MUTAKAMELA INSURANCE COMPANY
(Formerly ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY)
(A Saudi Joint Stock Company)

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

INDEX **PAGES**

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
Mutakamela Insurance Company
(formerly Allianz Saudi Fransi Cooperative Insurance Company)
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mutakamela Insurance Company** (formerly Allianz Saudi Fransi Cooperative Insurance Company) (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the 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, including material accounting policy information.

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

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 the requirements of the 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 judgment, were of most significance in our audit of the financial statements for 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.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF MUTAKAMELA INSURANCE COMPANY (formerly Allianz Saudi Fransi Cooperative Insurance Company) (CONTINUED)

Key audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities

As at 31 December 2024, the insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities amounted to SR 1,028 million, SR 143 million, SR 354 million and SR 132 million respectively.

The Company applies the Premium Allocation Approach (PAA) for all groups of insurance contracts, except for the protection and protection and savings business, which is measured under the General Measurement Model (GMM) and the Variable Fee Approach (VFA) respectively.

A key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities is the present value of future cash flows ("PVFCFs") included in the liability for remaining coverage ("LRC") for contracts measured under VFA, and the liability for incurred claims ("LIC") for contracts measured under the PAA. As at 31 December 2024 the PVFCFs amounted to SR 370 million for LIC, SR 426 million for LRC under insurance contracts, and SR 325 million under reinsurance contracts.

The determination of the PVFCFs represents the Company's expectations regarding future cash outflows minus cash inflows that will arise as the entity fulfils insurance contracts and involves actuarial models and several assumptions made by management. Its accuracy is dependent on the input data being correct and requires management to apply significant judgements, make significant estimates and use actuarial models. The risk of error arises as a result of inappropriate choice of actuarial methodologies, techniques and assumptions. Management used an external actuary to assist them in the aforementioned determination.

As a result of all the factors, we considered the valuation of PVFCFs included in LRC for contracts measured under VFA and the LIC for contracts measured under the PAA as a key audit matter due to the significant judgements applied and estimates made by management.

Refer to notes 3.2 and 4 for accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company and notes 9 and 10 for the details of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities.

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Our audit procedures included, inter alia, the following:

- Performed walkthroughs to understand the key control activities related to the integrity of the data used in the process of valuation of the PVFCFs and assessed whether they were appropriately designed and operating effectively;
- Evaluated and tested the data used in the process of valuation of the PVFCFs;
- Tested samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, reinsurance contracts etc.; and
- Evaluated the objectivity, skills, qualifications and competence of the independent external actuary and reviewing the terms of the actuary's engagement with the Company to determine if the scope of his work was sufficient for audit purposes.

In addition, with the assistance of our internal actuarial specialists, we:

- Evaluated the Company's actuarial practices and provisions established, including the actuarial report issued by management's expert;
- Assessed the calculation methods and the models used;
- Assessed key actuarial assumptions including loss ratios, claims development factors, mortality rates, lapse rates and discount rates;
- Determined if the estimates applied in the current and prior year were consistent; and
- Developed a point estimate or range based on our understanding of the Company's business and evaluated the differences between management's point estimate and our point estimate or range.

We assessed the disclosures relating to this matter in the financial statements against the requirements of IFRSs.

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Other Matter

The financial statements of the Company for the year ended 31 December 2023 were audited by other joint auditor who expressed an unmodified opinion on those statements on 15 Ramadan 1445H (corresponding to 25 March 2024).

Other Information

Other information consists of the information included in the Company's 2024 annual report, other than the financial statements and our auditors' report thereon. The Board of Directors and management is responsible for the other information in the annual report. The 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 other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and 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 has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF MUTAKAMELA INSURANCE COMPANY (formerly Allianz Saudi Fransi Cooperative Insurance Company) (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Certified Public Accountant
License No. 337

