Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, the amount of defined benefit obligations would have been:

	2024	2023
Discount rate		
- Increase by 0.5%	7,413	7,210
- Decrease by 0.5%	(8,136)	(7,881)
Salary escalation rate		
- Increase by 0.5%	(8,144)	(7,887)
- Decrease by 0.5%	7,403	7,202
Withdrawal rate		
- Increase by 20%	(7,831)	(7,587)
- Decrease by 20%	7,680	7,470
Mortality rate		
- Increase by 20%	(7,763)	(7,535)
- Decrease by 20%	7,758	7,531

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14. ZAKAT AND INCOME TAX

Status of assessments

The Company has submitted its zakat and income tax returns up till the year ended 31 December 2023.

For the years 2009 to 2020, except for 2014, the Tax Violations and Disputes Appeal Committee ("TVDAC") had issued their decision resulting in additional liability of SAR 38,921,507. The Company have agreed an installment plan with ZATCA and is in the process of settling the additional liability through an agreed installment plan of twelve equal monthly installments.

In respect of the assessment for the year 2014, the Zakat, Tax and Custom Authority ("ZATCA") has issued a revised assessment with an additional zakat liability of SAR 1.98 million. The Company has escalated the appeal case to General Secretariat of Tax Committees ("GSTC"), and the Tax Violations and Disputes Resolution Committee ("TVDRC") has issued its decision where the TVDRC has rejected the Company's appeal and supported ZATCA's assessment for all disputed items. The Company has settled the additional zakat liability of SAR 1.98 million and the case is closed.

The movement in the zakat provision for the year was as follows:

	31 December 2024	31 December 2023
As at 1 January	62,500	56,331
Current zakat charge during the year	717	6,169
Payment made during the year	(3,757)	-
As at 31 December	59,460	62,500

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15. SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company is SAR 400 million divided into 40 million shares of SAR 10 each (2023: SAR 400 million divided into 40 million shares of SAR 10 each). The shareholders of the Company are subject to zakat and income tax. Shareholding structure of the Company is as below.

	31 December 2024	
	No. of shares in '000	Share capital SAR '000
Liva Insurance B.S.C.	20,028	200,280
Riyad Bank	7,968	79,680
Others	12,004	120,040
	40,000	400,000
	31 December 2023	
	No. of shares in '000	Share capital SAR '000
Liva Insurance B.S.C.	20,028	200,280
Riyad Bank	7,968	79,680
Others	12,004	120,040
	40,000	400,000

The Company's ultimate parent company is Oman International Development and Investment Company SAOG, a public joint stock company incorporated in the Sultanate of Oman.

16 STATUTORY RESERVE

In accordance with the Articles of Association of the Company and in compliance with Article 70(2)(g) of the Insurance Implementing Regulations issued by Insurance Authority, the Company is required to allocate 20% of its net income for the year to the statutory reserve until it equals the value of share capital. This transfer is only made at the year end. The statutory reserve is not available for distribution to the shareholders until the liquidation of the Company.

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17 (REVERSAL) / SHARE OF SURPLUS FROM INSURANCE POOLS

	2024	2023
(Reversal) / share of surplus from Umrah and Hajj scheme	(402)	19,917

This represents the Company's share in the surplus for general accident product arising from the Umrah & Haj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 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. Also refer to note 25 for the details of the change in the comparative information.

18 OTHER OPERATING EXPENSES

	2024	2023
Staff cost	38,379	35,700
Department operations cost	45,011	54,548
Legal and professional fees	15,860	8,136
IT costs	11,224	8,310
Depreciation and amortization	1,371	2,152
Premises cost	1,958	1,525
Communications	321	688
	114,124	111,059

Allocation of expenses is as follows:

	2024	2023
Policy acquisition cost	65,840	70,265
Other attributable expenses	25,781	23,338
Other operating expenses	22,503	17,456
	114,124	111,059

Policy acquisition cost and other attributable expenses are reported as part of insurance service expense. Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

18.1 Auditors' remuneration for the statutory audit of the Company's financial statements and the financial statements for the year ended 31 December 2024 amounts to SAR 1.06 million (2023: SAR 1.43 million). Auditors' remuneration for the review of the Company's interim financial information during the year ended 31 December 2024 amounts to SAR 0.24 million (2023: SAR 0.56 million). Fee for other statutory and related services provided by the auditors to the Company amounts to SAR 0.14 million (2023: SAR 0.81 million).

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability

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

a) Determination of fair value and fair value hierarchy

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

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

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

Level 3: valuation techniques for which any significant input is not based on observable market data.

b) Carrying amounts and fair value

	Carrying value	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
- Investments in Sukuk carried at amortised cost	289,005	-	283,851	-
- Investment at FVOCI – Equity	61,154	-	-	61,154
	350,159	-	283,851	61,154

	Carrying value	Fair value		
		Level 1	Level 2	Level 3
31 December 2023				
Financial assets				
- Investments in Sukuk carried at amortised cost	201,762	-	198,858	-
- Investment at FVOCI – Equity	43,484	-	-	43,484
	245,246	-	198,858	43,484

The fair values of statutory deposits, accrued investment income on statutory deposit, term deposits, bank balances and other financial assets in the statement of financial position which are carried at amortised cost, are not significantly different from the carrying values included in the financial statements due to the short term nature of balances or they are repayable on demand.

The investment in equity security represents shareholding in Najm for Insurance Services. It's fair value has been calculated using a combination of discounted cash flow technique and comparable peer multiples. There were no transfers between the levels of fair value hierarchies during the year.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Equity security	Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the investment, taking into account the expected growth rate. The expected net cash flows are discounted using risk adjusted discount rates.	(i) Weighted Average Cost of Capital ("WACC") - 16.50% (ii) Terminal Value Growth Rate ("TVGR") - 1.5% (iii) Earnings multiple - 7 times	The estimated fair value would increase (decrease) if: -(i) the WACC was lower (higher); -(ii) the TVGR was higher (lower); or -(iii) the earnings multiple were higher (lower).
	Market multiples: Acquisition multiples of comparable private precedent transactions were used.		

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19 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy:

	2024	2023
	SAR '000	SAR '000
Balance at the beginning of the year	43,484	1,923
Impact on adoption of IFRS 9	-	37,780
Net changes in fair value of investments carried at FVOCI – equity instruments	17,670	3,781
Closing balance	61,154	43,484

Sensitivity analysis of Level 3 investments

	Sensitivity factor	Impact on fair value due to increase in sensitivity factor	Impact on fair value due to decrease in sensitivity factor
31-Dec-24	+/- 10% change in price	6,115	(6,115)
31-Dec-23	+/- 10% change in price	4,348	(4,348)

20. OPERATING SEGMENTS

Operating segments are identified based on internal reports about components of the Company that are regularly reviewed by the Company's Chief Executive Officer in his function as chief operating decision maker to allocate resources to the segments and to assess their performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the statement of income.

Segment assets and liabilities only include the insurance and reinsurance contract liabilities and assets while the other accounts are not allocated.

