Allianz Saudi Fransi Cooperative Insurance Company
(A Saudi Joint Stock Company)

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Independent Auditors' Report on the Audit of the Financial Statements

To the shareholders of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

Opinion

We have audited the financial statements of Allianz Saudi Fransi Cooperative Insurance Company – a Saudi Joint Stock Company (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the related statement of income, statement of comprehensive income, statement of changes in equity and statement of 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 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in 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 is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, a description of how our audit addressed the matter is provided in that context:

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Measurement of insurance contract liabilities As at 31 December 2023, total insurance contract liabilities amounts to SAR 1,111 million, of which there are two components. The first component relates to the liability for remaining coverage (LRC) and comprises fulfilment cash flows related to future services to be provided under groups of insurance contracts. This balance is also inclusive of a risk adjustment, contractual service margin and discounting for contracts not measured under premium allocation approach (PAA). The second component relates to the liability for incurred claims (LIC) and comprises fulfilment cash flows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported (IBNR). This balance is also inclusive of a risk adjustment and discounting. For LRC, actuarial projection methods based on both historical information and significant assumptions on future developments, are used drive the fulfilment cash flows and related contractual service margin. For LIC, the estimation of IBNR involves a significant degree of judgement. The present value of future cash flows are based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs. The risk adjustment is also a key area of judgement given it is intended to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows associated with insurance contracts that arise from non financial risks.	We performed the following procedures: • Understood the control activities relevant to our audit over the Company's process for determining insurance contract liabilities, and for certain control activities, assessed whether they were appropriately designed and operating effectively through testing a sample of transactions. • Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence. • Assessed the integrity of data used as inputs and tested on sample basis, the accuracy of key underlying data utilised by the management's expert in estimating the insurance contract liabilities. • 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. • Involved our internal actuarial specialists to assess the Company's actuarial models and assumptions and evaluated the Company's actuarial practices and provisions established including the actuarial report issued by management's expert, by performing the following: - Evaluated whether the Company's actuarial methodologies were consistent with generally accepted actuarial practices; - Assessed the appropriateness of the calculation methods and approach along with the assumptions used; - Assessed key actuarial assumptions including

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company) (continued)

Key audit matter	**How our audit addressed the key audit matter**
We considered the valuation of insurance contract liabilities to be a key audit matter due to the significant judgement required by the Company in estimating the certain elements of LRC and LIC. *Refer to note 3.2.1 and 3.5 for accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company. Refer to note 9 for the details of insurance contract liabilities.*	claims ratios and expected frequency and severity of claims. We tested these assumptions by comparing them with our expectations based on the Company's historical experience, current trends and our own industry knowledge; - Tested the discount rate applied through evaluating yield curves, claims payment patterns and the adopted illiquidity premium. This included comparing the rates applied to external market data and the payment patterns to historical information; - Evaluated the relevant underlying calculations used to derive the risk adjustment, including the significant assumptions; - Tested the onerous contract assessments, including evaluating the significant assumptions against relevant supporting information; - Evaluated the application of the variable fee model for specific group of contracts. This included assessing the underlying significant assumptions used to derive the fulfilment cash flows and related contractual service margin; and - Developed independent estimates for selected groups of contracts, focusing on groups of contracts which are material and have heightened uncertainty. • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company) (continued)

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Adoption of IFRS 17 and IFRS 9

During the year the Company has adopted IFRS 17 "Insurance Contracts", that is endorsed in the Kingdom of Saudi Arabia (IFRS 17), which replaces IFRS 4 "Insurance Contracts", as endorsed in the Kingdom of Saudi Arabia (IFRS 4) and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF").

The adoption of IFRS 17 resulted in a transition adjustment to the Company's equity as at 1 January 2022 amounting to SAR 13.53 million. IFRS 17 introduced new nomenclature for significant insurance-related balances as well as new measurement principles for insurance-related liabilities and insurance revenue recognition.

Further, during the year the Company also adopted IFRS 9 "Financial Instruments", as endorsed in the Kingdom of Saudi Arabia (IFRS 9) which replaces IAS 39 "Financial Instruments: Recognition and Measurement", as endorsed in the Kingdom of Saudi Arabia (IAS 39). The Company has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. For the transition to IFRS 9, the Company applied a retrospective approach to be in line with the transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9. The adoption of IFRS 9 resulted in a transition adjustment to the Company's equity as at 1 January 2022 amounting to SAR 34.7 million. IFRS 9 also required the management to assess its business model with respect to different portfolios of investments that drive the measurement and disclosures of the Company's investments. It also introduced the concept of Expected Credit Loss

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We performed the following procedures:

- Obtained an understanding of the Company's implementation process for determining the impact of adoption of the standards, including understanding of the changes to the Company's accounting policies, systems, processes and controls.

  With the involvement of our internal valuation specialists:

  -Assessed the significant judgements used by the Company to determine the relevant accounting policies against the requirements of IFRS 17. This included judgements used to determine the measurement models adopted for different types of insurance and reinsurance contracts, risk adjustment, onerous contracts and discount rates used;

  -Evaluated the appropriateness of the Group's premium allocation approach eligibility analysis for insurance and reinsurance contracts with coverage periods greater than one year, including testing the relevant supporting data, the significant assumptions used and scenarios applied, and testing the accuracy of models used;

  -Evaluated whether management's allocation of expenses under IFRS 17 was appropriate and tested, on a sample basis, such expenses;

  -Evaluating the application of the variable fee measurement model for group of insurance contracts. This included assessing the methodology and significant assumptions used with the relevant supporting data; and

  -Assessed the adequacy of the transition adjustments impact under IFRS 17 on the opening retained earnings as at 1 January 2022

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Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company) (continued)

Key audit matter	How our audit addressed the key audit matter
(ECL) which is a forward-looking estimate of credit losses for the Company's financial assets. Due to first year adoption, which resulted in fundamental changes to classification and measurement of the main transactions and balances of the Company along with significant changes to presentation and disclosures that were required in the financial statements for the year ended 31 December 2023, we have considered this as a key audit matter. *Refer to note 3.2.1 and 3.3.1 for accounting policy and note 3.5 for significant accounting judgements, estimates and assumptions adopted by the Company. The impact of transition is explained in note 3.2.2 and 3.3.2 to the financial statements.*	and related disclosure in the financial statements. • Evaluated and assessed management's conclusions regarding the Company's business model for different portfolios of investments and the appropriateness of the Company's determination of ECL under IFRS 9. • Assessed the adequacy of the transition adjustments impact of IFRS 9 on the opening retained earnings as at 1 January 2022 and related disclosure in the financial statements.

Other information included in the Company's 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Company's 2023 annual report, other than 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 2023 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

To the Shareholders of Allianz Saudi Fransi Cooperative 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 the IFRSs as endorsed in Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies, and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance i.e., the Audit Committee is 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 the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditors' Report on the Audit of the Financial Statements

To the Shareholders of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company) (continued)

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PricewaterhouseCoopers
P. O. Box 8282
Riyadh 11482
Kingdom of Saudi Arabia

Ali H. Al Basri
Certified Public Accountant
License Number 409

For Al-Bassam & Co.
P.O. Box 69658
Riyadh 11557
Kingdom of Saudi Arabia

Ibrahim A. Al-Bassam
Certified Public Accountant
Licence Number 337

15 Ramadan 1445H
March 25, 2024
Riyadh, Kingdom of Saudi Arabia

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	*2023*	*2022 (Restated)*	*January 1, 2022 (Restated)*
ASSETS				
Cash and cash equivalents	4.1	**126,187,903**	194,590,855	160,813,072
Term deposit	4.2	**50,000,000**	-	-
Prepaid expenses and other assets	16	**51,434,987**	66,185,404	55,066,350
Insurance contract assets	9	**145,585,905**	164,922,492	245,328,800
Reinsurance contract assets	10	**398,384,918**	425,868,671	606,583,196
Financial assets for unit linked contracts	14	**500,981,775**	487,049,866	515,227,924
Investments	5	**808,899,680**	630,735,047	587,854,117
Right-of-use assets	13.1	**1,206,081**	4,107,309	844,193
Deferred tax asset	6	**4,286,053**	7,051,465	3,940,570
Property and equipment	15	**6,493,822**	7,159,523	7,968,658
Statutory deposit	4.3	**60,000,000**	60,000,000	60,000,000
Accrued income on statutory deposit		**1,925,153**	2,381,722	1,579,858
TOTAL ASSETS		**2,155,386,277**	2,050,052,354	2,245,206,738
LIABILITIES				
Insurance contract liabilities	9	**1,111,134,900**	1,053,789,268	1,324,704,985
Reinsurance contract liabilities	10	**155,270,090**	166,509,578	103,499,282
Accrued expenses and other liabilities	17	**45,717,373**	28,727,200	18,442,380
Lease liabilities	13.2	**3,019,008**	6,092,308	997,804
Employees' end-of-service obligations	18	**19,219,326**	19,381,794	19,030,822
Zakat and income tax	19	**18,416,114**	27,490,781	21,120,732
Accrued income payable to Insurance Authority		**1,925,153**	2,381,722	1,579,858
TOTAL LIABILITIES		**1,354,701,964**	1,304,372,651	1,489,375,863
EQUITY				
Share capital	23	**600,000,000**	600,000,000	600,000,000
Share premium		**16,310,624**	16,310,624	16,310,624
Statutory reserve		**33,248,740**	25,851,362	21,867,493
Retained earnings		**99,139,226**	69,549,712	64,957,779
Fair value reserve for investments		**54,113,233**	29,273,194	47,787,620
Treasury shares	28	**(4,176,245)**	-	-
Actuarial reserve for employees' end-of-service obligations		**1,017,300**	2,241,846	3,392,704
Other reserves		**1,031,435**	2,452,965	1,514,655
TOTAL EQUITY		**800,684,313**	745,679,703	755,830,875
TOTAL LIABILITIES AND EQUITY		**2,155,386,277**	2,050,052,354	2,245,206,738
CONTINGENCIES AND COMMITMENTS	7			

Anuj Agarwal Chief Executive Officer	Al Waleed Abdulrazak Al Dryaan Chairman	Hani Al Bukhaitan Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these financial statements.

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF INCOME
For the year ended 31 December 2023

	Notes	*2023*	*2022 (Restated)*
Insurance revenue	11	**862,625,067**	735,650,282
Insurance service expenses	11	**(704,853,280)**	(482,595,734)
Insurance service result before reinsurance contracts		**157,771,787**	253,054,548
Allocation of reinsurance premiums	11	**(298,203,917)**	(318,712,197)
Amounts recoverable from reinsurance	11	**158,341,842**	70,256,898
Net expenses from reinsurance contracts		**(139,862,075)**	(248,455,299)
Insurance service result from Company's directly written business		**17,909,712**	4,599,249
Share of surplus from insurance pools	11a	**12,294,000**	15,330,000
Total insurance service result		**30,203,712**	19,929,249
Income / (loss) from financial assets measured at FVTPL	5.2	**52,513,481**	(3,098,923)
Income from financial assets not measured at FVTPL	5.2	**39,866,128**	26,841,433
Other income		**4,516,913**	4,028,745
Net investment and other income		**96,896,522**	27,771,255
Finance expenses from insurance contracts	12	**(64,973,611)**	(15,668,716)
Finance income from reinsurance contracts	12	**10,861,389**	9,153,648
Net insurance finance expenses		**(54,112,222)**	(6,515,068)
Net insurance and investment result		**72,988,012**	41,185,436
Other operating expenses	21	**(23,767,776)**	(24,493,495)
NET INCOME FOR THE YEAR BEFORE ZAKAT AND INCOME TAX		**49,220,236**	16,691,941
Provision for zakat and tax	19	**(12,233,344)**	(8,116,139)
NET INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX		**36,986,892**	8,575,802
Earnings per share			
Basic and diluted earnings per share	23.2	**0.62**	0.14

Anuj Agarwal	Al Waleed Abdulrazak Al Dryaan	Hani Al Bukhaitan
Chief Executive Officer	Chairman	Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these financial statements.

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	*2023*	*2022 (Restated)*
Net income for the year attributable to the shareholders after zakat and income tax		**36,986,892**	8,575,802
Other comprehensive income / (loss)			
Items that will not be reclassified to the statement of income in subsequent years			
Re-measurment loss of defined benefit liability – employees' end-of-service obligations	18	**(1,224,546)**	(1,150,858)
Items that may be recycled to the statement of income in subsequent years			
- Net change in fair value of FVOCI investments	5	**27,463,228**	(21,013,318)
- Deferred tax relating to change in fair value	6	**(2,623,189)**	2,498,892
Change in insurance finance reserves		**(1,421,530)**	938,310
Total comprehensive income / (loss) for the year		**59,180,855**	(10,151,172)

Anuj Agarwal
Chief Executive Officer

Al Waleed Abdulrazak Al Dryaan
Chairman

Hani Al Bukhaitan
Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these financial statements.

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital	*Share premium*	*Statutory Reserve*	*Retained earnings*	*Actuarial reserve for end-of-service obligations*	*Fair value reserve on investments*	*Treasury shares*	*Other reserves*	*Total*
Balance as at 31 December 2022 (audited)	**600,000,000**	**16,310,624**	**25,851,362**	**68,107,765**	**2,241,846**	**(12,634,667)**	-	-	**699,876,930**
Transition adjustment on initial application of IFRS 17 (Note 3.2.2)	-	-	-	**8,568,652**	-	-	-	**2,452,965**	**11,021,617**
Transition adjustment on initial application of IFRS 9 (Note 3.3.2)	-	-	-	**(7,737,724)**	-	**46,722,552**	-	-	**38,984,828**
Deferred tax	-	-	-	**611,019**	-	**(4,814,691)**	-	-	**(4,203,672)**
Balance as at 31 December 2022 – Restated	**600,000,000**	**16,310,624**	**25,851,362**	**69,549,712**	**2,241,846**	**29,273,194**	-	**2,452,965**	**745,679,703**
Comprehensive income /(loss) for the year									
Net income for the year attributable to shareholders after zakat and income tax	-	-	-	**36,986,892**	-	-	-	-	**36,986,892**
Re-measurment loss of defined benefit liability – employees' end-of-service obligations (Note 18)	-	-	-	-	**(1,224,546)**	-	-	-	**(1,224,546)**
Changes in fair values of FVOCI investments	-	-	-	-	-	**27,463,228**	-	-	**27,463,228**
Deferred tax relating to change in fair value	-	-	-	-	-	**(2,623,189)**	-	-	**(2,623,189)**
Other reserves	-	-	-	-	-	-	-	**(1,421,530)**	**(1,421,530)**
Total comprehensive income / (loss) for the year	-	-	-	**36,986,892**	**(1,224,546)**	**24,840,039**	-	**(1,421,530)**	**59,180,855**
Purchase of treasury shares under employee scheme	-	-	-	-	-	-	**(4,176,245)**	-	**(4,176,245)**
Transfer to statutory reserve	-	-	**7,397,378**	**(7,397,378)**	-	-	-	-	-
Balance as at 31 December 2023	**600,000,000**	**16,310,624**	**33,248,740**	**99,139,226**	**1,017,300**	**54,113,233**	**(4,176,245)**	**1,031,435**	**800,684,313**
Balance as at 1 January 2022 (audited)	600,000,000	16,310,624	21,867,493	52,172,287	3,392,704	17,549,916	-	-	711,293,024
Transition adjustment on initial application of IFRS 17 (Note 3.2.2)	-	-	-	12,014,907	-	-	-	1,514,655	13,529,562
Transition adjustment on initial application of IFRS 9 (Note 3.3.2)	-	-	-	906,467	-	33,829,747	-	-	34,736,214
Deferred tax	-	-	-	(135,882)	-	(3,592,043)	-	-	(3,727,925)
Balance as at 1 January 2022 (unaudited) - Restated	600,000,000	16,310,624	21,867,493	64,957,779	3,392,704	47,787,620		1,514,655	755,830,875
Comprehensive income / (loss) for the year									
Net income for the year attributable to shareholders after zakat and income tax	-	-	-	8,575,802	-	-	-	-	8,575,802
Re-measurment loss of defined benefit liability – employees' end-of-service obligations (Note 18)	-	-	-	-	(1,150,858)	-	-	-	(1,150,858)
Changes in fair values of FVOCI investments	-	-	-	-	-	(21,013,318)	-	-	(21,013,318)
Deferred tax relating to change in fair value	-	-	-	-	-	2,498,892	-	-	2,498,892
Other reserves	-	-	-	-	-	-	-	938,310	938,310
Total comprehensive income / (loss) for the year	-	-	-	8,575,802	(1,150,858)	(18,514,426)		938,310	(10,151,172)
Transfer to statutory reserve	-	-	3,983,869	(3,983,869)	-	-	-	-	-
Balance as at 31 December 2022 (restated)	600,000,000	16,310,624	25,851,362	69,549,712	2,241,846	29,273,194	-	2,452,965	745,679,703

Anuj Agarwal	Al Waleed Abdulrazak Al Dryaan	Hani Al Bukhaitan
Chief Executive Officer	Chairman	Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these financial statements.

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CASH FLOW

31 December 2023

	Notes	*2023*	*2022 (restated)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before zakat and income tax		**49,220,236**	16,691,941
Adjustments for non-cash and other items:			
Depreciation of property and equipment	15	**3,990,953**	3,840,368
Amortization of investments	5.2	**(34,530)**	127,424
Depreciation of right-of-use assets	13.1	**2,901,228**	3,826,610
Gain on sale of property and equipment		**-**	(773,241)
Provision for end-of-service obligations	18	**2,628,542**	3,081,586
Finance cost on lease liabilities	13.2	**448,788**	1,659,860
Unrealized gain on financial assets for unit linked contracts		**(51,491,709)**	(5,179,394)
		7,663,508	23,275,154
Changes in operating assets and liabilities:			
Financial assets for unit linked contracts		**37,559,800**	33,357,452
Net (gain) / loss on investment measured at FVTPL		**(1,021,772)**	778,317
Prepaid expenses and other assets		**14,750,417**	(11,119,054)
Accrued expenses and other liabilities		**16,990,173**	10,284,820
Insurance contract assets		**19,336,587**	80,406,308
Reinsurance contract assets		**27,483,753**	180,714,525
Insurance contract liabilities		**55,924,102**	(269,977,407)
Reinsurance contract liabilities		**(11,239,488)**	63,010,296
		167,447,080	110,730,411
End-of-service obligations paid	18	**(4,015,556)**	(3,881,472)
Zakat refund		**-**	3,595,778
Zakat and income tax paid	19	**(21,165,788)**	(5,953,871)
Net cash generated from operating activities		**142,265,736**	104,490,846
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	5.2	**(222,813,853)**	(147,934,989)
Purchase of term deposit	4.2	**(50,000,000)**	-
Proceeds from sales of investments	5.2	**73,168,750**	83,135,000
Proceed from sales of property any equipments		**-**	773,241
Purchase of property and equipment	15	**(3,325,252)**	(3,031,233)
Net cash used in investing activities		**(202,970,355)**	(67,057,981)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of shares held under employee scheme	28	**(4,176,245)**	-
Lease rental paid	13.2	**(3,522,088)**	(3,655,082)
Net cash used in financing activities		**(7,698,333)**	(3,655,082)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(68,402,952)**	33,777,783
Cash and cash equivalents at the beginning of the year		**194,590,855**	160,813,072
CASH AND CASH EQUIVALENTS, END OF THE YEAR	4.1	**126,187,903**	194,590,855
Non-cash information:			
Changes in fair value of investments measured at FVOCI	5.2	**(27,463,228)**	21,013,318
Re-measurment loss of defined benefit liability – employees' end-of-service obligations	18	**1,224,546**	1,150,858
Additions to right-of-use assets	13	**-**	7.089,726
Deferred income tax	6	**2,623,189**	(2,498,892)

Anuj Agarwal Chief Executive Officer	Al Waleed Abdulrazak Al Dryaan Chairman	Hani Al Bukhaitan Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these financial statements.

1. GENERAL

Allianz Saudi Fransi Cooperative Insurance Company (a Joint Stock Company incorporated in the Kingdom of Saudi Arabia), the "Company", was formed pursuant to Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to October 11, 2006). The Company operates under Commercial Registration number 1010235601 dated 26 Jumada Thani 1428H corresponding to 12 July 2007. The Company operates through its five branches in the Kingdom of Saudi Arabia. The registered address of the Company's head office is as follows:

Allianz Saudi Fransi Cooperative Insurance Company
Al Safwa Commercial Building, Khurais Road
P.O. Box 3540
Riyadh 11481, Kingdom of Saudi Arabia.

The Company's ultimate parent is Allianz SE, a European financial services company headquartered in Munich, Germany (refer to note 27 for related significant event during the year).

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business include Medical, Protection and saving, Motor, Engineering, Property and Other general insurance.

On July 31, 2003, corresponding to 2 Jumada II 1424H, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32). During March 2008, the Insurance Authority ("IA"), then known as Saudi Central Bank ("SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia. During the year, the Insurance Authority has been established by a royal decree as the insurance regulator. Previously issued regulations by SAMA will be upheld until the Insurance Authority issues updated regulations, all mention of SAMA in these financial statements to be read in this context. Therefore, the accrued income liability is payable to the Insurance Authority.

On January 1, 2016, the Company's management approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by Insurance Authority, then known as SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

Seasonality of operations

The Company operates in an industry where significant seasonal or cyclical variations in operating income are experienced during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statement of the Company has been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). This is the first set of the Company's financial statement in which IFRS 17 - Insurance Contracts ("IFRS 17") and IFRS 9 - Financial Instruments ("IFRS 9") as endorsed in Kingdom of Saudi Arabia have been applied and the resultant changes to the significant judgments, estimates and accounting policies are described in Note 3. Comparative information was restated due to the adoption of IFRS 17 and IFRS 9.

As required by the Saudi Arabian Insurance Regulations ("the Implementation Regulations"), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Accordingly, assets, liabilities, revenues and expenses clearly attributable to either operation, are recorded in the respective accounts.

The new Companies Law ("the Law") issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the Law. In case of any change, the management will amend its by-laws to align with the provisions of the Law. Consequently, the Company shall present the amended Articles of by-laws to the shareholders in their Extraordinary/ Annual General Assembly meeting for their ratification.

2. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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

(b) Basis of measurement

The financial statements is prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value and defined benefits obligations, which are recognized at the present value of future obligation using Projected Unit Credit Method.

(c) Basis of presentation

The Company's statement of financial position is presented in order of liquidity. Except for property and equipment, statutory deposit, accrued income on statutory deposit, engineering related insurance and reinsurance contracts, some components of investments measured at FVOCI, right of use assets, lease liabilities, employee end-of-service obligations and accrued commission income payable to Insurance Authority (IA), all other assets and liabilities are of short-term nature, unless, stated otherwise.

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it will be able to continue as a going concern in the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Functional and presentational currency

The functional and presentational currency of the Company is Saudi Riyals (SR). The financial statements values are presented in Saudi Riyals, unless otherwise indicated.

(e) Fiscal year

The Company follows a fiscal year ending 31 December.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

3.1 New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company

The accounting policies used in the preparation of this financial statement are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2022 except as explained below:

Treasury shares
These are recorded at cost and presented as a deduction from the equity as adjusted for any transaction cost, and gains or losses on sale of such shares. Subsequent to their acquisition, these are carried at the amount equal to the consideration paid. Any gains or losses on disposal of such shares are reflected under equity and are not recognized in the statement of income.

Share based payments
The Company offers its employees Long Term Incentive Plan (the "Plan"). The plan is approved by SAMA, under the terms of the plan the eligible employees are offered shares at a pre-determined strike price on the grant date. On the completion of the vesting period, the shares will be issued to the employees.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.1 New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company (continued)

A number of new or amended standards became applicable for the current reporting period and the Company had to change its accounting policies as a result of adopting the following standards:

a) IFRS 17 Insurance contracts ("IFRS 17"), and
b) IFRS 9 Financial Instruments ("IFRS 9").

The new accounting policies and the impact of the adoption of these new standards are disclosed in Note 3.2 and 3.3.

A number of other amendments became applicable for the current reporting period i.e. for reporting periods beginning on or after January 1, 2023. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

Interpretation	***Description***
IAS 1	*Classification of Liabilities as Current or Non-current – Amendments to IAS 1*
IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Narrow scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8	*The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.*
Amendments to IAS 12	International tax reform – pillar two model rules

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

Amendment to IFRS 16 – Leases on sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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.

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.

3. MATERIAL ACCOUNTING POLICIES , JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after January 1, 2023. The Company has restated the comparative information for 2022 by applying the full retrospective transition approach prescribed in the standard for PAA model and by applying the fair value transition approcach for VFA/GMM. The nature of the changes in accounting policies can be summarized, as follows:

3.2.1 Changes in accounting policies

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company. Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the PAA except insurance contracts on which GMM has been applied and direct participative life insurance contracts on which VFA has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- ***Deferral of acquisition costs*** – Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalize and amortize these costs over the coverage period based on the passage of time for all groups of contracts.
- ***Discount rate*** – Under IFRS 17, the liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Company has established discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts. Under IFRS 4, claims liabilities were discounted using a rate that reflected the estimated market yield of the underlying assets backing these claims liabilities at the reporting date. Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- ***Risk Adjustment*** -Under IFRS 17, the liability for incurred claims includes an explicit risk adjustment for non-financial risk ("risk adjustment") which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflected the inherent uncertainty in the net discounted claim liabilities estimates, whereas the IFRS 17 risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk. Similar to the risk margin, the risk adjustment includes the benefit of diversification, therefore the two methodologies are fairly aligned.
- ***Onerous contracts*** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income, resulting in earlier recognition compared to IFRS 4.

The Company capitalizes insurance acquisition cash flows for all product lines. The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of insurance contracts is recognized, an asset for insurance acquisition cash flows is recognized. When insurance contracts are recognized, the related portion of the asset for insurance acquisition cash flows is derecognized and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

Changes to presentation and disclosure

Statement of financial position

Presentation is driven by portfolios which are composed of groups of contracts covering similar risks and which are managed together. Portfolios of insurance and reinsurance contracts are presented separately between:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

3. MATERIAL ACCOUNTING POLICIES , JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

Line items under IFRS 17	Line items under IFRS 4, now combined under one line item under IFRS 17
Insurance contract liabilities Insurance contract assets	- Premiums receivable - Deferred policy acquisition costs - Unearned premiums - Outstanding claims - Claims incurred but not reported - Due to agents, brokers and third-party administrator, within accrued expenses and other liabilities - Policyholders payable, within accrued expenses and other liabilities - SAMA, Najm and Elm fee payables, within accrued expenses and other liabilities
Reinsurance contract assets Reinsurance contract liabilities	- Reinsurers' share of unearned premiums - Reinsurers' share of outstanding claims - Reinsurers' share of claims incurred but not reported - Reinsurers' balance payable - Reinsurers' balance receivable - Unearned reinsurance commission

Statement of income
The line item descriptions in the statement of income have been changed significantly compared to presentation in the latest annual financial statements. Previously, the Company reported the following line items:

• Gross premiums written
• Reinsurance premiums ceded abroad
• Reinsurance premiums ceded locally
• Excess of loss expenses
• Fee income from unit linked investments
• Changes in unearned premiums
• Changes in reinsurer share of unearned premiums
• Reinsurance commissions
• Gross claims paid
• Surrender and maturities
• Expenses incurred related to claims
• Reinsurers' share of claims paid
• Changes in outstanding claims
• Changes in claims incurred but not reported
• Changes in premium deficiency reserve
• Reinsurance share of changes in outstanding claims
• Reinsurance share of changes in claims incurred but not reported
• Changes in unit linked liabilities
• Unreallized gain on unit linked investments
• Policy acquisition costs
• Inspection and supervision fees
• Provision for doubtful debts
• General and administrative expenses
• Investment income
• Other income
• Surplus attributed to the insurance operations
• Zakat charge for the year
• Income tax charge for the year

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

Instead, IFRS 17 requires separate presentation of:
• Insurance revenue
• Insurance service expense
• Allocation of reinsurance premium
• Amount recoverable from reinsurance
• Finance expenses from insurance contracts
• Finance income from reinsurance contracts

The Company provides disaggregated qualitative and quantitative information about:
• Amounts recognized in its financial statements from insurance and reinsurance contracts
• Significant judgements, and changes in those judgements, when applying the standard

Insurance revenue under IFRS 17 includes gross written premium, gross movement in unearned premiums and expected credit losses on receivables from policy holders. Insurance revenue under IFRS 17 also include insurance revenue measured under GMM/VFA approach.

Insurance service expense under IFRS 17 includes gross claims paid, changes in outstanding claims, changes in incurred but not reported claims, changes in loss component, policy acquisition costs, attributable expenses and the impact of release in the risk adjustment. The changes in premium deficiency reserve is eliminated and instead changes in loss component is taken.

Net income / (expenses) from reinsurance contracts held under IFRS 17 includes reinsurance premium ceded, changes in reinsurer's share of unearned premiums, reinsurance commission earned, reinsurance share of paid claims, reinsurance share of outstanding claims, reinsurance share of changes in claims incurred but not reported, change in reinsurance accrual reserve, expected credit losses on reinsurance receivables and the impact of loss adjustment the risk adjustment for non-financial risk.

Insurance service results are presented without the impact of discount unwinding and changes in discount rates which are shown separately under net insurance financial result.

IFRS 17 resulted in presentation changes to IFRS 4's underwriting expenses since expenses are classified either as insurance acquisition cash flows and fulfilment cash flows within insurance service expense.

i. Classification and summary of measurement models
The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

i. Classification and summary of measurement models (continued)
The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include marine, property, motor, engineering, accident & liability and term life. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

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

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

ii. Level of aggregation
The Company identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:
- Any contracts that are onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The portfolios are further divided by year of issue.

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)
3.2.1 Changes in accounting policies (continued)

iii. Recognition (continued)

The Company recognizes 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 recognized from the beginning of the coverage period of the group of reinsurance contracts;

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

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

iv. Contract boundaries

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

A substantive obligation to provide services ends when:

i) The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

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

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

v. Measurement

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the PAA other than term insurance on which GMM has been applied and Direct participating contracts on which VFA has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

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

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

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)
The Company uses the PAA to simplify the measurement of groups of contracts on the following bases:

- Insurance contracts:

The coverage period of Marine, Property, Motor, Medical and Group life contracts in the group of contracts is one year or less and are therefore eligible to be measured under the PAA. Once the selected term has ended, the insurance contract is terminated and a policyholder could potentially obtain new coverage on the new terms, subject to successful underwriting. All insurance contracts in this product line offer fixed and guaranteed death benefits over the contractual term.

PAA eligibility testing has been performed for all portfolios where the coverage period is more than one year and have a material business volume. The Company reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Contracts not eligible under PAA are measured under GMM measurement model. Direct participating contracts contracts are measured under variable fee approach (VFA).

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

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

On initial recognition of each group of insurance contracts except for longer term policies under engineering and accident & liability groups, the Company expects that the time between providing each part of the coverage and the related premium due date is no more than a year.

Accordingly, for longer-term policies, the liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk. For all other group of contracts, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

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

a. the liability for remaining coverage (LRC); and
b. the liability for incurred claims (LIC), comprising the fulfilment cash flows (“FCF”) related to past service allocated to the group at the reporting date.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)

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

a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
b. decreased for insurance acquisition cash flows paid in the period;
c. decreased for the amounts of expected premium receipts recognized as insurance revenue for the services provided in the period;
d. increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses; and
e. increased for any adjustment to the financing component, where applicable.

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

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

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

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

Liability for incurred claims (LIC)
For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM.The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The Company estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows 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 presents the entire change in risk adjustment as part of insurance service results.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims by using a range of standard actuarial claims projection techniques, such as Chain Ladder, Bornheutter-Ferguson methods and Expected Loss Ratio Method. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. Additional qualitative judgement is used to assess the extent to which past trends may not apply in 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, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)

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

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

Onerous contract assessment:
For all contracts measured under PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

In addition, if facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. Once a Group of contracts is determined as onerous on initial or subsequent assessment, loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the same and adjusts the loss component as required until the loss component is reduced to zero. 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.

Measurement on initial recognition of Groups of insurance contracts not measured under the PAA -contractual service margin (CSM)

The GMM also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting and an explicit risk adjustment for non-financial risk. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The contractual service margin ("CSM") represents the unearned profit from in-force contracts that the Company will recognize as it provides services over the coverage period.

At inception, the contractual service margin cannot be negative. If the fulfilment cash flows lead to a negative contractual service margin at inception, it will be set to zero and the negative amount will be recorded immediately in profit and loss.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognizes the net cost immediately in statement of income. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognize as a reinsurance expense as it receives reinsurance coverage in the future.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)

Subsequent measurement – Groups of contracts not measured under the PAA

At the end of a reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and the liability of incurred claims. The liability for remaining coverage consists of the fulfilment cash flows related to future services and the contractual service margin, while the liability for incurred claims consists of the fulfilment cash flows related to past services.

At the end of a reporting period, the carrying amount of a group of reinsurance contracts is the sum of assets for remaining coverage and the assets for amount recoverable from incurred claims. The assets for remaining coverage consists of the fulfilment cash flows related to future services allocated to the Company at that date and the contractual service margin, while the assets for amount recoverable from incurred claims consists of the fulfilment cash flows related to past services allocated to the Company at the reporting date.

The contractual service margin gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the contractual service margin is recognized in profit or loss each period to reflect the services provided in that period based on “coverage units”.

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:
a. changes that relate to current or past service are recognized in statement of income; and
b. changes that relate to future service are recognized by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:
a. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
b. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
d. changes in the risk adjustment for non-financial risk that relate to future service.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:
a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
b. changes in the FCF relating to the LIC; and
c. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)

For investment contracts with DPF that are measured under the GMM and provide the Company with discretion as to the timing and amount of the cash flows to be paid to the policyholders, a change in discretionary cash flows is regarded as relating to future service and accordingly adjusts the CSM. At inception of such contracts, the Company specifies its commitment as crediting interest to the policyholder's account balance based on the return on a pool of assets less a spread. The effect of discretionary changes in the spread on the FCF adjusts the CSM while the effect of changes in assumptions that relate to financial risk on this commitment are reflected in insurance finance income or expenses.

When no commitment is specified, the effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognized in insurance finance expenses.