13 Sha'aban, 1446H
12 February, 2025

MUTAKAMELA INSURANCE COMPANY
(formerly ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 SR	2023 SR
ASSETS			
Cash and cash equivalents	5	**78,672,393**	126,187,903
Term deposits	6	**118,500,000**	50,000,000
Investments	7	**715,168,998**	808,899,680
Financial assets for unit linked contracts	8	**484,074,594**	500,981,775
Insurance contract assets	9	**142,596,003**	145,585,905
Reinsurance contract assets	10	**353,518,466**	398,384,918
Prepaid expenses and other assets	11	**84,858,434**	51,434,987
Right-of-use assets	12	**941,418**	1,206,081
Property and equipment	13	**7,565,434**	6,493,822
Deferred tax asset	14	**238,173**	4,286,053
Statutory deposit	15	**60,000,000**	60,000,000
Accrued income on statutory deposit	15	**2,232,103**	1,925,153
TOTAL ASSETS		**2,048,366,016**	2,155,386,277
LIABILITIES			
Insurance contract liabilities	9	**1,028,139,843**	1,111,134,900
Reinsurance contract liabilities	10	**131,875,899**	155,270,090
Accrued expenses and other liabilities	16	**33,490,776**	45,717,373
Lease liabilities	12	**3,157,622**	3,019,008
Employees benefit obligations	17	**18,452,616**	19,219,326
Zakat and income tax	18	**17,925,796**	18,416,114
Accrued income payable to Insurance Authority	15	**2,232,103**	1,925,153
TOTAL LIABILITIES		**1,235,274,655**	1,354,701,964
EQUITY			
Share capital	19	**600,000,000**	600,000,000
Share premium	19	**16,310,624**	16,310,624
Statutory reserve	20.1	**36,282,155**	33,248,740
Retained earnings		**111,272,886**	99,139,226
Fair value reserve for investments	20.2	**56,757,646**	54,113,233
Treasury shares	31	**(9,557,219)**	(4,176,245)
Shared based payments reserve	31	**225,330**	-
Actuarial reserve for employee benefit obligations		**1,043,091**	1,017,300
Insurance finance reserve	20.3	**756,848**	1,031,435
TOTAL EQUITY		**813,091,361**	800,684,313
TOTAL LIABILITIES AND EQUITY		**2,048,366,016**	2,155,386,277
CONTINGENCIES AND COMMITMENTS	32		

Abdulrahman Aldokheel
Chief Executive Officer

Al Waleed Abdulrazak Al Dryaan
Chairman

Hani Al Bukhaitan
Chief Financial Officer

MUTAKAMELA INSURANCE COMPANY
(formerly ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 SR	2023 SR
Insurance revenue	21	**873,885,304**	862,625,067
Insurance service expenses	21	**(753,155,692)**	(704,853,280)
Insurance service result before reinsurance contracts		**120,729,612**	157,771,787
Allocation of reinsurance premiums	21	**(290,657,353)**	(298,203,917)
Amounts recoverable from reinsurance	21	**173,038,190**	158,341,842
Net expenses from reinsurance contracts held		**(117,619,163)**	(139,862,075)
Insurance service result from Company's directly written business		**3,110,449**	17,909,712
Share of surplus from insurance pools	22	**5,063,916**	12,294,000
Total insurance service result		**8,174,365**	30,203,712
Income from financial assets measured at fair value through profit or loss (FVTPL)	7.4	**27,456,623**	52,513,481
Income from financial assets not measured at fair value through profit or loss (FVTPL)	7.4	**48,104,850**	39,866,128
Other income		**9,793,008**	4,516,913
Net investment income		**85,354,481**	96,896,522
Finance expenses from insurance contracts issued	23	**(48,490,348)**	(64,973,611)
Finance income from reinsurance contracts held	23	**17,014,747**	10,861,389
Net insurance finance expenses		**(31,475,601)**	(54,112,222)
Net insurance and investment result		**62,053,245**	72,988,012
Other operating expenses	24	**(35,577,466)**	(23,767,776)
NET INCOME FOR THE YEAR BEFORE ZAKAT AND INCOME TAX		**26,475,779**	49,220,236
Provision for zakat and tax	18	**(11,308,704)**	(12,233,344)
NET INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX		**15,167,075**	36,986,892
Earnings per share			
Basic and diluted earnings per share	26	**0.26**	0.62

Abdulrahman Aldokheel	Al Waleed Abdulrazak Al Dryaan	Hani Al Bukhaitan
Chief Executive Officer	Chairman	Chief Financial Officer

The accompanying notes form an integral part of these financial statements

MUTAKAMELA INSURANCE COMPANY
(formerly ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 SR	2023 SR
NET INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX		**15,167,075**	36,986,892
Other comprehensive income / (loss)			
Items that will not be reclassified to the statement of income in subsequent **years**			
Net change in fair value of equity investments held at fair value through other comprehensive income (FVOCI)	7.2	**16,290,439**	3,991,362
Re-measurement gain / (loss) on employee benefit obligations	17	**25,791**	(1,224,546)
Items that will be reclassified to the statement of income in subsequent years			
Net change in fair value of debt investments held at fair value through other comprehensive income (FVOCI)	7.2	**(10,397,129)**	23,471,866
Deferred tax relating to changes in fair value	14	**(3,248,897)**	(2,623,189)
Changes in insurance finance reserve		**(274,587)**	(1,421,530)
Total other comprehensive income		**2,395,617**	22,193,963
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**17,562,692**	59,180,855