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20. OPERATING SEGMENTS (CONTINUED)

Assets

As at 31 December 2024						
Property	Motor	Engineering	Marine	Group Life	Others	Total
Insurance contract assets	-	-	-	-	-	-
Reinsurance contract assets	10,198	235	37,469	2,472	65,726	145,661
Unallocated assets	-	-	-	-	-	873,385
Total assets	10,198	235	37,469	2,472	65,726	1,019,046

Liabilities

Insurance contract liabilities	38,994	189,621	20,707	19,694	71,310	4,659	344,985
Reinsurance contract liabilities	44,583	2,904	40,170	4,789	27,092	828	120,366
Unallocated liabilities	-	-	-	-	-	-	113,144
Total liabilities	83,577	192,525	60,877	24,483	98,402	5,487	578,495

Assets

As at 31 December 2023 (Restated)						
Property	Motor	Engineering	Marine	Group Life	Others	Total
Insurance contract assets	-	-	-	-	73	73
Reinsurance contract assets	8,568	2,738	248	-	22,486	59,263
Unallocated assets	-	-	-	-	-	779,349
Total assets	8,568	2,738	248	-	22,486	838,685

Liabilities

Insurance contract liabilities	14,393	252,402	11,740	6,830	21,870	9,828	317,063
Reinsurance contract liabilities	16,918	5,931	1,965	4,924	304	904	30,946
Unallocated liabilities	-	-	-	-	-	-	100,684
Total liabilities	31,311	258,333	13,705	11,754	22,174	10,732	448,693

Assets

As at 1 January 2023 (Restated)							
Property	Motor	Engineering	Marine	Group Life	Others	Total	
Insurance contract assets	-	-	-	-	-	-	
Reinsurance contract assets	20,476	(8)	4,116	7,066	21,535	13,349	66,534
Unallocated assets	-	-	-	-	-	-	765,644
Total assets	20,476	(8)	4,116	7,066	21,535	13,349	832,178

Liabilities

Insurance contract liabilities	24,241	204,767	5,703	3,580	65,595	12,103	315,989
Reinsurance contract liabilities	2,725	3,745	552	777	507	711	9,017
Unallocated liabilities	-	-	-	-	-	-	132,015
Total liabilities	26,966	208,512	6,255	4,357	66,102	12,814	457,021

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20. OPERATING SEGMENTS (CONTINUED)

For the year ended 31 December 2024						
Property	Motor	Engineering	Marine	Group Life	Others	Total
Insurance revenue	72,435	278,509	19,698	19,259	31,416	446,127
Insurance service expenses	(32,402)	(262,101)	(4,904)	(24,276)	(21,807)	(350,552)
Net expenses from reinsurance contracts held	(34,812)	(3,082)	(7,296)	(2,138)	(8,250)	(68,425)
Net insurance service results from Company's direct written business	5,221	13,326	7,498	(7,155)	1,359	27,150
Reversal of share of surplus from insurance pools						(402)
Net insurance service results						26,748
Investment income on financial assets at amortised cost						31,235
Reversal of expected credit losses on financial assets						(2)
Net investment results						31,233
Net finance expenses from insurance contracts	(343)	(1,647)	(148)	(230)	(67)	(2,517)
Net finance income from reinsurance contracts	275	-	63	51	109	517
Net insurance financial expenses	(68)	(1,647)	(85)	(179)	42	(2,000)
Net insurance and investment results						55,981
Other operating expenses						(22,503)
Net profit for the year attributable to the shareholders before zakat						33,478
Provision for zakat and tax						(717)
Net profit for the year attributable to the shareholders after zakat						32,761

For the year ended 31 December 2023 (Restated)						
Property	Motor	Engineering	Marine	Group Life	Others	Total
Insurance revenue	58,944	369,579	13,646	14,999	38,743	513,629
Insurance service expenses	(23,676)	(383,349)	(9,105)	(11,582)	(2,224)	(433,353)
Net expenses from reinsurance contracts held	(36,177)	(4,896)	(3,412)	(2,435)	(27,449)	(86,688)
Net insurance service results from Company's direct written business	(909)	(18,666)	1,129	982	9,070	(6,412)
Share of surplus from insurance pools						19,917
Net insurance service results						13,505
Investment income on financial assets at amortised cost						24,931
Allowance for expected credit losses on financial assets						11
Net investment results						24,942
Net finance expenses from insurance contracts	(587)	(2,660)	(216)	(233)	(3,267)	(7,024)
Net finance income / (expense) from reinsurance contracts	554	-	177	178	2,590	3,460
Net insurance financial expenses	(33)	(2,660)	(39)	(55)	(677)	(3,564)
Net insurance and investment results						34,883
Other operating expenses						(17,456)
Net profit for the year attributable to the shareholders before zakat						17,427
Provision for zakat and tax						(6,169)
Net profit for the year attributable to the shareholders after zakat						11,258

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20. OPERATING SEGMENTS (CONTINUED)

The details of gross written premium is as follows:

For the year ended 31 December 2024				
	Motor	Property, General Accident & Others	Protection (Group Life) & Savings	Total
Gross written premium				
Large	22,525	143,190	66,528	232,243
Medium	3,455	12,244	259	15,958
Micro	9,003	15,637	61	24,701
Small	4,194	8,920	219	13,333
Individual	190,589	371	-	190,960
	229,766	180,362	67,067	477,195

For the year ended 31 December 2023				
	Motor	Property, General Accident & Others	Protection (Group Life) & Savings	Total
Gross written premium				
Large	10,427	78,899	38,717	128,043
Medium	10,195	22,030	39	32,264
Micro	805	1,701	-	2,506
Small	9,294	16,654	-	25,948
Individual	332,913	434	-	333,347
	363,634	119,718	38,756	522,108

Gross written premiums comprise the total premiums receivable for the whole period of cover provided by the contracts entered into during the accounting period, regardless of whether these are wholly due for payment in the accounting period, together with any adjustments arising in the accounting period to such premiums receivable in respect of business written in prior accounting periods.

Gross written premiums are not defined in IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia.

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21 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulator's capital requirements of the market in which the Company operates while maximizing the return to stakeholders through the optimization of equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital and reserves. The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g., capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise. In order to maintain or adjust the capital structure, the Company may issue right shares. As per guidelines laid out by Insurance Authority in Article 66 table 3 and 4 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained, the Company maintains solvency margin equivalent to the highest of the three methods as per Insurance Implementing Regulations issued by Insurance Authority.

- a) Minimum Capital Requirement of SAR 200 million;
- b) Premium Solvency Margin; and
- c) Claims Solvency Margin.

The Company has fully complied with the externally imposed capital requirements during the reported financial period.

22. COMMITMENTS AND CONTINGENCIES

The Company's commitments and contingencies are as follows:

	31 December 2024	31 December 2023
Letters of guarantee	700	700
Commitments for the rents	334	276
	1,034	976

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23 RISK MANAGEMENT

Risk Governance

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organisational 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. The Company is exposed to insurance, claims management, reserving and ultimate reserves, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission income rate and market rate risks.

Risk Committee

The Company's Risk Committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Committee is responsible for defining, installing and monitoring the risk management organisation in order to ensure that its control systems are effective. The Risk Committee approves all risk management policies, as well as the quantitative and qualitative elements of the Company's risk appetite and tolerance framework.

Board of Directors

The apex of risk governance is the centralised oversight of the 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 predefined risk appetite.

Audit Committee and Internal Audit Department

Risk management processes throughout the Company are reviewed 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.

23.1 Insurance risk

Insurance risk is the risk that actual claims payable to policy holders in respect of insured events exceed expectations. This could occur because the frequency or amounts of claims are more than expected. Insurance risk is monitored regularly by the Company to make sure the levels are within the projected frequency bands. The Company underwrites mainly property, motor, casualty, engineering, group life and marine risks.

The process used to determine the assumptions for calculating the outstanding claim reserve 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 IBNR (as part of LIC) 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. IBNR provisions 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.

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23 RISK MANAGEMENT (CONTINUED)

23.1 Insurance risk (continued)

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 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 key source of estimation uncertainty at the balance sheet date relates to the 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 and possibly significant degrees of judgement and uncertainty and 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 such as judicial decisions and government legislation affect the estimates.

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:

- a. Minimum acceptable credit rating by recognised rating agencies (e.g. Fitch) that is not lower than A- or equivalent
- b. Reputation of particular reinsurance companies
- c. Existing or past business relationship with the reinsurer.

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

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

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23 RISK MANAGEMENT (CONTINUED)

23.1 Insurance risk (continued)

Concentration of insurance risk

The Company monitors concentration of insurance risks primarily by class of business. The major concentration lies in property and motor. The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location or by the same party. 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 evaluate 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 does not have any foreign operations, hence, all the insurance risks relate to policies written in Saudi Arabia.

Claims development table

The following reflects the cumulative incurred claims, including both claims notified and incurred but not reported for each successive accident year at each financial position date, together with the cumulative payments to date. The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of the claims.

The Company aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences will be eliminated which results in the release of reserves from earlier accident years. In order to maintain adequate reserves, the Company transfers much of this release to the current accident year reserves when the development of claims is less mature and there is much greater uncertainty attached to the ultimate cost of claims. During each year, the estimate of ultimate claim cost for respective year presented net of payments. Claims triangulation analysis (gross and net) by accident year spanning a number of financial years is set out as below.