The Company applies the GMM to:
- Term Insurance

The Variable Fee Approach ("VFA") is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts. An insurance contract has a direct participation feature if the following three requirements are met:
- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by the Company are contracts with direct participation features where the Company holds the pool of underlying assets and accounts for these Groups of contracts under the VFA. The Company uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

The Standard does not require separate adjustments to be identified for changes in the contractual service margin arising from changes in the amount of the entity's share of the fair value of the underlying items and changes in estimates of fulfilment cash flows relating to future services. A combined amount might be determined for some or all of the adjustments.

Under the VFA, adjustments to the contractual service margin are determined using current discount rates whereas under the general model, adjustments are determined using discount rates locked in at inception of a group of insurance contracts.

In contrast to insurance contracts measured under the general measurement model, the contractual service margin for contracts with direct participation features is not explicitly adjusted for the accretion of interest since the adjustment of the contractual service margin for the changes in the amount of the entity's share of the fair value of underlying items already incorporates an adjustment for financial risks, and this represents an implicit adjustment using current rates for the time value of money and other financial risks.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)

The variable fee approach possesses following key features;

a) Comparable to GMM, only difference is that this group of insurance contract have policy holders who participate in share of clearly identified pool of underlying items.
b) The insurer expects that part of the profit of the underlying items needs to be paid to the policy holder, while the amount paid to the policy holder depends on the underlying item.
c) The result is that VFA looks like GMM, not different at the start of the contract.
d) Only the subsequent years there are differences in the cash flows (as part goes to policy holder) and the CSM does not reflect the unearned profit for the insurer, as part of it also belongs to the policy holder.

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:
a. changes in the Group's share of the fair value of the underlying items; and
b. changes in the FCF that do not vary based on the returns of underlying items:
i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
iii. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
v. changes in the risk adjustment for non-financial risk that relate to future service.

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:
a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
b. changes in the FCF that do not vary based on the returns of underlying items:
i. changes in the FCF relating to the LIC; and
ii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows). The Company does not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

The Company applies the variable fee model to:

- Education Unit link (DSF and Banca)
- Retirement Unit link (DSF and Banca)
- Group Retirement

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:
a. The effect of any new contracts added to the Group.
b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
c. Changes in the FCF relating to future service are recognized by adjusting the CSM. Changes in the FCF are recognized in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognized in insurance service expenses and a loss component is recognized within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
d. The effect of any currency exchange differences.
e. The amount recognized as insurance revenue for services provided during the period determined after all other adjustments above.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)
3.2.1 Changes in accounting policies (continued)
v. Measurement (continued)

For a Group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a Group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognized in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognized in the insurance service result.

Interest accretion on the CSM
Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing Groups in the subsequent reporting periods, the Company revises the locked- in discount curves by calculating weighted-average discount curves over the period that contracts in the Company are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the Company and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service
The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to statement of income
The amount of the CSM recognized in statement of income for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the Group of insurance contracts based on coverage units.

For contracts issued, the Company determines the coverage period for the CSM recognition as follows:
a. for term life and universal life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk; and
b. for direct participating contracts and for investment contracts with DPF, the coverage period corresponds to the period in which insurance or investment management services are expected to be provided.

The total number of coverage units in a Group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:
a. the quantity of benefits provided by contracts in the Group;
b. the expected coverage duration of contracts in the Group; and
c. the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the Group.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

Onerous contracts – Loss component on GMM/VFA
When adjustments to the CSM exceed the amount of the CSM, the Group of contracts becomes onerous, and the Company recognizes the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective Group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:
a. expected incurred claims and expenses for the period;
b. changes in the risk adjustment for non-financial risk for the risk expired; and
c. finance income (expenses) from insurance contracts issued.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)
3.2.1 Changes in accounting policies (continued)

v. Measurement (continued)

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Fair value gains on unit-linked investments
Fair value gains on unit-linked investments have been included within the "Finance expenses from insurance contracts issued" in the statement of income. These gains are directly related to insurance contracts issued and may not represent realized gains on investments.

vi. De-recognition and contract modification

The Company derecognizes a contract when it is extinguished i.e. when the specified obligations in the contract expire or are discharged or cancelled. The Company also derecognizes a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognized. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified during the year ended December 31, 2023 and December 31, 2022.

vii. Acquisition & Attributable Cost
Insurance acquisition cash flows are the costs that directly associated with selling and handling acquired businesses. The Company considers underwriting, sales, and regulatory levies as acquisition costs. Acquisition costs are not expensed when incurred and are deferred over the life of the insurance contract. While attributable costs are the costs that can fully or partially attributed to the insurance operations. The Company has in place allocation technique to allocate the costs based on direct to indirect costs ratio. Both acquisition and attributable costs fall under the insurance service expense while the non-attributable costs are reported under other operating expenses.

viii. Risk adjustment for non-financial risk

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

ix. Non-performance risk (NPR) adjustment

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

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)
3.2.1 Changes in accounting policies (continued)

x. Presentation

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

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

Insurance revenue

The insurance revenue for each period is the amount of expected premium receipts for providing coverage in the period. The Company allocates the expected premium receipts to each period on the passage of time for all groups of contracts except for longer term policies under engineering and accident & liability groups. For longer term policies under engineering and accident & liability groups of contracts, the expected premium receipts are allocated based on the expected timing of incurred insurance service expenses.

For insurance contracts measured under the general measurement model and the variable fee approach, insurance revenue includes claims and other directly attributable expenses as expected at the beginning of the reporting period, changes in the risk adjustment for non-financial risk, amounts of the CSM recognized for the services provided in the period, experience adjustments arising from premiums received in the period other than those that relate to future service and other amounts, including any other pre-recognition cash flows assets derecognized at the date of initial recognition.

Insurance revenue is adjusted to allow for policyholders' default on future premiums. The default probability is derived from the expected loss model prescribed under IFRS 9.

Insurance service expenses

Insurance service expenses include the following:
a. incurred claims for the period.
b. other incurred directly attributable expenses.
c. insurance acquisition cash flows amortization.
d. changes that relate to past service – changes in the FCF relating to the LIC.
e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time for all groups of contracts except for longer term policies under engineering and accident & liability groups for which amortization is done based on the expected timing of incurred insurance service expenses.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)
3.2.1 Changes in accounting policies (continued)

x. Presentation (continued)

Net expenses from reinsurance contracts:

The Company recognizes reinsurance expenses as it receives coverage or other services under groups of reinsurance contracts. The Company presents financial performance of Groups of reinsurance contracts held separately between the amounts recoverable from reinsurers and allocation of the premiums for reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery;
c. other incurred directly attributable insurance service expenses;
d. effect of changes in risk of reinsurer non-performance;
e. for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the Group of underlying insurance contracts); and
f. changes relating to past service (i.e. adjustments to incurred claims).

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are also presented separately in the insurance service result.

For contracts measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts except for longer term policies under engineering and accident & liability groups for which amortization is done based on the expected timing of incurred insurance service expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:
a. insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
b. changes in the risk adjustment for non-financial risk, excluding: - changes included in finance income (expenses) from reinsurance contracts held; and – changes that relate to future coverage (which adjust the CSM);
c. amounts of the CSM recognized in statement of income for the services received in the period; and
d. ceded premium experience adjustments relating to past and current service

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

Umrah and Hajj insurance pool (Compulsory Umrah product):
The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from January 1, 2020. The compulsory Hajj / 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 Hajj / Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement.
This co-insurance arrangement, in which the Company is a participant, is an insurance contract as defined in IFRS 17, and the Company has accordingly applied the recognition and measurement principles of IFRS 17. Given the bespoke nature of the arrangement and given that the rights and obligations from the arrangement are managed and settled on a net basis , the Company has accordingly presented the results from the arrangement on a net basis in insurance service results as a separate line item on the statement of income and has provided more details in the notes.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)
3.2.1 Changes in accounting policies (continued)

x. Presentation (continued)

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

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:
a. interest accreted on the LIC; and
b. the effect of changes in interest rates and other financial assumptions.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:
a. interest accreted on the FCF and the CSM;
b. the effect of changes in interest rates and other financial assumptions; and
c. foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:
a. changes in the fair value of underlying items;
b. interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
c. the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For the contracts measured using the VFA, the P&L option is applied. As the Company holds the underlying items for these contracts, the use of the P&L option results in the elimination of accounting mismatches with income or expenses included in profit or loss on the underlying assets held. This is applied because the amounts of income or expenses for the underlying assets are recognized in profit or loss.

xi. Surplus Distribution
The Company has reclassified the opening balance of surplus distribution payable to its policyholders into the liability for incurred claims. The surplus arising for the period, if any, will be treated or adjusted in fulfillment cash flows and it will be allocated to each line of business on a rational basis. The actual allocation of surplus over the relevant LOBs might vary as it will be done after the year end closure as per the Surplus distribution policy issued by the Insurance Authority (IA) previously known as SAMA.

3.2.2 Transition
On transition to IFRS 17, the Company has applied the full retrospective approach to all insurance contracts issued and reinsurance contracts held measured under PAA. Therefore, on transition date, January 1, 2022, the Company:

- has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied;
- derecognized any existing balances that would not exist had IFRS 17 always applied; and
- recognized any resulting net difference in equity.

For long-term life business contracts, the Company assessed that it would be impracticable to apply either the full or modified retrospective approach due to several practical issues. In order to calculate liability balances for long-term life portfolios measured under GMM and VFA, the Company decided to employ the fair value approach.

The transition approach is determined at the level of a group of insurance contracts and it affects the way the CSM is calculated on initial adoption of IFRS 17:
a. full retrospective approach – the CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 had always been applied;
b. modified retrospective approach – the CSM at initial recognition is calculated based on assumptions at transition using some simplifications and taking into account the actual pre-transition fulfilment cash flows; and
c. fair value approach – the pre-transition fulfilment cash flows and experience are not considered.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.2 Transition (continued)

EXPLAINATION TO TRANSITION TO IFRS 17, IFRS 9 AND OTHER CHANGES

Reconciliation of statement of financial position as of 31 December 2022:

	31 December 2022					
		IFRS 17		IFRS 9		
	Pre-adoption of IFRS 17 & IFRS 9	Re-classification	Re-measurement	Re-classification	Re-measurement	Post-adoption of IFRS 17 & IFRS 9
Assets						
Cash and cash equivalents	194,904,123	-	-	-	(313,268)	194,590,855
Prepaid expenses and other assets	136,829,522	(70,644,118)	-	-	-	66,185,404
Premiums receivable, net	442,772,276	(442,772,276)	-	-	-	-
Reinsurance balance receivable	89,741,163	(89,741,163)	-	-	-	-
Reinsurers' share of outstanding claims	276,920,218	(276,920,218)	-	-	-	-
Reinsurers' share of claims incurred but not reported	64,937,802	(64,937,802)	-	-	-	-
Reinsurers' share of unearned premiums	147,477,783	(147,477,783)	-	-	-	-
Deferred policy acquisition costs	20,163,108	(20,163,108)	-	-	-	-
Right-of-use assets	4,107,309	-	-	-	-	4,107,309
Unit linked investments	487,049,866	-	-	-	-	487,049,866
Available for sale investments	591,436,951	-	-	(591,436,951)	-	-
Investments	-	-	-	591,436,951	39,298,096	630,735,047
Deferred tax assets, net	11,255,136	1	-	-	(4,203,672)	7,051,465
Property and equipment	7,159,523	-	-	-	-	7,159,523
Statutory deposit	60,000,000	-	-	-	-	60,000,000
Accrued income on statutory deposit	2,381,722	-	-	-	-	2,381,722
Insurance contract assets	-	164,922,492	-	-	-	164,922,492
Reinsurance contract assets	-	427,931,814	(2,063,143)	-	-	425,868,671
Total Assets	2,537,136,502	(519,802,161)	(2,063,143)	-	34,781,156	2,050,052,354

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.2 Transition (continued)

Reconciliation of statement of financial position as of 31 December 2022 (continued):

	31 December 2022					
		IFRS 17		IFRS 9		
Liabilities and Equity	Pre-adoption of IFRS 17 & IFRS 9	Reclassification	Re-measurement	Re-classification	Re-measurement	Post-adoption of IFRS 17 & IFRS 9
Insurance contract liabilities	-	1,066,874,028	(13,084,760)	-	-	1,053,789,268
Reinsurance contract liabilities	-	166,509,578	-	-	-	166,509,578
Accrued and other liabilities	105,915,322	(77,188,122)	-	-	-	28,727,200
Accumulated surplus	7,642,812	(7,642,812)	-	-	-	-
reinsurance balance payable	317,270,497	(317,270,497)	-	-	-	-
Outstanding claims	360,579,660	(360,579,660)	-	-	-	-
Claims incurred but not reported	119,830,375	(119,830,375)	-	-	-	-
Lease liability	6,092,308	-	-	-	-	6,092,308
Unit linked liabilities	479,565,238	(479,565,238)	-	-	-	-
Premium deficiency reserve	-	-	-	-	-	-
Additional Reserves, end	7,534,274	(7,534,274)	-	-	-	-
Unearned premiums	382,008,579	(382,008,579)	-	-	-	-
Unearned reinsurance commission	1,566,210	(1,566,210)	-	-	-	-
End-of-service indemnities	19,381,794	-	-	-	-	19,381,794
Accrued income payable to Insurance Authority	2,381,722	-	-	-	-	2,381,722
Zakat and income tax	27,490,781	-	-	-	-	27,490,781
Total Liabilities	1,837,259,572	(519,802,161)	(13,084,760)	-	-	1,304,372,651
Equity						
Share capital	600,000,000	-	-	-	-	600,000,000
Share premium	16,310,624	-	-	-	-	16,310,624
Treasury shares	-	-	-	-	-	-
Statuary reserve	25,851,362	-	-	-	-	25,851,362
Retained earnings / (accumulated losses)	68,107,765	-	8,568,652	-	(7,126,705)	69,549,712
Re-measurement of defined benefit liability – employee benefits	2,241,846	-	-	-	-	2,241,846
Fair value gain/(loss) reserve on investments	(12,634,667)		-	-	41,907,861	29,273,194
Other reserves		-	2,452,965	-	-	2,452,965
Total Equity	699,876,930		11,021,617	-	34,781,156	745,679,703
Total Liabilities and Equities	2,537,136,502	(519,802,161)	(2,063,143)	-	34,781,156	2,050,052,354

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.2 Transition (continued)

Reconciliation of statement of financial position as of 1st January 2022:

	1st January 2022					
		IFRS 17		IFRS 9		
	Pre-adoption of IFRS 17 & IFRS 9	Re-classification	Re-measurement	Re-classification	Re-measurement	Post-adoption of IFRS 17 & IFRS 9
Assets						
Cash and cash equivalents	160,979,644	-	-	-	(166,572)	160,813,072
Prepaid expenses and other assets	202,209,214	(147,142,864)	-	-	-	55,066,350
Premiums receivable, net	346,330,780	(346,330,780)	-	-	-	-
reinsurance balance receivable	83,779,407	(83,779,407)	-	-	-	-
Reinsurers' share of outstanding claims	441,962,088	(441,962,088)	-	-	-	-
Reinsurers' share of claims incurred but not reported	52,137,423	(52,137,423)	-	-	-	-
Reinsurers' share of unearned premiums	128,937,475	(128,937,475)	-	-	-	-
Deferred policy acquisition costs	20,749,602	(20,749,602)	-	-	-	-
Right-of-use assets	844,193	-	-	-	-	844,193
Unit linked investments	515,227,924	-	-	-	-	515,227,924
Available for sale investments	552,951,331	-	-	(552,951,331)	-	-
Investments				552,951,331	34,902,786	587,854,117
Deferred tax assets, net	7,668,495	-	-	-	(3,727,925)	3,940,570
Property and equipment	7,968,658	-	-	-	-	7,968,658
Statutory deposit	60,000,000	-	-	-	-	60,000,000
Accrued income on statutory deposit	1,579,858	-	-	-	-	1,579,858
Insurance contract assets	-	245,328,800	-	-	-	245,328,800
Reinsurance contract assets	-	582,685,688	23,897,508	-	-	606,583,196
Total Assets	2,583,326,092	(393,025,151)	23,897,508	-	31,008,289	2,245,206,738

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.2 Transition (continued)

Reconciliation of statement of financial position as of 1st January 2022 (Continued):

	1st January 2022					
		IFRS 17		IFRS 9		
Liabilities and Equity	Pre-adoption of IFRS 17 & IFRS 9	Reclassification	Re-measurement	Re-classification	Re-measurement	Post-adoption of IFRS 17 & IFRS 9
Insurance contract liabilities	-	1,314,337,039	10,367,946	-	-	1,324,704,985
Reinsurance contract liabilities	-	103,499,282	-	-	-	103,499,282
Accrued and other liabilities	103,619,228	(85,176,848)	-	-	-	18,442,380
Accumulated surplus	11,816,069	(11,816,069)	-	-	-	-
reinsurance balance payable	246,066,437	(246,066,437)	-	-	-	-
Outstanding claims	510,039,419	(510,039,419)	-	-	-	-
Claims incurred but not reported	108,652,961	(108,652,961)	-	-	-	-
Lease liability	997,804	-	-	-	-	997,804
Unit linked liabilities	509,896,334	(509,896,334)	-	-	-	-
Premium deficiency reserve	5,960,779	(5,960,779)	-	-	-	-
Additional Reserves, end	4,411,285	(4,411,285)	-	-	-	-
Unearned premiums	327,493,566	(327,493,566)	-	-	-	-
Unearned reinsurance commission	1,347,774	(1,347,774)	-	-	-	-
End-of-service indemnities	19,030,822	-	-	-	-	19,030,822
Accrued income payable to Insurance Authority	1,579,858	-	-	-	-	1,579,858
Zakat and income tax	21,120,732	-	-	-	-	21,120,732
TOTAL LIABILITIES	1,872,033,068	(393,025,151)	10,367,946	-	-	1,489,375,863
Equity						
Share capital	600,000,000	-	-	-	-	600,000,000
Share premium	16,310,624	-	-	-	-	16,310,624
Treasury shares	-	-	-	-	-	-
Statuary reserve	21,867,493	-	-	-	-	21,867,493
Retained earnings / (accumulated losses)	52,172,287	-	12,014,907	-	770,585	64,957,779
Re-measurement of defined benefit liability – employee benefits	3,392,704	-	-	-	-	3,392,704
Fair value gain/(loss) reserve on investments	17,549,916	-	-	-	30,237,704	47,787,620
Other reserves		-	1,514,655	-	-	1,514,655
TOTAL EQUITY	711,293,024	(393,025,151)	13,529,562	-	31,008,289	755,830,875
Total Liabilities and Equities	2,583,326,092	(393,025,151)	23,897,508	-	31,008,289	2,245,206,738

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.2 IFRS 17 Insurance Contracts (continued)

3.2.2 Transition (continued)

The impact of transition to IFRS 17 on retained earnings is, as follows:

	31 December 2022	January 1, 2022
Increase in the Company's total equity		
Change in measurement of reinsurance contract assets, net	**(2,063,143)**	23,897,508
Change in measurement of insurance contract liabilities, net	**13,084,760**	(10,367,946)
Impact of adoption of IFRS 17	**11,021,617**	13,529,562

	31 December 2022	January 1, 2022
(Reduction) / increase in the Company's reinsurance contract assets, net		
Impact of loss component	**1,972,722**	19,647,354
Impact of deferral of indirect acquisition expense	**-**	(92,490)
Impact of discounting	**(15,790,273)**	(10,993,174)
Impact of risk adjustment	**15,157,399**	17,750,358
Impact of VFA and GMM	**193,244**	57,605
Impact of provision on expected premium receipts	**(3,680,601)**	(2,957,191)
Other	**84,366**	485,046
Impact of adoption of IFRS 17 on reinsurance contract assets	**(2,063,143)**	23,897,508

Reduction / (increase) in the Company's insurance contract liabilities, net	31 December 2022	January 1, 2022
Impact of loss component	**(8,622,698)**	(40,069,330)
Impact of deferral of indirect acquisition expense	**5,785,722**	24,792,012
Impact of discounting	**21,371,258**	12,679,605
Impact of risk adjustment	**(20,798,996)**	(22,789,440)
Impact of VFA and GMM (including loss components)	**7,916,952**	6,263,756
Impact of provision on expected premium receipts	**(2,464,311)**	3,109,041
Other (including release of IFRS 4 provisions)	**9,896,833**	5,646,410
Impact of adoption of IFRS 17 on insurance contract liabilities	**13,084,760**	(10,367,946)

The impact on the net income & total comprehensive loss for the year ended December 31, 2022 attributable to the shareholders, arising from risk adjustment, discounting, loss component adjustment and expected premium receipts, in line with the requirements of IFRS 17 and IFRS 9, is as follows:

	For the year ended December 31, 2022
Net income after zakat and income tax as previously reported	**19,919,347**
Estimated increase in the Company's net loss	
Impact of loss component	7,811,221
Impact of deferral of indirect acquisition expense	(18,913,800)
Impact of discounting	2,956,244
Impact of risk adjustment	(602,515)
Impact of VFA and GMM	1,788,835
Impact of provision on expected premium receipts	(6,296,763)
Others (including release of IFRS 4 provisions)	9,810,524
IFRS 9 impact on fair valuation	(7,897,291)
Estimated impact of adoption of IFRS 17 and IFRS 9 on net income	**(11,343,545)**
Adjusted income after zakat and income tax – restated	**8,575,802**
Comprehensive loss	
Net Comprehensive loss as previously reported	(11,416,094)
Estimated impact of adoption of IFRS 17 and IFRS 9 on net income	(11,343,545)
Remeasurement of fair value, net of deffered tax	11,670,157
Other reserves	938,310
Adjusted comprehensive loss – restated	**(10,151,172)**

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after January 1, 2018. However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before January 1, 2023. For transition to IFRS 9, the Company applied a retrospective approach to be in line with transition option adopted under IFRS 17. The nature of the changes in accounting policies can be summarized, as follows:

3.3.1 Changes in accounting policies

3.3.1.1 Financial assets and liabilities

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics.

a) Changes to classfication and measurement

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortized cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Company); and
- Debt instruments at amortized cost.

IFRS 9 largely retains the requirements in IAS 39 for the classification and measurement of financial liabilities. However, under IAS 39 all fair value changes of financial liabilities designated as at FVTPL are recognized in the statement of income, whereas under IFRS 9 these fair value changes will generally be presented as follows:

- The amount of the change in the fair value that is attributable to changes in the credit risk of the liability will be presented in Other Comprehensive Income (OCI);
- The remaining amount of the change in the fair value is presented in the statement of income.

The Company has applied IFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of IFRS 9. Differences arising from the adoption of IFRS 9 were recognized in retained earnings as of January 1, 2022. There is no impact expected on financial liabilities as a result of transition to IFRS 9.

b) Changes to the impairment calculation

Under IFRS 9, the Expected credit loss ("ECL") allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of statement of financial position date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted to present value.

Probability of Default ('PD'): The probability of default is an estimate of the likelihood of default over a given time horizon.
Loss Given Default ('LGD'): Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default ('EAD'): The exposure at default is an estimate of the exposure at a future default date.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments (continued)

3.3.1 Changes in accounting policies (continued)

3.3.1.1 Financial assets and liabilities (continued)

i. Initial recognition

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

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

a. When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

b. In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument’s fair value can be determined using market observable inputs, or realized through settlement.

Amortized cost and effective interest rate

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

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

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

ii. Classification and subsequent measurement of financial assets

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

- Fair value through profit or loss (FVTPL);
- Fair value through Other Comprehensive Income (FVOCI)
- Held at amortized cost.

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

Debt instruments

Classification and subsequent measurement of debt instruments depend on:
(i) the Company’s business model for managing the financial assets; and
(ii) the contractual cash flow characteristics of the financial assets.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments (continued)

3.3.1 Changes in accounting policies (continued)

3.3.1.1 Financial assets and liabilities (continued)

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

Business model
The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Company as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and profit:
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and profit. In making this assessment, the Company considers whether the contractual cash flows are consistent with the financing agreement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company exercises judgment in determining whether the contractual terms of financial assets it originates or acquires give rise on specific dates to cash flows that are solely payments of principal and profit income on the principal outstanding and so may qualify for amortized cost measurement. In making the assessment the Company considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets, terms that change the amount and timing of cash flows and whether the contractual terms contain leverage.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortized cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized. Profit income from these financial assets is included in 'Interest income' using the effective profit method.

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

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments (continued)

3.3.1 Changes in accounting policies (continued)

3.3.1.1 Financial assets and liabilities (continued)

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

Fair value through profit or loss (FVTPL):
Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL presented in profit or loss in the period in which it arises. Currently investment in mutual funds and Sukuk which failed SPPI assessment are classified as FVTPL.
The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are not expected to be frequent and no such instances have occurred during the year ended December 31, 2023 and December 31, 2022.

Equity instruments
Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.
The Company classifies all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, transaction costs are made part of the cost at initial recognition and subsequent fair value gains and losses (unrealized) are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. The Company has designated its investment in Najm for Insurance Services Company, a Saudi closed joint stock company, Saudi Next Care, a Saudi closed joint stock company and Saudi Arabian Oil Company as FVOCI.

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

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

3.3.1.2 Impairment of financial assets

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments (continued)

3.3.1 Changes in accounting policies (continued)

3.3.1.2 Impairment of financial assets (contined)

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

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

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

Financial assets are written-off only when there is no reasonable expectation of recovery. Where financial assets are written-off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Recoveries made, after write-off, are recognized in profit or loss.

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

3.3.1.3 Derecognition of financial assets

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of income.

3.3.1.4 Classification and subsequent measurement of financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective profit method.

3.3.1.5 Derecognition of financial liabilities

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of income.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments (continued)

3.3.1 Changes in accounting policies (continued)

3.3.1.6 Changes to the impairment calculation

Forward looking estimate: While estimating the ECL, the Company will review macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company will analyze the relationship between key economic trends with the estimate of PD.

IFRS 9 impairment applies to financial instruments that are not measured at Fair value through profit or loss (FVTPL). Equity instruments measured at FVOCI are also excluded from the purview of impairment.

Financial assets that are subject to impairment consist of investment portfolio (debt instruments), cash and cash equivalents and certain other financial assets

3.3.2 Transition disclosures

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- the determination of the business model within which a financial asset is held;
- the designation and revocation of previous designated financial assets and liabilities as measured at FVTPL. This category includes financial assets that were previously designated as held for trading or those that were classified as available for sale; and
- the designation of certain investments in equity instruments not held for trading as FVOCI.

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as of the date of application i.e. December 31, 2022 is, as follows:

Financial assets	December 31, 2022 IAS 39		Re-classification	Re-measurement		January 1, 2023 IFRS 9	
	Category	Amount		ECL	Others	Category	Amount
Cash and cash equivalents	Loans & receivables	194,904,123	-	(313,268)	-	Held at amortized cost	194,590,855
Fair value through statement of income (FVSI)	Held for trading (HFT)	-	78,173,786	-	-	FVTPL	78,173,786
Available-for-sale investment (Refer Note 5.2)	Available for sale (AFS)	591,436,951	(78,173,786)	(291,951)	39,590,047	FVOCI	552,561,261
Statutory deposit	Loans & receivables	60,000,000	-	-	-	Held at amortized cost	60,000,000
Accrued income on statutory deposit	Loans & receivables	2,381,722	-	-	-	Held at amortized cost	2,381,722
Financial assets at fair value through statement of income (unit linked investments)	Held for trading (HFT)	487,049,866	-	-	-	FVTPL	487,049,866

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.3 IFRS 9 Financial Instruments (continued)

3.3.2 Transition disclosures (continued)

Some of the financial assets that were classified as loan and receivables and held to maturity under IAS 39 continues to be measured at amortized costs under IFRS 9 since these form part of business model hold to collect contractual cash flows which are SPPI. Financial assets held for trading continue to be measured at fair value through profit or loss and as such there was no impact on transition.

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as of the date of transition i.e. January 1, 2022 is, as follows:

Financial assets	December 31, 2021 IAS 39		Re-classification	Re-measurement		January 1, 2022 IFRS 9	
	Category	Amount		ECL	Others	Category	Amount
Cash and cash equivalents	Loans & receivables	160,979,644	-	(166,572)	-	Held at amortized cost	160,813,072
Fair value through statement of income investments (FVSI) (Refer Note 5.2)	Held for trading (HFT)	-	78,952,103	-	-	FVTPL	78,952,103
Available-for-sale investment (Refer Note 5.2)	Available for sale (AFS)	552,951,331	(78,952,103)	(206,694)	35,109,480	FVOCI	508,902,014
Statutory deposit	Loans & receivables	60,000,000	-	-	-	Held at amortized cost	60,000,000
Accrued income on statutory deposit	Loans & receivables	1,579,858	-	-	-	Held at amortized cost	1,579,858
Financial assets at fair value through statement of income (unit linked investments)	Held for trading (HFT)	515,227,924	-	-	-	FVTPL	515,227,924

The impact of transition to IFRS 9 on retained earnings is, as follows:

	31 December 2022	January 1, 2022
Increase in the Company's total equity		
Impairment of financial assets	**(313,268)**	(166,572)
Impairment and Fair valuation of FVOCI investment	**(291,951)**	(206,694)
Fair valuation of Najm shares (Refer Note 5.2.1)	**37,780,047**	35,109,480
Fair valuation of Saudi Next Care shares (Refer Note 5.2.2)	**1,810,000**	-
Impact of adoption of IFRS 9 before zakat and income tax	**38,984,828**	34,736,214

Furthermore, the classification of financial liabilities has changed from 'Other financial liabilities at amortized cost' as per IAS 39 to 'amortized cost' as per IFRS 9, with no corresponding change in carrying value of such financial liabilities.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.4 Accounting policies used in preparing these financial statements

The other significant accounting policies used in preparing these financial statements are consistent with prior year and set out as below:

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and balances with banks including deposits with less than three months maturity from the date of acquisition.

Term deposits
Term deposits include placements with banks and other highly liquid investments, with original maturities of more than three months or more than one year from the date of placement. Term deposits are placed with financial institutions with investment grade rating which are considered to have low credit risk. Investment income in term deposits is accrued on a timely basis by reference to the principal outstanding and at the applicable effective interest rate.

Unit linked investments
Unit linked investments are assets backing liabilities arising from contracts, where the liabilities are contractually linked to the fair value of the financial assets within the policyholders unit linked funds and are classified as 'held for trading' assets and are designated at fair value through statement of income. Investments classified as trading are acquired principally for the purpose of selling or repurchasing in short term and are recorded in the statement of financial position at fair value. Any change in fair value is recognised in statement of income.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. Land is not depreciated. The cost of other items of property and equipment is depreciated on the straight line method to allocate the cost over estimated useful lives, as follows:

- Computer and office equipment	4 years
- Motor vehicles	4 years
- Furniture and fittings	4 to 7 years
- Leasehold improvements	5 years

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is derecognised.

Intangible assets
Intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. The Company amortizes intangible assets with a limited useful life using straight-line method over the following periods:

- IT software	4 years

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.4 Accounting policies used in preparing these financial statements (continued)

Accounting for leases

On initial recognition at the inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right of use asset

The Company applies cost model and measures the right of use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) Adjusted for any re-measurement of the lease liability for lease modifications.

Generally, the right of use asset would equate the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transactions etc. these need to be added to the right of use asset value.

Lease liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect the interest on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made; and
3. Re-measuring the carrying amount to reflect any re-assessment or any lease modification.

Statutory deposit

The statutory deposit shall be ten percent (10%) of the paid up capital. The Company has placed the statutory deposit amount in a bank designated by Insurance Authority. Insurance Authority shall be entitled to the earnings on statutory deposit which is payable by the Company the Insurance Authority and appearing as ‘Accrued income payable to Insurance Authority’. The statutory deposit cannot be withdrawn without the consent of Insurance Authority.

Provisions, accrued expenses and other liabilities

Provisions are recognised when the Company has an obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Accrued expenses and other liabilities are recognized for amounts to be paid in the future for services, whether billed by the supplier or not.

Zakat and income tax

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

The Company withholds taxes on certain transactions with non-resident parties, including dividend payments to foreign shareholders, in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. Withholding taxes paid on behalf of non-resident parties, which are not recoverable from such parties, are expensed.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.4 Accounting policies used in preparing these financial statements (continued)

Income Tax

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

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

Adjustments arising from the final income tax assessments are recorded in the year in which such assessments are made. The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable tax rate adjusted for the changes in deferred tax assets and liabilities attributable to the temporary differences and to the unused tax losses.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

Deferred income tax

Deferred income tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax recognised is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the tax credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.4 Accounting policies used in preparing these financial statements (continued)

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

End-of-service obligations
The calculation of the employees' end of service benefit is performed annually by a qualified actuary using the projected unit credit method in accordance with the requirements of IAS 19 "Employee Benefits". All past service costs are recognized as an expense immediately in the statement of income. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized in other comprehensive income.

The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability at that date, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefits payments. Net Interest expense and other expenses related to the defined benefit plans are recognized in the statement of income.

Short term employee benefits
Short-term employee benefits, include leave pay and airfare, are current liabilities included in accrued expenses, measured at the undiscounted amount that the entity expects to pay as a result of the unused entitlement.

Retirement benefits
The Company pays retirement contributions for its Saudi Arabian employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

Dividend income
Dividend is recognised in the statement of income only when:
- the entity's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the entity; and
- the amount of the dividend can be measured reliably.

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

Cash flow statement
The Company's main cash flows are from insurance operations which are classified as cash flow from operating activities. Cash flows generated from investing and financing activities are classified accordingly.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.4 Accounting policies used in preparing these financial statements (continued)

Segmental reporting
An operating segment is a component of the Company that is engaged in business activities from which it may earn revenues and incur expenses and which is subject to risk and rewards that are different from those of other segments.