Abdulrahman Aldokheel Chief Executive Officer	Al Waleed Abdulrazak Al Dryaan Chairman	Hani Al Bukhaitan Chief Financial Officer

MUTAKAMELA INSURANCE COMPANY
(formerly ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

All amounts expressed in Saudi Riyals (SR)	Share capital	Share premium	Statutory reserve	Retained earnings	Actuarial reserve for employee benefit obligations	Fair value reserve for investments	Shared based payments reserve	Treasury shares	Insurance finance reserve	Total
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**
Comprehensive income / (loss) for the year										
Net income for the year after zakat and income tax	-	-	-	15,167,075	-	-	-	-	-	15,167,075
Net change in fair value of equity investments held at FVOCI	-	-	-	-	-	16,290,439	-	-	-	16,290,439
Re-measurement gain on employees benefit obligations	-	-	-	-	25,791	-	-	-	-	25,791
Net change in fair value of debt investments held at FVOCI	-	-	-	-	-	(10,397,129)	-	-	-	(10,397,129)
Deferred tax relating to change in fair value	-	-	-	-	-	(3,248,897)	-	-	-	(3,248,897)
Change in insurance finance reserve	-	-	-	-	-	-	-	-	(274,587)	(274,587)
Total comprehensive income for the year	-	-	-	15,167,075	25,791	2,644,413	-	-	(274,587)	17,562,692
Purchase of treasury shares under employee scheme	-	-	-	-	-	-	-	(5,823,755)	-	(5,823,755)
Delivery of treasury shares under employee scheme	-	-	-	-	-	-	(442,781)	442,781	-	-
Provision for employee shares scheme	-	-	-	-	-	-	668,111	-	-	668,111
Transfer to statutory reserve	-	-	3,033,415	(3,033,415)	-	-	-	-	-	-
Balance as at 31 December 2024	**600,000,000**	**16,310,624**	**36,282,155**	**111,272,886**	**1,043,091**	**56,757,646**	**225,330**	**(9,557,219)**	**756,848**	**813,091,361**
Balance as at 31 December 2022	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 after zakat and income tax	-	-	-	36,986,892	-	-	-	-	-	36,986,892
Net change in fair value of equity investments held at FVOCI	-	-	-	-	-	3,991,362	-	-	-	3,991,362
Re-measurement loss on employees benefit obligations	-	-	-	-	(1,224,546)	-	-	-	-	(1,224,546)
Net change in fair value of debt investments held at FVOCI	-	-	-	-	-	23,471,866	-	-	-	23,471,866
Deferred tax relating to change in fair value	-	-	-	-	-	(2,623,189)	-	-	-	(2,623,189)
Change in insurance finance reserves	-	-	-	-	-	-	-	-	(1,421,530)	(1,421,530)
Total comprehensive income 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