Gross undiscounted liabilities for incurred claims

Accident year	31 December 2024				
	2021 & Prior	2022	2023	2024	Total
At the end of accident year	208,775	137,314	104,842	123,948	574,879
One year later	188,190	116,932	78,886	-	384,008
Two year later	153,317	108,915	-	-	262,232
Three year later	93,768	-	-	-	93,768
Gross estimate of undiscounted amount of the claim reported	93,768	108,915	78,886	123,948	405,517
Cumulative payments to date	91,614	104,552	64,294	-	260,460
Gross undiscounted liabilities for incurred claim	2,154	4,363	14,592	123,948	145,057
Risk adjustment					5,342
Discounting					(4,124)
Total LIC included in the statement of financial position					146,275

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23 RISK MANAGEMENT (CONTINUED)

23.1 Insurance risk (continued)

Claims development table (continued)

Net undiscounted liabilities for incurred claims

Accident year	31 December 2024				
	2021 & Prior	2022	2023	2024	Total
At the end of accident year	80,091	73,422	91,538	88,718	333,769
One year later	77,177	91,216	84,589	-	252,982
Two year later	57,975	68,551	-	-	126,526
Three year later	25,364	-	-	-	25,364
Gross estimate of undiscounted amount of the claim reported	25,364	68,551	84,589	88,718	267,222
Cumulative payments to date	41,156	68,190	58,045	-	167,391
Gross undiscounted liabilities for incurred claim	(15,792)	361	26,544	88,718	99,831
Risk adjustment					3,026
Discounting					(2,653)
Total LIC included in the statement of financial position					100,204

Gross undiscounted liabilities for incurred claims

Accident year	31 December 2023				
	2020 & Prior	2021	2022	2023	Total
At the end of accident year	105,223	103,552	137,314	119,654	465,743
One year later	99,330	88,860	116,932	-	305,122
Two year later	77,272	76,046	-	-	153,318
Three year later	62,557	-	-	-	62,557
Gross estimate of undiscounted amount of the claim reported	62,557	76,046	116,932	119,654	375,189
Cumulative payments to date	60,103	70,508	91,285	-	221,896
Gross undiscounted liabilities for incurred claim	2,454	5,538	25,647	119,654	153,293
Risk adjustment					5,559
Discounting					(3,786)
Total LIC included in the statement of financial position					155,066

Net undiscounted liabilities for incurred claims

Accident year	31 December 2023				
	2020 & Prior	2021	2022	2023	Total
At the end of accident year	41,549	38,542	73,422	110,614	264,127
One year later	36,537	40,640	91,216	-	168,393
Two year later	22,266	35,709	-	-	57,975
Three year later	9,299	-	-	-	9,299
Gross estimate of undiscounted amount of the claim reported	9,299	35,709	91,216	110,614	246,838
Cumulative payments to date	27,462	34,315	62,332	-	124,109
Gross undiscounted liabilities for incurred claim	(18,163)	1,394	28,884	110,614	122,729
Risk adjustment					3,465
Discounting					(2,572)
Total LIC included in the statement of financial position					123,622

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23 RISK MANAGEMENT (CONTINUED)

23.1 Insurance risk (continued)

Claims management risk

Claims management risk may arise within the Company in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or excessive claims handling costs. These risks may damage the Company and undermine its ability to win and retain business, or incur punitive damages. These risks can occur at any stage of the claims life cycle. The Company's claims teams are focused on delivering quality, reliability and speed of service to the policyholders. Their aim is to adjust and process claims in a fair, efficient and timely manner, in accordance with the policy's terms and conditions, the regulatory environment, and the business' broader interests. Prompt and accurate case reserves are set for all known claims liabilities, including provisions for expenses, as soon as a reliable estimate can be made of the claims liability.

Reserving and ultimate reserves risk

Reserving and ultimate reserves risk occurs within the Company where established insurance liabilities are insufficient through inaccurate forecasting, or where there is inadequate allowance for expenses and non-performance of reinsurer. To manage reserving and ultimate reserves risk, the Company's actuarial team uses a range of recognized techniques to project gross premiums written, monitor claims development patterns and stress-test ultimate insurance liability balances. The objective of the Company's reserving policy is to produce accurate and reliable estimates that are consistent over time and across classes of business.

Sensitivity analysis

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

	2024	2023
Impact on equity, insurance contract liability and profit or loss due to change in claims ratio		
5% increase	11,542	12,683
5% decrease	(10,171)	(12,632)
Impact on equity, insurance contract liability and profit or loss due to change in risk adjustment		
5% increase	922	313
5% decrease	115	(640)
Impact on equity, insurance contract liability and profit or loss due to change in direct expense ratio		
2% increase	2,507	2,364
2% decrease	(1,166)	(2,350)

23 RISK MANAGEMENT (CONTINUED)

23.2 Regulatory framework risk

The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

23.3 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 assets held by the Company, the maximum exposure to credit risk 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 recognized, creditworthy 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 credit losses.
- 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 management in accordance with the investment policy established by the investment committee.
- The Company, with respect to credit risk arising from other financial assets, is restricted to commercial banks having strong financial positions and credit ratings.

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23 RISK MANAGEMENT (CONTINUED)

23.3 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
Bank balances	85,525	105,144
Term deposits	358,611	340,388
Investments	352,220	249,149
Insurance contract assets	-	73
Reinsurance contract assets	145,661	59,263
Due from related parties	1,074	52
Statutory deposit	40,000	40,000
Accrued income on statutory deposit	4,033	1,535
	987,124	795,604

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the credit rating of counterparties. Investment grade is considered to be the highest possible rating.

31 December 2024

	Investment grade	Non-investment grade	Not rated	Total
Bank balances	85,525	-	-	85,525
Term deposits	358,611	-	-	358,611
Investments	291,066	-	61,154	352,220
Reinsurance contract assets	-	145,661	-	145,661
Due from related parties	1,074	-	-	1,074
Statutory deposit	40,000	-	-	40,000
Accrued income on statutory deposit	4,033	-	-	4,033
	780,309	145,661	61,154	987,124

31 December 2023

	Investment grade	Non-investment grade	Not rated	Total
Bank balances	105,144	-	-	105,144
Term deposits	340,388	-	-	340,388
Investments	205,665	-	43,484	249,149
Insurance contract assets	-	73	-	73
Reinsurance contract assets	-	59,263	-	59,263
Due from related parties	52	-	-	52
Statutory deposit	40,000	-	-	40,000
Accrued income on statutory deposit	1,535	-	-	1,535
	692,784	59,336	43,484	795,604

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23 RISK MANAGEMENT (CONTINUED)

23.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligation and commitments associated with financial liabilities when they become full due. The Company has a proper cash management system, where daily cash collection and payments are monitored and reconciled at the end of the day. The Company manages this risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Company's assets in highly liquid financial assets.

Maturity table

The table below summarizes the maturity profile of the financial assets and liabilities of the Company based on remaining expected undiscounted contractual obligations except for portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Company and are based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

2024			
	Less than one year	More than one year	Total
ASSETS			
Bank balances and cash	85,525	-	85,525
Term deposits	288,611	70,000	358,611
Investments	99,662	252,558	352,220
Due from related parties	1,074	-	1,074
Statutory deposit	-	40,000	40,000
Accrued income on statutory deposit	4,033	-	4,033
	478,905	362,558	841,463
LIABILITIES			
Accrued expenses and other liabilities	30,490	-	30,490
Due to related parties	12,007	-	12,007
Accrued income payable to Insurance Authority	4,033	-	4,033
	46,530	-	46,530
2023			
	Less than one year	More than one year	Total
ASSETS			
Bank balances and cash	105,144	-	105,144
Term deposits	340,388	-	340,388
Investments	6,702	242,447	249,149
Due from related parties	52	-	52
Statutory deposit	-	40,000	40,000
Accrued income on statutory deposit	1,535	-	1,535
	453,821	282,447	736,268
LIABILITIES			
Accrued expenses and other liabilities	25,303	-	25,303
Due to related parties	4,420	-	4,420
Accrued income payable to Insurance Authority	1,535	-	1,535
	31,258	-	31,258