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. The Company is organised into business units based on their products and services and has six reportable operating segments as follows:

- Motor insurance provides coverage against loss or damage to the motor vehicles caused by accident, fire or theft along with the coverage of third party liability as well;

- Health care (medical) products provide medical cover to policyholders;

- Property and casualty which include the following:
  - Engineering insurance provides coverage for builders' risks, construction, mechanical, electrical, electronic, and machinery breakdown, and any other insurance included under this class of insurance;
  - Property insurance provides cover against accidental physical loss or damage to the property due to any cause including fire and allied perils and consequential losses associated with the perils insured;
  - Other general insurance segment comprises of marine, credit, fidelity guarantee insurance and liability;

- Group life insurance provides coverage for group life

- Protection and savings insurance non-linked provides coverage for life insurance

- Protection insurance linked provides coverage for life insurance

- Shareholders' segment - reporting shareholder operations of the Company. Income earned from investments is the only revenue generating activity. Certain direct operating expenses and other overhead expenses are allocated to this segment on an appropriate basis. The surplus or loss from the insurance operations is allocated to this segment on an appropriate basis.

No inter-segment transactions occurred during the year, if any transaction were to occur, transfer prices between businesses segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between business segments which will then be eliminated at the level of financial statements of the Company. As the Company carries out its insurance activities entirely in the Kingdom of Saudi Arabia, reporting is provided by business segment only.

Foreign currencies
Transactions in foreign currencies are recorded in Saudi Riyals at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined. As the Company's foreign currency transactions are primarily in US dollars, foreign exchange gains and losses are not significant as Saudi Riyals is pegged to US dollars.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.4 Accounting policies used in preparing these financial statements (continued)

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

Trade date accounting
All regular way purchases and sales of financial assets are recognised / derecognised on the trade date (i.e. the date that the Company commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the market place.

3.5 Critical accounting judgments, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

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

PAA Eligibility Assessment
PAA eligibility testing has been performed for all portfolios where the coverage period is more than one year and have a material business volume. The Company reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. The Group assesses materiality at each respective group of contracts level (GoCs) and at an aggregate insurance contract liabilities / re-insurance contract assets level using pre-determined quantitative threshold for differences at the GoCs. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.The Company reasonably expects that the resulting measurement under the PAA measurement model would not differ materially from the result of applying the general measurement model.

Liability for incurred claims
The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. Estimates are made at the end of the reporting period both for the expected ultimate cost of claim reported and for the expected ultimate costs of claims incurred but not reported ("IBNR"). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company. At the end of each reporting period, prior year claims estimates are reassessed for adequacy and changes are made to the provision. The provision of IBNR is an estimation of claims which are expected to be reported subsequent to the date of statement of financial position, for which the insured event has occurred prior to the date of statement of financial position. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using the past claims settlement trends to predict future claims settlement trends. A range of methods such as Chain Ladder Method, Bornhuetter-Ferguson Method and Expected Loss Ratio Method are used by the actuaries to determine these provisions. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property, engineering

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.5 Critical accounting judgments, estimates and assumptions (continued)

and large claims. Management reviews its provisions for claims incurred, and claims incurred but not reported, on a quarterly basis. The Company uses the service of an independent actuary in the valuation of IBNR and other technical reserves.

Estimates of future cash flows to fulfil insurance contracts

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.5 Critical accounting judgments, estimates and assumptions (continued)

Discounting methodology
Discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and other financial risks to accrete interest on the liability for incurred claims.

The bottom-up approach was used to derive the discount rate. Under this approach, the USD based risk free discount rates by European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Company then further added a KSA country risk premium from the source to make the yield curve appropriate for application. The Company has used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium. The Company is currently discounting liability for incurred claims for all groups of insurance contracts.

For GMM, the bottom-up approach is used to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The Company uses EIOPA rates provided by Allianz Group as risk free rates. Management uses judgement to assess liquidity characteristics of the liability cash flows. For GMM, due to size of business being immaterial, liquidity premium is not considered.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

	31 December 2023				
Insurnace Contract Held	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Life Insurance	**6.1%**	**5.1%**	**5.1%**	**5.0%**	**4.8%**
General	**6.1%**	**5.1%**	**5.1%**	**5.0%**	**4.8%**

	31 December 2022				
Insurnace Contract Held	1 year	5 years	10 years	20 years	30 years
Life Insurance	4.9%	4.7%	4.7%	4.7%	4.7%
General	4.9%	4.7%	4.7%	4.7%	4.7%

	31 December 2023				
Reinsurance contracts held	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Life Insurance	**6.1%**	**5.1%**	**5.1%**	**5.0%**	**4.8%**
General	**6.1%**	**5.1%**	**5.1%**	**5.0%**	**4.8%**

	31 December 2022				
Reinsurance contracts held	1 year	5 years	10 years	20 years	30 years
Life Insurance	4.9%	4.7%	4.7%	4.7%	4.7%
General	4.9%	4.7%	4.7%	4.7%	4.7%

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.5 Critical accounting judgments, estimates and assumptions (continued)

Risk adjustment for non-financial risks
The Company shall adjust the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. So, the purpose of the risk adjustment for non-financial risk is to measure the effect of uncertainty in the cash flows that arise from insurance contracts, other than uncertainty arising from financial risk. The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks such as lapse risk and expense risk.

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

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

For LRC measured under GMM and VFA, the cost of capital method is used to derive the overall risk adjustment for non-financial risk. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is expected to be set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business.

Onerosity determination
Under the PAA, the Company shall assume no contracts in the portfolio are onerous at initial recognition unless “facts and circumstances” indicate otherwise. The Company performs the assessment of onerous contracts on an annual and underwriting year basis, in conjunction with updated information on product profitability. Furthermore, the assessment shall be repeated if “facts and circumstances” indicate that there are significant changes in product pricing, product design, plans and forecasts. This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company has established a process for the underwriting team to capture onerous, potentially onerous and profitable contracts by assessing the profitability of the different portfolios at the start of the underwriting year. The profitability of each portfolio shall be assessed separately. Refer Note 3.2.1 for further details in this regard.

CSM determination
For long term Individual Life contracts, measured under the GMM and VFA, the Company recognizes a contractual service margin (CSM) which represents the unearned profit the Company will earn as it provides service under those contracts. A coverage unit methodology is used for the release of the CSM. Based on the benefit for the policy holders, the applicable CSM release pattern is determined by using coverage unit methodology which will reflect the benefit defined in the insurance contracts with the policyholders.

In performing the above determination, management applies judgement that might significantly impact the CSM carrying values and amounts of the CSM allocation recognized in the income statement for the period.

3. MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (continued)

3.5 Critical accounting judgments, estimates and assumptions (continued)

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and to make assumptions that are mainly based on market conditions existing at the end of each reporting period. The fair value used for valuation of Level 2 investments are based on discounted cash flow method which considers the present value of net cash flows to be generated from the debt securities and sukuks discounted at the market yield of treasury bills having similar terms and adjusted for the effect of non-marketability of the debt securities and sukuks which includes Saudi sovereign curve yield and risk premium prevailing in the Saudi market and for mutual funds latest available NAV adjusted for the fair value. The fair value used for valuation of Level 3 equities is based on discounted cash flow method. Also see note 5.

4. CASH AND CASH EQUIVALENTS/ TERM DEPOSIT

4.1 Cash and cash equivalents

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

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Bank balances and cash	**64,155,343**	64,303,364	110,979,645
Deposits maturing within 3 months	**62,278,374**	130,600,759	49,999,999
Less: Impairment allowance	**(245,814)**	(313,268)	(166,572)
	126,187,903	194,590,855	160,813,072

Deposits are maintained with financial institutions and have a maturity of three months or less from the date of acquisition. These deposits earn commission at an average rate of 6.0% per annum as at 31 December 2023 (2022: 5.36% per annum).

Bank balances and deposits are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology. Bank balances and deposits includes SR 42 million maintained with Banque Saudi Fransi (a shareholder) (2022: SR 66 million) (Note 25).

4.2 Term deposit

The term deposits of SR 50 million (2022: nil) are held with reputable commercial banks and financial institutions. These deposits are predominately in Murabaha structure. They are mostly denominated in Saudi Arabian Riyals and have an original maturity from more than three-month to more than one year and yield financial income at rates ranging from 6% to 7.5% per annum (2022: nil).

4.3 Statutory deposit

Statutory deposit amounting to SAR 60 million (31 December 2022: SAR 60 million) kept with a local bank, represents 10% of the paid up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law issued by the Insurance Authority.This statutory deposit cannot be withdrawn without the consent of Insurance Authority.

5. INVESTMENTS

	Note	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Measured at FVTPL	5.1	**79,195,558**	78,173,786	78,952,103
Measured at FVOCI	5.2	**729,704,122**	552,561,261	508,902,014
		808,899,680	630,735,047	587,854,117

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Quoted	**427,333,093**	588,421,920	550,021,557
Unquoted	**381,566,587**	272,996,087	215,133,189
	808,899,680	630,735,047	587,854,117

5.1 Movement in investment classified under fair value through profit or loss

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Balance at beginning of the year	**78,173,786**	78,952,103	30,994,614
Purchases	**-**	7,500,000	48,666,522
Unrealised gain / (loss) on fair value	**1,021,772**	(8,278,317)	(709,033)
Balance at period / year end	**79,195,558**	78,173,786	78,952,103

5.1.1 *Investments are classified as follows:*

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Bonds and sukuks	**69,598,125**	69,138,150	68,629,238
Mutual funds	**9,597,433**	9,035,636	10,322,865
	79,195,558	78,173,786	78,952,103

5.2 Movement in investment classified under fair value through other comprehensive income

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Balance at beginning of the year	**552,561,261**	508,902,014	373,441,803
Purchases	**222,813,853**	147,934,989	123,626,782
Maturity	**(73,168,750)**	(83,135,000)	(13,736,516)
Amortization	**34,530**	(127,424)	(543,172)
Unrealized gain / (loss) on fair value	**27,463,228**	(21,013,318)	26,113,117
Balance at year end	**729,704,122**	552,561,261	508,902,014

5. INVESTMENTS (continued)

5.2 Movement in investment classified under fair value through other comprehensive income (continued)

5.2.1 Valuation of Najm equities

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Balance at beginning of the year	**39,703,127**	37,032,560	1,923,080
Unrealized gain on fair value*	**3,781,125**	2,670,567	35,109,480
Balance at year end	**43,484,252**	39,703,127	37,032,560

The above represents the Company's 3.45% (December 31, 2022: 3.45%) holding in Najm for Insurance Services Company, a Saudi closed joint stock company. These shares are un-quoted and are carried at fair value. The Company has determined the fair value of its investment in Najm, which was previously carried at initial cost of SR 1.9 million until December 31, 2022, to be SR 37.03 million at as January 1, 2022 and SR 39.70 million as at December 31, 2022. Accordingly, the required adjustments to bring the carrying value of such investment to its fair value, in accordance with the requirements of IFRS 9, have been recorded in the opening equity as of January 1, 2022, December 31, 2022. The valuation is based on discounted cash flows which are based on approved projections. Key assumptions used in Najm valuation include discount rate of 4.5%, terminal growth rate in the range of 1% - 2% etc.

5.2.2 Valuation of Saudi Next Care equities

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Balance at beginning of the year	**2,610,000**	800,000	800,000
Unrealized (loss) / gain on fair value	**(199,560)**	1,810,000	-
Balance at year end	**2,410,440**	2,610,000	800,000

The above represent the Company's 16% (December 31, 2022: 16%) holding in Saudi Next Care Company, a mixed limited liability company. These shares are un-quoted and are carried at fair value. The Company has determined the fair value of its investment in Saudi Next Care, which was previously carried at initial cost of SR 0.8 million until December 31, 2021, to be SR 2.6 million as at December 31, 2022 and SR 2.41 million as at December 2023. Accordingly, the required adjustments to bring the carrying value of such investment to its fair value, in accordance with the requirements of IFRS 9, have been recorded in the opening equity as of December 31, 2022.

5.2.3 *Investments are classified as follows:*

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Bonds and sukuks	**680,067,980**	507,116,041	467,893,887
Equities	**49,636,142**	45,445,220	41,008,127
	729,704,122	552,561,261	508,902,014

5. INVESTMENTS (continued)

5.2.4 ECL Mouvement

Movement in ECL for investments at FVOCI for the year is as follows:

	2023			
	Stage 1 12-month ECL	**Stage 2 ECL not credit impaired**	**Stage 3 Lifetime ECL credit impaired**	**Total**
Balance at beginning of the year	**(291,951)**	**-**	**-**	**(291,951)**
Reversal of impairment allowance on investments at FVOCI	**71,432**	**-**	**-**	**71,432**
	(220,519)	**-**	**-**	**(220,519)**

	2022 (Restated)			
	Stage 1 12-month ECL	Stage 2 ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total
Balance at beginning of the year	(206,694)	-	-	(206,694)
Impairment allowance on investments at FVOCI	(85,257)	-	-	(85,257)
	(291,951)	-	-	(291,951)

5.2 Investment income

Details on investment income for the year are as follows:

	2023	*2022 (Restated)*
Income on financial assets measured at FVTPL		
Commission income on financial assets for unit linked contracts	**51,491,709**	5,179,394
Gains / (losses) on investments at fair value	**1,021,772**	(8,278,317)
	52,513,481	(3,098,923)

	2023	*2022 (Restated)*
Income on financial assets not measured at FVTPL		
Coupon income	**32,283,218**	20,074,459
Interest income on time deposit	**7,582,910**	6,766,974
	39,866,128	26,841,433

6. DEFERRED TAX ASSETS, NET

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Deferred tax assets, net	**4,286,053**	7,051,465	3,940,570

Movement in deferred tax asset balance is as follows:

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
At the beginning of the year	**7,051,465**	3,940,570	7,668,495
Deferred tax (expense) / income - statement of income	**(142,223)**	612,003	(135,882)
Deferred tax (expense) / income - statement of comprehensive income	**(2,623,189)**	2,498,892	(3,592,043)
At the end of the year	**4,286,053**	7,051,465	3,940,570

This deferred tax arises on employees' end of service obligations, provision against premium receivable, provision against reinsurance receivable, unabsorbed tax losses, fair value reserve on investments and property and equipment.

7. CONTINGENCIES AND COMMITMENTS

a) The Company's contingencies are as follows:

	2023	*2022 (Restated)*	*January 1, 2022 (Restated)*
Letters of guarantee	**9,092,033**	14,152,409	15,940,000

b) The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its financial position and results as at and for the year ended December 31, 2023. There was no significant change in the status of legal proceedings as disclosed at December 31, 2022.

8. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

8. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

b. Carrying amounts and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation to fair value.

	Fair value				
	Level 1	**Level 2**	**Level 3**	**Total**	**Carrying value**
31 December 2023					
Investment measured at fair value through OCI					
Bonds and sukuks	**344,595,645**	**335,472,335**	**-**	**680,067,980**	**680,067,980**
Equities	**3,741,450**	**-**	**45,894,692**	**49,636,142**	**49,636,142**
Investment measured at fair value through profit or loss					
Bonds and sukuks	**69,598,125**	**-**	**-**	**69,598,125**	**69,598,125**
Mutual funds	**9,597,433**	**-**	**-**	**9,597,433**	**9,597,433**
Financial assets at fair value through profit or loss (unit linked investments)	**-**	**500,981,775**	**-**	**500,981,775**	**500,981,775**
	427,532,653	**836,454,110**	**45,894,692**	**1,309,881,455**	**1,309,881,455**

	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
31 December 2022 (restated)					
Investment measured at fair value through OCI					
Bonds and sukuks	268,458,288	238,657,753	-	507,116,041	507,116,041
Equities	3,132,093	-	42,313,127	45,445,220	45,445,220
Investment measured at fair value through profit or loss					
Bonds and sukuks	69,138,150	-	-	69,138,150	69,138,150
Mutual funds	9,035,636	-	-	9,035,636	9,035,636
Financial assets at fair value through profit or loss (unit linked investments)	-	487,049,866	-	487,049,866	487,049,866
	349,764,167	725,707,619	42,313,127	1,117,784,913	1,117,784,913

	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
1 January 2022 (restated)					
Investment measured at fair value through OCI					
Bonds and sukuks	291,169,604	176,724,283	-	467,893,887	467,893,887
Equities	3,175,567	-	37,832,560	41,008,127	41,008,127
Investment measured at fair value through profit or loss					
Bonds and sukuks	68,629,238	-	-	68,629,238	68,629,238
Mutual funds	10,322,865	-	-	10,322,865	10,322,865
Financial assets at fair value through profit or loss (unit linked investments)	-	515,227,924	-	515,227,924	515,227,924
	373,297,274	691,952,207	37,832,560	1,103,082,041	1,103,082,041

8. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

b. Carrying amounts and fair value (continued)

Sensitivity analysis of Level 2 and 3 investments is as follows:

31 December 2023	**Sensitivity factor**	**Impact on fair value due to increase in sensitivity factor**	**Impact on fair value due to decrease in sensitivity factor**
Bonds and sukuks	**+/- 1% change in risk adjusted discount rate**	**(3,304,593)**	**3,304,593**
Equities	**+/- 1% change in the breakup value of shares**	**(468,561)**	**468,561**

31 December 2022	Sensitivity factor	Impact on fair value due to increase in sensitivity factor	Impact on fair value due to decrease in sensitivity factor
Bonds and sukuks	+/- 1% change in risk adjusted discount rate	(1,950,561)	1,950,561
Equities	+/- 1% change in the breakup value of shares	(153,908)	153,908

c. Measurement of fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Bonds and sukuks	The fair value used for valuation of Level 2 bonds and sukuks based on discounted cash flow method which considers the present value of net cash flows discounted at the market yield of treasury bills having similar terms and adjusted for the effect of non-marketability of the debt securities and sukuks which includes Saudi sovereign curve yield and risk premium prevailing in the Saudi market.	Not applicable	Not applicable
Mutual funds	Mutual funds classified as Level 2 are fair valued based on the latest available NAV adjusted for the fair value.	Not applicable	Not applicable
Equities	Equities classified as Level 3 are fair value estimates technique such as discounted cash flows which are based on approved projections. Key assumptions used such as discount rate, terminal growth rate etc. which are not observable.	Fair value of future operating cash flows	The estimated fair value will increase / decrease directly in line with the change in future operating cash flows.

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:

	2023	*2022 (Restated)*
Balance at the beginning of the year	**42,313,127**	37,832,560
Purchases	**-**	-
Unrealized gain on fair value of investments at FVOCI	**3,581,565**	4,480,567
Balance at the end of the year	**45,894,692**	42,313,127

9. INSURANCE CONTRACT ASSETS / LIABILITIES

	Valuation Approach	December 31, 2023		December 31, 2022 (restated)		January 1, 2022 (restated)	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Insurance contract assets & liabilities							
Medical	PAA	**90,559,341**	**153,257,448**	75,613,213	141,507,953	159,534,214	137,288,757
Motor	PAA	**32,410,546**	**96,887,140**	45,854,838	79,992,127	49,327,858	118,442,693
Property and casualty	PAA	**17,000,366**	**290,166,166**	40,085,424	281,610,482	33,695,965	487,658,209
Group life	PAA	**2,710,850**	**63,347,567**	-	56,075,468	-	58,914,575
Total – PAA		**142,681,103**	**603,658,321**	161,553,475	559,186,030	242,558,037	802,304,234
Protection and saving	VFA	**2,453,370**	**507,259,433**	3,128,705	494,334,639	2,502,379	522,350,004
Protection	GMM	**451,432**	**217,146**	240,312	268,599	268,384	50,747
Total – GMM/VFA		**2,904,802**	**507,476,579**	3,369,017	494,603,238	2,770,763	522,400,751
Total insurance contract assets & liabilities		**145,585,905**	**1,111,134,900**	164,922,492	1,053,789,268	245,328,800	1,324,704,985

a. PAA, gross (Motor)

For the year ended 31 December 2023					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**(26,871,917)**	**(3,179,286)**	**(1,797,500)**	**(2,288,586)**	**(34,137,289)**
Insurance contract assets as at January 1, 2023	**27,729,459**	**-**	**18,125,379**	**-**	**45,854,838**
Insurance contract liabilities as at January 1, 2023	**(54,601,376)**	**(3,179,286)**	**(19,922,879)**	**(2,288,586)**	**(79,992,127)**
Insurance revenue	**292,802,595**	**-**	**-**	**-**	**292,802,595**
Written premiums	268,381,355	-	-	-	**268,381,355**
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	24,421,240	-	-	-	**24,421,240**
Insurance service expenses	**(36,385,427)**	**2,135,086**	**(257,510,845)**	**(893,983)**	**(292,655,169)**
Paid claims and other expenses	-	-	(213,290,890)	-	**(213,290,890)**
Amortization of insurance acquisition cash flows	(36,385,427)	-	-	-	**(36,385,427)**
Losses on onerous contracts and reversals of those losses	-	2,135,086	-	-	**2,135,086**
Changes in liabilities for incurred claims	-	-	(19,468,060)	(893,983)	**(20,362,043)**
Attributable expenses	-	-	(23,825,759)	-	**(23,825,759)**
Other movements (including surplus)	-	-	(926,136)	-	**(926,136)**
Insurance service result	**256,417,168**	**2,135,086**	**(257,510,845)**	**(893,983)**	**147,426**
Insurance finance expenses/income	**-**	**-**	**(1,809,382)**	**(42,084)**	**(1,851,466)**
Insurance finance expenses/income - P&L	-	-	(1,104,880)	(42,084)	**(1,146,964)**
Insurance finance expenses/income – OCI	-	-	(704,502)	-	**(704,502)**
Total changes in the profit or loss and OCI	**256,417,168**	**2,135,086**	**(259,320,227)**	**(936,067)**	**(1,704,040)**
Cash flows					**-**
Premiums received	(285,407,821)	-	-	-	**(285,407,821)**
Claims and other expenses paid	-	-	207,439,895	-	**207,439,895**
Directly attributable expenses paid	-	-	23,825,759	-	**23,825,759**
Insurance acquisition cash flows paid	31,038,151	-	-	-	**31,038,151**
Other cash flows (including expired policy)	-	-	(5,531,249)	-	**(5,531,249)**
Total cash flows	(254,369,670)	-	225,734,405	-	**(28,635,265)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**(24,824,419)**	**(1,044,200)**	**(35,383,322)**	**(3,224,653)**	**(64,476,594)**
Insurance contract liabilities as at December 31, 2023	**(51,284,766)**	**(1,044,200)**	**(41,222,998)**	**(3,335,176)**	**(96,887,140)**
Insurance contract assets as at December 31, 2023	**26,460,347**	**-**	**5,839,676**	**110,523**	**32,410,546**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Medical)

For the year ended 31 December 2023					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**69,839,127**	**(5,409,639)**	**(124,792,635)**	**(5,531,593)**	**(65,894,740)**
Insurance contract assets as at January 1, 2023	**75,613,213**	**-**	**-**	**-**	**75,613,213**
Insurance contract liabilities as at January 1, 2023	**(5,774,086)**	**(5,409,639)**	**(124,792,635)**	**(5,531,593)**	**(141,507,953)**
Insurance revenue	**274,742,562**	**-**	**-**	**-**	**274,742,562**
Written premiums	339,022,994	-	-	-	339,022,994
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	(64,280,432)	-	-	-	(64,280,432)
Insurance service expenses	**(17,938,055)**	**1,221,129**	**(222,160,538)**	**(388,452)**	**(17,938,055)**
Paid claims and other expenses	-	-	(154,015,346)	-	-
Amortization of insurance acquisition cash flows	(17,938,055)	-	-	-	(17,938,055)
Losses on onerous contracts and reversals of those losses	-	1,221,129	-	-	-
Changes in liabilities for incurred claims	-	-	(16,087,108)	(388,452)	-
Attributable expenses	-	-	(30,030,276)	-	-
Other movements (including surplus)	-	-	(22,027,808)	-	-
Insurance service result	**256,804,507**	**1,221,129**	**(222,160,538)**	**(388,452)**	**256,804,507**
Insurance finance expenses/income	**-**	**-**	**(1,816,205)**	**(62,786)**	**-**
Insurance finance expenses/income - P&L	-	-	(1,144,329)	(62,786)	-
Insurance finance expenses/income – OCI	-	-	(671,876)	-	-
Total changes in the profit or loss and OCI	**256,804,507**	**1,221,129**	**(223,976,743)**	**(451,238)**	**256,804,507**
Cash flows					
Premiums received	(269,263,885)	-	-	-	(269,263,885)
Claims and other expenses paid	-	-	160,602,878	-	-
Directly attributable expenses paid	-	-	30,030,276	-	-
Insurance acquisition cash flows paid	21,511,642	-	-	-	21,511,642
Other cash flows (including expired policy)	-	-	26,718,067	-	-
Total cash flows	**(247,752,243)**	**-**	**217,351,221**	**-**	**(247,752,243)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**78,891,391**	**(4,188,510)**	**(131,418,157)**	**(5,982,831)**	**(62,698,107)**
Insurance contract liabilities as at December 31, 2023	**(11,667,950)**	**(4,188,510)**	**(131,418,157)**	**(5,982,831)**	**(153,257,448)**
Insurance contract assets as at December 31, 2023	**90,559,341**	**-**	**-**	**-**	**90,559,341**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Property and casualty)

For the year ended 31 December 2023					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**38,810,502**	**-**	**(268,109,433)**	**(12,226,127)**	**(241,525,058)**
Insurance contract assets as at January 1, 2023	**39,573,432**	**-**	**511,992**	**-**	**40,085,424**
Insurance contract liabilities as at January 1, 2023	**(762,930)**	**-**	**(268,621,425)**	**(12,226,127)**	**(281,610,482)**
Insurance revenue	**208,316,496**	**-**	**-**	**-**	**208,316,496**
Written premiums	206,372,763	-	-	-	**206,372,763**
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	1,943,733	-	-	-	**1,943,733**
Insurance service expenses	**(21,326,693)**	**-**	**(71,796,053)**	**(522,310)**	**(93,645,056)**
Paid claims and other expenses	-	-	(71,329,847)	-	**(71,329,847)**
Amortization of insurance acquisition cash flows	(21,326,693)	-	-	-	**(21,326,693)**
Losses on onerous contracts and reversals of those losses	-	-	-	-	**-**
Changes in liabilities for incurred claims	-	-	22,574,615	(522,310)	**22,052,305**
Attributable expenses	-	-	(22,410,386)	-	**(22,410,386)**
Other movements (including surplus)	-	-	(630,435)	-	**(630,435)**
Insurance service result	**186,989,803**	**-**	**(71,796,053)**	**(522,310)**	**114,671,440**
Insurance finance expenses/income	**(1,478,580)**	**-**	**(12,291,668)**	**(390,594)**	**(14,160,842)**
Insurance finance expenses/income - P&L	(1,478,580)	-	(8,773,062)	(390,594)	**(10,642,236)**
Insurance finance expenses/income – OCI	-	-	(3,518,606)	-	**(3,518,606)**
Total changes in the profit or loss and OCI	**185,511,223**	**-**	**(84,087,721)**	**(912,904)**	**100,510,598**
Cash flows	-	-	-	-	**-**
Premiums received	(282,017,718)	-	-	-	**(282,017,718)**
Claims and other expenses paid	-	-	71,645,364	-	**71,645,364**
Directly attributable expenses paid	-	-	22,410,386	-	**22,410,386**
Insurance acquisition cash flows paid	21,706,558	-	-	-	**21,706,558**
Other cash flows (including expired policy)	-	-	34,104,070	-	**34,104,070**
Total cash flows	**(260,311,160)**	**-**	**128,159,820**	**-**	**(132,151,340)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**(35,989,435)**	**-**	**(224,037,334)**	**(13,139,031)**	**(273,165,800)**
Insurance contract liabilities as at December 31, 2023	**(47,438,735)**	**-**	**(229,588,400)**	**(13,139,031)**	**(290,166,166)**
Insurance contract assets as at December 31, 2023	**11,449,300**	**-**	**5,551,066**	**-**	**17,000,366**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Group life)

For the year ended 31 December 2023					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**(31,425,753)**	**(33,773)**	**(23,955,253)**	**(660,689)**	**(56,075,468)**
Insurance contract assets as at January 1, 2023	**-**	**-**	**-**	**-**	**-**
Insurance contract liabilities as at January 1, 2023	**(31,425,753)**	**(33,773)**	**(23,955,253)**	**(660,689)**	**(56,075,468)**
Insurance revenue	**73,756,329**	**-**	**-**	**-**	**73,756,329**
Written premiums	71,755,852	-	-	-	**71,755,852**
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	2,000,477	-	-	-	**2,000,477**
Insurance service expenses	**(1,104,555)**	**33,773**	**(61,807,086)**	**(370,529)**	**(63,248,397)**
Paid claims and other expenses	-	-	(47,460,775)	-	**(47,460,775)**
Amortization of insurance acquisition cash flows	(1,104,555)	-	-	-	**(1,104,555)**
Losses on onerous contracts and reversals of those losses	-	33,773	-	-	**33,773**
Changes in liabilities for incurred claims	-	-	(8,702,766)	(370,529)	**(9,073,295)**
Attributable expenses	-	-	(5,426,558)	-	**(5,426,558)**
Other movements (including surplus)	-	-	(216,987)	-	**(216,987)**
Insurance service result	**72,651,774**	**33,773**	**(61,807,086)**	**(370,529)**	**10,507,932**
Insurance finance expenses/income	**-**	**-**	**(655,811)**	**(14,079)**	**(669,890)**
Insurance finance expenses/income - P&L	-	-	(490,209)	(14,079)	**(504,288)**
Insurance finance expenses/income – OCI	-	-	(165,602)	-	**(165,602)**
Total changes in the profit or loss and OCI	**72,651,774**	**33,773**	**(62,462,897)**	**(384,608)**	**9,838,042**
Cash flows	-	-	-	-	**-**
Premiums received	(68,217,069)	-	-	-	**(68,217,069)**
Claims and other expenses paid	-	-	46,691,313	-	**46,691,313**
Directly attributable expenses paid	-	-	5,426,558	-	**5,426,558**
Insurance acquisition cash flows paid	1,530,820	-	-	-	**1,530,820**
Other cash flows (including expired policy)	-	-	169,087	-	**169,087**
Total cash flows	**(66,686,249)**	**-**	**52,286,958**	**-**	**(14,399,291)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**(25,460,228)**	**-**	**(34,131,192)**	**(1,045,297)**	**(60,636,717)**
Insurance contract liabilities as at December 31, 2023	**(28,171,078)**	**-**	**(34,131,192)**	**(1,045,297)**	**(63,347,567)**
Insurance contract assets as at December 31, 2023	**2,710,850**	**-**	**-**	**-**	**2,710,850**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Total)

For the year ended 31 December 2023					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**50,351,959**	**(8,622,698)**	**(418,654,821)**	**(20,706,995)**	**(397,632,555)**
Insurance contract assets as at January 1, 2023	142,916,104	-	18,637,371	-	**161,553,475**
Insurance contract liabilities as at January 1, 2023	(92,564,145)	(8,622,698)	(437,292,192)	(20,706,995)	**(559,186,030)**
Insurance revenue	**849,617,982**	**-**	**-**	**-**	**849,617,982**
Written premiums	885,532,964	-	-	-	**885,532,964**
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	(35,914,982)	-	-	-	**(35,914,982)**
Insurance service expenses	**(76,754,730)**	**3,389,988**	**(613,274,522)**	**(2,175,274)**	**(688,814,538)**
Paid claims and other expenses	-	-	(486,096,858)	-	**(486,096,858)**
Amortization of insurance acquisition cash flows	(76,754,730)	-	-	-	**(76,754,730)**
Losses on onerous contracts and reversals of those losses	-	3,389,988	-	-	**3,389,988**
Changes in liabilities for incurred claims	-	-	(21,683,319)	(2,175,274)	**(23,858,593)**
Attributable expenses	-	-	(81,692,979)	-	**(81,692,979)**
Other movements (including surplus)	-	-	(23,801,366)	-	**(23,801,366)**
Insurance service result	**772,863,252**	**3,389,988**	**(613,274,522)**	**(2,175,274)**	**160,803,444**
Insurance finance expenses/income	**(1,478,580)**	**-**	**(16,573,066)**	**(509,543)**	**(18,561,189)**
Insurance finance expenses/income - P&L	(1,478,580)	-	(11,512,480)	(509,543)	**(13,500,603)**
Insurance finance expenses/income – OCI	-	-	(5,060,586)	-	**(5,060,586)**
Total changes in the profit or loss and OCI	**771,384,672**	**3,389,988**	**(629,847,588)**	**(2,684,817)**	**142,242,255**
Cash flows					**-**
Premiums received	(904,906,493)	-	-	-	**(904,906,493)**
Claims and other expenses paid	-	-	486,379,450	-	**486,379,450**
Directly attributable expenses paid	-	-	81,692,979	-	**81,692,979**
Insurance acquisition cash flows paid	75,787,171	-	-	-	**75,787,171**
Other cash flows (including expired policy)	-	-	55,459,975	-	**55,459,975**
Total cash flows	**(829,119,322)**	**-**	**623,532,404**	**-**	**(205,586,918)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**(7,382,691)**	**(5,232,710)**	**(424,970,005)**	**(23,391,812)**	**(460,977,218)**
Insurance contract liabilities as at December 31, 2023	**(138,562,529)**	**(5,232,710)**	**(436,360,747)**	**(23,502,335)**	**(603,658,321)**
Insurance contract assets as at December 31, 2023	**131,179,838**	**-**	**11,390,742**	**110,523**	**142,681,103**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Motor)