Abdulrahman Aldokheel
Chief Executive Officer

Al Waleed Abdulrazak Al Dryaan
Chairman

Hani Al Bukhaitan
Chief Financial Officer

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 SR	2023 SR
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before zakat and income tax		**26,475,779**	49,220,236
Adjustments for non-cash items:			
Depreciation of property and equipment	13	**4,473,365**	3,990,953
Amortization of investments, net	7.2	**324,232**	(34,530)
Depreciation of right-of-use assets	12	**2,901,228**	2,901,228
Net gain on investments measured at FVTPL	7.1	**(1,363,050)**	(1,021,772)
Provision for employee benefit obligations	17	**2,879,140**	2,628,542
Provision for employee share scheme		**668,111**	-
Unrealized gain on financial assets for unit linked contracts	8	**(26,093,573)**	(51,491,709)
		10,265,232	6,192,948
Changes in operating assets and liabilities:			
Financial assets for unit linked contracts		**43,000,754**	37,559,800
Prepaid expenses and other assets		**(33,423,449)**	14,750,417
Accrued expenses and other liabilities		**(12,756,836)**	16,990,173
Insurance contract assets		**2,989,902**	19,336,587
Reinsurance contract assets		**44,866,452**	27,483,753
Insurance contract liabilities		**(82,995,057)**	55,924,102
Reinsurance contract liabilities		**(23,394,191)**	(11,239,488)
Cash (used in) / generated from operations		**(51,447,193)**	166,998,292
Employee benefit obligations paid	17	**(3,606,045)**	(4,015,556)
Finance cost paid	12	**448,788**	448,788
Zakat and income tax paid	18	**(11,000,052)**	(21,165,788)
Net cash (used in) / generated from operating activities		**(65,604,502)**	142,265,736
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	7.2	**(39,700,000)**	(222,813,853)
Placement in term deposits	6	**(68,500,000)**	(50,000,000)
Proceeds from sales of investments		**140,362,810**	73,168,750
Dividends received		**266,034**	-
Purchase of property and equipment	13	**(5,569,359)**	(3,325,252)
Net cash generated from / (used in) investing activities		**26,859,485**	(202,970,355)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of shares held under employee share scheme	31	**(5,823,755)**	(4,176,245)
Principal element of lease liabilities	12	**(2,946,738)**	(3,522,088)
Net cash used in financing activities		**(8,770,493)**	(7,698,333)
Net change in cash and cash equivalents		**(47,515,510)**	(68,402,952)
Cash and cash equivalents at the beginning of the year		**126,187,903**	194,590,855
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	**78,672,393**	126,187,903
Non-cash information:			
Net change in fair value of equity investments held at FVOCI	7.2	**16,290,439**	3,991,362
Net change in fair value of debt investments measured at FVOCI	7.2	**(10,397,129)**	(23,469,866)
Re-measurement (gain) / loss of employee benefit obligations	17	**(25,791)**	1,224,546
Deferred income tax	14	**3,248,897**	2,623,189

Abdulrahman Aldokheel	Al Waleed Abdulrazak Al Dryaan	Hani Al Bukhaitan
Chief Executive Officer	Chairman	Chief Financial Officer

The accompanying notes form an integral part of these financial statements

1. GENERAL INFORMATION

Mutakamela Insurance Company (formerly 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 11 October 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:

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

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

On 31 July 2003, corresponding to 2 Jumada II 1424H, the Law on the Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia (the "Law") was promulgated by Royal Decree Number (M/32). During March 2008, the Insurance Authority ("IA"), formerly Saudi Central Bank ("SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

On 1 January 2016, the Company's management approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by IA, 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.

On 25 November 2024, the shareholders of the Company, in the extraordinary general assembly meeting, approved to change the name of the Company from Allianz Saudi Fransi Cooperative Insurance Company to Mutakamela Insurance Company. The Company received all non-objections from the regulators and relevant government bodies. This has not had any impact on the Company's financial statements.

Going concern assessment
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. The management believes that, as of 31 December 2024, the going concern assumption remains appropriate and accordingly, has prepared these financial statements on a going concern basis.

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").

As required by the Implementation Regulations issued by the IA, 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.

In accordance with the requirements of Implementing Regulation issued by the IA, and as per by-laws of the Company, shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising from insurance operations is transferred to the shareholders' operations in full.

In preparing the Company's financial statements in compliance with IFRS as endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and 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.

2. BASIS OF PREPARATION (CONTINUED)

b. Basis of measurement

These financial statements are prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss (FVTPL) and investments carried at fair value through other comprehensive income (FVOCI), employee benefit obligations recorded at the present value using the projected unit credit method and liability of incurred claims (LIC) and assets for incurred claims (AIC) recorded at the present value at the current discount rates.

c. Basis of presentation

The Company's statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, prepaid expenses and other assets, accrued income on statutory deposit, accrued and other liabilities, zakat and income taxes payable, and accrued income payable to Insurance Authority. The following balances would generally be classified as non-current: unit linked contracts, investments, deferred tax assets, property and equipment, statutory deposit, and employee benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include term deposits, insurance contract liabilities/assets, reinsurance contract assets/liabilities, right-of-use assets and lease liabilities.

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. Seasonality of operations

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

f. Changes in product and services

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

3. MATERIAL ACCOUNTING POLICIES

3.1 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) ('IFRS')

New and amended IFRS in issue but not yet effective and not early adopted

The Company has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

New and revised IFRS	**Effective for annual periods beginning on or after**
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
The new standard, IFRS 18 - Presentation and Disclosure in Financial Statements (replacing IAS 1 Presentation of Financial Statements)	1 January 2027
IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
The new standard, IFRS S1 'General requirements for disclosure of sustainability-related financial information; and The new standard, IFRS S2 'Climate-related disclosures'	1 January 2024, subject to endorsement by SOCPA

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) ('IFRS') (continued)

New and revised IFRS that are effective for the current year

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements. The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior years.