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23 RISK MANAGEMENT (CONTINUED)

23.4 Liquidity risk (continued)

The following table summarises the maturity profile of insurance contracts liabilities and reinsurance contract assets of the Company based on remaining discounted cash flows. Portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Company are based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	2024						Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Insurance contract liabilities							
Property	24,792	5,799	314	-	-	-	30,905
Motor	38,631	5,060	3,570	191	123	-	47,575
Engineering	3,036	1,349	359	-	-	-	4,744
Marine	16,344	3,197	435	-	-	-	19,976
Group life	35,511	-	-	-	-	-	35,511
Others	1,102	445	3	-	-	-	1,550
Total	119,416	15,850	4,681	191	123	-	140,261
Reinsurance contract liabilities							
Property	1,015	416	-	-	-	-	1,431
Motor	75	-	-	-	-	-	75
Marine	6	-	-	-	-	-	6
Others	428	-	-	-	-	-	428
Total	1,524	416	-	-	-	-	1,940

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23 RISK MANAGEMENT (CONTINUED)

23.4 Liquidity risk (continued)

	2023						Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Insurance contract liabilities							
Property	82,011	3,595	624	-	-	-	86,230
Motor	1,683	241	29	-	-	-	1,953
Engineering	11,879	3,693	98	-	-	-	15,670
Marine	7,659	757	470	243	104	37	9,270
Group life	1	-	-	-	-	-	1
Others	26,821	5,692	866	-	-	-	33,379
Total	130,054	13,978	2,087	243	104	37	146,503
Reinsurance contract liabilities							
Property	(66)	-	-	-	-	-	(66)
Motor	(351)	22	5	-	-	-	(324)
Engineering	4,018	1,204	37	-	-	-	5,259
Marine	1,820	269	188	24	35	8	2,344
Others	19,017	4,315	899	43	-	-	24,274
Total	24,438	5,810	1,129	67	35	8	31,487

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23 RISK MANAGEMENT (CONTINUED)

23.5 Market risk

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

- a) 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.
- b) Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- c) The Company stipulates diversification benchmarks by type of instrument and geographical area.

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

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

(a) Currency risk

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

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23 RISK MANAGEMENT (CONTINUED)

23.5 Market risk (continued)

(b) Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest 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 company monitors its commission rate risk exposure through periodic reviews of asset and liability positions. The Company has no significant concentration of commission rate risk. The commission and non-commission bearing investments of the Company and their maturities as at December 31, 2024 and 2023 are as follows:

31 December 2024

Bank balances and cash
Term deposits
Investments
Investments in equity carried at FVOCI
Total

Less than 1 year	More than 1 year	Non-commission bearing	Total
24,148	-	61,377	85,525
288,611	70,000	-	358,611
99,662	191,404	-	291,066
-	-	61,154	61,154
412,421	261,404	122,531	796,356

31 December 2023

Bank balances and cash
Term deposits
Investments
Investments in equity carried at FVOCI
Total

Less than 1 year	More than 1 year	Non-commission bearing	Total
46,416	-	58,728	105,144
340,388	-	-	340,388
6,702	198,963	-	205,665
-	-	43,484	43,484
393,506	198,963	102,212	694,681

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23 RISK MANAGEMENT (CONTINUED)

23.5 Market risk (continued)

(c) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market. The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments. The Company's Risk Committee regularly monitors equity price risk and manages material investments on an individual basis. Investment limits require business units to hold diversified portfolios of assets and restrict concentrations to geographies and industries. The Company does not have a significant concentration of equity price risk.

The potential impact of a 10% increase or decrease in the market prices of investments carried at FVOCI on Company's profit would be as follows:

	Fair value change	Effect on Company's profit
31 December 2024	+ / - 10%	6,115
31 December 2023	+ / - 10%	4,348

**LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

24 EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended 31 December 2024 and 2023 have been calculated by dividing 'net income attributed to the shareholders after zakat' amounting to SAR 32,761 thousand (2023: SAR 11,258 thousand) for the year by the weighted average number of ordinary shares issued at the reporting date.

25 CHANGE IN COMPARATIVE INFORMATION

During the year, the Company reconsidered the presentation of certain balances in the statement of financial position and the statement of income to ensure compliance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia. Accordingly, the comparative figures have been restated to correct the accounting treatment and are presented below in accordance with International Accounting Standard 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8").

a. Reclassification of share of surplus from insurance pools from 'Other income':

During the year ended 31 December 2024, it was noted that certain items were not appropriately presented in the prior reporting periods. As a result, the financial line items for the financial statements of the prior period is required to be restated and the relevant line items in the statement of income are being restated to ensure alignment with the requirements of IFRS Accounting Standards, that are endorsed in the Kingdom of Saudi Arabia.

The co-insurance arrangements, in which the Company is a participant, are insurance contracts as defined in IFRS 17 and the Company shares the surpluses and losses, if applicable, from the insurance pool of such co-insurance arrangements. Accordingly, the financial results of the co-insurance arrangements should have been shown as part of the net insurance results and not in other income, as previously shown in the statement of income for the prior periods. Given the rights and obligations from the co-insurance arrangements are managed and settled on a net basis and the bespoke nature of these arrangements, the Company has presented the results from these arrangement on a net basis as part of insurance service results as a separate line item named '(Reversal) / share of surplus from insurance pools' in the statement of income.

Accordingly, the Company has restated the comparative information for the year ended 31 December 2023 and the 'share of surplus from insurance pool' amounting to SAR 19 million, have been presented separately from 'other income' in the statement of income. As a result, the "Total insurance service result" and "Net insurance and investment results" line items for such period have increased by the same amount.

However, this change has had no impact on the statement of financial position as at 31 December 2023, 1 January 2023 and the related statements of changes in equity and cash flows for the year then ended, net profit for the year attributable to the shareholders or the basic and diluted earnings per share for the year then ended.

LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

25 CHANGE IN COMPARATIVE INFORMATION (CONTINUED)

b. Reclassification of accumulated surplus from accrued expenses and other liabilities

Management has re-evaluated the presentation of insurance surplus payable to policyholders in the statement of financial position to determine if such balances have been presented appropriately in line with the requirements of IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia. The surplus is payable to policyholders and in accordance with IFRS 17, the cash flows are part of the insurance contract boundary and should therefore form part of the insurance expenses. The surplus attributed to the insurance operations amounting to SAR 8.6 million as at 31 December 2023 (1 January 2023: SAR 8.2 million), which was previously classified as part of 'Accrued expenses and other liabilities' was corrected to be presented as part of 'Insurance contract liabilities' as at 31 December 2023 and 1 January 2023.

However, this change has had no impact on the related statements of changes in equity and cash flows for the year then ended, net profit for the year attributable to the shareholders or the basic and diluted earnings per share for the year then ended.

Statement of financial position

	As at 31 December		
	2023 - as previously reported	Restatement	As at 31 December 2023 - as restated
Accrued expenses and other liabilities	33,866	(8,563)	25,303
Insurance contract liabilities	308,500	8,563	317,063

	As at 31 December		
	2022 - as previously reported	Restatement	As at 31 December 2022 - as restated
Accrued expenses and other liabilities	54,494	(8,175)	46,319
Insurance contract liabilities	307,814	8,175	315,989

**LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

26 PROPOSED MERGER

The Company signed a non-binding Memorandum of Understanding (the "MOU") with Malath Cooperative Insurance on 21 August 2024 (corresponding to 17 Safar 1446H) to evaluate a potential merger between the two companies (the "Proposed Transaction"). Both companies will conduct technical, financial, legal, and actuarial due diligence and engage in non-binding discussions on the terms and conditions of the Proposed Transaction.

On 2 December 2024, both Companies have agreed, on a non-binding and preliminary basis, that the Potential Merger structure will be through merging Liva (as the merged company) into Malath (as the merging company), noting that the Potential Merger is under consideration and no binding agreement has been reached to date on the Potential Merger and the structure, and that even after such agreement the Potential Merger will be subject to the approvals of the Insurance Authority, the Capital Market Authority and the Saudi Exchange, as well as obtaining the requisite approvals of the shareholders of both companies.

The Company has announced the appointment of SNB Capital as its financial advisor in connection with this proposed merger.