For the year ended 31 December 2022					
	LRC	LC	LIC	RA	Total
Net insurance contract assets / (liabilities) as at January 1, 2022	(49,396,034)	(4,280,830)	(13,261,090)	(2,176,881)	(69,114,835)
Insurance contract assets as at January 1, 2022	(4,924,189)	-	54,252,047	-	49,327,858
Insurance contract liabilities as at January 1, 2022	(44,471,845)	(4,280,830)	(67,513,137)	(2,176,881)	(118,442,693)
Insurance revenue	215,080,883	-	-	-	215,080,883
Written premiums	240,659,983	-	-	-	240,659,983
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	(25,579,100)	-	-	-	(25,579,100)
Insurance service expenses	(34,329,012)	1,101,544	(199,177,860)	(85,837)	(232,491,165)
Paid claims and other expenses	-	-	(177,999,210)	-	(177,999,210)
Amortization of insurance acquisition cash flows	(34,329,012)	-	-	-	(34,329,012)
Losses on onerous contracts and reversals of those losses	-	1,101,544	-	-	1,101,544
Changes in liabilities for incurred claims	-	-	951,562	(85,837)	865,725
Attributable expenses	-	-	(21,778,606)	-	(21,778,606)
Other movements (including surplus)	-	-	(351,606)	-	(351,606)
Insurance service result	180,751,871	1,101,544	(199,177,860)	(85,837)	(17,410,282)
Insurance finance expenses/income	-	-	441,174	(25,868)	415,306
Insurance finance expenses/income - P&L	-	-	(731,746)	(25,868)	(757,614)
Insurance finance expenses/income – OCI	-	-	1,172,920	-	1,172,920
Total changes in the profit or loss and OCI	180,751,871	1,101,544	(198,736,686)	(111,705)	(16,994,976)
Cash flows					-
Premiums received	(192,016,294)	-	-	-	(192,016,294)
Claims and other expenses paid	-	-	178,730,681	-	178,730,681
Directly attributable expenses paid	-	-	21,778,606	-	21,778,606
Insurance acquisition cash flows paid	33,788,540	-	-	-	33,788,540
Other cash flows (including expired policy)	-	-	9,690,989	-	9,690,989
Total cash flows	(158,227,754)	-	210,200,276	-	51,972,522
Net insurance contract assets / (liabilities) as at December 31, 2022	(26,871,917)	(3,179,286)	(1,797,500)	(2,288,586)	(34,137,289)
Insurance contract liabilities as at December 31, 2022	(54,601,376)	(3,179,286)	(19,922,879)	(2,288,586)	(79,992,127)
Insurance contract assets as at December 31, 2022	27,729,459	-	18,125,379	-	45,854,838

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Medical)

For the year ended 31 December 2022					
	LRC	LC	LIC	RA	Total
Net insurance contract assets / (liabilities) as at January 1, 2022	130,210,859	(22,714,250)	(82,587,325)	(1,569,378)	23,339,906
Insurance contract assets as at January 1, 2022	131,197,471	-	28,336,743	-	159,534,214
Insurance contract liabilities as at January 1, 2022	(986,612)	(22,714,250)	(112,018,517)	(1,569,378)	(137,288,757)
Insurance revenue	196,368,072	-	-	-	196,368,072
Written premiums	215,128,319	-	-	-	215,128,319
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	(18,760,247)	-	-	-	(18,760,247)
Insurance service expenses	(21,361,880)	17,304,611	(193,544,028)	(3,957,107)	(201,558,404)
Paid claims and other expenses	-	-	(137,907,463)	-	(137,907,463)
Amortization of insurance acquisition cash flows	(21,361,880)	-	-	-	(21,361,880)
Losses on onerous contracts and reversals of those losses	-	17,304,611	-	-	17,304,611
Changes in liabilities for incurred claims	-	-	(41,561,103)	(3,957,107)	(45,518,210)
Attributable expenses	-	-	(15,209,883)	-	(15,209,883)
Other movements (including surplus)	-	-	1,134,421	-	1,134,421
Insurance service result	175,006,192	17,304,611	(193,544,028)	(3,957,107)	(5,190,332)
Insurance finance expenses/income	-	-	(62,822)	(5,108)	(67,930)
Insurance finance expenses/income - P&L	-	-	(192,669)	(5,108)	(197,777)
Insurance finance expenses/income – OCI	-	-	129,847	-	129,847
Total changes in the profit or loss and OCI	175,006,192	17,304,611	(193,606,850)	(3,962,215)	(5,258,262)
Cash flows					-
Premiums received	(251,335,021)	-	-	-	(251,335,021)
Claims and other expenses paid	-	-	134,200,804	-	134,200,804
Directly attributable expenses paid	-	-	15,209,883	-	15,209,883
Insurance acquisition cash flows paid	15,957,097	-	-	-	15,957,097
Other cash flows (including expired policy)	-	-	3,085,302	-	3,085,302
Total cash flows	(235,377,924)	-	152,495,989	-	(82,881,935)
Net insurance contract assets / (liabilities) as at December 31, 2022	69,839,127	(5,409,639)	(124,792,635)	(5,531,593)	(65,894,740)
Insurance contract liabilities as at December 31, 2022	(5,774,086)	(5,409,639)	(124,792,635)	(5,531,593)	(141,507,953)
Insurance contract assets as at December 31, 2022	75,613,213	-	-	-	75,613,213

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Property and casualty)

For the year ended 31 December 2022					
	LRC	LC	LIC	RA	Total
Net insurance contract assets / (liabilities) as at January 1, 2022	(33,790,241)	(1)	(402,118,794)	(18,053,208)	(453,962,244)
Insurance contract assets as at January 1, 2022	(238,059)	-	33,934,024	-	33,695,965
Insurance contract liabilities as at January 1, 2022	(33,552,182)	(1)	(436,052,818)	(18,053,208)	(487,658,209)
Insurance revenue	231,457,188	-	-	-	231,457,188
Written premiums	230,395,299	-	-	-	230,395,299
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	1,061,889	-	-	-	1,061,889
Insurance service expenses	(24,985,881)	1	18,887,015	5,833,388	(265,477)
Paid claims and other expenses	-	-	(126,053,391)	-	(126,053,391)
Amortization of insurance acquisition cash flows	(24,985,881)	-	-	-	(24,985,881)
Losses on onerous contracts and reversals of those losses	-	1	-	-	1
Changes in liabilities for incurred claims	-	-	163,829,270	5,833,388	169,662,658
Attributable expenses	-	-	(18,542,430)	-	(18,542,430)
Other movements (including surplus)	-	-	(346,434)	-	(346,434)
Insurance service result	206,471,307	1	18,887,015	5,833,388	231,191,711
Insurance finance expenses/income	(778,173)	-	6,760,496	(6,307)	5,976,016
Insurance finance expenses/income - P&L	(778,173)	-	(8,565,962)	(6,307)	(9,350,442)
Insurance finance expenses/income – OCI	-	-	15,326,458	-	15,326,458
Total changes in the profit or loss and OCI	205,693,134	1	25,647,511	5,827,081	237,167,727
Cash flows	-	-	-	-	-
Premiums received	(154,831,691)	-	-	-	(154,831,691)
Claims and other expenses paid	-	-	127,902,703	-	127,902,703
Directly attributable expenses paid	-	-	18,542,430	-	18,542,430
Insurance acquisition cash flows paid	21,739,300	-	-	-	21,739,300
Other cash flows (including expired policy)	-	-	(38,083,283)	-	(38,083,283)
Total cash flows	(133,092,391)	-	108,361,850	-	(24,730,541)
Net insurance contract assets / (liabilities) as at December 31, 2022	38,810,502	-	(268,109,433)	(12,226,127)	(241,525,058)
Insurance contract liabilities as at December 31, 2022	(762,930)	-	(268,621,425)	(12,226,127)	(281,610,482)
Insurance contract assets as at December 31, 2022	39,573,432	-	511,992	-	40,085,424

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Group life)

For the year ended 31 December 2022					
	LRC	LC	LIC	RA	Total
Net insurance contract assets / (liabilities) as at January 1, 2022	(4,037,769)	(13,074,249)	(40,880,152)	(922,405)	(58,914,575)
Insurance contract assets as at January 1, 2022	-	-	-	-	-
Insurance contract liabilities as at January 1, 2022	(4,037,769)	(13,074,249)	(40,880,152)	(922,405)	(58,914,575)
Insurance revenue	78,759,765	-	-	-	78,759,765
Written premiums	85,505,613	-	-	-	85,505,613
Change in unearned premium reserves [including additional unexpired risk reserve (AURR)]	(6,745,848)	-	-	-	(6,745,848)
Insurance service expenses	(1,540,605)	13,040,476	(41,608,016)	265,815	(29,842,330)
Paid claims and other expenses	-	-	(52,878,103)	-	(52,878,103)
Amortization of insurance acquisition cash flows	(1,540,605)	-	-	-	(1,540,605)
Losses on onerous contracts and reversals of those losses	-	13,040,476	-	-	13,040,476
Changes in liabilities for incurred claims	-	-	17,278,954	265,815	17,544,769
Attributable expenses	-	-	(5,883,856)	-	(5,883,856)
Other movements (including surplus)	-	-	(125,011)	-	(125,011)
Insurance service result	77,219,160	13,040,476	(41,608,016)	265,815	48,917,435
Insurance finance expenses/income	-	-	(114,744)	(4,099)	(118,843)
Insurance finance expenses/income - P&L	-	-	(178,557)	(4,099)	(182,656)
Insurance finance expenses/income – OCI	-	-	63,813	-	63,813
Total changes in the profit or loss and OCI	77,219,160	13,040,476	(41,722,760)	261,716	48,798,592
Cash flows	-	-	-	-	-
Premiums received	(105,192,647)	-	-	-	(105,192,647)
Claims and other expenses paid	-	-	52,763,171	-	52,763,171
Directly attributable expenses paid	-	-	5,883,856	-	5,883,856
Insurance acquisition cash flows paid	585,503	-	-	-	585,503
Other cash flows (including expired policy)	-	-	632	-	632
Total cash flows	(104,607,144)	-	58,647,659	-	(45,959,485)
Net insurance contract assets / (liabilities) as at December 31, 2022	(31,425,753)	(33,773)	(23,955,253)	(660,689)	(56,075,468)
Insurance contract liabilities as at December 31, 2022	(31,425,753)	(33,773)	(23,955,253)	(660,689)	(56,075,468)
Insurance contract assets as at December 31, 2022	-	-	-	-	-

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, gross (Total)

For the year ended 31 December 2022					
	LRC	LC	LIC	RA	Total
Net insurance contract assets/ (liabilities) as at January 1, 2022	42,986,815	(40,069,330)	(539,941,810)	(22,721,872)	(559,746,197)
Insurance contract assets as at January 1, 2022	126,035,223	-	116,522,814	-	242,558,037
Insurance contract liabilities as at January 1, 2022	(83,048,408)	(40,069,330)	(656,464,624)	(22,721,872)	(802,304,234)
Insurance revenue	721,665,908	-	-	-	721,665,908
Written premiums	771,689,214	-	-	-	771,689,214
Change in unearned premium reserves (Including AURR)	(50,023,306)	-	-	-	(50,023,306)
Insurance service expenses	(82,217,378)	31,446,632	(415,442,889)	2,056,259	(464,157,376)
Paid claims and other expenses	-	-	(494,838,167)	-	(494,838,167)
Amortization of insurance acquisition cash flows	(82,217,378)	-	-	-	(82,217,378)
Losses on onerous contracts and reversals of those losses	-	31,446,632	-	-	31,446,632
Changes in liabilities for incurred claims	-	-	140,498,683	2,056,259	142,554,942
Attributable expenses	-	-	(61,414,775)	-	(61,414,775)
Other movements (including surplus)	-	-	311,370	-	311,370
Insurance service result	639,448,530	31,446,632	(415,442,889)	2,056,259	257,508,532
Insurance finance expenses/income	(778,173)	-	7,024,104	(41,382)	6,204,549
Insurance finance expenses/income - P&L	(778,173)	-	(9,668,934)	(41,382)	(10,488,489)
Insurance finance expenses/income – OCI	-	-	16,693,038	-	16,693,038
Cash flows	638,670,357	31,446,632	(408,418,785)	2,014,877	263,713,081
Cash flows					-
Premiums received	(703,375,653)	-	-	-	(703,375,653)
Claims and other expenses paid	-	-	493,597,359	-	493,597,359
Directly attributable expenses paid	-	-	61,414,775	-	61,414,775
Insurance acquisition cash flows paid	72,070,440	-	-	-	72,070,440
Other cash flows (including expired policy)	-	-	(25,306,360)	-	(25,306,360)
Total cash flows	(631,305,213)	-	529,705,774	-	(101,599,439)
Net insurance contract assets / (liabilities) as at December 31, 2022	50,351,959	(8,622,698)	(418,654,821)	(20,706,995)	(397,632,555)
Insurance contract liabilities as at December 31, 2022	(92,564,145)	(8,622,698)	(437,292,192)	(20,706,995)	(559,186,030)
Insurance contract assets as at December 31, 2022	142,916,104	-	18,637,371	-	161,553,475

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Protection (GMM), gross

For the year ended December 31, 2023					
	LRC	LC	LIC	RA	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**240,312**	**(207,807)**	**(59,319)**	**(1,473)**	**(28,287)**
Insurance contract assets as at January 1, 2023	240,312	-	-	-	**240,312**
Insurance contract liabilities as at January 1, 2023	-	(207,807)	(59,319)	(1,473)	**(268,599)**
Insurance revenue	**571,821**	**-**	**-**	**-**	**571,821**
Expected claims expenses incurred in the year end	92,083	-	-	-	**92,083**
Expected directly attributable expenses incurred in the year end	46,896	-	-	-	**46,896**
Loss component run off	(5,083)	-	-	-	**(5,083)**
Expected other insurance service expenses incurred in the year end	(45,814)	-	-	-	**(45,814)**
Change in risk adjustment for non-financial risk	5,454	-	-	-	**5,454**
Experience Adjustments	(3,078)	-	-	-	**(3,078)**
Amount of CSM recognized in profit or loss	322,175	-	-	-	**322,175**
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	159,188	-	-	-	**159,188**
Insurance service expenses	**(159,188)**	**34,840**	**(45,163)**	**234**	**(169,277)**
Incurred in current year end, paid in current year end	-	-	-	-	**-**
Incurred in current year end, outstanding at end current year end	-	-	-	234	**234**
Incurred in current year end, IBNR at end current year end	-	-	-	-	**-**
ULAE for outstanding & IBNR at end current year end	-	-	4,700	-	**4,700**
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(49,863)	-	**(49,863)**
Insurance Acquisition cash flows on New Contracts & Amortization of insurance acquisition cash flows	(159,188)	-	-	-	**(159,188)**
Losses on onerous contracts and reversals of those losses	-	34,840	-	-	**34,840**
Investment components	-	-	-	-	-
Surrenders	-	-	-	-	**-**
Maturities	-	-	-	-	**-**
Insurance service result	**412,633**	**34,840**	**(45,163)**	**234**	**402,544**
Insurance finance expenses/income - P&L	18,701	-	-	-	**18,701**
Total changes in the profit or loss and OCI	**431,334**	**34,840**	**(45,163)**	**234**	**421,245**
Cash flows					
Premium received	495,937	-	-	-	**495,937**
Claims paid	-	-	(11,679)	-	**(11,679)**
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	(49,863)	-	**(49,863)**
Insurance acquisition cash flows	(275,723)	-	-	-	**(275,723)**
Total cash flows	**220,214**	**-**	**(61,542)**	**-**	**158,672**
Net insurance contract assets / (liabilities) as at December 31, 2023	**451,432**	**(172,967)**	**(42,940)**	**(1,239)**	**234,286**
Insurance contract liabilities as at December 31, 2023	**-**	**(172,967)**	**(42,940)**	**(1,239)**	**(217,146)**
Insurance contract assets as at December 31, 2023	**451,432**	**-**	**-**	**-**	**451,432**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Protection and saving (VFA), gross

For the year ended December 31, 2023					
	LRC	LC	LIC	RA	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**(463,324,780)**	**(11,865,396)**	**(15,925,231)**	**(90,527)**	**(491,205,934)**
Insurance contract assets as at January 1, 2023	3,119,835	-	8,870	-	**3,128,705**
Insurance contract liabilities as at January 1, 2023	(466,444,615)	(11,865,396)	(15,934,101)	(90,527)	**(494,334,639)**
Insurance revenue	**12,435,264**	**-**	**-**	**-**	**12,435,264**
Expected claims expenses incurred in the year end	1,015,902	-	-	-	**1,015,902**
Expected directly attributable expenses incurred in the year end	10,890,246	-	-	-	**10,890,246**
Loss component run off	(1,892,456)	-	-	-	**(1,892,456)**
Expected other insurance service expenses incurred in the year end	(65,659)	-	-	-	**(65,659)**
Change in risk adjustment for non-financial risk	367,255	-	-	-	**367,255**
Experience Adjustments	(332,931)	-	-	-	**(332,931)**
Amount of CSM recognized in profit or loss	1,502,626	-	-	-	**1,502,626**
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	950,281	-	-	-	**950,281**
Insurance service expenses	**95,624,834**	**(4,261,950)**	**(107,220,903)**	**(11,446)**	**(15,869,465)**
Incurred in current year end, paid in current year end	-	-	(1,113,340)	-	**(1,113,340)**
Incurred in current year end, outstanding at end current year end	-	-	(126,138)	(424)	**(126,562)**
Incurred in current year end, IBNR at end current year end	-	-	(38,568)	(11,022)	**(49,590)**
ULAE for outstanding & IBNR at end current year end	-	-	2,493	-	**2,493**
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(9,370,235)	-	**(9,370,235)**
Insurance Acquisition cash flows on New Contracts & Amortization of insurance acquisition cash flows	(950,281)	-	-	-	**(950,281)**
Losses on onerous contracts and reversals of those losses	-	(4,261,950)	-	-	**(4,261,950)**
Investment components	96,575,115	-	(96,575,115)	-	-
Surrenders	59,876,571	-	(59,876,571)	-	**-**
Maturities	36,698,544	-	(36,698,544)	-	**-**
Insurance service result	**108,060,098**	**(4,261,950)**	**(107,220,903)**	**(11,446)**	**(3,434,201)**
Insurance finance expenses/income - P&L	(51,491,709)	-	-	-	**(51,491,709)**
Total changes in the profit or loss and OCI	**56,568,389**	**(4,261,950)**	**(107,220,903)**	**(11,446)**	**(54,925,910)**
Cash flows					
Premium received	63,298,949	-	-	-	**63,298,949**
Claims paid	-	-	(92,009,606)	-	**(92,009,606)**
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	(9,370,235)	-	**(9,370,235)**
Insurance acquisition cash flows	(3,244,889)	-	-	-	**(3,244,889)**
Total cash flows	**60,054,060**	**-**	**(101,379,841)**	**-**	**(41,325,781)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**(466,810,451)**	**(16,127,346)**	**(21,766,293)**	**(101,973)**	**(504,806,063)**
Insurance contract liabilities as at December 31, 2023	**(469,263,821)**	**(16,127,346)**	**(21,766,293)**	**(101,973)**	**(507,259,433)**
Insurance contract assets as at December 31, 2023	**2,453,370**	**-**	**-**	**-**	**2,453,370**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Total GMM, VFA, gross

For the year ended December 31, 2023					
	LRC	LC	LIC	RA	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2023	**(463,084,468)**	**(12,073,203)**	**(15,984,550)**	**(92,000)**	**(491,234,221)**
Insurance contract assets as at January 1, 2023	3,360,147	-	8,870	-	**3,369,017**
Insurance contract liabilities as at January 1, 2023	(466,444,615)	(12,073,203)	(15,993,420)	(92,000)	**(494,603,238)**
Insurance revenue	**13,007,085**	**-**	**-**	**-**	**13,007,085**
Expected claims expenses incurred in the year end	1,107,985	-	-	-	**1,107,985**
Expected directly attributable expenses incurred in the year end	10,937,142	-	-	-	**10,937,142**
Loss component run off	(1,897,539)	-	-	-	**(1,897,539)**
Expected other insurance service expenses incurred in the year end	(111,473)	-	-	-	**(111,473)**
Change in risk adjustment for non-financial risk	372,709	-	-	-	**372,709**
Experience Adjustments	(336,009)	-	-	-	**(336,009)**
Amount of CSM recognized in profit or loss	1,824,801	-	-	-	**1,824,801**
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	1,109,469	-	-	-	**1,109,469**
Insurance service expenses	**95,465,646**	**(4,227,110)**	**(107,266,066)**	**(11,212)**	**(16,038,742)**
Incurred in current year end, paid in current year end	-	-	(1,113,340)	-	**(1,113,340)**
Incurred in current year end, outstanding at end current year end	-	-	(126,138)	(190)	**(126,328)**
Incurred in current year end, IBNR at end current year end	-	-	(38,568)	(11,022)	**(49,590)**
ULAE for outstanding & IBNR at end current year end	-	-	7,193	-	**7,193**
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(9,420,098)	-	**(9,420,098)**
Insurance Acquisition cash flows on New Contracts & Amortization of insurance acquisition cash flows	(1,109,469)	-	-	-	**(1,109,469)**
Losses on onerous contracts and reversals of those losses	-	(4,227,110)	-	-	**(4,227,110)**
Investment components	96,575,115	-	(96,575,115)	-	-
Surrenders	59,876,571	-	(59,876,571)	-	**-**
Maturities	36,698,544	-	(36,698,544)	-	**-**
Insurance service result	**108,472,731**	**(4,227,110)**	**(107,266,066)**	**(11,212)**	**(3,031,657)**
Insurance finance expenses/income - P&L	(51,473,008)	-	-	-	**(51,473,008)**
Total changes in the profit or loss and OCI	**56,999,723**	**(4,227,110)**	**(107,266,066)**	**(11,212)**	**(54,504,665)**
Cash flows	-	-	-	-	**-**
Premium received	63,794,886	-	-	-	**63,794,886**
Claims paid	-	-	(92,021,285)	-	**(92,021,285)**
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	(9,420,098)	-	**(9,420,098)**
Insurance acquisition cash flows	(3,520,612)	-	-	-	**(3,520,612)**
Total cash flows	**60,274,274**	**-**	**(101,441,383)**	**-**	**(41,167,109)**
Net insurance contract assets / (liabilities) as at December 31, 2023	**(466,359,019)**	**(16,300,313)**	**(21,809,233)**	**(103,212)**	**(504,571,777)**
Insurance contract liabilities as at December 31, 2023	(469,263,821)	(16,300,313)	(21,809,233)	(103,212)	**(507,476,579)**
Insurance contract assets as at December 31, 2023	2,904,802	-	-	-	**2,904,802**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Total GMM, VFA, gross

For the year ended 31 December 2023				
	Estimates of PV of Future Cash Flows	**Risk Adjustment**	**Contractual Service Margin**	**Total**
Insurance contract (assets) / liabilities as at January 1, 2023	**(472,304,331)**	**(5,255,732)**	**(13,674,155)**	**(491,234,221)**
Insurance contract assets as at January 1, 2023	**-**	**-**	**-**	**-**
Insurance contract liabilities as at January 1, 2023	**(472,304,331)**	**(5,255,732)**	**(13,674,155)**	**(491,234,221)**
Fulfilment cashflows as at 01/01	**463,619,121**	**5,163,732**	**-**	**468,782,853**
Expected premiums	(501,242,353)	-	-	(501,242,353)
Expected claims	1,139,172,513	-	-	1,139,172,513
Acquisition expenses	2,010,552	-	-	2,010,552
Directly attributable expenses (excluding insurance acquisition cash flows)	43,697,767	-	-	43,697,767
Impact of discounting	(220,019,358)	-	-	(220,019,358)
Risk adjustment (diversified)	-	5,163,732	-	5,163,732
CSM	-	-	13,674,155	13,674,154
Outstanding claims (undiscounted)	8,385,424	-	-	8,385,424
IBNR (undiscounted)	299,786	-	-	299,786
Prudence margin in actuarial BE (LIC)	-	1,473	-	1,473
Management margin over actuarial BE (LIC)	-	90,527	-	90,527
Insurance service result	**(43,732,740)**	**(1,407,542)**	**42,108,626**	**(3,031,657)**
Changes that relate to current services	**5,184,638**	**372,519**	**1,824,801**	7,381,959
CSM recognized for services provided	-	-	1,824,801	1,824,801
Risk adjustment recognized for risk expired	-	372,519	-	372,519
Experience adjustments / expected items	**5,184,638**	-	-	5,184,638
Expected claims (AvE)	1,094,803	-	-	1,094,803
Expected expenses (AvE)	1,517,044	-	-	1,517,044
Experience adjustment - premiums (AvE)	2,572,792	-	-	2,572,792
Changes that relate to future services	**(50,717,845)**	**(1,769,040)**	**40,283,825**	(12,203,060)
Contracts initially recognized in the period	(5,352,339)	(1,097,148)	(573,013)	(7,022,500)
Changes in estimates that adjust the CSM	**(45,365,505)**	**(671,892)**	**40,856,838**	(5,180,560)
CSM non-financial experience changes	526,980	(672,470)	(3,615,595)	(3,761,085)
Financial assumption changes (for VFA only)	(6,904,714)	578	5,484,661	(1,419,475)
CSM other items	(38,987,772)	-	38,987,772	-
Changes in estimates that do not adjust the CSM	**3,058,139**	-	**-**	**3,058,139**
Other items	3,058,139	-		3,058,139
Changes that relate to past services:	**(1,257,672)**	**(11,022)**	-	(1,268,694)
Change in ultimate claims for past service	**(1,264,865)**	**(11,146)**	-	(1,276,011)
Paid in CY	(1,108,639)	-	-	(1,108,639)
Change in OS in CY	(118,056)	(9,238)	-	(127,294)
Change in IBNR in CY	(38,169)	(1,908)	-	(40,078)
Change in ULAE for O/S & IBNR claims	7,193	125	-	7,317
Insurance finance income/expenses	**(16,717,175)**	**(73)**	**(34,755,760)**	**(51,473,008)**
Insurance finance expenses/income - P&L	**(16,717,175)**	**(73)**	**(34,755,760)**	(51,473,008)
CSM change in entities share/time value allocated to future service (VFA)	-	-	(34,728,902)	(34,728,902)
CSM interest (BBA method)	8,447	-	(26,858)	(18,411)
FCF interest	(16,725,956)	-	-	(16,725,956)
FCF impact of changes in financial assumptions	334	-	-	334
RA impact of changes in financial assumptions	-	(73)	-	(73)
Total changes through Profit or Loss or OCI	**(60,449,915)**	**(1,407,615)**	**7,352,866**	**(54,504,665)**
Cash flows	(41,167,107)	-	-	(41,167,107)
Premiums received	63,794,890	-	-	63,794,890
Claims paid	(92,021,287)	-	-	(92,021,287)
Directly attributable expenses paid (excluding acquisition cashflows)	(9,420,098)	-	-	(9,420,098)
Insurance acquisition cash flows	(3,520,612)	-	-	(3,520,612)
Other cash flows	-	-	-	-
Insurance contract (assets) / liabilities as at 31/12	**(491,587,139)**	**(6,663,348)**	**(6,321,289)**	**(504,571,777)**
Insurance contract assets as at December 1, 2023	-	-	-	-
Insurance contract liabilities as at December 1, 2023	**(491,587,139)**	**(6,663,348)**	**(6,321,288)**	**(504,571,777)**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Protection (GMM), gross

For the year ended December 31, 2022					
	LRC	LC	LIC	RA	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2022	**265,926**	**(4,863)**	**(42,589)**	**(837)**	**217,637**
Insurance contract assets as at January 1, 2022	268,384	-	-	-	**268,384**
Insurance contract liabilities as at January 1, 2022	(2,458)	(4,863)	(42,589)	(837)	**(50,747)**
Insurance revenue	**(23,962)**	**-**	**-**	**-**	**(23,962)**
Expected claims expenses incurred in the year end	64,981	-	-	-	**64,981**
Expected directly attributable expenses incurred in the year end	41,179	-	-	-	**41,179**
Loss component run off	-	-	-	-	**-**
Expected other insurance service expenses incurred in the year end	(68,606)	-	-	-	**(68,606)**
Change in risk adjustment for non-financial risk	(5,560)	-	-	-	**(5,560)**
Experience Adjustments	(59,621)	-	-	-	**(59,621)**
Amount of CSM recognized in profit or loss	-	-	-	-	**-**
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	3,665	-	-	-	**3,665**
Insurance service expenses	**(3,665)**	**(202,944)**	**(49,670)**	**(636)**	**(256,915)**
Incurred in current year end, paid in current year end	-	-	-	-	**-**
Incurred in current year end, outstanding at end current year end	-	-	-	(636)	**(636)**
Incurred in current year end, IBNR at end current year end	-	-	-	-	**-**
ULAE for outstanding & IBNR at end current year end	-	-	(12,725)	-	**(12,725)**
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(36,945)	-	**(36,945)**
Insurance Acquisition cash flows on New Contracts & Amortization of insurance acquisition cash flows	(3,665)	-	-	-	**(3,665)**
Losses on onerous contracts and reversals of those losses	-	(202,944)	-	-	**(202,944)**
Investment components	-	-	-	-	-
Surrenders	-	-	-	-	**-**
Maturities	-	-	-	-	**-**
Insurance service result	**(27,627)**	**(202,944)**	**(49,670)**	**(636)**	**(280,877)**
Insurance finance expenses/income - P&L	(833)	-	-	-	**(833)**
Total changes in the profit or loss and OCI	**(28,460)**	**(202,944)**	**(49,670)**	**(636)**	**(281,710)**
Cash flows					**-**
Premium received	5,613	-	-	-	**5,613**
Claims paid	-	-	4,005	-	**4,005**
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	(36,945)	-	**(36,945)**
Insurance acquisition cash flows	(8,459)	-	-	-	**(8,459)**
Total cash flows	**(2,846)**	**-**	**(32,940)**	**-**	**(35,786)**
Net insurance contract assets / (liabilities) as at December 31, 2022	**240,312**	**(207,807)**	**(59,319)**	**(1,473)**	**(28,287)**
Insurance contract liabilities as at December 31, 2022	**-**	**(207,807)**	**(59,319)**	**(1,473)**	**(268,599)**
Insurance contract assets as at December 31, 2022	**240,312**	**-**	**-**	**-**	**240,312**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Protection and saving (VFA), gross

For the year ended December 31, 2022					
	LRC	LC	LIC	RA	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2022	**(501,987,192)**	**(6,644,830)**	**(11,148,873)**	**(66,730)**	**(519,847,625)**
Insurance contract assets as at January 1, 2022	2,502,379	-	-	-	**2,502,379**
Insurance contract liabilities as at January 1, 2022	(504,489,571)	(6,644,830)	(11,148,873)	(66,730)	**(522,350,004)**
Insurance revenue	**14,008,336**	**-**	**-**	**-**	**14,008,336**
Expected claims expenses incurred in the year end	1,368,121	-	-	-	**1,368,121**
Expected directly attributable expenses incurred in the year end	9,413,235	-	-	-	**9,413,235**
Loss component run off	-	-	-	-	**-**
Expected other insurance service expenses incurred in the year end	(2,155,366)	-	-	-	**(2,155,366)**
Change in risk adjustment for non-financial risk	3,569	-	-	-	**3,569**
Experience Adjustments	194,624	-	-	-	**194,624**
Amount of CSM recognized in profit or loss	4,277,999	-	-	-	**4,277,999**
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	906,154	-	-	-	**906,154**
Insurance service expenses	**100,462,656**	**(5,220,566)**	**(113,399,736)**	**(23,797)**	**(18,181,443)**
Incurred in current year end, paid in current year end	-	-	(591,337)	-	**(591,337)**
Incurred in current year end, outstanding at end current year end	-	-	(3,099,980)	(19,820)	**(3,119,800)**
Incurred in current year end, IBNR at end current year end	-	-	(79,531)	(3,977)	**(83,508)**
ULAE for outstanding & IBNR at end current year end	-	-	1,252	-	**1,252**
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(8,261,330)	-	**(8,261,330)**
Insurance Acquisition cash flows on New Contracts & Amortization of insurance acquisition cash flows	(906,154)	-	-	-	**(906,154)**
Losses on onerous contracts and reversals of those losses	-	(5,220,566)	-	-	**(5,220,566)**
Investment components	101,368,810	-	(101,368,810)	-	-
Surrenders	62,848,662	-	(62,848,662)	-	**-**
Maturities	38,520,148	-	(38,520,148)	-	**-**
Insurance service result	**114,470,992**	**(5,220,566)**	**(113,399,736)**	**(23,797)**	**(4,173,107)**
Insurance finance expenses/income - P&L	(5,179,394)	-	-	-	**(5,179,394)**
Total changes in the profit or loss and OCI	**109,291,598**	**(5,220,566)**	**(113,399,736)**	**(23,797)**	**(9,352,501)**
Cash flows					**-**
Premium received	74,149,701	-	-	-	**74,149,701**
Claims paid	-	-	(100,362,048)	-	**(100,362,048)**
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	(8,261,330)	-	**(8,261,330)**
Insurance acquisition cash flows	(3,520,515)	-	-	-	**(3,520,515)**
Total cash flows	**70,629,186**	**-**	**(108,623,378)**	**-**	**(37,994,192)**
Net insurance contract assets / (liabilities) as at December 31, 2022	**(463,324,780)**	**(11,865,396)**	**(15,925,231)**	**(90,527)**	**(491,205,934)**
Insurance contract liabilities as at December 31, 2022	**(466,444,615)**	**(11,865,396)**	**(15,934,101)**	**(90,527)**	**(494,334,639)**
Insurance contract assets as at December 31, 2022	**3,119,835**	**-**	**8,870**	**-**	**3,128,705**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. VFA, GMM gross