New and revised IFRS	**Effective for annual periods beginning on or after**
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback arrangement	1 January 2024
Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 – Lack of exchangeability	1 January 2024

3.2 Insurance and reinsurance contracts

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. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC").

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include 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. Life insurance products are offered under Protection & savings and Protection lines of business. These products offer financial protection through life insurance coverage in the event of death or critical illness, along with savings and investment components designed to support long-term financial goals such as retirement, education, or wealth accumulation.

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 distinct embedded derivatives, investment components or any other goods and services.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

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.

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.

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, when the Company determines that a group of contracts becomes onerous.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

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:

For individual policyholder level assessment:
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;

For portfolio level assessment:
i) 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.

Measurement

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

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

The Company’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 Variable Fee Approach (VFA) method has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

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

- Insurance contracts:

The coverage period of Medical Motor, Property and casualty 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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

Testing is completed on both:

- the product level then groups are formed based on the product and the terms of the product, and
- the portfolio level then groups are formed on a portfolio level.

Where the potential deviation is below financial statement materiality, the associated portfolio / product is deemed eligible for the PAA. The upper bound is derived by simulating the maximum potential difference between PAA and GMM for thousands of combinations of input assumptions (term, volatility, expected claims and expense ratio, acquisition expense ratio, risk adjustment) for contracts. It is derived as follows:

- Simulate differences between PAA and GMM for several thousand contracts with various cash flow assumptions,
- Derive a generic curve of the maximum deviation normalized by GWP for each contract duration and level of reasonable shock applied,
- Apply the curve to the projected distribution of premium by contract duration to derive the portfolio potential deviation

The resulting upper-bound curves are then applied to all IFRS 17 portfolios. This effectively ensures that portfolios with a low volume of business but which are likely to be eligible for the PAA are demonstrated to be eligible without requiring a bespoke cash flow projection based on detailed actuarial assumptions and judgement.

For portfolios that have failed the upper-bound PAA eligibility test, a best estimate of the potential deviation between the PAA and the GMM is determined for a hypothetical representative contract. The hypothetical representative contract is identified based on the current contract wording and projected distribution of coverage periods and is assumed to have GWP equal to the projected GWP of the entire portfolio. Where the potential deviation is below financial statement materiality, the associated portfolio is deemed eligible for the PAA.

- Reinsurance contracts:

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

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

<u>Measurement on initial recognition under PAA:</u>

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, plus broker fees paid to a party other than the reinsurer.

On initial recognition of each group of insurance contracts except for longer term policies, 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

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.

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

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

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

a. increased for premiums received in the 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.

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 fulfilment 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 fulfils 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 (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

Liability for incurred claims (LIC): (continued)

The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates).

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

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

Onerous contract assessment

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

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

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

For all contracts measured under PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. This assessment is based on historical analysis of the profitability or the portfolio's pricing adequacy (where applicable). 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

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

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.

<u>Subsequent measurement – Groups of contracts not measured under the PAA</u>

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 fulfilment 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".

<u>Changes in fulfilment cash flows (FCF)</u>

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

Changes in fulfilment cash flows (FCF) (continued)

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).

For investment contracts with discretionary participating features 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 (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

Changes in fulfilment cash flows (FCF) (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 cash flows arise as part of the entity's share of the investment returns is attributed to the policyholder. The Contractual Service Margin (CSM) reflects the unearned profit for the insurer but only for the insurer’s share of the variable fee. This is because part of the variable fee (investment returns) belongs to the policyholder.

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

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.

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).

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Measurement (continued)

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.

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.

Reinsurance contracts held – loss-recovery component

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised when a loss component is set up for the group of onerous underlying insurance contracts.

This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognized on the underlying insurance contracts.

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

Subsequently, the loss recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component of the Company was not affected by changes in the risk of reinsurers’ non-performance.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

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. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- If the modified terms had been included at contract inception and the Company would have concluded that the modified contract is not within the scope of IFRS 17, results in different separable components, results in a different contract boundary or belongs to a different group of contracts;
- The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; and
- The original contract was measured under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

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.

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.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The Company has decided to adopt the Mack Method based on paid triangulation for all lines of business under PAA 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. 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.

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.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Presentation (continued)

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.