27 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 10 February 2025, corresponding to Sha'ban 11, 1446 AH.

LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

28 SUPPLEMENTARY INFORMATION

	2024			2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<u>Statement of financial position</u>						
Total assets	551,315	467,731	1,019,046	424,514	414,171	838,685
Total liabilities	468,499	109,996	578,495	360,777	87,916	448,693
Total equity	82,816	357,735	440,551	63,737	326,255	389,992
	2024			2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<u>Statement of income</u>						
Insurance revenue	446,127	-	446,127	513,629	-	513,629
Insurance service expenses	(350,552)	-	(350,552)	(433,353)	-	(433,353)
Net expenses from reinsurance contracts held	(68,425)	-	(68,425)	(86,688)	-	(86,688)
Net insurance service results from Company's direct written business	27,150	-	27,150	(6,412)	-	(6,412)
(Reversal) / share of surplus from insurance pools	(402)	-	(402)	19,917	-	19,917
Net insurance service results	26,748	-	26,748	13,505	-	13,505
Investment income on financial assets at amortised cost	13,793	17,442	31,235	11,264	13,667	24,931
Allowance for / (reversal of) expected credit losses on financial assets	(2)	-	(2)	11	-	11
Net investment results	13,791	17,442	31,233	11,275	13,667	24,942
Net finance expenses from insurance contracts	(2,517)	-	(2,517)	(7,024)	-	(7,024)
Net finance income from reinsurance contracts	517	-	517	3,460	-	3,460
Net insurance financial expenses	(2,000)	-	(2,000)	(3,564)	-	(3,564)
Net insurance and investment results	38,539	17,442	55,981	21,216	13,667	34,883
Other operating expenses	(21,048)	(1,455)	(22,503)	(16,001)	(1,455)	(17,456)
Net profit for the year before zakat	17,491	15,987	33,478	5,215	12,212	17,427
Provision for zakat and tax	-	(717)	(717)	-	(6,169)	(6,169)
Net profit for the year after zakat	17,491	15,270	32,761	5,215	6,043	11,258
Other comprehensive income for the year	17,798	-	17,798	3,577	-	3,577
Total comprehensive income for the year	35,289	15,270	50,559	8,792	6,043	14,835

LIVA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

28 SUPPLEMENTARY INFORMATION (CONTINUED)

	2024			2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Statement of cash flows						
Net profit for the year attributable to the shareholders before zakat	17,491	15,987	33,478	5,215	12,212	17,427
Net cash generated from / (used in) operating activities	(12,404)	51,285	38,881	(61,349)	62,352	1,003
Net cash (used in) / generated from investing activities	55,758	(114,254)	(58,496)	65,014	1,694	66,708
Net changes in cash and cash equivalents	43,354	(62,969)	(19,615)	3,665	64,046	67,711
Cash and cash equivalents at the beginning of the year	37,219	67,235	104,454	33,554	3,189	36,743
Cash and cash equivalents at end of the year	80,573	4,266	84,839	37,219	67,235	104,454

Surplus distribution

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

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

In case of deficit arising from insurance operations the entire deficit is allocated and transferred to shareholders' operations. The surplus payables to policyholders for the year ended 31 December 2024 amounts to SAR 6 million (2023: SAR 8.6 million). This has been allocated as follows:

	31 December 2024	31 December 2023
Property	599	1,843
Motor	4,499	3,378
Engineering	202	635
Marine	138	1,053
Group life	205	636
Others	372	1,018
Total	6,015	8,563

Agenda Item No. 4

Appointing the External Auditors





Date: May 01, 2025

التاريخ: 01 مايو 2025م

Subject: Recommendation from the Audit Committee for the Appointment of External Auditors to audit the annual financial statements for the year 2025 and review the interim quarterly financial statements for Q2 2025, Q3 2025 and Q1 2026.

الموضوع: توصية لجنة المراجعة بتعيين المراجعين الخارجيين لمراجعة القوائم المالية السنوية للشركة لعام 2025م وفحص القوائم المالية الأولية الربعية للربع الثاني 2025م والثالث 2025م والأول 2026م.

Dear Chairman and Members of the Board of Directors

السادة رئيس وأعضاء مجلس الإدارة المحترمين

The Audit Committee received proposals from the following firms for the audit of the company's annual financial statements for 2025, and for the review of the interim quarterly financial statements for Q2 2025, Q3 2025, and Q1 2026. Proposals as follows:

استلمت لجنة المراجعة عروض مكاتب المحاسبة التالية لمراجعة القوائم المالية السنوية للشركة لعام 2025م و فحص القوائم المالية الأولية الربعية للربع الثاني 2025م والثالث 2025م والأول 2026م وكانت كالتالي:

	PwC	EY	RSM	CROWE	MOORE	BDO
NO. OF QUARTERLY REVIEWS	3	3	3	3	3	3
TOTAL FEES FOR QUARTERLY REVIEWS	SAR 210,000	SAR 300,000	SAR 180,000	SAR 100,000	SAR 165,000	SAR 210,000
ANNUAL AUDIT 2025	SAR 740,000	SAR 600,000	SAR 400,000	SAR 275,000	SAR 300,000	SAR 385,000
TOTAL FEES PROPOSED	SAR 950,000	SAR 900,000	SAR 580,000	SAR 375,000	SAR 465,000	SAR 595,000
PRIOR YEAR FEE	SAR 900,000	NA	SAR 520,000	NA	NA	NA

شركة برايس وترهاوس كوبرز	شركة ارنست ويونغ	شركة اراس ام كرو	شركة حلول العيوطي وشركاه	شركة السيد العمري وشركاه	شركة الدكتور محمد العمري وشركاه
3	3	3	3	3	3
210,000 ريال	300,000 ريال	180,000 ريال	100,000 ريال	165,000 ريال	210,000 ريال
740,000 ريال	600,000 ريال	400,000 ريال	275,000 ريال	300,000 ريال	385,000 ريال
950,000 ريال	900,000 ريال	580,000 ريال	375,000 ريال	465,000 ريال	595,000 ريال
900,000 ريال	لا ينطبق	520,000 ريال	لا ينطبق	لا ينطبق	لا ينطبق

Note: All proposed fees are exclusive of VAT (Value Added Tax)

ملاحظة: جميع العروض لا تشمل ضريبة القيمة المضافة.

After the review and due consideration of all proposals and additional information and clarification, the Committee unanimously approved the following resolution:

"The Committee recommends to your esteemed Board that the companies listed below be approved, and that a recommendation be submitted to the General Assembly to consider and approve the appointment of PwC and Crowe as external auditors to carry out the audit of company's annual financial statements for the year 2025 and review of interim financial statements for 3 quarters (Q2 2025, Q3 2025 and Q1 2026), with fees (excl. VAT) as follows:

- PricewaterhouseCoopers Public Accountants (PwC) 950,000 Saudi Riyals
- Crowe Solutions for Professional Consulting (CROWE) 375,000 Saudi Riyals

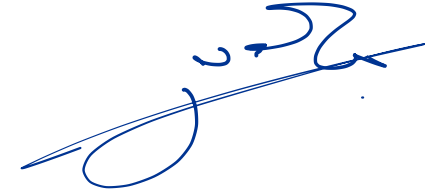
The Committee further confirms that there is no conflict of interest on the part of any of the members with respect to such recommendation.

و بعد مراجعة كافة العروض والنظر فيها وافقت اللجنة بالإجماع على القرار التالي:

"توصي اللجنة مجلسكم الموقر باعتماد الشركات المذكورة أدناه، ورفع توصية للجمعية العمومية للنظر والتصويت على تعيين شركة برايس وترهاوس كوبرز محاسبون قانونيون و شركة حلول كرو للاستشارات المهنية كمراجعين خارجيين لمراجعة القوائم المالية السنوية للشركة لعام 2025م وفحص القوائم المالية الأولية الربعية للربع الثاني 2025م والثالث 2025م والأول 2026م وتحديد أتعابهم (لا تشمل ضريبة القيمة المضافة) وهي على النحو التالي:

- شركة برايس وترهاوس كوبرز محاسبون قانونيون 950,000 ريال سعودي
- شركة حلول كرو للاستشارات المهنية 375,000 ريال سعودي

كما تؤكد اللجنة إلى عدم وجود تضارب في المصالح من جانب أي من الأعضاء فيما يتعلق بهذه التوصية.