For the year ended December 31, 2022					
	LRC	LC	LIC	RA	**Total**
Net insurance contract assets / (liabilities) as at January 1, 2022	**(501,721,266)**	**(6,649,693)**	**(11,191,462)**	**(67,567)**	**(519,629,988)**
Insurance contract assets as at January 1, 2022	**2,770,763**	**-**	**-**	**-**	**2,770,763**
Insurance contract liabilities as at January 1, 2022	**(504,492,029)**	**(6,649,693)**	**(11,191,462)**	**(67,567)**	**(522,400,751)**
Insurance revenue	**13,984,374**	**-**	**-**	**-**	**13,984,374**
Expected claims expenses incurred in the year end	**1,433,102**	**-**	**-**	**-**	**1,433,102**
Expected directly attributable expenses incurred in the year end	**9,454,414**	**-**	**-**	**-**	**9,454,414**
Loss component run off	**-**	**-**	**-**	**-**	**-**
Expected other insurance service expenses incurred in the year end	**(2,223,972)**	**-**	**-**	**-**	**(2,223,972)**
Change in risk adjustment for non-financial risk	**(1,991)**	**-**	**-**	**-**	**(1,991)**
Experience Adjustments	**135,003**	**-**	**-**	**-**	**135,003**
Amount of CSM recognized in profit or loss	**4,277,999**	**-**	**-**	**-**	**4,277,999**
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	**909,819**	**-**	**-**	**-**	**909,819**
Insurance service expenses	**100,458,991**	**(5,423,510)**	**(113,449,406)**	**(24,433)**	**(18,438,358)**
Incurred in current year end, paid in current year end	**-**	**-**	**(591,337)**	**-**	**(591,337)**
Incurred in current year end, outstanding at end current year end	**-**	**-**	**(3,099,980)**	**(20,456)**	**(3,120,436)**
Incurred in current year end, IBNR at end current year end	**-**	**-**	**(79,531)**	**(3,977)**	**(83,508)**
ULAE for outstanding & IBNR at end current year end	**-**	**-**	**(11,473)**	**-**	**(11,473)**
Directly attributable expenses, excluding insurance acquisition cash flows	**-**	**-**	**(8,298,275)**	**-**	**(8,298,275)**
Insurance Acquisition cash flows on New Contracts & Amortization of insurance acquisition cash flows	**(909,819)**	**-**	**-**	**-**	**(909,819)**
Losses on onerous contracts and reversals of those losses	**-**	**(5,423,510)**	**-**	**-**	**(5,423,510)**
Investment components	101,368,810	-	(101,368,810)	-	-
Surrenders	**62,848,662**	**-**	**(62,848,662)**	**-**	**-**
Maturities	**38,520,148**	**-**	**(38,520,148)**	**-**	**-**
Insurance service result	**114,443,365**	**(5,423,510)**	**(113,449,406)**	**(24,433)**	**(4,453,984)**
Insurance finance expenses/income - P&L	**(5,180,227)**	**-**	**-**	**-**	**(5,180,227)**
Total changes in the profit or loss and OCI	**109,263,138**	**(5,423,510)**	**(113,449,406)**	**(24,433)**	**(9,634,211)**
Cash flows					**-**
Premium received	**74,155,314**	**-**	**-**	**-**	**74,155,314**
Claims paid	**-**	**-**	**(100,358,043)**	**-**	**(100,358,043)**
Directly attributable expenses paid (excluding insurance acquisition cash flows)	**-**	**-**	**(8,298,275)**	**-**	**(8,298,275)**
Insurance acquisition cash flows	**(3,528,974)**	**-**	**-**	**-**	**(3,528,974)**
Total cash flows	**70,626,340**	**-**	**(108,656,318)**	**-**	**(38,029,978)**
Net insurance contract assets / (liabilities) as at December 31, 2022	**(463,084,468)**	**(12,073,203)**	**(15,984,550)**	**(92,000)**	**(491,234,221)**
Insurance contract liabilities as at December 31, 2022	**(466,444,615)**	**(12,073,203)**	**(15,993,420)**	**(92,000)**	**(494,603,238)**
Insurance contract assets as at December 31, 2022	**3,360,147**	**-**	**8,870**	**-**	**3,369,017**

9. INSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. VFA, GMM gross

For the year ended December 31, 2022				
	Estimates of PV of Future Cash Flows	**Risk Adjustment**	**Contractual Service Margin**	**Total**
Insurance contract (assets) / liabilities as at January 1, 2022	**(486,180,331)**	**(2,243,978)**	**(31,205,678)**	**(519,629,988)**
Insurance contract assets as at January 1, 2022	-	-	-	-
Insurance contract liabilities as at January 1, 2022	**(486,180,331)**	**(2,243,978)**	**(31,205,678)**	**(519,629,988)**
Fulfilment cashflows as at 01/01	**480,686,104**	**2,176,410**	-	482,862,514
Expected premiums	(501,972,389)	-	-	(501,972,389)
Expected claims	1,360,245,127	-	-	1,360,245,127
Acquisition expenses	1,831,899	-	-	1,831,899
Directly attributable expenses (excluding insurance acquisition cash flows)	40,436,307	-	-	40,436,307
Expected other CFs	-	-	-	-
Impact of discounting	(419,854,840)	-	-	(419,854,840)
Risk adjustment (diversified)	-	2,176,410		2,176,410
CSM	-	-	31,205,678	31,205,678
Outstanding claims (undiscounted)	5,273,971	-	-	5,273,971
IBNR (undiscounted)	220,255	-	-	220,255
Prudence margin in actuarial BE (LIC)	-	67,568	-	67,568
Insurance service result	**(10,087,175)**	**(3,011,905)**	**8,645,098**	**(4,453,984)**
Changes that relate to current services	**2,528,512**	**(46,527)**	**4,277,999**	6,759,984
CSM recognized for services provided	-	-	4,277,999	4,277,999
Risk adjustment recognized for risk expired	-	(46,527)		(46,527)
Experience adjustments / expected items	**2,528,512**	-	-	2,528,512
Expected claims (AvE)	221,226	-	-	221,226
Expected expenses (AvE)	1,156,139	-	-	1,156,139
Experience adjustment - premiums (AvE)	1,151,147	-	-	1,151,147
Changes that relate to future services	**(11,349,381)**	**(2,985,481)**	**4,367,099**	(9,967,763)
Contracts initially recognized in the period	(4,288,905)	(55,995)	(5,171)	(4,350,071)
Changes in estimates that adjust the CSM	**(7,060,475)**	**(2,929,487)**	**4,372,270**	(5,617,692)
CSM non-financial experience changes	39,595,623	(2,957,033)	(40,140,363)	(3,501,773)
Financial assumption changes (for VFA only)	(16,725,500)	27,547	14,582,034	
CSM other items	(29,930,598)	-	29,930,598	-
Changes in estimates that do not adjust the CSM	**1,304,138**	-	-	1,304,138
Other items	1,304,138	-		1,304,138
Changes that relate to past services:	**(2,570,444)**	**20,103**	-	(2,550,341)
Change in ultimate claims for past service	**(2,565,807)**	**19,699**	-	(2,546,108)
Paid in CY	(257,454)	-	-	(257,454)
Change in OS in CY	(2,425,317)	13,850	-	(2,411,466)
Change in IBNR in CY	116,963	5,848	-	122,812
Change in ULAE for O/S & IBNR claims	(4,638)	404	-	(4,233)
Insurance finance income / expenses	**(14,066,803)**	**150**	**8,886,425**	**(5,180,227)**
Insurance finance expenses/income - P&L	**(14,066,803)**	**150**	**8,886,425**	(5,180,227)
CSM change in entities share/time value allocated to future service (VFA)	-	-	8,888,080	8,888,080
CSM interest (BBA method)	-	-	(1,655)	(1,655)
FCF interest	(14,064,939)	-	-	(14,064,939)
FCF impact of changes in financial assumptions	(1,864)	-	-	(1,864)
RA impact of changes in financial assumptions	-	150	-	150
Total changes through Profit or Loss or OCI	**(24,153,978)**	**(3,011,755)**	**17,531,523**	**(9,634,211)**
Cash flows	(38,029,977)	-	-	(38,029,977)
Premiums received	74,155,313	-	-	74,155,313
Claims paid	(100,358,042)	-	-	(100,358,042)
Directly attributable expenses paid (excluding insurance acquisition cash flows)	(8,298,275)	-	-	(8,298,275)
Insurance acquisition cash flows	(3,528,974)	-	-	(3,528,974)
Insurance contract (assets) / liabilities as at 31/12	**(472,304,331)**	**(5,255,732)**	**(13,674,155)**	**(491,234,221)**
Insurance contract assets as at December 31, 2023	-	-	-	-
Insurance contract liabilities as at December 31, 2023	**(472,304,331)**	**(5,255,732)**	**(13,674,155)**	**(491,234,221)**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES

	Valuation Approach	December 31, 2023		December 31, 2022 (restated)		January 1, 2022 (restated)	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Reinsurance contract assets & liabilities							
Medical	**PAA**	**81,766,847**	**59,622,246**	85,934,221	43,139,370	79,959,931	32,872,070
Motor	**PAA**	**2,730,809**	**-**	3,091,236	3,003,087	2,529,244	1,554,840
Property and casualty	**PAA**	**279,449,949**	**69,961,084**	303,832,590	88,839,629	470,959,390	51,598,075
Group life	**PAA**	**32,748,591**	**25,686,760**	32,157,406	31,191,480	52,524,864	17,047,098
Total – PAA		**396,696,196**	**155,270,090**	425,015,453	166,173,566	605,973,429	103,072,083
Protection and saving	**GMM**	**1,688,722**	**-**	853,218	336,012	609,767	427,199
Total – GMM		**1,688,722**	**-**	853,218	336,012	609,767	427,199
Total reinsurance contract assets & liabilities		**398,384,918**	**155,270,090**	425,868,671	166,509,578	606,583,196	103,499,282

a. PAA, RI (Motor)

For the year ended 31 December 2023					
	Assets for remaining coverage	**LC**	**Assets for amounts recoverable on Incurred claims**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2023	**(3,003,087)**	**-**	**3,002,505**	**88,731**	**88,149**
Reinsurance contract assets as at January 1, 2023	**-**	**-**	**3,002,505**	**88,731**	**3,091,236**
Reinsurance contract liabilities as at January 1, 2023	**(3,003,087)**	**-**	**-**	**-**	**(3,003,087)**
Amounts allocated to reinsurance	**(2,453,010)**	**-**	**-**	**-**	**(2,453,010)**
Ceded premium	(2,453,010)	-	-	-	**(2,453,010)**
Change in reinsurance share of unearned premium reserves	-	-	-	-	**-**
Reinsurance (fixed) commission	-	-	-	-	**-**
Change in reinsurance share unearned (fixed) commission	-	-	-	-	**-**
Amounts recoverable from reinsurance	**-**	**-**	**420,578**	**5,113**	**425,691**
Amounts recoverable for incurred claims and other expenses	-	-	247,611	-	**247,611**
Losses on onerous contracts and reversals of those losses	-	-	-	-	**-**
Changes in liabilities for incurred claims	-	-	172,967	5,113	**178,080**
Other mouvement	-	-	-	-	-
Reinsurance service result	**(2,453,010)**	**-**	**420,578**	**5,113**	**(2,027,319)**
Reinsurance finance expenses/income	**-**	**-**	**(18,333)**	**1,193**	**(17,140)**
Reinsurance finance expenses/income - P&L	-	-	32,205	1,193	**33,398**
Reinsurance finance expenses/income – OCI	-	-	(50,538)	-	**(50,538)**
Total changes in the profit or loss and OCI	**(2,453,010)**	**-**	**402,245**	**6,306**	**(2,044,459)**
Cash flows					
Premium paid	5,456,098	-	-	-	**5,456,098**
Claims received	-	-	(768,979)	-	**(768,979)**
Fixed commission received	-	-	-	-	**-**
Profit commission / sliding scale commission received	-	-	-	-	**-**
Other cash flows	-	-	-	-	**-**
Total cash flows	**5,456,098**	**-**	**(768,979)**	**-**	**4,687,119**
Net reinsurance contract assets / (liabilities) as at December 31, 2023	**1**	**-**	**2,635,771**	**95,037**	**2,730,809**
Reinsurance contract assets as at December 31, 2023	1	-	2,635,771	95,037	**2,730,809**
Reinsurance contract Liabilities as at December 31, 2023	-	-	-	-	**-**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Medical)

For the year ended 31 December 2023					
	Assets for remaining coverage	**LC**	**Assets for amounts recoverable on Incurred claims**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2023	**(43,139,370)**	**1,963,108**	**80,563,975**	**3,407,138**	**42,794,851**
Reinsurance contract assets as at January 1, 2023	**-**	**1,963,108**	**80,563,975**	**3,407,138**	**85,934,221**
Reinsurance contract liabilities as at January 1, 2023	**(43,139,370)**	**-**	**-**	**-**	**(43,139,370)**
Amounts allocated to reinsurance	**(102,104,732)**	**-**	**-**	**-**	**(102,104,732)**
Ceded premium	(94,608,665)	-	-	-	**(94,608,665)**
Change in reinsurance share of unearned premium reserves	(7,496,067)	-	-	-	**(7,496,067)**
Reinsurance (fixed) commission	-	-	-	-	**-**
Change in reinsurance share unearned (fixed) commission	-	-	-	-	**-**
Amounts recoverable from reinsurance	**-**	**(767,622)**	**79,097,005**	**(907,944)**	**77,421,439**
Amounts recoverable for incurred claims and other expenses	-	-	79,750,649	-	**79,750,649**
Losses on onerous contracts and reversals of those losses	-	1,195,486	-	-	**1,195,486**
Changes in liabilities for incurred claims	-	(1,963,108)	(6,788,470)	(907,944)	**(9,659,522)**
Other mouvement	-	-	6,134,826	-	**6,134,826**
Reinsurance service result	**(102,104,732)**	**(767,622)**	**79,097,005**	**(907,944)**	**(24,683,293)**
Reinsurance finance expenses/income	**-**	**-**	**1,007,751**	**38,277**	**1,046,028**
Reinsurance finance expenses/income - P&L	-	-	623,206	38,277	**661,483**
Reinsurance finance expenses/income – OCI	-	-	384,545	-	**384,545**
Total changes in the profit or loss and OCI	**(102,104,732)**	**(767,622)**	**80,104,756**	**(869,667)**	**(23,637,265)**
Cash flows					**-**
Premium paid	85,621,858	-	-	-	**85,621,858**
Claims received	-	-	(82,634,843)	-	**(82,634,843)**
Fixed commission received	-	-	-	-	**-**
Profit commission / sliding scale commission received	-	-	-	-	**-**
Other cash flows	-	-	-	-	**-**
Total cash flows	**85,621,858**	**-**	**(82,634,843)**	**-**	**2,987,015**
Net reinsurance contract assets / (liabilities) as at December 31, 2023	**(59,622,244)**	**1,195,486**	**78,033,888**	**2,537,471**	**22,144,601**
Reinsurance contract assets as at December 31, 2023	2	1,195,486	78,033,888	2,537,471	**81,766,847**
Reinsurance contract Liabilities as at December 31, 2023	(59,622,246)	-	-	-	**(59,622,246)**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Property and casualty)

For the year ended 31 December 2023					
	Assets for remaining coverage	**LC**	**Assets for amounts recoverable on Incurred claims**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2023	**(88,839,614)**	**-**	**292,681,064**	**11,151,511**	**214,992,961**
Reinsurance contract assets as at January 1, 2023	**15**	**-**	**292,681,064**	**11,151,511**	**303,832,590**
Reinsurance contract liabilities as at January 1, 2023	**(88,839,629)**	**-**	**-**	**-**	**(88,839,629)**
Amounts allocated to reinsurance	**(147,191,390)**	**-**	**-**	**-**	**(147,191,390)**
Ceded premium	(147,617,211)	-	-	-	**(147,617,211)**
Change in reinsurance share of unearned premium reserves	(8,373,858)	-	-	-	**(8,373,858)**
Reinsurance (fixed) commission	10,000,819	-	-	-	**10,000,819**
Change in reinsurance share unearned (fixed) commission	(1,201,140)	-	-	-	**(1,201,140)**
Amounts recoverable from reinsurance	**-**	**-**	**40,073,122**	**(1,138,744)**	**38,934,378**
Amounts recoverable for incurred claims and other expenses	-	-	60,339,995	-	**60,339,995**
Losses on onerous contracts and reversals of those losses	-	-	-	-	**-**
Changes in liabilities for incurred claims	-	-	(20,266,873)	(1,138,744)	**(21,405,617)**
Other mouvement	-	-	-	-	**-**
Reinsurance service result	**(147,191,390)**	**-**	**40,073,122**	**(1,138,744)**	**(108,257,012)**
Reinsurance finance expenses/income	**1,239,735**	**-**	**11,398,979**	**361,474**	**13,000,188**
Reinsurance finance expenses/income - P&L	1,239,735	-	8,214,184	361,474	**9,815,393**
Reinsurance finance expenses/income – OCI	-	-	3,184,795	-	**3,184,795**
Total changes in the profit or loss and OCI	**(145,951,655)**	**-**	**51,472,101**	**(777,270)**	**(95,256,824)**
Cash flows					
Premium paid	205,962,778	-	-	-	**205,962,778**
Claims received	-	-	(106,209,231)	-	**(106,209,231)**
Fixed commission received	(10,000,819)	-	-	-	**(10,000,819)**
Profit commission / sliding scale commission received	-	-	-	-	**-**
Other cash flows	-	-	-	-	**-**
Total cash flows	**195,961,959**	**-**	**(106,209,231)**	**-**	**89,752,728**
Net reinsurance contract assets / (liabilities) as at December 31, 2023	**(38,829,310)**	**-**	**237,943,934**	**10,374,241**	**209,488,865**
Reinsurance contract assets as at December 31, 2023	31,131,774	-	237,943,934	10,374,241	**279,449,949**
Reinsurance contract Liabilities as at December 31, 2023	(69,961,084)	-	-	-	**(69,961,084)**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Group life)

For the year ended 31 December 2023					
	Assets for remaining coverage	**LC**	**Assets for amounts recoverable on Incurred claims**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2023	**(31,191,480)**	**9,614**	**31,673,746**	**474,046**	**965,926**
Reinsurance contract assets as at January 1, 2023	**-**	**9,614**	**31,673,746**	**474,046**	**32,157,406**
Reinsurance contract liabilities as at January 1, 2023	**(31,191,480)**	**-**	**-**	**-**	**(31,191,480)**
Amounts allocated to reinsurance	**(46,122,832)**	**-**	**-**	**-**	**(46,122,832)**
Ceded premium	(42,536,144)	-	-	-	**(42,536,144)**
Change in reinsurance share of unearned premium reserves	(4,324,263)	-	-	-	**(4,324,263)**
Reinsurance (fixed) commission	1,470,206	-	-	-	**1,470,206**
Change in reinsurance share unearned (fixed) commission	(732,631)	-	-	-	**(732,631)**
Amounts recoverable from reinsurance	**-**	**(9,614)**	**41,109,486**	**221,728**	**41,321,600**
Amounts recoverable for incurred claims and other expenses	-	-	35,027,999	-	**35,027,999**
Losses on onerous contracts and reversals of those losses	-	(9,614)	-	-	**(9,614)**
Changes in liabilities for incurred claims	-	-	6,081,487	221,728	**6,303,215**
Other mouvement	-	-	-	-	**-**
Reinsurance service result	**(46,122,832)**	**(9,614)**	**41,109,486**	**221,728**	**(4,801,232)**
Reinsurance finance expenses/income	**-**	**-**	**417,374**	**9,882**	**427,256**
Reinsurance finance expenses/income - P&L	-	-	319,345	9,882	**329,227**
Reinsurance finance expenses/income – OCI	-	-	98,029	-	**98,029**
Total changes in the profit or loss and OCI	**(46,122,832)**	**(9,614)**	**41,526,860**	**231,610**	**(4,373,976)**
Cash flows					
Premium paid	53,097,758	-	-	-	**53,097,758**
Claims received	-	-	(41,157,671)	-	**(41,157,671)**
Fixed commission received	(1,470,206)	-	-	-	**(1,470,206)**
Profit commission / sliding scale commission received	-	-	-	-	**-**
Other cash flows	-	-	-	-	**-**
Total cash flows	**51,627,552**	**-**	**(41,157,671)**	**-**	**10,469,881**
Net reinsurance contract assets / (liabilities) as at December 31, 2023	**(25,686,760)**	**-**	**32,042,935**	**705,656**	**7,061,831**
Reinsurance contract assets as at December 31, 2023	-	-	32,042,935	705,656	**32,748,591**
Reinsurance contract Liabilities as at December 31, 2023	(25,686,760)	-	-	-	**(25,686,760)**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Total)

For the year ended 31 December 2023					
	Assets for remaining coverage	**LC**	**Assets for amounts recoverable on Incurred claims**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2023	**(166,173,550)**	**1,972,722**	**407,921,290**	**15,121,425**	**258,841,887**
Reinsurance contract assets as at January 1, 2023	**16**	**1,972,722**	**407,921,290**	**15,121,425**	**425,015,453**
Reinsurance contract liabilities as at January 1, 2023	**(166,173,566)**	**-**	**-**	**-**	**(166,173,566)**
Amounts allocated to reinsurance	**(297,871,964)**	**-**	**-**	**-**	**(297,871,964)**
Ceded premium	(287,215,030)	-	-	-	**(287,215,030)**
Change in reinsurance share of unearned premium reserves	(20,194,188)	-	-	-	**(20,194,188)**
Reinsurance (fixed) commission	11,471,025	-	-	-	**11,471,025**
Change in reinsurance share unearned (fixed) commission	(1,933,771)	-	-	-	**(1,933,771)**
Amounts recoverable from reinsurance	**-**	**(777,236)**	**160,700,191**	**(1,819,846)**	**158,103,109**
Amounts recoverable for incurred claims and other expenses	-	-	175,366,254	-	**175,366,254**
Losses on onerous contracts and reversals of those losses	-	1,185,872	-	-	**1,185,872**
Changes in liabilities for incurred claims	-	(1,963,108)	(20,800,889)	(1,819,846)	**(24,583,843)**
Other mouvement	-	-	6,134,826	-	**6,134,826**
Reinsurance service result	**(297,871,964)**	**(777,236)**	**160,700,191**	**(1,819,846)**	**(139,768,855)**
Reinsurance finance expenses/income	**1,239,735**	**-**	**12,805,771**	**410,826**	**14,456,332**
Reinsurance finance expenses/income - P&L	1,239,735	-	9,188,940	410,826	**10,839,501**
Reinsurance finance expenses/income – OCI	-	-	3,616,831	-	**3,616,831**
Total changes in the profit or loss and OCI	**(296,632,229)**	**(777,236)**	**173,505,962**	**(1,409,020)**	**(125,312,523)**
Cash flows					**-**
Premium paid	350,138,492	-	-	-	**350,138,492**
Claims received	-	-	(230,770,724)	-	**(230,770,724)**
Fixed commission received	(11,471,025)	-	-	-	**(11,471,025)**
Profit commission / sliding scale commission received	-	-	-	-	**-**
Other cash flows	-	-	-	-	**-**
Total cash flows	**338,667,467**	**-**	**(230,770,724)**	**-**	**107,896,743**
Net reinsurance contract assets / (liabilities) as at December 31, 2023	**(124,138,312)**	**1,195,486**	**350,656,528**	**13,712,405**	**241,426,106**
Reinsurance contract assets as at December 31, 2023	31,131,777	1,195,486	350,656,528	13,712,405	**396,696,196**
Reinsurance contract Liabilities as at December 31, 2023	(155,270,090)	-	-	-	**(155,270,090)**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Motor)

For the year ended 31 December 2022					
	Assets for remaining coverage	LC	Assets for Amounts recoverable on Incurred claims	RA	Total
Net reinsurance contract assets / (liabilities) as at January 1, 2022	(1,554,840)	-	2,450,732	78,512	974,404
Reinsurance contract assets as at January 1, 2022	-	-	2,450,732	78,512	2,529,244
Reinsurance contract liabilities as at January 1, 2022	(1,554,840)	-	-	-	(1,554,840)
Amounts allocated to reinsurance	(3,147,963)	-	-	-	(3,147,963)
Ceded premium	(3,147,963)	-	-	-	(3,147,963)
Change in reinsurance share of unearned premium reserves	-	-	-	-	-
Reinsurance (fixed) commission	-	-	-	-	-
Change in reinsurance share unearned (fixed) commission	-	-	-	-	-
Amounts recoverable from reinsurance	-	-	1,556,244	8,166	1,564,410
Amounts recoverable for incurred claims and other expenses	-	-	2,377,061	41,360	2,418,421
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes in liabilities for incurred claims	-	-	(820,817)	(33,194)	(854,011)
Other mouvement	-	-	-	-	-
Reinsurance service result	(3,147,963)	-	1,556,244	8,166	(1,583,553)
Reinsurance finance expenses/income	-	-	(3,713)	(2,053)	(5,766)
Reinsurance finance expenses/income - P&L	-	-	(59,646)	(2,053)	(61,699)
Reinsurance finance expenses/income - OCI	-	-	55,933		55,933
Total changes in the profit or loss and OCI	(3,147,963)	-	1,559,957	10,219	(1,577,787)
Cash flows					
Premium paid	1,699,716	-	-	-	1,699,716
Claims received	-	-	(1,008,184)	-	(1,008,184)
Fixed commission received	-	-	-	-	-
Total cash flows	1,699,716	-	(1,008,184)	-	691,532
Net reinsurance contract assets / (liabilities) as at December 31, 2022	(3,003,087)	-	3,002,505	88,731	88,149
Reinsurance contract assets as at December 31, 2022	-	-	3,002,505	88,731	3,091,236
Reinsurance contract liabilities as at December 31, 2022	(3,003,087)	-	-	-	(3,003,087)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Medical)

For the year ended 31 December 2022					
	Assets for remaining coverage	LC	Assets for Amounts recoverable on Incurred claims	RA	Total
Net reinsurance contract assets / (liabilities) as at January 1, 2022	(32,869,235)	10,048,633	69,063,780	844,683	47,087,861
Reinsurance contract assets as at January 1, 2022	2,835	10,048,633	69,063,780	844,683	79,959,931
Reinsurance contract liabilities as at January 1, 2022	(32,872,070)	-	-	-	(32,872,070)
Amounts allocated to reinsurance	(92,291,631)	-	-	-	(92,291,631)
Ceded premium	(93,621,593)	-	-	-	(93,621,593)
Change in reinsurance share of unearned premium reserves	1,329,962	-	-	-	1,329,962
Reinsurance (fixed) commission	-	-	-	-	-
Change in reinsurance share unearned (fixed) commission	-	-	-	-	-
Amounts recoverable from reinsurance	-	(8,085,525)	103,394,493	2,559,692	97,868,660
Amounts recoverable for incurred claims and other expenses	-	-	102,726,578	3,144,406	105,870,984
Losses on onerous contracts and reversals of those losses	-	(8,085,525)	-	-	(8,085,525)
Changes in liabilities for incurred claims	-	-	2,024,802	(584,714)	1,440,088
Other mouvement	-	-	(1,356,887)	-	(1,356,887)
Reinsurance service result	(92,291,631)	(8,085,525)	103,394,493	2,559,692	5,577,029
Reinsurance finance expenses/income	-	-	(28,538)	(2,763)	(31,301)
Reinsurance finance expenses/income - P&L	-	-	(104,198)	(2,763)	(106,961)
Reinsurance finance expenses/income - OCI	-	-	75,660		75,660
Total changes in the profit or loss and OCI	(92,291,631)	(8,085,525)	103,423,031	2,562,455	5,608,330
Cash flows					-
Premium paid	82,021,496	-	-	-	82,021,496
Claims received	-	-	(91,922,836)	-	(91,922,836)
Fixed commission received	-	-	-	-	-
Total cash flows	82,021,496	-	(91,922,836)	-	(9,901,340)
Net reinsurance contract assets / (liabilities) as at December 31, 2022	(43,139,370)	1,963,108	80,563,975	3,407,138	42,794,851
Reinsurance contract assets as at December 31, 2022	-	1,963,108	80,563,975	3,407,138	85,934,221
Reinsurance contract liabilities as at December 31, 2022	(43,139,370)	-	-	-	(43,139,370)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Property and casualty)

For the year ended 31 December 2022					
	Assets for remaining coverage	LC	Assets for Amounts recoverable on Incurred claims	RA	Total
Net reinsurance contract assets / (liabilities) as at January 1, 2022	(51,597,796)	1	454,859,255	16,099,855	419,361,315
Reinsurance contract assets as at January 1, 2022	279	1	454,859,255	16,099,855	470,959,390
Reinsurance contract liabilities as at January 1, 2022	(51,598,075)	-	-	-	(51,598,075)
Amounts allocated to reinsurance	(168,699,523)	-	-	-	(168,699,523)
Ceded premium	(177,248,605)	-	-	-	(177,248,605)
Change in reinsurance share of unearned premium reserves	2,464,881	-	-	-	2,464,881
Reinsurance (fixed) commission	6,195,482	-	-	-	6,195,482
Change in reinsurance share unearned (fixed) commission	(111,281)	-	-	-	(111,281)
Amounts recoverable from reinsurance	-	(1)	(42,293,264)	(4,969,583)	(47,262,848)
Amounts recoverable for incurred claims and other expenses	-	-	97,268,126	(3,627,903)	93,640,223
Losses on onerous contracts and reversals of those losses	-	19,647,229	-	-	19,647,229
Changes in liabilities for incurred claims	-	(19,647,230)	(139,561,390)	(1,341,680)	(160,550,300)
Other mouvement	-	-	-	-	-
Reinsurance service result	(168,699,523)	(1)	(42,293,264)	(4,969,583)	(215,962,371)
Reinsurance finance expenses/income	680,120	-	(6,512,019)	21,238	(5,810,661)
Reinsurance finance expenses/income - P&L	680,120	-	8,857,671	21,238	9,559,029
Reinsurance finance expenses/income - OCI	-	-	(15,369,690)		(15,369,690)
Total changes in the profit or loss and OCI	(168,019,403)	(1)	(48,805,283)	(4,948,345)	(221,773,032)
Cash flows					
Premium paid	136,973,067	-	-	-	136,973,067
Claims received	-	-	(113,372,907)	-	(113,372,907)
Fixed commission received	(6,195,482)	-	-	-	(6,195,482)
Total cash flows	130,777,585	-	(113,372,907)	-	17,404,678
Net reinsurance contract assets / (liabilities) as at December 31, 2022	(88,839,614)	-	292,681,065	11,151,510	214,992,961
Reinsurance contract assets as at December 31, 2022	15	-	292,681,065	11,151,510	303,832,590
Reinsurance contract liabilities as at December 31, 2022	(88,839,629)	-	-	-	(88,839,629)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Group life)

For the year ended 31 December 2022					
	Assets for remaining coverage	LC	Assets for Amounts recoverable on Incurred claims	RA	Total
Net reinsurance contract assets / (liabilities) as at January 1, 2022	(17,047,098)	9,598,720	42,225,266	700,878	35,477,766
Reinsurance contract assets as at January 1, 2022	-	9,598,720	42,225,266	700,878	52,524,864
Reinsurance contract liabilities as at January 1, 2022	(17,047,098)	-	-	-	(17,047,098)
Amounts allocated to reinsurance	(53,883,229)	-	-	-	(53,883,229)
Ceded premium	(57,706,767)	-	-	-	(57,706,767)
Change in reinsurance share of unearned premium reserves	3,812,614	-	-	-	3,812,614
Reinsurance (fixed) commission	9,220	-	-	-	9,220
Change in reinsurance share unearned (fixed) commission	1,704	-	-	-	1,704
Amounts recoverable from reinsurance	-	(9,589,106)	27,474,014	(229,919)	17,654,989
Amounts recoverable for incurred claims and other expenses	-	-	40,446,755	426,331	40,873,086
Losses on onerous contracts and reversals of those losses	-	(9,589,106)	-	-	(9,589,106)
Changes in liabilities for incurred claims	-	-	(12,972,741)	(656,250)	(13,628,991)
Other mouvement	-	-	-	-	-
Reinsurance service result	(53,883,229)	(9,589,106)	27,474,014	(229,919)	(36,228,240)
Reinsurance finance expenses/income	-	-	(95,388)	(3,087)	(98,475)
Reinsurance finance expenses/income - P&L	-	-	(134,893)	(3,087)	(137,980)
Reinsurance finance expenses/income - OCI	-	-	39,505		39,505
Total changes in the profit or loss and OCI	(53,883,229)	(9,589,106)	27,569,402	(226,832)	(36,129,765)
Cash flows					
Premium paid	39,748,067	-	-	-	39,748,067
Claims received	-	-	(38,120,922)	-	(38,120,922)
Fixed commission received	(9,220)	-	-	-	(9,220)
Total cash flows	39,738,847	-	(38,120,922)	-	1,617,925
Net reinsurance contract assets / (liabilities) as at December 31, 2022	(31,191,480)	9,614	31,673,746	474,046	965,926
Reinsurance contract assets as at December 31, 2022	-	9,614	31,673,746	474,046	32,157,406
Reinsurance contract liabilities as at December 31, 2022	(31,191,480)	-	-	-	(31,191,480)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

a. PAA, RI (Total)

For the year ended 31 December 2022					
	Assets for remaining coverage	LC	Assets for Amounts recoverable on Incurred claims	RA	Total
Net reinsurance contract assets / (liabilities) as at January 1, 2022	(103,068,969)	19,647,354	568,599,033	17,723,928	502,901,346
Reinsurance contract assets as at January 1, 2022	3,114	19,647,354	568,599,033	17,723,928	605,973,429
Reinsurance contract liabilities as at January 1, 2022	(103,072,083)	-	-	-	(103,072,083)
Amounts allocated to reinsurance	(318,022,346)	-	-	-	(318,022,346)
Ceded premium	(331,724,928)	-	-	-	(331,724,928)
Change in reinsurance share of unearned premium reserves	7,607,457	-	-	-	7,607,457
Reinsurance (fixed) commission	6,204,702	-	-	-	6,204,702
Change in reinsurance share unearned (fixed) commission	(109,577)	-	-	-	(109,577)
Amounts recoverable from reinsurance	-	(17,674,632)	90,115,680	(2,615,838)	69,825,210
Amounts recoverable for incurred claims and other expenses	-	-	242,802,713	-	242,802,713
Losses on onerous contracts and reversals of those losses	-	1,972,598	-	-	1,972,598
Changes in liabilities for incurred claims	-	(19,647,230)	(151,330,146)	(2,615,838)	(173,593,214)
Other mouvement	-	-	(1,356,887)	-	(1,356,887)
Reinsurance service result	(318,022,346)	(17,674,632)	90,115,680	(2,615,838)	(248,197,136)
Reinsurance finance expenses/income	(680,120)	-	6,639,657	(13,335)	5,946,202
Reinsurance finance expenses/income - P&L	(680,120)	-	(8,558,935)	(13,335)	(9,252,390)
Reinsurance finance expenses/income - OCI	-	-	15,198,592		15,198,592
(3,147,963)- 1,559,957 10,219 (1,577,787)Total changes in the profit or loss and OCI	(317,342,226)	(17,674,632)	83,476,023	(2,602,503)	(254,143,338)
Cash flows					-
Premium paid	260,442,347	-	-	-	260,442,347
Claims received	-	-	(244,153,766)	-	(244,153,766)
Fixed commission received	(6,204,702)	-	-	-	(6,204,702)
Total cash flows	254,237,645	-	(244,153,766)	-	10,083,879
Net reinsurance contract assets / (liabilities) as at December 31, 2022	(166,173,550)	1,972,722	407,921,290	15,121,425	258,841,887
Reinsurance contract assets as at December 31, 2022	16	1,972,722	407,921,290	15,121,425	425,015,453
Reinsurance contract liabilities as at December 31, 2022	(166,173,566)	-	-	-	(166,173,566)