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

Insurance revenue
For insurance contracts measured under the premium allocation approach, 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. Such contracts were recognized to have a significant financing component and in line with IFRS 17 standard interest accretion was applied to these contracts but the impact of earned interest was taken as part of the insurance finance expense. Furthermore, for engineering and marine contracts, the revenue recognition pattern followed the methodologies described by IA to ensure compliance.

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 such contracts, the amortization followed the same principles as presented for insurance revenue.

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).

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Presentation (continued)

Net expenses from reinsurance contracts (continued)

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 such contracts, the recognition of reinsurance expense followed the same principles as presented for the underlying insurance revenue.

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
b. 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.

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 portfolios measured under the Premium Allocation Approach (PAA), the option to recognize the effects of changes in interest rates and other financial assumptions in Other Comprehensive Income (OCI) has been elected.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Insurance and reinsurance contracts (continued)

Presentation (continued)

Insurance finance income and expenses (continued)

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.

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:

- 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.

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 fulfilment 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).

3.3 Financial assets and liabilities

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial assets and liabilities (continued)

Initial recognition (continued)

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.

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); and
- 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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial assets and liabilities (continued)

Classification and subsequent measurement of financial assets (continued)

Debt instruments (continued)

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.

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 31 December 2024.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial assets and liabilities (continued)

Classification and subsequent measurement of financial assets (continued)

Equity instruments (continued)

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.

Impairment of financial assets

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

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- The time value of money; and

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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.

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).

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial assets and liabilities (continued)

Impairment of financial assets (continued)

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.

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.

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.

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.

3.4 Other income

Income from Umrah product medical, general and accident insurance fund, is recognised as other income on the basis of quarterly financial statements released by their Fund Manager i.e. The Company for Cooperative Insurance.

3.5 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.

3.6 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 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.

3.8 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.

3.9 Intangible assets

Intangible assets represent computer software and are measured at cost. Intangible assets with a finite useful life are amortised over their estimated useful life in accordance with the pattern of expected consumption of economic benefits. Estimated useful life of software is 4 years. Intangible assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Amortisation expense is included in 'General and administrative expenses' under statement of income.

3.10 Right of use assets and lease liabilities

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.

The Company recognises a right-of-use ("RoU") asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Right of use assets and lease liabilities (continued)

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

RoU assets are depreciated over the shorter period of lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets, if any, are presented as a separate line in the statement of financial position.

The Company applies IAS 36 “Impairment of Assets” to determine whether a RoU asset is impaired and accounts for any identified impairment loss. The Company has used exemption available in IFRS 16 - Leases, for short-term leases and leases of low-value assets.

3.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company’s CGU, to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognised in the statement of income.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 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.

3.13 Employee benefit obligations

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

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

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

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

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

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.

3.14 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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Zakat and income tax (continued)

Income tax (continued)

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.

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.

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.

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 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.

3.16 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 the 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.

3.17 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.

3.18 Share based payments

The Company offers its employees Long Term Incentive Plan (the “Plan”). The plan is approved by IA, 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.

3.19 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.

3.20 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.

3.21 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 five 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;

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Segmental reporting (continued)

- 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;

- Protection and saving segment includes a variety of savings products designed to meet the needs of individuals as well as corporate institutions.

- 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.

3.22 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.

3.23 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.

3.24 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 marketplace.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The 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.

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

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 notable assumptions involved in estimates of future cash flows include mortality rates, morbidity rates, expense factors, risk adjustment rate and interest rates.

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 fulfil 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.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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

The Company adheres to the principles of IFRS 17 in assessing and combining contracts for financial reporting purposes. Contracts are treated as a single unit of account where they meet the following criteria:

1. They are unlikely to be subject to separate transactions due to their interdependent nature.
2. They exhibit similar patterns of expiration or are closely interrelated in generating future cash flows.
3. They possess consistent economic characteristics and risk profiles, ensuring that gains or losses arising from one type of insurance risk are not offset by those from a different type of risk.

The determination to combine contracts is based on professional judgment and considers both the operational and economic substance of the arrangements. This ensures compliance with the principles of aggregation and financial representation outlined in IFRS 17.

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 fulfil the insurance contracts.

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 and PAA, 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’). For contracts under the VFA, the yield curve methodology is consistent with that used under the GMM. However, the starting rate is determined as the average historical actual rate of return on the company's investment portfolio. The Company uses EIOPA rates 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:

SR	**31 December 2024**				
Insurance contracts issued / reinsurance contracts held	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Life insurance	**5.4%**	**5.2%**	**5.2%**	**5.3%**	**5.0%**
General	**5.4%**	**5.2%**	**5.2%**	**5.3%**	**5.0%**

SR	31 December 2023				
Insurance / 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%

4. 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.