الأستاذ/ بدر بن براهيم السويلم

رئيس لجنة المراجعة



Agenda Item No. 5 to 13
Voting on business and contracts



To the shareholders
Liva Insurance Company

Limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders of Liva Insurance Company in accordance with the requirements of Article (71) of the Companies Law in the Kingdom of Saudi Arabia

Scope

We have undertaken a limited assurance engagement in respect of the accompanying declaration of statement of transactions and contracts concluded between Liva Insurance Company (the “Company”) and the directors, directly or indirectly, of the Company (the “Declaration”) for the year ended 31 December 2024 to be submitted by the Chairman of the Board of Directors (the “Board”) of the Company in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies.

Subject matter

The subject matter for our limited assurance engagement is the Declaration prepared by the management of the Company and approved by the Chairman of the Board as attached to this report and submitted to us.

Criteria

The applicable Criteria is the requirement of Article 71 of the Regulations for Companies (2022-1443H) issued by the Ministry of Commerce which states that any member of the Board with any interest, both directly or indirectly, in the transactions or contracts made with the Company shall declare such interests for the approval of the general assembly of the shareholders of the Company. Such Board member must notify the Board of such interest and excuse himself in vote by the Board to approve such transactions or contracts. The Chairman of the Board will notify the general assembly of transactions and contracts in which any member of the Board has a direct or indirect interest.

Management’s responsibility

The management of the Company is responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

Professional ethics and quality management

We have complied with the independence requirements of 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 limited assurance engagement in the Kingdom of Saudi Arabia, and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements.

Professional ethics and quality management (continued)

The firm applies International Standard on Quality Management (ISQM) 1, as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’ (“ISAE 3000”), as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's compliance with the requirements of Article 71 of the Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of procedure performed

We have planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discussed with the management the process for obtaining business and agreements by any of the Board members with the Company;
- Obtained the accompanying Declaration that includes the lists of all transactions and agreements entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended 31 December 2024;
- Reviewed the minutes of the Board meetings that indicates the Board member notified the Board on the transactions and agreement entered into by the Board member during the year ended 31 December 2024 and that the concerned Board member did not vote on the resolution issued in this regard at the meetings of the Board;
- Checked that the claims paid were in relation to the above transactions and agreements approved as per the process above; and
- Reviewed the transactions and contracts mentioned in the Declaration are also disclosed in Note 9 to the audited financial statements for the year ended 31 December 2024.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of the Article 71 of the Regulations for Companies, are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing, or International Standards on Review Engagements, as endorsed in the Kingdom of Saudi Arabia, and accordingly we do not express an audit opinion or a review conclusion in relation to the adequacy of systems and controls around the preparation of the Declaration.

This conclusion relates only to the Declaration for the year ended 31 December 2024 and should not be seen as providing assurance as to any future date or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our procedures performed described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in relation to the preparation of the Declaration.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Chairman of the Board in fulfilling its reporting obligation to the general assembly in accordance with Article 71 of the Regulations for Companies. The report should not be used for any other purpose or to be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, the Capital Market Authority and the shareholders of the Company. To the fullest extent permitted by law, we do not accept or resume responsibility to any third party.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Khobar, Saudi Arabia

26 May 2025 (corresponding to 28 Dhul-Qi'dah 1446H)



Enclosed: Declaration submitted by the Chairman of the Board of Directors



07 May 2025G

Dear Shareholders of Liva Insurance Company
Peace be upon you and God's mercy and blessings

Based on the requirements of Article No. (71) of the Companies Law, which requires that a member of the Board of Directors be informed of his direct or indirect personal interest in the business and contracts that are concluded with the company, the Board of Directors wishes to inform your esteemed association of the dealings with related parties Which the members of the company's board of directors had an interest in, which are as follows:

A. 1 - Transactions with Riyadh Bank

No.	Member of the Board of Directors	The nature of interest for a member of the Board of Directors	Type of Contract	Line of Business	Date of Contract	Gross Written Premiums	Boker Commission
1	Dr. Abdullah Abdulrahman Alshwer Mr. Bandar Abdulaziz AlQubisy	Representatives of Riyadh Bank at the board of directors	Insurance policy as per market terms.	General Accident (Group Life)	A number of insurance policies renewed for a period of one year.	184,349	0
2	Dr. Abdullah Abdulrahman Alshwer Mr. Bandar Abdulaziz AlQubisy	Representatives of Riyadh Bank at the board of directors	Insurance policy as per market terms.	Motor	A number of new insurance policies issued from 01-01-2024G to 19-12-2024G, and existing policies were renewed for a period of one year.	4,415,554	239,413
Total						4,599,903	239,413

A. 2 - Transactions with Riyadh Bank

No.	Member of the Board of Directors	The nature of interest for a member of the Board of Directors	Type of Contract	Line of Business	Gross Written Premiums
1	Dr. Abdullah Abdulrahman Alshwer Mr. Bandar Abdulaziz AlQubisy	Representatives of Riyadh Bank at the board of directors	Claims paid as per policy condition.	General Accident (Group Life)	10,512,678
2	Dr. Abdullah Abdulrahman Alshwer Mr. Bandar Abdulaziz AlQubisy	Representatives of Riyadh Bank at the board of directors	Claims paid as per policy condition.	Property	647,904
3	Dr. Abdullah Abdulrahman Alshwer Mr. Bandar Abdulaziz AlQubisy	Representatives of Riyadh Bank at the board of directors	Claims paid as per policy condition.	Motor	796,211
Total					11,596,793

A. 3 - Transactions with Riyadh Bank

No.	Member of the Board of Directors	The nature of interest for a member of the Board of Directors	Type of Contract	Investment Income
1	Dr. Abdullah Abdulrahman Alshwer Mr. Bandar Abdulaziz AlQubisy	Representatives of Riyadh Bank at the board of directors	Term deposit as per market terms.	9,001,662
Total				9,001,662



B. 1- Dealings with Liva Insurance Group

(Previously known as Royal & Sun Alliance Insurance (Middle East))

Liva Group is a related party to Liva Insurance Company through one of its major shareholders, Royal & Sun Alliance (Middle East).

No.	Member of the Board of Directors	The nature of interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2024	The value of reinsurance commissions paid to the Company during the year 2024
1	Mr. Martin Rueegg Mr. Sanjay Kawatra Dr. Dhafir Alshanfari Mr. Addal Sarwar Mr. Muneer Almughairi	Representatives of Liva Insurance Group (previously known as Royal & Sun Alliance Insurance (Middle East)) at the board of directors	Reinsurance contracts as per market terms.	9,378,045	5,306
Total				9,378,045	5,306

B. 2- Dealings with Liva Insurance Group

No.	Member of the Board of Directors	The nature of interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2024
1	Mr. Martin Rueegg Mr. Sanjay Kawatra Dr. Dhafir Alshanfari Mr. Addal Sarwar Mr. Muneer Almughairi	Representatives of Liva Insurance Group at the level of the company's board of directors	Technical services provided by Liva Insurance Group to the Company in various business areas under a technical services agreement as per market terms.	5,186,848
2	Mr. Martin Rueegg Mr. Sanjay Kawatra Dr. Dhafir Alshanfari Mr. Addal Sarwar Mr. Muneer Almughairi	Representatives of Liva Insurance Group at the level of the company's board of directors	The Liva Insurance Group trademark usage rights are in accordance with the Trademark Use Agreement as per market terms.	30,100
3	Mr. Martin Rueegg Mr. Sanjay Kawatra Dr. Dhafir Alshanfari Mr. Addal Sarwar Mr. Muneer Almughairi	Representatives of Liva Insurance Group at the level of the company's board of directors	Operational expenses paid on behalf of related party and reinsurance placements as per market terms.	1,260,468
4	Mr. Martin Rueegg Mr. Sanjay Kawatra Dr. Dhafir Alshanfari Mr. Addal Sarwar Mr. Muneer Almughairi	Representatives of Liva Insurance Group at the level of the company's board of directors	Operational expenses paid by related parties on behalf of the Company as per market terms.	1,658,637
Total				8,136,053



C. Perfect Presentation for Commercial Services

No.	Member of the Board of Directors	The nature of interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2024	Accrued balance as of 31 December 2024
1	Dr. Tariq Abdullah Al Naeem.	A board member of Perfect Presentation for Commercial Services company	call center outsources services at arm's length and on market terms	1,530,000	497,070
Total				1,530,000	497,070

I would like to inform you that the Board has taken up all the necessary legal procedures and made sure that there is no preference for the companies / individuals mentioned above in the contracts and transactions that took place between the company and each of them. After the review, it became clear that the transactions were done in accordance with the statutory policies and procedures. The Board ensures that no losses have occurred to shareholders as a result of these relationships.