10. REINSURANCE CON TRACT ASSETS / LIABILITIES (continued)

b. Protection and saving (GMM), RI

For the year ended 31 December 2023					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2023	**(323,142)**	**-**	**804,374**	**35,974**	**517,206**
Reinsurance contract assets as at January 1, 2023	**12,870**	**-**	**804,374**	**35,974**	**853,218**
Reinsurance contract liabilities as at January 1, 2023	**(336,012)**	**-**	**-**	**-**	**(336,012)**
Insurance revenue	**(331,953)**	**-**	**-**	**-**	**(331,953)**
Expected claims recoverable in the year end	(62,829)	-	-	-	**(62,829)**
Change in risk adjustment for non-financial risk	(37,064)	-	-	-	**(37,064)**
Experience adjustments	(166,600)	-	-	-	**(166,600)**
CSM (net gain/loss) release	(65,460)	-	-	-	**(65,460)**
Insurance service expenses	**-**	**-**	**234,106**	**4,628**	**238,734**
Incurred in current year end, paid in current year end	-	-	141,542	-	**141,542**
Incurred in current year end, outstanding at end current year end	-	-	92,564	4,628	**97,192**
Reinsurance service result	**(331,953)**	**-**	**234,106**	**4,628**	**(93,219)**
Reinsurance finance expenses/income - P&L	**21,888**	**-**	**-**	**-**	**21,888**
Total changes in the profit or loss and OCI	**(310,065)**	**-**	**234,106**	**4,628**	**(71,331)**
Cash flows					
Premium paid	1,463,369	-	-	-	**1,463,369**
Claim recoveries received from reinsurer	-	-	(220,522)	-	**(220,522)**
Total cash flows	**1,463,369**	**-**	**(220,522)**	**-**	**1,242,847**
Net reinsurance contract assets / (liabilities) as at December 31, 2023	**830,162**	**-**	**817,958**	**40,602**	**1,688,722**
Reinsurance contract assets as at December 31, 2023	**830,162**	**-**	**817,958**	**40,602**	**1,688,722**
Reinsurance contract liabilities as at December 31, 2023	**-**	**-**	**-**	**-**	**-**

10. REINSURANCE CON TRACT ASSETS / LIABILITIES (continued)

b. Protection and saving (GMM), RI

For the year ended 31 December 2023				
	Estimates of PV of Future Cash Flows	**Risk Adjustment**	**Contractual Service Margin**	**Total**
Reinsurance Contract Assets/(Liabilities) as at January 1, 2023	**(130,891)**	**480,246**	**167,851**	**517,206**
Reinsurance contract assets as at January 1, 2023	(130,891)	480,246	167,851	517,206
Reinsurance contract liabilities as at January 1, 2022	-	-	-	-
Reinsurance Fulifilment Cashflows as at 01/01	**(935,265)**	**444,272**	**-**	(490,993)
Expected Premiums	(1,776,698)			(1,776,698)
Expected Claims	1,024,181			1,024,181
Impact of discounting	(182,747)			(182,747)
Risk Adjustment (diversified)		444,272		444,272
CSM (Net gain/loss)			167,851	167,851
Reinsurance share of O/S Claim (undiscounted)	690,043			690,043
Reinsurance share of IBNR	119,914			119,914
Prudence Margin in Actuarial BE	-	35,974		35,974
Provision for non-performance risk	(5,583)			(5,583)
Income/(expenses) from reinsurance contracts held	**(26,540)**	**(118,675)**	**51,996**	**(93,219)**
Changes that Relate to Current Services	**(229,430)**	**(32,435)**	**(65,460)**	(327,325)
Recognition of CSM in profit or loss to reflect transfer of services			(65,460)	(65,460)
Change in risk adjustment for non-financial risk that does not relate to future or past service		(32,435)		(32,435)
Experience Adjustments / Expected items	**(229,430)**	**-**	**-**	(229,430)
Expected claims (AvE)	(62,830)			(62,830)
Experience adjustment - premiums (AvE)	(166,600)			(166,600)
Future Service:	**(31,217)**	**(86,239)**	**117,456**	0
Contracts initially recognised in period	96,189	61,825	(158,014)	0
Changes in Estimates that Adjust the CSM	**(127,406)**	**(148,064)**	**275,470**	-
CSM non-financial experience changes	(127,406)	(148,064)	275,470	-
Past Service:	234,105	-	-	234,105
Change in Ultimate for Past Service	234,105	-	-	234,105
Paid in CY	141,541	-		141,541
Change in OS in CY	77,136	-		77,136
Change in IBNR in CY	15,427	-		15,427
Reinsurance finance expenses/income	**11,985**	**4,436**	**5,466**	**21,888**
Finance income from reinsurance contracts held - P&L	**11,985**	**4,436**	**5,466**	21,888
CSM interest (GMM method)	-	-	5,466	5,466
FCF interest	11,985	-	-	11,985
RA interest	-	4,436	-	4,436
Total changes in the statement of profit or loss and OCI	**(14,556)**	**(114,238)**	**57,462**	**(71,333)**
Cash flows	(1,242,849)	-	-	(1,242,849)
Reinsurance premiums paid	(1,463,370)			(1,463,370)
Claim recoveries received from reinsurer	220,522			220,522
Net reinsurance contract assets/(liabilities) as at December 31, 2023	**1,097,402**	**366,008**	**225,313**	**1,688,722**
Reinsurance contract assets as at December 31, 2023	1,097,402	366,008	225,313	1,688,722
Reinsurance contract liabilities as at December 31, 2023	-	-	-	-

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Protection and saving (GMM), RI

For the year ended 31 December 2022					
	LRC	**LC**	**LIC**	**RA**	**Total**
Net reinsurance contract assets / (liabilities) as at January 1, 2022	**(427,199)**	**-**	**583,337**	**26,430**	**182,568**
Reinsurance contract assets as at January 1, 2022	**-**	**-**	**583,337**	**26,430**	**609,767**
Reinsurance contract liabilities as at January 1, 2022	**(427,199)**	**-**	**-**	**-**	**(427,199)**
Insurance revenue	**(689,851)**	**-**	**-**	**-**	**(689,851)**
Expected claims recoverable in the year end	(25,642)	-	-	-	**(25,642)**
Change in risk adjustment for non-financial risk	31,595	-	-	-	**31,595**
Experience adjustments	(645,495)	-	-	-	**(645,495)**
CSM (net gain/loss) release	(50,309)	-	-	-	**(50,309)**
Insurance service expenses	**-**	**-**	**422,143**	**9,544**	**431,687**
Incurred in current year end, paid in current year end	-	-	231,269	-	**231,269**
Incurred in current year end, outstanding at end current year end	-	-	190,874	9,544	**200,418**
Reinsurance service result	**(689,851)**	**-**	**422,143**	**9,544**	**(258,164)**
Reinsurance finance expenses/income - P&L	**(98,741)**	**-**	**-**	**-**	**(98,741)**
Total changes in the profit or loss and OCI	**(788,592)**	**-**	**422,143**	**9,544**	**(356,905)**
Cash flows					**-**
Premium paid	892,649	-	-	-	**892,649**
Claim recoveries received from reinsurer	-	-	(201,106)	-	**(201,106)**
Total cash flows	**892,649**	**-**	**(201,106)**	**-**	**691,543**
Net reinsurance contract assets / (liabilities) as at December 31, 2022	**(323,142)**	**-**	**804,374**	**35,974**	**517,206**
Reinsurance contract assets as at December 31, 2022	**12,870**	**-**	**804,374**	**35,974**	**853,218**
Reinsurance contract liabilities as at December 31, 2022	**(336,012)**	**-**	**-**	**-**	**(336,012)**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

b. Protection and saving (GMM), RI

For the year ended 31 December 2022				
	Estimates of PV of Future Cash Flows	**Risk Adjustment**	**Contractual Service Margin**	**Total**
Reinsurance Contract Assets/(Liabilities) as at January 01, 2022	**(445,627)**	**616,619**	**11,575**	**182,568**
Reinsurance contract assets as at January 1, 2022	(445,627)	616,619	11,575	182,568
Reinsurance contract liabilities as at January 1, 2022	-	-	-	-
Reinsurance Fulifilment Cashflows as at 01/01	**(1,028,964)**	**590,189**	**-**	(438,775)
Expected Premiums	(2,208,181)			(2,208,181)
Expected Claims	1,380,249			1,380,249
Impact of discounting	(201,031)			(201,031)
Risk Adjustment (diversified)		590,189		590,189
CSM (Net gain/loss)			11,575	11,575
Reinsurance share of O/S Claim (undiscounted)	500,818			500,818
Reinsurance share of IBNR	88,102			88,102
Prudence Margin in Actuarial BE	-	26,431		26,431
Provision for non-performance risk	(5,583)			(5,583)
Income/(expenses) from reinsurance contracts held	**(414,038)**	**3,430**	**152,443**	**(258,164)**
Changes that Relate to Current Services	**(671,137)**	**41,139**	**(50,309)**	(680,308)
Recognition of CSM in profit or loss to reflect transfer of services	**-**		(50,309)	(50,309)
Change in risk adjustment for non-financial risk that does not relate to future or past service	**-**	41,139		41,139
Experience Adjustments / Expected items	**(671,137)**	**-**	**-**	(671,137)
Expected claims (AvE)	(25,642)	**-**	**-**	(25,642)
Experience adjustment - premiums (AvE)	(645,495)	**-**	**-**	(645,495)
Future Service:	**(165,044)**	**(37,708)**	**202,752**	-
Contracts initially recognised in period	65,668	126,020	(191,689)	-
Changes in Estimates that Adjust the CSM	**(230,713)**	**(163,729)**	**394,441**	-
CSM non-financial experience changes	(230,713)	(163,729)	394,441	-
Past Service:	422,143	-	-	422,143
Change in Ultimate for Past Service	422,143	-	-	422,143
Paid in CY	231,269	-		231,269
Change in OS in CY	159,062	-		159,062
Change in IBNR in CY	31,812	-		31,812
Reinsurance finance expenses/income	**37,230**	**(139,804)**	**3,833**	**(98,741)**
Finance income from reinsurance contracts held - P&L	**37,230**	**(139,804)**	**3,833**	(98,741)
CSM interest (GMM method)	-	-	3,833	3,833
FCF interest	37,230	-	-	37,230
RA interest	-	(139,804)	-	(139,804)
Total changes in the statement of profit or loss and OCI	**(376,808)**	**(136,373)**	**156,276**	**(356,905)**
Cash flows	(691,545)	-	-	(691,545)
Reinsurance premiums paid	(892,650)	-	-	(892,650)
Claim recoveries received from reinsurer	201,105	-	-	201,105
Net reinsurance contract assets/(liabilities) as at December 31, 2022	**(130,891)**	**480,246**	**167,851**	**517,206**
Reinsurance contract assets as at December 31, 2022	(130,891)	480,246	167,851	517,206
Reinsurance contract liabilities as at December 31, 2022	**-**	**-**	**-**	**-**

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

c. Impact of contracts recognized in the year for contracts measured under GMM / VFA

	2023		
Impact on insurance contract liabilities	**Non-onerous contracts originated**	**Onerous contracts originated**	**Total**
Estimates of the present value of future cash outflows			
Insurance acquisition costs	**67,734**	**2,888,276**	**2,956,010**
Claims incurred	**658,384**	**77,188,508**	**77,846,892**
Directly attributable non-acquisition expenses	**48,382**	**6,719,798**	**6,768,180**
	774,500	**86,796,582**	**87,571,082**
Estimates of the present value of future cash inflows	**(1,742,131)**	**(78,580,759)**	**(80,322,890)**
Risk adjustment for non-financial risk	**11,955**	**1,054,788**	**1,066,743**
CSM	**754,218**	**-**	**754,218**
Increase in insurance contract liabilities from contracts recognized in the year	**(201,458)**	**9,270,611**	**9,069,153**

	2023		
Impact on reinsurance (RI) contract assets	**Non-onerous contracts originated**	**Onerous contracts originated**	**Total**
Estimates of the present value of future cash outflows			
Estimates of the present value of future cash outflows	**(179,214)**	**-**	**(179,214)**
Estimates of the present value of future cash inflows	**218,258**	**-**	**218,258**
Risk adjustment for non-financial risk	**68,983**	**-**	**68,983**
CSM	**(17,968)**	**-**	**(17,968)**
Increase in reinsurance contract liabilities from contracts recognized in the year	**90,059**	**-**	**90,059**

	2022 (restated)		
Impact on insurance contract liabilities	Non-onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows			
Insurance acquisition costs	-	2,010,552	2,010,552
Claims incurred	-	53,742,021	53,742,021
Directly attributable non-acquisition expenses	-	4,678,501	4,678,501
	-	60,431,074	60,431,074
Estimates of the present value of future cash inflows	-	(54,703,707)	(54,703,707)
Risk adjustment for non-financial risk	-	70,095	70,095
CSM	-	-	-
Increase in insurance contract liabilities from contracts recognized in the year	-	5,797,462	5,797,462

	2022 (restated)		
Impact on reinsurance (RI) contract assets	Non-onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows			
Estimates of the present value of future cash outflows	(121,277)	-	(121,277)
Estimates of the present value of future cash inflows	147,699	-	147,699
Risk adjustment for non-financial risk	48,280	-	48,280
CSM	(82,015)	-	(82,015)
Increase in reinsurance contract liabilities from contracts recognized in the year	(7,313)	-	(7,313)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

c. Impact of contracts recognized in the year for contracts measured under GMM / VFA (contined)

	2023	
	Contracts measured under the modified retrospective approach at transition	**Total**
Insurance revenue	**6,832,828**	**6,832,828**
Opening CSM as of 1 January 2023	**(13,674,155)**	**(13,674,155)**
CSM recognized in statement of income for the services provided	**1,824,801**	**1,824,801**
Changes in estimates that adjust the CSM	**40,856,838**	**40,856,838**
Contracts initially recognized in the year	**(573,013)**	**(573,013)**
	42,108,626	**42,108,626**
Finance expenses from insurance contracts issued	**(34,755,760)**	**(34,755,760)**
Total amounts recognized as income	**7,352,866**	**7,352,866**
Closing CSM as of 31 December 2023	**(6,321,289)**	**(6,321,289)**

	2022 (restated)	
	Contracts measured under the modified retrospective approach at transition	Total
Insurance revenue	11,046,408	11,046,408
Opening CSM as of 1 January 2023	(31,205,678)	(31,205,678)
CSM recognized in statement of income for the services provided	4,277,999	4,277,999
Changes in estimates that adjust the CSM	4,372,270	4,372,270
Contracts initially recognized in the year	(5,171)	(5,171)
	8,645,098	8,645,098
Finance expenses from insurance contracts issued	8,886,425	8,886,425
Total amounts recognized as income	17,531,523	17,531,523
Closing CSM as of 31 December 2023	(13,674,155)	(13,674,155)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

d. Expected recognition of the contractual service margin for contracts measured under GMM / VFA

Reinsurnace contract held	**2023**		
Number of years until expected to be recognized	**Protection & Savings**	**Protection**	**Total**
Estimates of the present value of future cash outflows			
1 year	**36,283**	**-**	**36,283**
2 years	**30,391**	**-**	**30,391**
3 years	**25,838**	**-**	**25,838**
4 years	**21,983**	**-**	**21,983**
5 years	**18,577**	**-**	**18,577**
6 to 10 years	**80,821**	**-**	**80,821**
More than 10 years	**11,420**	**-**	**11,420**
Total	**225,313**	**-**	**225,313**

Reinsurnace contract held	2022 (restated)		
Number of years until expected to be recognized	Protection & Savings	Protection	Total
Estimates of the present value of future cash outflows			
1 year	26,894	-	26,894
2 years	22,534	-	22,534
3 years	19,281	-	19,281
4 years	16,443	-	16,443
5 years	13,961	-	13,961
6 to 10 years	61,200	-	61,200
More than 10 years	7,538	-	7,538
Total	167,851	-	167,851

e. Expected derecognition of the assets for insurance acquisition costs

	2023	
Number of years until the asset is expected to be derecognized	**Protection & Savings**	**Total**
1 year	**3,086**	**3,086**
2 years	**3,114**	**3,114**
3 years	**3,120**	**3,120**
4 years	**3,101**	**3,101**
5 years	**3,072**	**3,072**
More than 5 years	**52,241**	**52,241**
Total	**67,734**	**67,734**

	2022 (restated)	
Number of years until the asset is expected to be derecognized	Protection & Savings	Total
1 year	700	700
2 years	706	706
3 years	707	707
4 years	703	703
5 years	696	696
More than 5 years	11,844	11,844
Total	15,356	15,356

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (continued)

f. Insurnace / reinsurance premium analysis

	2023					
	Gross			Reinsurnace		
Insurance	**Receivables**	**ECL**	**Net Total**	**Receivables**	**ECL**	**Net Total**
Medical	**213,604,527**	**(17,178,445)**	**196,426,082**	**25,434,084**	**(1,623,200)**	**23,810,884**
Motor	**167,505,144**	**(35,334,620)**	**132,170,524**	**-**	**-**	**-**
P&C	**115,253,966**	**(15,179,071)**	**100,074,895**	**5,581,393**	**(3,234,558)**	**2,346,835**
Group life	**6,525,734**	**(428,563)**	**6,097,171**	**10,182,759**		**10,182,759**
Protection and saving	**3,208**	**-**	**3,208**	**5,908**	**-**	**5,908**
Protection	**4,798**	**-**	**4,798**	**-**	**-**	**-**
Total	**502,897,377**	**(68,120,699)**	**434,776,678**	**41,204,144**	**(4,857,758)**	**36,346,386**

	2022 (restated)					
	Gross			Reinsurnace		
Insurance	Receivables	ECL	Net Total	Receivables	ECL	Net Total
Medical	122,586,458	(15,501,166)	107,085,292	32,114,101	(3,265,799)	28,848,302
Motor	158,195,160	(34,052,448)	124,142,712	521,366	-	521,366
P&C	158,022,757	(14,245,234)	143,777,523	40,702,794	(5,747,835)	34,954,959
Group life	3,884,599	(428,563)	3,456,036	16,312,430	-	16,312,430
Protection and saving	78,564	-	78,564	90,471	-	90,471
Protection	4,739	-	4,739	-	-	-
Total	442,772,277	(64,227,411)	378,544,866	89,741,162	(9,013,634)	80,727,528

	January 01, 2022 (restated)					
	Gross			Reinsurnace		
Insurance	Receivables	ECL	Net Total	Receivables	ECL	Net Total
Medical	97,221,132	(13,373,239)	83,847,893	34,828,546	(3,263,331)	31,565,215
Motor	107,987,088	(32,442,622)	75,544,466	178,565	(18,232)	160,333
P&C	124,253,025	(12,355,543)	111,897,482	37,157,382	(3,793,891)	33,363,491
Group life	16,746,913	(428,563)	16,318,350	11,554,606	(1,179,763)	10,374,843
Protection and saving	55,354	-	55,354	60,307	-	60,307
Protection	67,268	-	67,268	-	-	-
Total	346,330,780	(58,599,967)	287,730,813	83,779,406	(8,255,217)	75,524,189

11. INSURANCE SERVICE RESULT

	2023	2022 (Restated)
Insurance revenue		
Contracts not measured under PAA		
Expected claims expenses incurred in the year end	**1,107,985**	1,433,102
Expected directly attributable expenses incurred in the year end	**10,937,142**	9,454,414
Loss component run off	**(1,897,539)**	-
Expected other insurance service expenses incurred in the year end	**(111,472)**	(2,223,972)
Change in risk adjustment for non-financial risk	**372,709**	(1,991)
Experience adjustments	**(336,009)**	135,003
Amount of CSM recognized in profit or loss	**1,824,801**	4,277,999
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	**1,109,468**	909,819
Contracts measured under PAA		
Premium earned on insurances contracts issued	**885,532,963**	771,689,214
Movement in unearned premium reserves	**(35,914,981)**	(50,023,306)
Insurance revenue from contracts measured under PAA	**849,617,982**	721,665,908
Total insurance revenue	**862,625,067**	735,650,282
Insurance service expenses		
Incurred in current year end, paid in current year end	**(487,210,199)**	(495,429,504)
Changes in liabilities for incurred claims	**(24,027,317)**	139,339,525
Directly attributable expenses, excluding insurance acquisition cash flows	**(91,113,076)**	(69,713,050)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows	**(77,864,200)**	(83,127,197)
Losses on onerous contracts and reversals of those losses	**(837,123)**	26,023,122
Other movements	**(23,801,365)**	311,370
Total insurance service expenses	**(704,853,280)**	(482,595,734)
Insurance service result before reinsurance contracts held	**157,771,787**	253,054,548
Allocation of reinsurance premiums		
Contracts not measured under PAA		
Expected claims recoverable in the year end	**(62,830)**	(25,642)
Change in risk adjustment for non-financial risk	**(37,064)**	31,595
Experience adjustments	**(166,600)**	(645,495)
CSM (net gain/loss) release	**(65,460)**	(50,309)
Allocation of reinsurance premiums from contracts not measured under the PAA	**(331,954)**	(689,851)
Contracts measured under PAA		
Ceded premium	**(287,215,031)**	(331,724,928)
Change in reinsurance share of unearned premium reserves	**(20,194,187)**	7,607,457
Reinsurance (fixed) commission	**11,471,025**	6,204,702
Change in reinsurance share unearned (fixed) commission	**(1,933,770)**	(109,577)
Amounts allocated to reinsurance from contracts measured under the PAA	**(297,871,963)**	(318,022,346)
Total allocation of reinsurance premiums	**(298,203,917)**	(318,712,197)
Amounts recoverable from reinsurers for incurred claims		
Amounts recoverable for incurred claims and other expenses	**175,507,795**	243,033,982
Losses on onerous contracts and reversals of those losses	**1,195,486**	1,972,598
Changes in liabilities for incurred claims	**(24,496,267)**	(173,392,795)
Other movements	**6,134,828**	(1,356,887)
Total amounts recoverable from reinsurance for incurred claims	**158,341,842**	70,256,898
Net expense from reinsurance contracts held	**(139,862,075)**	(248,455,299)
Share of surplus from insurance pools	**12,294,000**	15,330,000
Insurance service result	**30,203,712**	19,929,249

11a. SHARE OF SURPLUS FROM INSRUANCE POOL

This represents the Company's share in the surplus for medical and general accident product arising from the compulsory Umrah product. The Company with twenty-eight other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement relating to medical and general accident business effective from January 1, 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement in 2024 as the aforementioned arrangement has been discontinued. The Company's share of income in the Umrah and Hajj scheme is derived from insurance revenues of SAR 35.8 million (2022: SAR 31.9 million) and net expenses of SAR 23.5 million (2022: SAR 16.6 million).

12. NET INSURANCE FINANCE INCOME / EXPENSES

2023	**Medical**	**Motor**	**Property and Casualty**	**Group life**	**Protection and saving**	**Protection**	**Total**
Finance income/expenses from insurance contracts issued							
Interest accreted using locked-in interest rates	**(1,207,115)**	**(1,146,964)**	**(10,642,236)**	**(504,288)**	**(37,645,663)**	**(26,858)**	**(51,173,124)**
Effects of changes in interest rates and other financial assumptions	**-**	**-**	**-**	**-**	**(13,846,046)**	**45,559**	**(13,800,487)**
Finance income/expenses from insurance contracts issued	**(1,207,115)**	**(1,146,964)**	**(10,642,236)**	**(504,288)**	**(51,491,709)**	**18,701**	**(64,973,611)**
Finance income/expenses from reinsurance contracts held							
Interest accreted using locked-in interest rates	**661,483**	**33,398**	**9,815,393**	**329,227**	**5,467**	**-**	**10,844,968**
Effects of changes in interest rates and other financial assumptions	**-**	**-**	**-**	**-**	**16,421**	**-**	**16,421**
Finance income/expenses from reinsurance contracts held	**661,483**	**33,398**	**9,815,393**	**329,227**	**21,888**	**-**	**10,861,389**
Net insurance finance income	**(545,632)**	**(1,113,566)**	**(826,843)**	**(175,061)**	**(51,469,821)**	**18,701**	**(54,112,222)**

2022 (restated)	Medical	Motor	Property and Casualty	Group life	Protection and saving	Protection	Total
Finance income/expenses from insurance contracts issued							
Interest accreted using locked-in interest rates	(197,777)	(757,614)	(9,350,442)	(182,656)	8,888,080	(1,287)	(1,601,696)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	(14,067,474)	454	(14,067,020)
Finance income/expenses from insurance contracts issued	(197,777)	(757,614)	(9,350,442)	(182,656)	(5,179,394)	(833)	(15,668,716)
Finance income/expenses from reinsurance contracts held							
Interest accreted using locked-in interest rates	(106,961)	(61,699)	9,559,029	(137,980)	3,833	-	9,256,222
Effects of changes in interest rates and other financial assumptions	-	-	-	-	(102,574)	-	(102,574)
Finance income/expenses from reinsurance contracts held	(106,961)	(61,699)	9,559,029	(137,980)	(98,741)	-	9,153,648
Net insurance finance income / (expenses)	(304,738)	(819,313)	208,587	(320,636)	(5,278,135)	(833)	(6,515,068)

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

13.1. RIGHT-OF-USE ASSETS

The following table presents the right-of-use assets of the Company:

	2023	*2022*	*January 1, 2022*
Balance at the beginning of the year	**4,107,309**	844,193	3,730,142
Addition	**-**	7,089,726	-
Depreciation	**(2,901,228)**	(3,826,610)	(2,885,949)
Balance at end of year	**1,206,081**	4,107,309	844,193

13.2. LEASE LIABILITIES

The following table represents the movement of lease liabilities of the Company:

	2023	*2022*	*January 1, 2022*
Opening balance	**6,092,308**	997,804	3,362,331
Addition	**-**	7,089,726	-
Finance cost	**448,788**	1,659,860	447,261
Lease rental payment	**(3,522,088)**	(3,655,082)	(2,811,788)
Balance at end of year	**3,019,008**	6,092,308	997,804

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME (UNIT LINKED INVESTMENTS)

The fair values for unit linked investments as at 31 December are:

	2023	*2022*	*January 1, 2022*
Local funds	**485,874,955**	472,363,155	493,814,654
Foreign funds	**15,106,820**	14,686,711	21,413,270
	500,981,775	487,049,866	515,227,924

Portfolios of the funds are as follows:

	2023	*2022*	*January 1, 2022*
Al Badr Fund Saudi Riyal	**205,723,497**	209,735,514	206,921,848
Al Ghad/Al Anjal Low Risk Fund*	**131,622,387**	149,021,929	174,382,119
Al Saffa Equity Fund	**117,100,399**	82,705,313	85,685,343
Al Ghad/Al Anjal Murabaha Fund*	**13,258,545**	17,954,836	21,244,114
Al Badr Fund US Dollar	**18,840,388**	15,831,222	14,958,749
Al Danah GCC Equity Fund	**10,514,522**	7,382,884	6,663,857
Saudi Istithmar Fund	**2,389,169**	2,927,635	3,546,574
Money Market Fund Saudi Riyal	**1,532,868**	1,490,533	1,825,320
	500,981,775	487,049,866	515,227,924

*These funds mainly includes underlying investments in bonds and sukuks.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME (UNIT LINKED INVESTMENTS) (continued)

Unit linked assets are related to investments in unit linked funds. The Company has established unit linked liabilities which, excluding some timing differences and reserves, match exactly with the policyholder's unit linked assets.

The fair value of unit linked investments are measured based on the net assets value provided by fund manager. As the the input to the valuation technique is observable from market sources, the Company uses Level 2 hierarchy for determining and disclosing the fair value of above unit linked investments and for private equity fund the Company uses Level 3 hierarchy for determining and disclosing the fair value.

Unit-linked investments measured at FVTPL	**2023**	*2022 (restated)*	*January 1, 2022 (restated)*
Opening balance	**487,049,866**	515,227,924	524,059,821
Purchases	**98,839,732**	98,626,450	100,626,785
Disposals	**(108,529,665)**	(101,483,420)	(119,200,774)
Changes in fair value of investments, net	**23,621,842**	(25,321,088)	9,742,092
Closing balance	**500,981,775**	487,049,866	515,227,924

15. PROPERTY AND EQUIPMENT

	*Computer and office equipment**	*Motor vehicles*	*Furniture and fittings*	*Leasehold improvements*	***Total December 31, 2023***	*Total December 31, 2022*	*Total January 1, 2022*
Cost:							
At the beginning of the year	**22,489,067**	**1,293,057**	**11,054,455**	**1,925,916**	**36,762,495**	33,876,262	32,231,575
Additions during the year	**3,090,147**	**-**	**83,356**	**151,749**	**3,325,252**	3,031,233	2,305,301
Disposals during the year	**-**	**-**	**-**	**-**	**-**	(145,000)	(660,614)
At the end of the year	**25,579,214**	**1,293,057**	**11,137,811**	**2,077,665**	**40,087,747**	36,762,495	33,876,262
Accumulated depreciation:							
At the beginning of the year	**17,152,294**	**1,084,795**	**9,917,895**	**1,447,988**	**29,602,972**	25,907,604	22,703,989
Charge for the year (Note 22)	**2,039,480**	**194,315**	**1,216,467**	**540,691**	**3,990,953**	3,840,368	3,864,229
Disposals during the year					**-**	(145,000)	(660,614)
At the end of the year	**19,191,774**	**1,279,110**	**11,134,362**	**1,988,679**	**33,593,925**	29,602,972	25,907,604
Net book value at 31 December 2023	**6,387,440**	**13,947**	**3,449**	**88,986**	**6,493,822**	-	-
Net book value at 31 December 2022	5,336,773	208,262	1,136,560	477,928		7,159,523	-
Net book value at 1 January 2022	4,811,953	394,376	1,915,562	846,767	-	-	7,968,658

*Computers and office equipements includes part related to intangible assets where addition is SR 2,837,772 (2022: SR 2,558,399, disposal is nil (2022: nil), charge of year is SR 1,780,520 (2022: SR 1,178,100).

16. PREPAID EXPENSES AND OTHER ASSETS

	2023	2022 (restated)	January 1, 2022 (restated)
Receivable for unit linked investments	**1,985,363**	6,545,423	6,550,631
Accrued investment income	**7,057,966**	11,358,008	5,436,056
Receivable from manafeth	**-**	4,962	2,194,942
Advances to employees	**1,375,844**	1,941,679	1,365,736
Prepaid rent	**2,494,080**	3,389,281	3,850,557
Prepaid supplier	**5,984,042**	6,997,915	3,830,061
VAT receivable (Note 19d)	**28,133,155**	33,134,002	27,788,197
Other assets	**4,404,537**	2,814,134	4,050,170
	51,434,987	66,185,404	55,066,350

17. ACCRUED AND OTHER LIABILITIES

	2023	2022 (restated)	January 1, 2022 (restated)
Accrued for IT services	**3,770,691**	4,278,408	3,998,928
Accrued fee for consultation	**4,380,013**	3,779,089	3,005,008
Accrued provision for VAT	**4,012,500**	4,012,500	-
Accrued bonus	**6,600,000**	6,353,809	4,780,341
Inspection and supervision fees	**5,296,811**	5,357,867	2,625,913
Withholding tax	**17,165,767**	-	-
Others	**4,491,591**	4,945,527	4,032,190
	45,717,373	28,727,200	18,442,380

18. EMPLOYEES' END OF SERVICE OBLIGATIONS

a) The movement in provision for employees' end of service obligations for the years ended 31 December are as follows:

	2023	2022	January 1, 2022
Defined benefit obligation at the beginning of the year	**19,381,794**	19,030,822	19,019,582
Provided during the year:			
Current service cost	**1,957,417**	2,727,099	3,382,899
Interest cost	**671,125**	354,487	357,149
Curtailment / settlement gain / loss	**-**	-	(1,242,605)
	2,628,542	3,081,586	2,497,443
Paid during the year	**(4,015,556)**	(3,881,472)	(2,691,329)
Re-measurement of defined benefit liability	**1,224,546**	1,150,858	205,126
Defined benefit obligation at the end of the year	**19,219,326**	19,381,794	19,030,822

18. EMPLOYEES' END OF SERVICE OBLIGATIONS (continued)

b) Principal actuarial assumptions:

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

	2023	*2022*	*January 1, 2022*
Discount rate used for valuation	**4.50%**	4.10%	2.10%
Salary increase rate	**4.90%**	4.50%	2.10%
Duration (years)	**6.42**	6.29	5.16

c) Sensitivity analysis

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

	2023	*2022*	*January 1, 2022*
Valuation discount rate			
- Increase by 1%	**1,145,647**	1,129,793	905,937
- Decrease by 1%	**1,302,569**	1,283,018	1,010,567
Future salary growth			
- Increase by 1%	**1,424,279**	1,362,526	1,095,893
- Decrease by 1%	**1,277,770**	1,222,554	1,001,182
Mortality rate			
- Increase by 1 year	**3,643**	3,112	1,518
- Decrease by 1 year	**3,628**	3,098	1,514
Withdrawal rate			
- Increase by 10%	**284,753**	264,304	225,781
- Decrease by 10%	**316,699**	293,692	249,222

19. ZAKAT AND INCOME TAX

A summary of the Company's share capital and percentages of ownership are as follows:

	2023	**%**	2022 (restated)	%	January 1, 2022	%
Non-Saudi & GCC shareholders	**318,540,000**	**53.09%**	318,540,000	53.09%	318,540,000	53.09%
Saudi and GCC shareholders	**281,460,000**	**46.91%**	281,460,000	46.91%	281,460,000	46.91%
	600,000,000	**100%**	600,000,000	100%	600,000,000	100%

The Company's zakat and income tax calculations and corresponding accruals and payments of zakat and income tax are based on the mentioned ownership percentages in accordance with the relevant provisions of the Saudi Arabian zakat and income tax regulations.