For reinsurance contract held, the risk adjustment for non-financial risk represents the amount of risk being transfer by the Company to the reinsurer.

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.

Under GMM/VFA, onerosity is determined by calculating the present values of outflows and inflow. A contract is onerous if present value of outflows is greater than present value of inflows, requiring immediate recognition of the loss component. For calculating the present values of outflows and inflows, assumptions including mortality rates, morbidity rates, expense factors and interest rates are taken consideration.

Estimates for expected premium receipts

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

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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.

PAA eligibility assessment

PAA eligibility testing has been performed for all portfolios measured under PAA 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 Company 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.

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.

Impairment losses on financial assets

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

5. CASH AND CASH EQUIVALENTS

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

	2024 **SR**	2023 SR
Bank balances and cash	**36,779,993**	64,155,343
Deposits	**42,000,000**	62,278,374
Less: Impairment allowance	**(107,600)**	(245,814)
	78,672,393	126,187,903

Bank balances and deposits are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology. 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 2024 (2023: 6.0% per annum). Bank balances and deposits includes SR 42 million maintained with Banque Saudi Fransi (a shareholder) (2023: SR 42 million). The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade. The Company's exposures to credit risk are not collateralized.

6. TERM DEPOSITS

Long-term deposits of SR 118.5 million (2023: SR 50 million) are held with reputable commercial banks and financial institutions with an original maturity of more than one year from the date of placement. These deposits are predominately in Murabaha structure and mostly denominated in Saudi Arabian Riyals and yield financial income at rates ranging from 6% to 6.5% per annum (2023: 6% to 7.5% per annum). The gross carrying amounts above represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade. The Company's exposures to credit risk are not collateralized.

7. INVESTMENTS

The Company has reclassified all investments in bonds and sukuks from financial assets at fair value through other comprehensive income (FVOCI) to financial assets measured at amortized cost (AC) based on approved investment business model during the year ended 31 December 2024.

Investments are classified as follows:

	Note	**2024** **SR**	2023 SR
Financial assets at fair value through profit or loss (FVTPL)	7.1	**46,661,550**	79,195,558
Financial assets at fair value through other comprehensive income (FVOCI)	7.2	**65,727,021**	729,704,122
Financial assets measured at amortized cost (AC)	7.3	**602,780,427**	-
		715,168,998	808,899,680

Investments are categorised as follows:

	2024 **SR**	2023 SR
Quoted	**459,441,977**	427,333,093
Unquoted	**255,727,021**	381,566,587
	715,168,998	808,899,680

7.1 Financial assets at FVTPL

The financial assets at FVTPL are classified as follows:

	2024 **SR**	2023 SR
Bonds and sukuks	**46,661,550**	69,598,125
Mutual funds	**-**	9,597,433
	46,661,550	79,195,558

The movement in financial assets at FVTPL is as follows:

	2024 **SR**	2023 SR
Balance at beginning of the year	**79,195,558**	78,173,786
Additions during the year	**-**	-
Maturity / disposals during the year	**(33,897,058)**	-
Changes in fair value of investments, net	**1,363,050**	1,021,772
Balance at year end	**46,661,550**	79,195,558

7. INVESTMENTS (CONTINUED)

7.2 Financial assets at FVOCI

The financial assets at FVOCI are classified as follows:

	2024	2023
	SR	SR
Bonds and sukuks	**-**	680,067,980
Equities	**65,727,021**	49,636,142
	65,727,021	729,704,122

The movement in financial assets at FVOCI is as follows:

	2024	2023
	SR	SR
Balance at beginning of the year	**729,704,122**	552,561,261
Transferred to financial assets at amortized cost (AC)	**(572,939,784)**	-
Transfer out of impairment allowance	**159,357**	-
Purchases during the year	**9,700,000**	222,813,853
Maturity / disposals during the year	**(106,465,752)**	(73,168,750)
Amortization for the year, net	**(324,232)**	34,530
Changes in fair value of investments	**5,893,310**	27,463,228
Balance at year end	**65,727,021**	729,704,122

7.2.1 Valuation of equity investment in Najm for Insurance Services (Najm)

	2024	2023
	SR	SR
Balance at beginning of the year	**43,484,252**	39,703,127
Unrealized gain on fair value	**17,670,162**	3,781,125
Balance at year end	**61,154,414**	43,484,252

The above represents the Company’s 3.45% (31 December 2023: 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 determined the fair value of its investment in Najm, to be SR 37.03 million at as 1 January 2022 and SR 39.70 million as at 31 December 2022 and SR 43.5 million as at 31 December 2023. 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.