The board proposes to your esteemed association to approve these transactions for the year 2024 and authorize them for the next year, 2025.



SIGNATURE SHEET

Name of Director	Signature
Dr. Tariq AlNaeem, Chairman	
Sanjay kawatra, Vice Chairman	
Noorur Rahman Abid, Director	
Bader Alswailem, Director	
Dr. Dhafir Al Shanfari, Director	
Martin Rueegg, Director	
Addal Sawar, Director	
Dr. Abdullah Alshwer, Director	
Ali Juma, Director	
Mounir Almughairi, Director	
Bandar Alqubaisy, Director	

Bader Al Enazi
Board Secretary

Agenda Item No. 15

Voting on paying an amount of SR 1,146,500 as remuneration to the Board members and committee members for the fiscal year ending on 31/12/2024G.



Liva Insurance Company

Remuneration Policy

Overview

Liva (the Company), being a public listed company is governed by a Board of Directors comprising of independent, executive and non-executive directors, in accordance with the Insurance Authority and CMA regulations. The board has also, in line with the regulatory requirements, constituted a nomination and remuneration committee to ensure transparency in the procedures for selection, appointment and removal of Directors and establish policies regarding the indemnity and remuneration of Directors and Senior Managers.

Under the Terms of reference of the Nomination & Remuneration Committee, the Committee has a responsibility to determine and agree with the Board, the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the executive directors, the Company Secretary and such other members of the executive management as it is designated to consider

The following Policy is recommended by the Board and shall be approved by the General Assembly.

Policy

A) Remuneration of the Chairman and Directors of the Company (Including Executive Directors of the Company)

Pursuant to the Company's By-laws, the Company provides for the following payments to be made to the Board of Directors of the Company:

1) Chairman

1. An annual remuneration of SAR 245,000 for the performance of duties as a chairman.
2. SAR 4,000 to be paid for attendance of each board meeting, and SAR 4,000 for attendance of each committee meeting.
3. Reimbursement of actual expenses incurred during any required meeting, or business trip to facilitate the company's business interest, including travel and accommodation expenses.

2) Directors

1. An annual remuneration of SAR 165,000 per annum for the performance of their duties.
2. SAR 4,000 to be paid for attendance of each board meeting, and SAR 4,000 for attendance of each committee meeting.
3. Reimbursement of actual expenses incurred during any required board or committee meeting, or business trip to facilitate the company's business interest, including travel and accommodation expenses.

The Liva group and Riyadh Bank employees nominated to the Company's Board shall waive their rights in respect of the annual remuneration and the fees for attendance of board and committee meetings. However, they shall be eligible to seek reimbursement of expenses incurred by them for attending the meetings and for the performance of their duties as Directors / Committee members of the Company.

The above arrangements shall be reflected in appointment letters issued to the directors and the Chairman.

The Managing Director is the only Executive Director on the Board, and he, being an employee of the Company, shall also waive his right to the annual remuneration and fees for attendance at meetings as described above. His remuneration as an employee of the Company shall be determined in line with the Employee compensation policies and procedures established by the Company.

Remuneration and reimbursement of expenses shall be paid to the directors after approval by the General Assembly.

B) Audit Committee Members

All Audit Committee members shall be remunerated as follows:

1. SAR 120,000 per annum for their performance as a committee member.
2. SAR 4,000 for attending each committee meeting.
3. SAR 4,000 for attending each board meeting when the Committee member is also not a Board member and is required to attend a board meeting.

Audit Committee members are also eligible to seek reimbursement of expenses incurred by them for attending the meetings and for the performance of their duties as members of the committees.

Remuneration shall be made to the committee members on a quarterly basis.

C) Remuneration of Senior Managers

The Company has implemented a Grading structure (based on the popular Hayes model) and has also established salary bands under each of these grades. Roles, based on their dimensions, expertise and skill requirement are fitted within these grades. The grading structure is presented to and discussed with the Nomination and Remuneration Committee on an annual basis.

With respect to the Senior Management team comprising of the Chief Executive Officer, members of the executive Committee and the Company secretary, the Nomination and Remuneration Committee shall review and approve the remuneration and terms (including salaries, benefits and performance related payments) at appointment. All subsequent changes to remuneration and terms of appointments are presented to and approved by the Nomination & Remuneration Committee during the annual salary review.

This Remuneration Policy shall be implemented in conjunction with the Company's human resources policies with respect to senior managers and employees.

D) Reimbursement Process

- Directors and committee members are requested to submit the reimbursement invoices directly to the Company Secretary by email, including details of the bank account where any reimbursement should be transferred.
- The Company Secretary shall forward them to the finance team for processing and inform the directors and committee members regarding the status of the reimbursement within 21 calendar days of receiving the invoices.
- Reimbursements for committee members shall be made on a quarterly basis along with payment of remuneration. Reimbursements for directors shall be made with payment of the remuneration after approval of the General Assembly.

E) Remuneration Claw back

The Company shall be entitled to request the return of any remuneration paid and/or cancel any future remunerations if it is determined that the remuneration has been based on inaccurate information provided by any of the members of the Board of Directors, its committees, or the senior management.

F) Review

The Nomination and Remuneration Committee shall annually assess this remuneration of the Company and review the Remuneration Policy, taking into consideration market practices of peer group companies. Any changes to this Remuneration Policy shall be approved by the General Assembly, upon recommendation of the Nomination and Remuneration Committee and endorsement by the Board.

Agenda Item No. 16

Voting on the Board's resolution to appoint Mr. Bandar Abdulaziz Alqubisy as a Non-Executive board member starting from the date of his appointment on 05/02/2025G.





Form No. (1) Resume

1) Personal Information of the Nominated Member						
Full Name	Bandar Abdulaziz Hamad AlQubaisy					
Nationality	Saudi	Date of Birth	17/04/1978G			
2) Academic Qualifications of the Nominated Member						
No.	Qualification	Specialization	Date of the awarded degree	The Name of the awarding entity		
1						
2						
3) Experiences of the Nominated Member						
Period	Areas of Expertise					
From Nov 2022 till date	EVP Retail Products & Services - Riyadh Bank					
From Sep 2019 till Nov 2022	Head of Business Assets & Consumer Assets - Saudi Fransi Bank					
From Aug 2016 till Apr 2019	Head of Cards Business & Digital Payments - Al Rajhi Bank					
From July 2014 till Aug 2016	Senior Manager Consumer Banking - Samba Financial Group					
From March 2013 till July 2014	Head of Prepaid Cards & Remittance - Saudi Investment Bank					
From Jan 2010 till March 2013	Head of Debit & Prepaid Cards - Al Rajhi Bank					
From Nov 2008 till Dec 2009	Cards Product Manager - SABB Bank					
From Nov 2006 till Oct 2007	Operation Manager – Credit Cards - SABB Bank					
4) Current membership in the board of directors of other joint stock companies (listed or un-listed) or any other company of any legal form or its committees:						
No.	Company Name	Main Activity	Membership Type (Executive, non executive, Independent)	Appointment method (a nominee as a shareholder, appointed by shareholder with have the right of appointment under the company's bylaws, nominated by shareholder)	Memberships of Committees	Legal form of the Company
1						
2						
3						



Audit Committee Report to the General
Assembly of Shareholders for the fiscal year
ending 12/31/2024



Memorandum To: The Shareholders of Liva
From: The Chairman of the Audit Committee
Subject: Report to Shareholders on the Company's Control Environment
Date: 26 May 2025G

مذكرة إلى / مساهمي شركة ليفا للتأمين
من: رئيس لجنة المراجعة
الموضوع: تقرير للمساهمين حول بيئة الرقابة للشركة
التاريخ: 26 مايو 2025م

Background

Article 88 of the Corporate Governance Regulations requires that a report on internal controls needs to be submitted and read during the Annual General Assembly meeting. Further, the CMA listing rules require the following statements / confirmations to be included in the annual Board of Directors' Report of the company:

- 1) Accounting ledgers were prepared correctly.
- 2) The system of internal control is sound in design and has been effectively implemented; and
- 3) There are no significant doubts concerning the issuer's ability to continue as a going concern.