The provision for zakat and income tax as at year end is as follows:

	2023	*2022*
Provision for zakat	**10,570,943**	15,779,848
Provision for income tax	**7,845,171**	11,710,933
	18,416,114	27,490,781

19. ZAKAT AND INCOME TAX (continued)

The zakat and income tax charge for year is as follows:

SR	**2023**	*2022*
Zakat charge		
- Current year	**7,378,324**	9,094,761
- Prior year	**-**	983
	7,378,324	9,095,744
Income tax for the year		
- Current tax	**4,712,797**	3,228,176
- Deferred tax	**142,223**	(612,003)
	4,855,020	2,616,173
Income tax refund	**-**	(3,595,778)
	12,233,344	8,116,139

a) Zakat

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

	2023	*2022*
Opening share capital	**600,000,000**	600,000,000
Reserves and opening provisions	**276,610,568**	284,475,600
Closing value of long term assets	**(265,312,746)**	(121,818,767)
	611,297,822	759,656,833
Zakatable income for the year	**21,576,048**	15,850,394
Zakat base	**632,873,870**	775,507,227
Total Saudi share of zakat base	**286,888,794**	363,790,440
Zakat due on Saudi shareholding	**7,378,324**	9,094,761

The differences between the income as per financial statements and the zakatable income are mainly due to provisions which are not allowed in the calculation of zakatable income.

b) Income tax

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

	2023	*2022*
Net income for the year before attribution	**49,220,236**	28,035,486
Add: Inadmissible expenses	**417,879**	6,921,954
Less: Admissible expenses	**(5,250,974)**	(4,521,458)
Adjusted income	**44,387,141**	30,435,982
Non-Saudi shareholders	**23,563,979**	19,217,686
Adjustments	**-**	(3,076,806)
Adjusted income attributed to non-Saudi shareholders	**23,563,979**	16,140,880
Provision for income tax (20%)	**4,712,797**	3,228,176

19. ZAKAT AND INCOME TAX (continued)

c) Movement in zakat and income tax payable is as follows:

	2023	*2022 (restated)*	*January 1, 2022 (restated)*
Balance at the beginning of the year	**27,490,781**	21,120,732	14,699,522
Provided during the year – zakat	**7,378,324**	9,095,744	9,309,191
Provided during the year – income tax	**4,712,797**	3,228,176	2,346,681
Payment made during the year – zakat	**(16,505,380)**	(3,514,369)	(5,233,934)
Payment made during the year – income tax	**(4,660,408)**	(2,439,502)	(728)
Balance at the end of the year	**18,416,114**	27,490,781	21,120,732

d) Status of assessments

During 2020, ZATCA raised VAT assessment for the years 2018 and 2019 and demanded an additional VAT amounting to SR 45.9 million. The Company has paid the amount equalling the assessment of SR 45.9 million with ZATCA to avoid any penalties. The Company submitted objections to the ZATCA assessment. The ZATCA has partially accepted the objection and the company has filed an appeal for the remaining amount of SR 27.8 million (appearing under prepaid expenses and other assets) to the General Secretariat of the Tax Committees (“GSTC”). The case was heard in July 2021 in which the GSTC ruled in favor of the ZATCA. Following review of the final judgement / reasoning for the GSTC’s decision, the Company decided to appeal the case to GSTC Level 2, the appeal was submitted on 10 October 2021. The GSTC level 2 conducted its hearing in August 2022 in the absence of the Company and issued its ruling. The GSTC level 2 conducted its hearing in August 2022 in the absence of the Company and issued its ruling. As per the ruling of the, the GSTC level 2 had overturned the GSTC level 1 decision and ruled in favor of the Company in respect of the contested purchase items amounting to SR 19.2 million. As for the contested sales item amounting to SR 8.5 million, the GSTC level 2 has rejected the Company’s appeal.

To recover the amounts for the accepted part of the appeal, the Company may start the process for requesting a refund from the ZATCA. This refund request however will need to be made prior to the date the tax period that was appealed against had reached five years. Alternatively, the ZATCA will include the amount owed to the Company as a carry forward balance to be utilized by the Company for its tax matters.

The Company has proceeded to submit a reconsideration request to the GSTC in respect of the contested sale item that was lost on the basis that the verbal ruling during the hearing was issued in the absence of the Company. GSTC has also reverted with their responses on the reconsideration request and that the responses are not in favour to the Company with respect to further information request required by the GSTC. The case is now closed.

The Company is also currently being assessed by ZATCA with respect to its 2021-2022 VAT returns submitted. The assessment is still ongoing and no decisions have been made by ZATCA yet.

The Company has filed the zakat and income tax declarations for all the years up to December 31, 2022. The Company finalized its zakat and income tax position for all the years up to December 31, 2020. The ZATCA has not yet issued the zakat and income tax assessment for the years ended 31 December 2021 and 2022.

20. OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company’s Board of Directors in their function as chief operating decision maker in order 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 comprise operating assets and liabilities.

20. OPERATING SEGMENTS (continued)

There have been a changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2022. We have segregated life into two categories as per below table.

Segment assets do not include cash and cash equivalents, prepaid expenses and other assets, right of use assets, investments, financial assets for unit linked contracts, property and equipment, statutory deposit and accrued income on statutory deposit. Accordingly, they are included in unallocated assets. Segment liabilities do not include accrued expenses and other liabilities, lease liabilities, employees' end-of-service obligations, zakat and income tax and accrued income payable to Insurance Authority. Accordingly, they are included in unallocated liabilities.

The unallocated assets and unallocated liabilities are reported to chief operating decision maker on the cumulative basis and not reported under the related segments.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities as at December 31, 2023 and December 31, 2022, its total revenues, expenses, and net income for the year then ended, are as follows:

Medical	:	Medical
Motor	:	Motor
Property and casualty	:	Fire, burglary, money, construction, liability and marine
Group life	:	Group retirement
Life	:	Protection and saving
Life	:	Protection
Shareholders	:	Shareholders

	2023								
	Medical	**Motor**	**Property and casualty**	**Group life**	**Protection and saving**	**Protection**	**Total**	**Shareholders**	**Total**
Assets									
Insurance contract assets	**90,559,341**	**32,410,546**	**17,000,366**	**2,710,850**	**2,453,370**	**451,432**	**145,585,905**	**-**	**145,585,905**
Reinsurance contract assets	**81,766,847**	**2,730,809**	**279,449,949**	**32,748,591**	**1,688,722**	**-**	**398,384,918**	**-**	**398,384,918**
Investments							**203,503,183**	**605,396,497**	**808,899,680**
Prepaid expenses and other assets							**39,637,987**	**11,797,000**	**51,434,987**
Statutory deposit							**-**	**60,000,000**	**60,000,000**
Accrued income on statutory deposit							**-**	**1,925,153**	**1,925,153**
Other assets							**581,785,537**	**107,370,098**	**689,155,634**
Total assets							**1,368,897,529**	**786,488,748**	**2,155,386,277**
Liabilities and equity									
Insurance contract liabilities	**153,257,448**	**96,887,140**	**290,166,166**	**63,347,567**	**507,259,433**	**217,146**	**1,111,134,900**	**-**	**1,111,134,900**
Reinsurance contract liabilities	**59,622,246**	**-**	**69,961,084**	**25,686,760**	**-**	**-**	**155,270,090**	**-**	**155,270,090**
Accrued and other liabilities							**43,739,101**	**1,978,272**	**45,717,373**
Provision for end-of-service benefits							**19,219,326**	**-**	**19,219,326**
Provision for zakat and income tax							**-**	**18,416,114**	**18,416,114**
Other liabilities							**4,944,161**	**-**	**4,944,161**
Equity							**34,589,951**	**766,094,362**	**800,684,313**
Total liabilities and equity							**1,368,897,530**	**786,488,748**	**2,155,386,277**

20. OPERATING SEGMENTS (continued)

	2022 (restated)								
	Medical	Motor	Property and casualty	Group life	Protection and saving	Protection	Total	Shareholders	Total
Assets									
Insurance contract assets	75,613,213	45,854,838	40,085,424	-	3,128,705	240,312	164,922,492	-	164,922,492
Reinsurance contract assets	85,934,221	3,091,236	303,832,590	32,157,406	853,218	-	425,868,671	-	425,868,671
Investments							111,590,481	519,144,566	630,735,047
Prepaid expenses and other assets							60,278,354	5,907,050	66,185,404
Statutory deposit							-	60,000,000	60,000,000
Accrued income on statutory deposit							-	2,381,722	2,381,722
Other assets							507,846,079	192,112,939	691,917,957
Total assets							1,270,506,077	779,546,277	2,050,052,354
Liabilities and equity									
Insurance contract liabilities	141,507,953	79,992,127	281,610,482	56,075,468	494,334,639	268,599	1,053,789,268	-	1,053,789,268
Reinsurance contract liabilities	43,139,370	3,003,087	88,839,629	31,191,480	336,012	-	166,509,578	-	166,509,578
Accrued and other liabilities							26,743,565	1,983,635	28,727,200
Provision for end-of-service benefits							19,381,794	-	19,381,794
Provision for zakat and income tax							-	27,490,781	27,490,781
Other liabilities							8,474,030	-	46,971,261
Equity							(1,926,373)	747,606,076	745,679,703
Total liabilities and equity							1,272,971,862	777,080,492	2,050,052,354

	January 1, 2022 (restated)								
	Medical	Motor	Property and casualty	Group life	Protection and saving	Protection	Total	Shareholders	Total
Assets									
Insurance contract assets	159,534,214	49,327,858	33,695,965	-	2,502,379	268,384	245,328,800	-	245,328,800
Reinsurance contract assets	79,959,931	2,529,244	470,959,390	52,524,864	609,767	-	606,583,196	-	606,583,196
Investments							142,644,413	445,209,704	587,854,117
Prepaid expenses and other assets							51,550,127	3,516,223	55,066,350
Statutory deposit							-	60,000,000	60,000,000
Accrued income on statutory deposit							-	1,579,858	1,579,858
Other assets							427,532,716	261,261,701	976,819,983
Total assets							1,473,639,252	771,567,486	2,245,206,738
Liabilities and equity									
Insurance contract liabilities	137,288,757	118,442,693	487,658,209	58,914,575	522,350,004	50,747	1,324,704,985	-	1,324,704,985
Reinsurance contract liabilities	32,872,070	1,554,840	51,598,075	17,047,098	427,199	-	103,499,282	-	103,499,282
Accrued and other liabilities							17,117,761	1,324,619	18,442,380
Provision for end-of-service benefits							19,030,822	-	19,030,822
Provision for zakat and income tax							-	21,120,732	21,120,732
Other liabilities							2,577,662	-	2,577,662
Equity							6,708,740	749,122,135	758,296,664
Total liabilities and equity							1,473,639,252	771,567,486	2,245,206,738

20. OPERATING SEGMENTS (continued)

	2023						
	Medical	Motor	Property and Casualty	Group life	Protection and saving	Protection	Total
Insurance revenue	274,742,562	292,802,595	208,316,496	73,756,329	12,435,264	571,821	862,625,067
Insurance service expenses	(239,265,916)	(292,655,169)	(93,645,056)	(63,248,397)	(15,869,465)	(169,277)	(704,853,280)
Insurance service result before reinsurance contracts	35,476,646	147,426	114,671,440	10,507,932	(3,434,201)	402,544	157,771,787
Allocation of reinsurance premiums	(102,104,732)	(2,453,010)	(147,191,390)	(46,122,832)	(331,953)	-	(298,203,917)
Amounts recoverable from reinsurance	77,421,439	425,691	38,934,378	41,321,600	238,734	-	158,341,842
Net expenses / (income) from reinsurance contracts	(24,683,293)	(2,027,319)	(108,257,012)	(4,801,232)	(93,219)	-	(139,862,075)
Insurance service result from directly written business	10,793,353	(1,879,893)	6,414,428	5,706,700	(3,527,420)	402,544	17,909,712
Share of surplus from joint operations	12,294,000	-	-	-	-	-	12,294,000
Total Insurance service result	23,087,353	(1,879,893)	6,414,428	5,706,700	(3,527,420)	402,544	30,203,712
Finance expenses from insurance contracts	(1,207,115)	(1,146,964)	(10,642,236)	(504,288)	(51,491,709)	18,701	(64,973,611)
Finance income from reinsurance contracts	661,483	33,398	9,815,393	329,227	21,888	-	10,861,389
Net insurance finance expenses	(545,632)	(1,113,566)	(826,843)	(175,061)	(51,469,821)	18,701	(54,112,222)
Income from financial assets measured at FVTPL							52,513,481
Income from financial assets not measured at FVTPL							39,866,128
Other income							4,516,913
Net investment and other income							96,896,522
Other unattributable expenses							(23,767,776)
NET INCOME FOR THE YEAR BEFORE ZAKAT AND INCOME TAX							49,220,236

	Medical	Motor	Property and Casualty	Group Life	Protection and saving	Protection	*Total*
Local							
Gross written premiums – retail	14,740,705	80,016,897	(2,669,102)	10,068	-	38,582,481	130,681,049
Gross written premiums – corporate	328,330,126	93,715,707	147,591,024	70,202,268	32,655,898	-	672,495,023
Gross written premiums – very small entities	-	8,254,064	6,013,672	-	-	-	14,267,736
Gross written premiums – small entities	-	32,573,036	16,046,843	105,853	-	-	48,725,732
Gross written premiums – medium entities	-	53,821,652	39,390,325	1,563,471	-	-	94,775,448
Gross written premiums	343,070,831	268,381,356	206,372,762	71,881,660	32,655,898	38,582,481	960,944,988

The company does not have any premium issue for coverage outside kingdom of Saudi arabia and all its business is local.

20. OPERATING SEGMENTS (continued)

	2022(restated)						
	Medical	Motor	Property and Casualty	Group life	Protection and saving	Protection	Total
Insurance revenue	196,368,072	215,080,883	231,457,188	78,759,765	14,008,336	(23,962)	735,650,282
Insurance service expenses	(201,558,404)	(232,491,165)	(265,477)	(29,842,330)	(18,181,443)	(256,915)	(482,595,734)
Insurance service result before reinsurance contracts	(5,190,332)	(17,410,282)	231,191,711	48,917,435	(4,173,107)	(280,877)	253,054,548
Allocation of reinsurance premiums	(92,291,631)	(3,147,963)	(168,699,523)	(53,883,229)	689,851)	-	(318,712,197)
Amounts recoverable from reinsurance	97,868,660	1,564,410	(47,262,848)	17,654,989	431,687	-	70,256,898
Net expenses / (income) from reinsurance contracts	5,577,029	(1,583,553)	(215,962,371)	(36,228,240)	(258,164)	-	(248,455,299)
Insurance service result from directly written business	386,697	(18,993,835)	15,229,340	12,689,195	(4,431,271)	(280,877)	4,599,249
Share of surplus from joint operations	15,330,000	-	-	-	-	-	15,330,000
Total Insurance service result	15,716,697	(18,993,835)	15,229,340	12,689,195	4,431,271)	(280,877)	19,929,249
Finance expenses from insurance contracts	(197,777)	(757,614)	(9,350,442)	(182,656)	(5,179,394)	(833)	(15,668,716)
Finance income from reinsurance contracts	(106,961)	(61,699)	9,559,029	(137,980)	(98,741)	-	9,153,648
Net insurance finance expenses	(304,738)	(819,313)	208,587	(320,636)	(5,278,135)	(833)	(6,515,068)
Loss from financial assets measured at FVTPL							(3,098,923)
Income from financial assets not measured at FVTPL							26,841,433
Other income							4,028,745
Net investment and other income							27,771,255
Other unattributable expenses							(24,493,495)
NET INCOME FOR THE YEAR BEFORE ZAKAT AND INCOME TAX							16,691,941

	Medical	*Motor*	*Property and Casualty*	*Group Life*	*Protection and saving*	*Protection*	*Total*
Local							
Gross written premiums – retail	-	73,220,239	10,822,718	106,492	-	43,827,156	127,976,605
Gross written premiums – corporate	209,536,170	100,105,423	161,132,560	83,828,607	29,067,536	-	583,670,296
Gross written premiums – very small entities	-	3,964,455	4,523,926	76,357	-	-	8,564,738
Gross written premiums – small entities	-	24,875,777	22,597,786	255,030	-	-	47,728,593
Gross written premiums – medium entities	-	38,494,087	40,476,612	1,343,840	-	-	80,314,539
Gross written premiums	209,536,170	240,659,981	239,553,602	85,610,326	29,067,536	43,827,156	848,254,771

The company does not have any premium issue for coverage outside kingdom of Saudi arabia and all its business is local.

21. OTHER OPERATING EXPENSES (NON-ATTRIBUTABLE EXPENSES)

	2023	2022 (restated)
Professional and legal costs	**6,902,650**	5,322,932
Staff cost	**3,611,231**	3,791,481
Provision of VAT case	**4,684,498**	2,422,082
Others	**1,475,415**	2,869,730
Repair and maintenance	**935,723**	102,117
Communication and technology	**1,782,452**	2,935,292
Hospitality and travel expenses	**1,172,651**	4,807,291
Depreciation and amortization	**1,197,286**	1,152,110
Rents	**1,052,616**	995,418
Advertisement and marketing expenses	**953,254**	95,041
	23,767,776	24,493,495

21.1 Auditors' remuneration for the statutory audit of the Company's financial statements for the year ended 31 December 2023 amounts to SAR 1,185.0 million (2022: SAR 0.925 million). Auditors' remuneration for the review of the Company's interim financial information during the year ended 31 December 2023 amounts to SAR 0.715 million (2022: SAR 0.325 million).

22. EXPENSE ALLOCATION ANALYSIS

22.1 Following is the breakdown of expenses by category:

	2023				
	Insurance acquisition costs	**Attributable non-acquisition expenses**	**Total attributable expenses**	**Non-attributable expenses**	**Total**
Expenses pertaining to insurance operations					
Commissions incurred on premium written during the year	**48,632,351**	**-**	**48,632,351**	**-**	**48,632,351**
Claims handling and other expenses	**-**	**20,357,679**	**20,357,679**	**-**	**20,357,679**
Total	**48,632,351**	**20,357,679**	**68,990,030**	**-**	**68,990,030**
Common general and administrative expenses					
Professional and legal costs	**-**	**8,250,881**	**8,250,881**	**6,902,650**	**15,153,531**
Staff cost	**29,231,850**	**47,798,346**	**77,030,196**	**3,611,231**	**80,641,427**
Provision of VAT case	**-**	**-**	**-**	**4,684,498**	**4,684,498**
Others	**-**	**2,026,762**	**2,026,762**	**1,475,415**	**3,502,177**
Repair and maintenance	**-**	**3,762,531**	**3,762,531**	**935,723**	**4,698,254**
Communication and technology	**-**	**2,913,897**	**2,913,897**	**1,782,452**	**4,696,349**
Hospitality and travel expenses	**-**	**291,995**	**291,995**	**1,172,651**	**1,464,646**
Depreciation and amortization	**-**	**2,793,668**	**2,793,668**	**1,197,286**	**3,990,954**
Rents	**-**	**2,456,104**	**2,456,104**	**1,052,616**	**3,508,720**
Advertisement and marketing expenses	**-**	**461,214**	**461,214**	**953,254**	**1,414,468**
Total	**29,231,850**	**70,755,398**	**99,987,248**	**23,767,776**	**123,755,024**
Total expenses	**77,864,201**	**91,113,077**	**168,977,278**	**23,767,776**	**192,745,054**

22. EXPENSE ALLOCATION ANALYSIS (continued)

22.1 Following is the breakdown of expenses by category:

	2022 (restated)				
	Insurance acquisition costs	Attributable non- acquisition expenses	Total attributable expenses	Non-attributable expenses	Total
Expenses pertaining to insurance operations					
Commissions incurred on premium written during the year	48,022,012	-	48,022,012	-	48,022,012
Claims handling and other expenses	-	16,134,710	16,134,710	-	16,134,710
Total	48,022,012	16,134,710	64,156,722	-	64,156,722
Common general and administrative expenses					
Professional and legal costs	-	6,229,164	6,229,164	5,322,932	11,552,096
Staff cost	35,105,185	31,893,315	66,998,500	3,791,481	70,789,981
Provision of VAT case	-	-	-	2,422,082	2,422,082
Others	-	292,035	292,035	2,869,730	3,161,765
Repair and maintenance	-	6,813,325	6,813,325	102,117	6,915,442
Communication and technology	-	2,825,551	2,825,551	2,935,292	5,760,843
Hospitality and travel expenses	-	292,148	292,148	4,807,291	5,099,439
Depreciation and amortization	-	2,688,258	2,688,258	1,152,111	3,840,369
Rents	-	2,322,642	2,322,642	995,418	3,318,060
Advertisement and marketing expenses	-	221,902	221,902	95,041	316,943
Total	35,105,185	53,578,340	88,683,525	24,493,495	113,177,020
Total expenses	83,127,197	69,713,050	152,840,247	24,493,495	177,333,742

22.2 The breakdown of the expenses attributed and allocated to insurance operations by major product line of business is presented below:

	2023		
	Insurance acquisition costs	**Attributable non-acquisition expenses**	**Total**
Medical	**17,938,055**	**30,030,276**	**47,968,331**
Motor	**36,385,427**	**23,825,759**	**60,211,187**
Property and casualty	**21,326,693**	**22,410,386**	**43,737,079**
Group Life	**1,104,556**	**5,426,558**	**6,531,114**
Protection and saving	**950,281**	**9,370,235**	**10,320,516**
Protection	**159,189**	**49,863**	**209,051**
Total	**77,864,201**	**91,113,077**	**168,977,278**

	2022 (restated)		
	Insurance acquisition costs	Attributable non-acquisition expenses	Total
Medical	21,361,880	15,209,883	36,571,763
Motor	34,329,012	21,778,606	56,107,618
Property and casualty	24,985,881	18,542,430	43,528,311
Group Life	1,540,605	5,883,856	7,424,461
Protection and saving	906,154	8,261,330	9,167,484
Protection	3,665	36,945	40,610
Total	83,127,197	69,713,050	152,840,247

23. SHARE CAPITAL AND EARNINGS PER SHARE

23.1 SHARE CAPITAL

The authorised and issued share capital of the Company is SR 600 million divided into 60 million shares of SR 10 each (December 31, 2023: SR 600 million divided into 60 million shares of SR 10 each). The founding shareholders of the Company have subscribed and paid for 39 million shares with a nominal value of SR 10 each, which represents 65% of the shares of the Company's capital and the remaining 21 million shares with a nominal value of SR 10 each have been subscribed by general public. Shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax (refer to note 27 for related significant event during the year).

	2023	
	Number of shares	**Authorized, issued and paid up capital**
Allianz Europe BV	**11.10 Million**	**111 Million**
Allianz France International	**9.75 Million**	**97.5 Million**
Allianz Mena Holding Bermuda	**9.75 Million**	**97.5 Million**
Banque Saudi Fransi	**8.40 Million**	**84 Million**
Public	**21.00 Million**	**210 Million**
	60 Million	**600 Million**

	2022 (restated)	
	Number of shares	Authorized, issued and paid up capital
Allianz Europe BV	11.10 Million	111 Million
Allianz France International	9.75 Million	97.5 Million
Allianz Mena Holding Bermuda	9.75 Million	97.5 Million
Banque Saudi Fransi	8.40 Million	84 Million
Public	21.00 Million	210 Million
	60 Million	600 Million

	January 1, 2022 (restated)	
	Number of shares	Authorized, issued and paid up capital
Allianz Europe BV	11.10 Million	111 Million
Allianz France International	9.75 Million	97.5 Million
Allianz Mena Holding Bermuda	9.75 Million	97.5 Million
Banque Saudi Fransi	8.40 Million	84 Million
Public	21.00 Million	210 Million
	60 Million	600 Million

23.2 EARNINGS PER SHARE

Earnings per share has been calculated by dividing the income for the period by the weighted average number of shares outstanding at the reported date after excluding the treasury shares consisting of 233,325 shares (December 31, 2022: Nil shares).

	2023	2022 (restated)
Income for the year	**36,986,892**	8,575,802
Weighted average number of shares	**59,766,666**	60,000,000
Earnings per share	**0.62**	0.14

24. CAPITAL MANAGEMENT

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

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

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

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

- Minimum Capital Requirement of SR 200 million
- Premium Solvency Margin
- Claims Solvency Margin

The Company is in compliance with all externally imposed capital requirements with sound solvency margin. The capital structure of the Company as at 31 December 2023 consists of paid-up share capital of SR 600 million, share premium of SR 16.3 million, statutory reserves of SR 33.2 million and retained earnings of SR 99.1 million (31 December 2022: paid-up share capital of SR 600 million, share premium of SR 16.3 million, statutory reserves of SR 25.8 million and retained earnings of SR 69.5 million) in the statement of financial position.

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

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES AND OTHER SHAREHOLDERS

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

	Transactions during the year end		***Balance as at***	
	2023	*2022*	***2023***	*2022*
Entities controlled, jointly controlled or significantly influenced by related parties				
- Insurance premium ceded	**185,799,331**	171,715,823	-	-
- Reinsurers' share of claims paid	**134,059,533**	208,084,548	-	-
- Commission income	**8,868,518**	3,934,473	-	-
- Third party administrator expenses	**10,930,999**	4,912,243	-	-
- Reinsurers' share of outstanding claims (Treaty)	**-**	-	**1,697,513**	706,818
- Accrued third party administrator	**-**	-	**4,052,294**	4,018,419
- Reinsurance balance payable, net	**-**	-	**95,853,513**	103,516,861
- Investments in equity of Saudi Next Care	**-**	-	**2,410,440**	2,610,000
Other shareholders				
- Insurance premium written	**124,159,299**	75,781,561	-	-
- Claims paid	**47,740,160**	51,330,237	-	-
- Commission expense	**1,300,699**	3,136,249	-	-
- Premium receivable	**-**	-	**23,967,410**	41,791,890
- Outstanding claims	**-**	-	**26,809,999**	9,209,873
- Cash and cash equivalents (Note 4)	-	-	**42,557,872**	66,365,128
- Unit linked investments managed by shareholders	-	-	**502,706,804**	487,049,866

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES AND OTHER SHAREHOLDERS (continued)

Related parties include Allianz SNA, Allianz Mena Holding Bermuda, Allianz Risk Transfer A.G. Dubai, Allianz France, Allianz Global Corporate and Specialty AG, Allianz World Wide Care, Allianz Global risks U.S Insurance, Allianz Belgium, Euler Hermes, Allianz SE Zurich, Allianz Insurance Hong Kong, Allianz Global Risks Netherland, Allianz Insurance Singapore, Allianz Insurance New Zealand and Saudi NextCare. The majority of Company's reinsurance arrangements are with its related parties. In Property and Casualty the majority of reinsurance arrangements are with Allianz Re and in Medical Allianz Partners.

Other shareholders include Banque Saudi Fransi and its Group Companies which are not related parties.
Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives.

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

2023	**BOD members**	**Top executives**
Salaries and compensation	**-**	**8,298,505**
Allowances	**426,000**	**-**
Annual remuneration	**960,000**	**-**
End of service obligations	**-**	**480,755**
	1,386,000	**8,779,260**

2022	BOD members	Top executives
Salaries and compensation	-	4,970,406
Allowances	489,000	-
Annual remuneration	1,065,646	-
End of service obligations	-	220,258
	1,554,646	5,190,664

26. RISK MANAGEMENT

Risk management strategy

The Company's activities expose it to a variety of financial risks. The Company has a comprehensive risk management strategy to understand and manage the types of risk arising from the Company's core business operations.

The strategy considers the impact of market conditions and available expertise on inherent risks to which the Company is exposed. Consideration is not limited to the risks associated with one class of business but is extended to risks from all other classes.

The Board of Directors and the senior management periodically reviews and updates the risk management strategy by taking into account developments that are internal and external to the Company.

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

Board of directors
The apex of risk governance is the centralized 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 pre-defined risk appetite.

26. RISK MANAGEMENT (continued)

The risks faced by the Company and the way these risks are mitigated by management are summarised below:

a) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

b) Insurance risk

Insurance risk is the risk that actual claims payable to contract 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 medical, motor, fire and burglary, marine, engineering and public liability risks. The insurance risks arising from the above insurance contracts are mainly concentrated in the Kingdom of Saudi Arabia.

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Company underwrites medical, motor, fire and burglary, marine, engineering and public liability risks. These classes except for long term engineering policies are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk. 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.

Concentration of insurance risk

The Company monitors concentration of insurance risks primarily by class of business. The major concentration lies in motor and medical. The Company monitors concentration of risk by evaluating multiple risks covered in the same geographical location or by 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 evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company. Since the Company operates in Saudi Arabia only, hence, all the insurance risks relate to policies written in Saudi Arabia.

Protection and Saving

For protection and saving, the main risk is the mortality, morbidity (permanent or temporary disability) of the insured and policyholder behaviour risk.

26. RISK MANAGEMENT (continued)

b) Insurance risk (continued)

Mortality risk
Actual policyholder death experience on life insurance policies is higher than expected.

Morbidity risk
Policyholder health-related claims are higher than expected.

Policyholder behaviour risk
Policyholders' behaviour in discontinuing and reducing contributions or withdrawing benefits prior to the maturity of contracts is worse than expected. Poor persistency rates may lead to fewer policies remaining on the books to defray future fixed expenses and therefore reduce the future positive cash flows from the business written, potentially affecting Company's ability to recover deferred acquisition expenses.

This is managed through an effective and clearly defined underwriting strategy. There are various levels of underwriting carried out, including declaration of good health, medical questionnaire, reports from specialists/consultants and comprehensive medical tests. The Company also conducts financial, lifestyle and occupational underwriting to ascertain the degree of risk carried by the insured and to determine whether or not it could be classified as a standard life.

For group protection and saving, the mortality risk is compounded due to the concentration of lives, for example employees in the same workplace. The Company has a clearly defined underwriting strategy. There are various levels of underwriting carried out, including declaration of good health, medical questionnaire, reports from specialists/consultants and comprehensive medical tests. The Company also looks at the nature of activity carried out by the group, group size, mix of lives by geographical regions, cultural background and manual/non-manual worker split.

The individual family and group protection and saving portfolio is protected through an efficient reinsurance arrangement in accordance with Allianz Group standards. This protects the Company from adverse mortality/morbidity experience. There is a maximum retention per life under the reinsurance arrangement which protects the Company from single large losses. Multiple claims and concentrations of risk are also covered under the arrangement.

General Insurance

Medical

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risks and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular view of actual claims experience and product pricing, as well as detailed claims handling procedures. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. The Company has reinsurance cover to limit the losses for any individual claim.

Motor

For motor contracts, the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The Company only underwrites comprehensive polices for owner/drivers over 21 years of age.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims. The Company also has appropriate risk management procedures to control the cost of claims. The Company has reinsurance cover for such damage to limit the losses for any individual claim.

26. RISK MANAGEMENT (continued)

General Insurance (continued)

Property

For property insurance contracts the main risk is fire. The Company only underwrites policies for properties containing fire detection equipment.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims. The Company has appropriate reinsurance cover for such damage to limit losses for any individual claim. These are covered under proportional and non-proportional treaties.

Marine

For marine insurance, the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of cargo, vessels and shipping routes covered. The Company has reinsurance cover to limit losses for any individual claim.

Engineering

For engineering insurance, the main risks are loss or damage to the construction/erection works caused by fire, explosion, natural perils like floods, earthquakes, hailstorms, etc. Selection of risks and proper underwriting are the criteria for this line of business. The Company has appropriate reinsurance cover for such risks to limit losses for any individual claim. These are covered under engineering proportional and non-proportional treaties.

Public liability

For public liability insurance, the main risks are legal liabilities of the insured towards third party deaths, bodily injury or property damage arising out of insured premises, business operations or projects handled by the insured.

This insurance policy is underwritten based on the turnover of the Company or the value of the contract, nature / occupation of the premises, nature of contracts handled. The Company has appropriate reinsurance cover to limit the losses for any individual claim.

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

	2023			2022 (restated)			January 01, 2022 (restated)		
SAR	**Insurnace contract liability (net of insurance contract assets)**	**Reinsurance contract assets (net of liability)**	**Net**	**Insurnace contract liability (net of insurance contract assets)**	**Reinsurance contract assets (net of liability)**	Net	**Insurnace contract liability (net of insurance contract assets)**	**Reinsurance contract assets (net of liability)**	Net
Medical	**62,698,107**	**22,144,601**	**40,553,506**	65,894,740	42,794,851	23,099,889	(22,245,457)	47,087,861	(69,333,318)
Motor	**64,476,594**	**2,730,809**	**61,745,785**	34,137,289	88,149	34,049,140	69,114,835	974,404	68,140,431
Property and Casualty	**273,165,800**	**209,488,865**	**63,676,935**	241,525,058	214,992,961	26,532,097	453,962,244	419,361,315	34,600,929
Group life	**60,636,717**	**7,061,831**	**53,574,886**	56,075,468	965,926	55,109,542	58,914,575	35,477,766	23,436,809
Protection and saving	**504,806,063**	**1,688,722**	**503,117,341**	491,205,934	517,206	490,688,728	519,847,625	182,568	519,665,057
Protection	**(234,286)**	**-**	**(234,286)**	28,287	-	28,287	(217,637)	-	(217,637)
Total	**965,548,995**	**243,114,828**	**722,434,167**	**888,866,776**	**259,359,093**	**629,507,683**	**1,079,376,185**	**503,083,914**	**576,292,271**

26. RISK MANAGEMENT (continued)

General Insurance (continued)

Sensitivity analysis

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before tax and equity for reasonably possible movements in key assumptions with all other assumptions in notes 2 and 3 held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear.

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

	2023			2022 (restated)		
	Net insurance contract liabilities	**Impact on profit/(loss) before zakat and tax**	**Impact on equity**	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
Insurance contract liabilities	**460,977,218**			397,632,555		
Reinsurance contract Assets	**241,426,106**			258,841,887		
Net insurance contract liabilities	**219,551,112**			138,790,667		
Expenses increase by 5%	**172,184,012**	**(4,734,468)**	**(4,734,468)**	138,955,313	(3,045,386)	(3,045,386)
Expenses decrease by 5%	**173,004,400**	**4,931,797**	**4,931,797**	138,698,123	3,784,136	3,784,136
Yields curve shift up by 1 %	**171,411,008**	**1,183,197**	**1,183,197**	135,721,457	3,069,210	3,069,210
Yields curve shift down by 1 %	**175,351,773**	**(2,757,568)**	**(2,757,568)**	140,335,794	(1,545,128)	(1,545,128)
Loss reserve increase by 5 %	**184,009,388**	**(11,415,183)**	**(11,415,183)**	147,647,657	(8,856,991)	(8,856,991)
Loss reserve decrease by 5 %	**161,731,737**	**10,862,468**	**10,862,468**	130,213,602	8,577,065	8,577,065

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

	2023			2022 (restated)		
	Net insurance contract liabilities	**Impact on profit/(loss) before zakat and tax**	**Impact on equity**	Net insurance contract liabilities	Impact on profit/(loss) before zakat and tax	Impact on equity
Insurance contract liabilities	**504,571,777**			491,234,221		
Reinsurance contract Assets	**1,688,722**			517,206		
Net insurance contract liabilities	**502,883,055**			490,717,015		
Lapse/surrenders scenario increase by 5 %	**508,608,349**	**(1,667,890)**	**(1,667,890)**	496,303,799	(2,450,395)	(2,450,395)
Lapse/surrenders scenario decrease by 5 %	**499,526,057**	**394,115**	**394,115**	487,441,231	579,018	579,018
Mortality increase by 5 %	**508,608,349**	**(1,667,890)**	**(1,667,890)**	496,303,799	(2,450,395)	(2,450,395)
Mortality decrease by 5 %	**499,526,057**	**394,115**	**394,115**	487,441,231	579,018	579,018
Morbidity increase by 5 %	**509,856,234**	**(1,212,663)**	**(1,212,663)**	497,521,495	(1,781,593)	(1,781,593)
Morbidity decrease by 5 %	**454,114,597**	**586,019**	**586,019**	443,128,392	860,955	860,955
Expenses increase by 5 %	**-**	**-**	**-**	-	-	-
Expenses decrease by 5 %	**-**	**-**	**-**	-	-	-
Yields curve shift up by 1 %	**506,085,490**	**(898,472)**	**(898,472)**	493,841,975	(1,319,997)	(1,319,997)
Yields curve shift down by 1 %	**489,434,621**	**1,090,093**	**1,090,093**	477,593,934	1,601,519	1,601,519
Loss reserve increase by 5 %	**497,854,223**	**(678,452)**	**(678,452)**	485,809,844	(996,753)	(996,753)
Loss reserve decrease by 5 %	**507,094,633**	**412,002**	**412,002**	494,826,704	605,296	605,296

26. RISK MANAGEMENT (continued)

c) 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 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.

Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the statement of financial position date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements 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: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. 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 judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the statement of financial position date.

	2023						
	2018 & earlier	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	2,186,922,101	683,584,563	463,429,302	394,244,624	447,127,605	477,087,946	**4,652,396,141**
1 year later	2,488,698,358	639,019,292	440,292,376	430,509,094	479,105,678	-	**4,477,624,798**
2 years later	2,465,227,794	619,568,300	449,339,802	411,216,563	-	-	**3,945,352,458**
3 years later	2,494,354,781	635,030,794	444,415,093	-	-	-	**3,573,800,668**
4 years later	2,510,657,130	639,577,944	-	-	-	-	**3,150,235,074**
5 years later	2,504,421,745	-	-	-	-	-	**2,504,421,745**
Gross estimates of the undiscounted amount of the claims	**2,504,421,745**	**639,577,944**	**444,415,093**	**411,216,563**	**479,105,678**	**477,087,946**	**4,955,824,970**
Cumulative gross claims and other directly attributable expenses paid	**2,331,941,006**	**636,546,253**	**429,944,760**	**403,380,712**	**375,369,119**	**330,151,542**	**4,507,333,392**
Gross undiscounted liabilities for incurred claims	**172,480,740**	**3,031,691**	**14,470,334**	**7,835,850**	**103,736,559**	**146,936,405**	**448,491,578**
Effect of discounting	(9,867,833)	(93,500)	(306,795)	(348,835)	(3,109,304)	(9,795,310)	**(23,521,576)**
Gross discounted liabilities for incurred claims excluding risk adjustment	162,612,907	2,938,191	14,163,539	7,487,015	100,627,255	137,141,095	**424,970,002**
Effect of the risk adjustment margin for non-financial risk	8,135,312	127,458	441,006	312,748	3,519,158	10,856,131	**23,391,812**
Gross liabilities for incurred claims	**170,748,220**	**3,065,650**	**14,604,544**	**7,799,763**	**104,146,412**	**147,997,226**	**448,361,814**

26. RISK MANAGEMENT (continued)

c) Claims management risk (continued)

	2023						
	2018 & earlier	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Undiscounted liabilities for incurred claims, net of reinsurance:							
At end of accident year	964,828,645	245,728,237	199,787,796	180,246,455	212,684,761	233,046,665	**2,036,322,560**
1 year later	1,166,970,970	214,144,433	189,780,243	239,402,977	165,872,709	-	**1,976,171,332**
2 years later	1,153,739,795	205,783,906	195,437,155	203,640,157	-	-	**1,758,601,014**
3 years later	1,191,898,480	217,868,578	187,372,419	-	-	-	**1,597,139,476**
4 years later	1,231,608,508	223,667,602	-	-	-	-	**1,455,276,110**
5 years later	1,187,705,972	-	-	-	-	-	**1,187,705,972**
Gross estimates of the undiscounted amount of the claims	**1,187,705,972**	**223,667,602**	**187,372,419**	**203,640,157**	**165,872,709**	**233,046,665**	**2,201,305,525**
Cumulative gross claims and other directly attributable expenses paid	**1,020,636,780**	**221,940,247**	**180,641,948**	**199,895,248**	**117,908,327**	**91,675,420**	**1,832,697,970**
Gross undiscounted liabilities for incurred claims	167,069,192	1,727,355	6,730,471	3,744,909	47,964,382	141,371,245	**368,607,555**
Effect of discounting	(9,635,549)	(43,467)	(231,921)	(254,582)	(2,072,899)	(5,712,606)	**(17,951,023)**
Gross discounted liabilities for incurred claims excluding risk adjustment	**157,433,643**	**1,683,888**	**6,498,551**	**3,490,328**	**45,891,483**	**135,658,639**	**350,656,532**
Effect of the risk adjustment margin for non-financial risk	7,098,459	53,846	217,414	150,276	1,741,181	4,451,227	**13,712,404**
Gross liabilities for incurred claims	**164,532,103**	**1,737,734**	**6,715,965**	**3,640,604**	**47,632,664**	**140,109,866**	**364,368,936**

	2022 (restated)						
	2017 & earlier	2018	2019	2020	2021	2022	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	-	193,102,118	683,584,563	463,429,302	394,244,624	447,127,605	2,181,488,211
1 year later	1,431,483,431	563,110,293	639,019,292	440,292,376	430,509,094	-	3,504,414,486
2 years later	2,013,269,653	554,375,795	619,568,300	449,339,802	-	-	3,636,553,550
3 years later	1,998,397,521	398,459,720	635,030,794	-	-	-	3,031,888,035
4 years later	2,037,882,762	522,522,457	-	-	-	-	2,560,405,219
5 years later	1,988,134,673	-	-	-	-	-	1,988,134,673
Gross estimates of the undiscounted amount of the claims	1,988,134,673	522,522,457	635,030,794	449,339,802	430,509,094	447,127,605	4,472,664,424
Cumulative gross claims and other directly attributable expenses paid	1,817,072,484	513,267,838	587,713,081	427,457,144	395,546,595	274,037,396	4,015,094,538
Gross undiscounted liabilities for incurred claims	171,062,189	9,254,619	47,317,712	21,882,657	34,962,499	173,090,209	457,569,886
Effect of discounting	(19,198,225)	(250,316)	(8,934,943)	(562,865)	(907,907)	(9,060,809)	(38,915,065)
Gross discounted liabilities for incurred claims excluding risk adjustment	151,863,964	9,004,304	38,382,770	21,319,793	34,054,592	164,029,400	418,654,821
Effect of the risk adjustment margin for non-financial risk	6,744,890	249,104	1,178,806	604,134	1,035,237	10,894,825	20,706,995
Gross liabilities for incurred claims	158,608,854	9,253,407	39,561,575	21,923,927	35,089,829	174,924,224	439,361,817

26. RISK MANAGEMENT (continued)

c) Claims management risk (continued)

	2022 (restated)						
	2017 & earlier	2018	2019	2020	2021	2022	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	-	135,112,727	245,728,237	199,787,796	180,246,455	212,684,761	973,559,977
1 year later	1,126,980,879	238,683,408	214,144,433	189,780,243	239,402,977	-	2,008,991,941
2 years later	989,314,089	232,510,113	205,783,906	195,437,155	-	-	1,623,045,263
3 years later	982,174,172	292,048,826	217,868,578	-	-	-	1,492,091,575
4 years later	1,022,684,055	218,720,777	-	-	-	-	1,241,404,832
5 years later	1,012,887,731	-	-	-	-	-	1,012,887,731
Gross estimates of the undiscounted amount of the claims	1,012,887,731	218,720,777	217,868,578	195,437,155	239,402,977	212,684,761	2,097,001,978
Cumulative gross claims and other directly attributable expenses paid	816,142,373	204,406,885	174,676,155	180,222,558	196,107,570	84,404,857	1,655,960,397
Gross undiscounted liabilities for incurred claims	196,745,358	14,313,892	43,192,422	15,214,596	43,295,408	128,279,904	441,041,581
Effect of discounting	(17,945,752)	(192,822)	(8,803,802)	(209,412)	(276,774)	(5,691,729)	(33,120,291)
Gross discounted liabilities for incurred claims excluding risk adjustment	178,799,606	14,121,071	34,388,620	15,005,185	43,018,634	122,588,175	407,921,290
Effect of the risk adjustment margin for non-financial risk	6,351,455	230,503	1,017,344	297,454	461,529	6,763,141	15,121,425
Gross liabilities for incurred claims	185,151,061	14,351,574	35,405,963	15,302,638	43,480,163	129,351,316	423,042,715

Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral reasonable 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 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. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as Chain ladder method, Bornhuetter - Ferguson method and Expected Loss Ratio Method.

The main assumption underlying these techniques is that a 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 and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in 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, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

26. RISK MANAGEMENT (continued)

c) Claims management risk (continued)

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve in result of liability adequacy test) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as at the statement of financial position date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

d) 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 reinsurance bad debts in provisions. To manage reserving and ultimate reserves risk, our 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.

e) 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 fall due. The Company has a proper cash management system, where daily cash collection and payments are monitored and reconciled on regular basis. 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 profile

The following table summarizes the maturity profile of groups of insurance contracts issued and reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	2023						
	Up to 1 Year	**1–2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Insurnace contract liabilities	**57,130,698**	**50,331,882**	**44,393,956**	**39,222,493**	**34,763,302**	**278,729,447**	**504,571,777**
Retirement Conventional	**15,991,894**	**13,949,979**	**12,266,488**	**10,836,849**	**9,672,800**	**65,199,619**	**127,917,629**
Education conventional	**22,650,841**	**19,120,257**	**16,074,535**	**13,451,264**	**11,146,505**	**47,488,367**	**129,931,768**
Retirement Takaful	**8,850,749**	**8,932,620**	**8,948,682**	**8,864,578**	**8,773,817**	**146,934,523**	**191,304,970**
Education Takaful	**9,694,561**	**8,376,264**	**7,146,473**	**6,104,470**	**5,179,616**	**19,150,313**	**55,651,697**
Term insurance	**(57,347)**	**(47,239)**	**(42,223)**	**(34,668)**	**(9,435)**	**(43,375)**	**(234,287)**
Reinsurnace contract liabilities	**(286,762)**	**(237,574)**	**(199,539)**	**(167,346)**	**(139,729)**	**(657,772)**	**(1,688,722)**
Reinsurance Conventional	**(231,133)**	**(193,597)**	**(164,594)**	**(140,039)**	**(118,338)**	**(587,585)**	**(1,435,286)**
Reinsurance Takaful	**(55,629)**	**(43,976)**	**(34,944)**	**(27,307)**	**(21,392)**	**(70,188)**	**(253,436)**
Total	**56,843,936**	**50,094,308**	**44,194,417**	**39,055,147**	**34,623,573**	**278,071,674**	**502,883,055**

26. RISK MANAGEMENT (continued)

e) *Liquidity risk (continued)*

	2022 (restate)						
	Up to 1 Year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Insurnace contract liabilities	42,675,754	38,704,964	35,137,050	31,739,185	28,770,204	314,207,065	491,234,221
Retirement conventional	16,005,413	13,907,211	12,337,901	10,870,284	9,617,592	65,898,672	128,637,073
Education conventional	16,067,154	14,379,690	12,555,262	10,804,897	9,271,588	75,483,472	138,562,063
Retirement takaful	8,958,801	8,648,739	8,394,316	8,159,424	7,881,041	123,453,637	165,495,957
Education takaful	1,858,333	1,953,062	2,014,874	2,050,881	2,065,919	49,595,824	59,538,894
Term insurance	(213,948)	(183,738)	(165,303)	(146,300)	(65,936)	(224,541)	(999,765)
Reinsurnace contract liabilities	(77,254)	(65,369)	(56,813)	(49,030)	(42,228)	(226,513)	(517,206)
Reinsurance conventional	(109,298)	(91,579)	(78,357)	(66,825)	(56,738)	(279,356)	(682,152)
Reinsurance takaful	32,043	26,210	21,544	17,795	14,510	52,843	164,946
Total	42,598,500	38,639,595	35,080,237	31,690,155	28,727,976	313,980,552	490,717,015

The table below summarises the expected utilisation or settlement of financial assets and liabilities including receivables/payables from insurance related assets and liabilities.

Maturity analysis on expected maturity base

2023	***Less than one year***	***More than one year***	***Total***
Assets			
Cash and cash equivalents	**126,187,903**	**-**	**126,187,903**
Term deposit	**-**	**50,000,000**	**50,000,000**
Prepaid expenses and other assets	**51,434,987**	**-**	**51,434,987**
Financial assets for unit linked contracts	**500,981,775**	**-**	**500,981,775**
Investments	**40,341,785**	**760,557,895**	**800,899,680**
Statutory deposit	**-**	**60,000,000**	**60,000,000**
Accrued income on statutory deposit	**-**	**1,925,153**	**1,925,153**
	718,946,450	**872,483,048**	**1,591,429,498**

2023			
Liabilities			
Accrued expenses and other liabilities	**45,717,373**	**-**	**45,717,373**
Lease liabilities	**-**	**3,019,008**	**3,019,008**
Accrued income payable to Insurance Authority	**-**	**1,925,153**	**1,925,153**
	45,717,373	**4,944,161**	**50,661,534**

26. RISK MANAGEMENT (continued)

Maturity profile (continued)

2022 (restated)	*Less than one year*	*More than one year*	*Total*
Assets			
Cash and cash equivalents	194,590,855	-	194,590,855
Prepaid expenses and other assets	66,185,404	-	66,185,404
Financial assets for unit linked contracts	487,049,866	-	487,049,866
Investments	112,571,311	518,163,736	630,735,047
Statutory deposit	-	60,000,000	60,000,000
Accrued income on statutory deposit	-	2,381,722	2,381,722
	860,397,436	580,545,458	1,440,942,894

2022 (restated)			
Liabilities			
Accrued expenses and other liabilities	28,727,200	-	28,727,200
Lease liabilities	-	6,092,308	6,092,308
Accrued income payable to Insurance Authority	-	2,381,722	2,381,722
	28,727,200	8,474,030	37,201,230

January 1, 2022 (restated)	*Less than one year*	*More than one year*	*Total*
Assets			
Cash and cash equivalents	160,813,072	-	160,813,072
Prepaid expenses and other assets	55,066,350	-	55,066,350
Financial assets for unit linked contracts	515,227,924	-	515,227,924
Investments	54,816,532	533,037,585	587,854,117
Statutory deposit	-	60,000,000	60,000,000
Accrued income on statutory deposit	-	1,579,858	1,579,858
	785,923,878	594,617,443	1,380,541,321

January 1, 2022 (restated)			
Liabilities			
Accrued expenses and other liabilities	18,442,380	-	18,442,380
Lease Liabilities	997,804	-	997,804
Accrued income payable to Insurance Authority	-	1,579,858	1,579,858
	19,440,184	1,579,858	21,020,042

26. RISK MANAGEMENT (continued)

Maturity profile (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Company based on residual maturities. For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities. Repayments that are subject to notice are treated as if notice were to be given immediately.

2023	***On demand***	***Up to 1 year***	***2-5 years***	***More than 5 years***	***Total***
Assets					
Cash and cash equivalents	**126,187,903**	**-**	**-**	**-**	**126,187,903**
Term deposit	**-**	**-**	**50,000,000**	**-**	**50,000,000**
Prepaid expenses and other assets	**-**	**51,434,987**	**-**	**-**	**51,434,987**
Financial assets for unit linked contracts	**-**	**500,981,775**	**-**	**-**	**500,981,775**
Investments	**-**	**40,341,785**	**498,443,936**	**262,113,959**	**800,899,680**
Statutory deposit	**-**	**-**	**-**	**60,000,000**	**60,000,000**
Accrued income on statutory deposit	**-**	**-**	**-**	**1,925,153**	**1,925,153**
	126,187,903	**592,758,547**	**548,443,936**	**324,039,112**	**1,591,429,498**
Liabilities					
Accrued expenses and other liabilities	**-**	**45,717,373**	**-**	**-**	**45,717,373**
Lease liabilities	**-**		**3,019,008**	**-**	**3,019,008**
Accrued income payable to Insurance Authority	**-**	**-**	**1,925,153**	**-**	**1,925,153**
	-	**45,717,373**	**4,944,161**	**-**	**50,661,534**
Total liquidity gap	**126,187,903**	**547,041,174**	**543,499,775**	**324,039,112**	**1,540,767,964**

2022 (restated)	*On demand*	*Up to 1 year*	*2-5 years*	*More than 5 years*	*Total*
Assets					
Cash and cash equivalents	194,590,855	-	-	-	194,590,855
Prepaid expenses and other assets	-	66,185,404	-	-	66,185,404
Financial assets for unit linked contracts	-	487,049,866	-	-	487,049,866
Investments	-	112,571,311	324,160,458	194,003,278	630,735,047
Statutory deposit	-	-	-	60,000,000	60,000,000
Accrued income on statutory deposit	-	-	-	2,381,722	2,381,722
	194,590,855	665,806,581	324,160,458	256,385,000	1,440,942,894
Liabilities					
Accrued expenses and other liabilities	-	28,727,200	-	-	28,727,200
Lease liabilities	-		6,092,308	-	6,092,308
Accrued income payable to Insurance Authority	-	-	-	2,381,722	2,381,722
	-	28,727,200	6,092,308	2,381,722	37,201,230
Total liquidity gap	194,590,855	637,079,381	318,068,150	254,003,278	1,403,741,664

26. RISK MANAGEMENT (continued)

Maturity profile (continued)

January 1, 2022 (restated)	*On demand*	*Up to 1 year*	*2-5 years*	*More than 5 years*	*Total*
Assets					
Cash and cash equivalents	160,813,072	-	-	-	160,813,072
Prepaid expenses and other assets	-	55,066,350	-	-	55,066,350
Financial assets for unit linked contracts	-	515,227,924	-	-	515,227,924
Investments	-	54,816,532	396,560,231	136,477,354	587,854,117
Statutory deposit	-	-	-	60,000,000	60,000,000
Accrued income on statutory deposit	-	-	-	1,579,858	1,579,858
	160,813,072	625,110,806	396,560,231	198,057,212	1,380,541,321
Liabilities					
Accrued expenses and other liabilities	-	18,442,380	-	-	18,442,380
Lease liabilites	-	997,804	-	-	997,804
Accrued income payable to Insurance Authority	-	-	-	1,579,858	1,579,858
	-	19,440,184	-	1,579,858	21,020,042
Total liquidity gap	160,813,072	605,670,622	396,560,231	196,477,354	1,359,521,279

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

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

- Investments include investments in mutual funds and sukuks and are held for cash management purposes and expected to be matured/settled within twelve months from the reporting date.
- Cash and bank balances are available on demand.

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

- Accrued and other liabilities are expected to settle within a period of twelve months from the period end date.

26. RISK MANAGEMENT (continued)

f) Credit risk

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

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

- To minimize its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance counterparties. Accordingly, as a pre-requisite, the parties with whom reinsurance is affected are required to have a minimum acceptable security rating level affirming their financial strength.

- The Company only enters into insurance and reinsurance contracts with recognised, 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 on-going basis in order to reduce the Company's exposure to bad debts.

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

- Premiums receivable are mainly receivable from individuals and corporate customers (unrated). The Company seeks to limit the credit risk with respect individuals and corporate customers by setting credit limits and monitoring outstanding receivables.

- Cash and cash equivalents are maintained with local banks approved by management. Accordingly, as a pre-requisite, the banks with whom cash and cash equivalents are maintained are required to have a minimum acceptable security rating level affirming their financial strength.

- The Company's investments mainly comprise of debt securities and sukuks. The Company does not have an internal grading mechanism for debt securities. The Company limits its credit risk on debt securities by setting out a minimum acceptable security rating level for such investments.

- The Company's unit linked investments comprise of mutual funds. The Company does not have an internal grading mechanism for mutual funds. The Company limits its credit risk on mutual funds by setting out a minimum acceptable security rating level for such investments. For unit linked business, the policyholder bears the direct market and credit risk on investment assets in the unit funds and the Company's exposure to credit risk is limited to the extent of the income arising from asset management charges based on the value of assets in the fund.

- Statutory deposit is maintain with a local bank. Accordingly, as a pre-requisite, the bank with whom statutory deposit are maintained are required to have a minimum acceptable security rating level affirming their financial strength.

26. RISK MANAGEMENT (continued)

f) Credit risk (continued)

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

	2023	*2022 (Restated)*	*January 1, 2022 (Unaudited)*
Cash and cash equivalents	**126,187,903**	194,590,855	160,813,072
Term deposit	**50,000,000**	-	-
Prepaid expenses and other assets	**51,434,987**	66,185,404	55,066,350
Insurance contract assets	**145,585,905**	164,922,492	245,328,800
Reinsurance contract assets	**398,384,918**	425,868,671	606,583,196
Financial assets for unit linked contracts	**500,981,775**	487,049,866	515,227,924
Investments	**808,899,680**	630,735,047	587,854,117
Statutory deposit	**60,000,000**	60,000,000	60,000,000
Accrued income on statutory deposit	**1,925,153**	2,381,722	1,579,858
	2,143,400,321	**2,031,734,057**	**2,232,453,317**

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

Credit ratings of investments

Following are the credit ratings of available for sale investments:

Credit quality	**Credit Rating Agency**	**Financial Instrument**	**2023**	*2022 (Restated)*	*January 1, 2022 (Unaudited)*
A-	S&P/ Moody's	Bonds / Sukuks	**691,841,221**	377,934,027	396,082,998
BBB-	S&P/ Moody's	Sukuks	**61,365,874**	177,198,521	110,598,447
Unrated	N/A	Equities/Sukuks/ Mutual funds	**55,692,585**	75,602,499	81,172,672
			808,899,680	630,735,047	587,854,117

Further the Company follows a policy regarding selecting reinsurers whose credit rating are A- and higher as per S&P and Fitch ratings. Concentration of credit risk are also mentioned in notes 6 and 7.

g) Special commission rate risk

Special commission rate risk arises from the possibility that changes in special commission rates will affect future profitability or the fair values of financial instruments. The Company is exposed to special commission rate risk on its bank balances and investments.

The sensitivity of the income is the effect of the assumed changes in the interest rates, with all other variable held constant, on the profit for one year, based on the floating rate financial assets held at 31 December 2023. A hypothetical 100 basis points change in the weighted average special commission rate of the floating rate at 31 December 2023 would impact special commission income by approximately SR 700,000 (2022: SR 700,000) annually in aggregate.

26. RISK MANAGEMENT (continued)

h) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management believes that there is minimal risk of significant losses due to exchange rate fluctuation as the majority of monetary assets and liabilities are in currencies linked to the Saudi Riyal. In addition, as the Company's foreign currency transactions are primarily in US dollars which is pegged with the Saudi Riyal, foreign exchange gains and losses are not significant and have not been disclosed separately.

The table below summarises the Company's financial assets and insurance contract assets and liabilities by major currencies:

	2023				2022 (Restated)			
	Saudi Riyals	**US Dollars**	**Others**	**Total**	Saudi Riyals	US Dollars	Others	Total
Financial assets								
Cash and cash equivalents	**126,187,903**	**-**	**-**	**126,187,903**	194,590,855	-	-	194,590,855
Term deposit	**50,000,000**	**-**	**-**	**50,000,000**	-	-	-	-
Prepaid expenses and other assets	**51,434,987**	**-**	**-**	**51,434,987**	66,185,404	-	-	66,185,404
Insurance contract assets	**145,585,905**	**-**	**-**	**145,585,905**	164,922,492	-	-	164,922,492
Reinsurance contract assets	**398,384,918**	**-**	**-**	**398,384,918**	425,868,671	-	-	425,868,671
Financial assets for unit linked contracts	**500,981,775**	**-**	**-**	**500,981,775**	487,049,866	-	-	487,049,866
Investments	**417,381,268**	**391,518,412**	**-**	**808,899,680**	326,864,487	303,870,560	-	630,735,047
Statutory deposit	**60,000,000**	**-**	**-**	**60,000,000**	60,000,000	-	-	60,000,000
Accrued income on statutory deposit	**1,925,153**	**-**	**-**	**1,925,153**	2,381,722	-	-	2,381,722
	1,751,881,909	**391,518,412**	**-**	**2,143,400,321**	1,727,863,497	303,870,560		2,031,734,057

	2023				2022 (Restated)			
	Saudi Riyals	**US Dollars**	**Others**	**Total**	Saudi Riyals	US Dollars	Others	Total
Financial Liabilites								
Insurance contract liabilities	**1,111,134,900**	**-**	**-**	**1,111,134,900**	1,053,789,268	-	-	1,053,789,268
Reinsurance contract liabilities	**155,270,090**	**-**	**-**	**155,270,090**	166,509,578	-	-	166,509,578
Accrued expenses and other liabilities	**45,717,373**	**-**	**-**	**45,717,373**	28,727,200	-	-	28,727,200
Lease liabilities	**3,019,008**	**-**	**-**	**3,019,008**	6,092,308	-	-	6,092,308
Accrued income payable to Insurance Authority	**1,925,153**	**-**	**-**	**1,925,153**	2,381,722	-	-	2,381,722
	1,317,066,524	**-**	**-**	**1,317,066,524**	1,257,500,076	-	-	1,257,500,076

26. RISK MANAGEMENT (continued)

h) Currency risk (continued)

The currency exposures of investments are set out below:

	2023	2022 (restated)	January 1, 2022 (restated)
Saudi Arabian Riyals	**417,381,268**	326,864,487	262,407,931
US Dollars	**391,518,412**	303,870,560	325,446,186
	808,899,680	630,735,047	587,854,117

i) Fund price risk

Fund price risk is the risk that the fair value of future cash flows of a fund will fluctuate because of changes in the net asset value (NAV) being determined by fund managers. The Company has foreign currency transactions in respect of its mutual funds investments.

The Company is not exposed to fund price risk for unit linked investments since any change in the NAV of the funds will affect the change in unit linked liabilities and the change in the fair value of the funds by the same amount hence, there is no impact on the performance of the Company. The direct market risk is borne by the policyholders.

j) Reinsurance risk

In order to minimise its financial exposure to potential losses arising from large claims, the Company enters into agreements with other parties for reinsurance purpose. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess-of-loss reinsurance contracts. The Company has foreign currency transactions in respect of its reinsurance activities.
Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Risk and Underwriting Committee. The criteria may be summarized as follows:

a. Minimum acceptable credit rating by recognized rating agencies (e.g. Standard & Poors) that is not lower than BBB or equivalent.
b. Reputation of particular reinsurance companies.
c. Existing or past business experience with the reinsurers.

k) Market risk

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

The Company's market risk exposure relates to its quoted available for sale investments whose values will fluctuate as a result of changes in market prices. The Company limits market risk by maintaining a diversified portfolio and by monitoring the developments in financial markets.

26. RISK MANAGEMENT (continued)

k) Market risk (continued)

A 1% change in the market price of the equity, with all other variables held constant, would impact equity as set out below:

	Change in market price	*Effect on statement of changes in equity SR*
2023	**+1%**	**7,824,317**
	-1%	**(7,824,317)**
2022	+1%	6,312,442
	-1%	(6,312,442)
January 1, 2022	+1%	7,390,401
	-1%	(7,390,401)

l) Price risk

Price risk is the potential change in the fair value of financial instruments as a result of instrument-specific developments or systemic factors affecting the overall market in which the instrument is being traded.
The total size of investments which are exposed to market price risk is SR 808.9 million (2022: SR 630.7 million).

The Group manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

The potential impact of a 10% increase or decrease in the market prices of investments carried at fair value through income statement on company profit would be as follows:

	Fair value change	*Effect on statement of income*
2023	**+10%**	**8,273,745**
	-10%	**(8,273,745)**
2022	+10%	7,817,379
	-10%	(7,817,379)

The potential impact of a 10% increase or decrease in the market prices of investments carried at fair value through other comprehensive income on company comprehensive income would be as follows:

	Fair value change	*Effect on statement of comprehensive income*
2023	**+10%**	**72,218,155**
	-10%	**(72,218,155)**
2022	+10%	55,256,126
	-10%	(55,256,155)

26. RISK MANAGEMENT (continued)

m) Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%.

Below is the table showing the movement in the Expected Credit Loss (ECL) computed on all the applicable insurance, reinsurance, investments and cash:

	2023		
	Gross	**ECL**	**Net**
ASSETS			
Cash and cash equivalents	**126,433,717**	**(245,814)**	**126,187,903**
Statutory deposit	**50,000,000**	**-**	**50,000,000**
Prepaid expenses and other assets	**51,434,987**	**-**	**51,434,987**
Insurance contract assets	**213,706,604**	**(68,120,699)**	**145,585,905**
Reinsurance contract assets	**403,242,676**	**(4,857,758)**	**398,384,918**
Financial assets for unit linked contracts	**500,981,775**	**-**	**500,981,775**
Investments	**809,120,199**	**(220,519)**	**808,899,680**
Statutory deposit	**60,000,000**	**-**	**60,000,000**
Accrued income on statutory deposit	**1,925,153**	**-**	**1,925,153**
TOTAL ASSETS	**2,216,845,111**	**(73,444,790)**	**2,143,400,321**

	2022 (restated)		
	Gross	ECL	Net
ASSETS			
Cash and cash equivalents	194,904,123	(313,268)	194,590,855
Prepaid expenses and other assets	66,185,404	-	66,185,404
Insurance contract assets	229,149,903	(64,227,411)	164,922,492
Reinsurance contract assets	434,882,305	(9,013,634)	425,868,671
Financial assets for unit linked contracts	487,049,866	-	487,049,866
Investments	631,026,998	(291,951)	630,735,047
Statutory deposit	60,000,000	-	60,000,000
Accrued income on statutory deposit	2,381,722	-	2,381,722
TOTAL ASSETS	2,105,580,321	(73,846,264)	2,031,734,057

27. SIGNIFICANT EVENT

During the year end 2023, the Company has announced on tadawul dated September 28, 2023 about a major change in shareholders of Allianz Saudi Fransi Cooperative Insurance Company. Allianz SE is willing to sell all of its shares in the Company (which it indirectly holds through its subsidiaries, Allianz Europe B.V., Allianz France S.A. and Allianz MENA Holding (Bermuda) Limited) to Abu Dhabi National Insurance Company PJSC (“ADNIC"). Completion of the overall transaction is subject to certain conditions and regulatory approvals. Accordingly, on September 27, 2023 these three subsidiaries have entered into a legally binding sale and purchase agreement with ADNIC. Upon completion of the overall transaction, ADNIC will directly own 51% of the share capital of the Company and Allianz SE will cease to hold, directly or indirectly, any shares in the Company, subject to regulator approvals.

28. TREASURY SHARES AND EMPLOYEE SHARE BASED PLAN

28.1 TREASURY SHARES

Treasury shares have been acquired, after due approvals, for discharging the obligations of employees share based plans.

	2023		
	Average Price of Share	**Number of shares**	**Treasury shares (SAR)**
At the beginning of the year	**-**	**-**	**-**
Share buy back during the year	**17.9**	**233,334**	**4,176,245**
Settled during the year	**-**	**-**	**-**
At the end of the year	**17.9**	**233,334**	**4,176,245**

	2022		
	Average Price of Share	Number of shares	Treasury shares (SAR)
At the beginning of the year	-	-	-
Share buy back during the year	-	-	-
Settled during the year	-	-	-
At the end of the year	-	-	-

28.2 EMPLOYEE SHARE BASED PLAN

The Long Term Incentive Plan (the “Plan”) that aligns the Company's future performance with the individual personal success of the Company's leadership team, key and high potential employees. The purpose of the Plan is to align the interests of the Company's key employees with the interests of the shareholders of the Company. The Company acquired treasury shares as authorized by the Board under its plan, which will grant equity shares of the Company to eligible employees as per the plan. The eligible employees will benefit from the value of the Company shares over the vesting period. The plan has been commenced on grant date i.e. June 30, 2023. The Company has offered eligible employees the option for equity ownership opportunities. Currently, the impact of the plan is not material to the financial statements. Significant features of the employee share based plan outstanding at the end of the year is as follows:

Nature of Plan	**Long Term Incentive Plan**
Number of outstanding plan	1
Grant date	June 30, 2023
Maturity date	June 30, 2025
Grant price (SAR per share)	15
Vesting period 1	30-Sep-23
Vesting period 2	30-Jun-24
Vesting period 3	30-Jun-25
Vesting conditions	Employee meets the performance and service condition
Method of settlement	Equity
Market value of share at date of option	17.40
Fair value per share option on grant date (SAR)	2.40

	Number of shares	
	2023	**2022**
As at 1 January	**-**	-
Granted during the year	**25,450**	-
Settled during the year	**-**	-
Forfeited by leavers during the year	**(2,065)**	-
As at 31 December	**23,385**	-

29. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements has been approved by the Company’s Board of Directors on 16 March 2024 (corresponding to 6 Ramadan 1445AH).