In addition, the CMA Corporate Governance regulations require that the Board of Directors' Report also includes a statement on "the Results of the annual audit of the effectiveness of the internal control procedures of the company." The same is also reflected under Article (19) of the new IA Corporate Governance Regulations.

Statement for 2024

Following the activities of the Committee for the year 2024G and considering the information, explanations, assurances and confirmations provided by the management with respect to the internal controls as well as the controls with respect to Financial Statements preparation and reporting, the Committee conveys it's no objection to the following statements being used to present to the

مقدمة

استناداً إلى المادة رقم (88) من لائحة حوكمة الشركات يتوجب تقديم وقراءة تقرير حول الرقابة الداخلية للشركة في إجتماع الجمعية العامة السنوية. كما تتطلب قواعد الإدراج الصادرة عن هيئة السوق المالية تضمين الإقرارات التالية في تقرير مجلس الإدارة السنوي للشركة:

- 1) سجلات الحسابات أعدت بالشكل الصحيح.
- 2) نظام الرقابة الداخلية أعد على أسس سليمة ونفذ بفاعلية.
- 3) لا يوجد أي شك يذكر في قدرة الشركة على مواصلة نشاطها.

إضافة إلى ذلك، فإن لائحة حوكمة الشركات الصادرة عن هيئة السوق المالية تتطلب أن يحتوي تقرير مجلس الإدارة على بيان حول "نتائج المراجعة السنوية لفعالية إجراءات الرقابة الداخلية للشركة". كما أن ذلك متطلب أيضاً بموجب المادة (19) من لائحة حوكمة شركات التأمين الصادرة عن هيئة التأمين

ملخص الأنشطة الرئيسية للجنة

قامت لجنة المراجعة خلال عام 2024م وعلى ضوء المعلومات، التوضيحات والتأكيدات التي تقدمت بها الإدارة فيما يتعلق بالضوابط الداخلية وكذلك الإجراءات المتعلقة بإعداد البيانات المالية وتقاريرها، وعليه فإن اللجنة تبدي بهذا

Shareholders at the Annual General Assembly as required under article (88) of the Corporate Governance regulations:

"The Board of Directors have formed an Audit Committee to support the Board in the discharge of its responsibilities in respect of supervising the Company's financial reporting processes, evaluating the adequacy and effectiveness of the Company's audit arrangements, and overseeing the Company's overall control environment.

The Audit Committee has conducted an overall review of the internal and external auditors' assessment of the Company's system of internal controls during 2024G, and no significant issues were identified.

The internal and external auditors and the Company's Compliance function have conducted a number of reviews during 2024G, which provide a reasonable degree of assurance on the Company's ability to meet its strategic objectives. The results of these reviews have been considered by the Audit Committee in reviewing the effectiveness of the internal control systems of the company. The Committee has also gained a reasonable degree of satisfaction with respect to the actions taken by the management to address the observations and recommendations arising from the reviews.

All the issues arising from the review have been reported to the Board of Directors with recommendations on actions to be implemented by the management of the Company.

The management (CEO and CFO) have confirmed to the Audit Committee that the Internal Control System has been designed and implemented to provide assurance on the achievement of objectives including effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Based on the above, the Audit Committee believes that there were no material control weaknesses which might result in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or conditions.

عدم ممانعتها عن البيانات التالية، للتقدم بها للمساهمين في إجتماع الجمعية العامة السنوية بموجب المادة (88) من لائحة حوكمة الشركات:

لقد قام مجلس الإدارة بتشكيل لجنة المراجعة لمساندة المجلس في أداء مسؤولياته فيما يتعلق بالإشراف على عمليات إعداد تقارير الشركة، وتقييم كفاية وفعالية أنشطة المراجعة الداخلية للشركة والإشراف على بيئة الرقابة.

لقد قام كل من المراجع الداخلي والخارجي وإدارة الإلتزام للشركة بعدد من أعمال المراجعة والتدقيق خلال العام 2024م ، والتي توفر درجة معقولة من التأكيد على قدرة الشركة في الإيفاء بأهدافها الإستراتيجية.

لقد قامت لجنة المراجعة بدراسة نتائج أعمال المراجعة والتدقيق تلك فيما يتعلق بمراجعة فعالية الرقابة الداخلية للشركة. كما توصلت اللجنة إلى درجة معقولة من الرضا فيما يختص بالإجراءات المتخذة من قبل الإدارة للتعامل مع الملاحظات والتوصيات الناتجة عن أعمال المراجعة.

تم الإبلاغ عن جميع الملاحظات الناشئة عن المراجعة إلى مجلس الإدارة مع توصيات بشأن الإجراءات التي يتعين على إدارة الشركة تنفيذها.

أكدت الإدارة التنفيذية (الرئيس التنفيذي والرئيس المالي) للجنة أن نظام الرقابة الداخلية قد تم تصميمه وتنفيذه لتوفير ضمانات بشأن تحقيق الأهداف بما في ذلك فعالية وكفاءة العمليات، وموثوقية التقارير المالية، والإمتثال للقوانين واللوائح المعمول بها.

وبناءً على ما ذكر أعلاه، لم يتبين للجنة المراجعة أن هناك عناصر ضعف جوهرية للرقابة يمكن أن ينتج عنها نتائج غير متوقعة أو حالات طارئة أو يمكن أن يكون لها أثر جوهري مستقبلاً على الأداء أو الوضع المالي للشركة.

During the period from 01/01/2024G to 31/12/2024G the Audit Committee held five meetings. During these meetings the Committee amongst other activities:

- Reviewed the internal and external audit arrangements and assessed their independence.
- Reviewed and approved the internal audit plans as well as the adequacy of internal audit resources to execute the plans.
- assessed the effectiveness of the internal audit function and reviewed the findings reported within the audit reports and the management actions to address them.
- ensured that the external auditors had access to all information and explanations required by them for carrying out their audit and expressing their audit opinion
- reviewed the interim and final financial statements prior to their approval by the Board and publication.
- Reviewed the activities of the compliance department in developing and implementing mitigating actions and managing the regulatory risks identified.
- Reviewed the arrangements in place to achieve compliance with applicable regulations."

خلال الفترة من 2024/01/01 م وحتى 2024/12/31 م عقدت لجنة المراجعة خمسة إجتماعات، حيث قامت اللجنة خلال تلك الإجتماعات بالتالي:

- مراجعة اجراءات المراجعة الداخلية والخارجية وتقييم إستقلاليتهما وحياديتهما.
- مراجعة وإعتماد خطط المراجعة الداخلية وكفاية مواردها لتنفيذ تلك الخطط.
- تقييم فعالية إدارة المراجعة الداخلية ومراجعة النتائج المضمنة في تقاريرها وإجراءات الإدارة للتعامل معها.
- تأكدت اللجنة من أن للمراجع الخارجي إمكانية الحصول على كافة المعلومات والتوضيحات المطلوبة منه لتنفيذ أعمال المراجعة وابداء الرأي المبني على المراجعة التي تمت.
- مراجعة البيانات المالية السنوية وربيع السنوية قبل إعتمادها من قبل مجلس الإدارة لنشرها.
- مراجعة أنشطة إدارة الإلتزام في تطوير وتطبيق إجراءات تخفيف وإدارة المخاطر الرقابية التي تم التعرف عليها.
- مراجعة الاجراءات المعمول بها لتحقيق الإلتزام بالأنظمة واللوائح.

رئيس لجنة المراجعة
الدكتور/ صالح بن حمد الشنيفي