7.2.2 Valuation of equity investment in Saudi NextCare Company

	2024	2023
	SR	SR
Balance at beginning of the year	**2,410,440**	2,610,000
Unrealized loss on fair value	**(848,440)**	(199,560)
Balance at year end	**1,562,000**	2,410,440

The above represent the Company’s 16% (31 December 2023: 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 determined the fair value of its investment in Saudi Next Care, to be SR 2.6 million as at 31 December 2022 and SR 2.41 million as at 31 December 2023. The valuation is based on discounted cash flows which are based on approved projections.

7. INVESTMENTS (CONTINUED)

7.2.3 Movement in expected credit loss (ECL)

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

	2024			
	Stage 1 12-month ECL SR	**Stage 2 ECL not credit impaired SR**	**Stage 3 Lifetime ECL credit impaired SR**	**Total SR**
Balance at beginning of the year	**(220,519)**	-	-	**(220,519)**
Reversal of impairment allowance on investments at FVOCI	**61,162**	**-**	**-**	**61,162**
Transfer out of impairment allowance	**159,357**	**-**	**-**	**159,357**
Balance at year end	**-**	**-**	**-**	**-**

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

7.3 Financial assets at amortized cost (AC)

Financial assets measured at amortized cost (AC) are classified as follows:

	2024 SR	2023 SR
Bonds and sukuks	**602,780,427**	**-**
	602,780,427	**-**

As at 31 December 2024, the Company has reclassified all the debt investment securities amounting to SR 573 million from FVTOCI to Amortise cost based on the Company’s business model assessment. Business Model is approved by the Board of Directors to align its business model as per its ultimate parent Company. Below is the summary of the impact due to this reclassification.

	2024 SR	2023 SR
Balance at beginning of the year	**-**	**-**
Transferred from FVOCI	**572,939,784**	**-**
Purchases during the year	**30,000,000**	**-**
Disposals during the year	**-**	**-**
Less: Impairment allowance	**(159,357)**	**-**
Balance at year end	**602,780,427**	**-**

7. INVESTMENTS (CONTINUED)

7.3.1 Movement in expected credit loss (ECL)

The movement in ECL for investments at AC for the year is as follows:

	2024			
	Stage 1 12-month ECL SR	**Stage 2 ECL not credit impaired SR**	**Stage 3 Lifetime ECL credit impaired SR**	**Total SR**
Balance at beginning of the year	**-**	-	-	**-**
Transfer in of impairment allowance	**(159,357)**	**-**	**-**	**(159,357)**
Balance at year end	**(159,357)**	**-**	**-**	**(159,357)**

	2023			
	Stage 1 12-month ECL SR	Stage 2 ECL not credit impaired SR	Stage 3 Lifetime ECL credit impaired SR	Total SR
Balance at beginning of the year	-	-	-	-
Movement during the year	-	-	-	-
Balance at year end	-	-	-	-

7.4 Investment income

Details of investment income for the year are as follows:

	Note	**2024 SR**	2023 SR
Income from financial assets measured at FVTPL			
Commission income on financial assets for unit linked contracts	8	**26,093,573**	51,491,709
Gain on investments at fair value		**1,363,050**	1,021,772
		27,456,623	52,513,481

	2024 SR	2023 SR
Income from financial assets not measured at FVTPL		
Coupon income	**43,621,889**	32,283,218
Interest income on time deposit	**4,482,961**	7,582,910
	48,104,850	39,866,128

7.5 Geographical concentration

The maximum exposure to credit and price risk for Investments and financial assets for unit linked contracts at the reporting date by geographic region is as follows:

	2024 SR	2023 SR
Kingdom of Saudi Arabia	**1,165,754,990**	1,272,563,206
Outside Kingdom of Saudi Arabia	**33,488,602**	37,318,249
	1,199,243,592	1,309,881,455

8. FINANCIAL ASSETS FOR UNIT LINKED CONTRACTS

The fair values for unit linked investments are as follows:

	2024 **SR**	2023 SR
Local funds	**466,129,408**	485,874,955
Foreign funds	**17,945,186**	15,106,820
	484,074,594	500,981,775

Portfolios of the funds are as follows:

	2024 **SR**	2023 SR
Al Badr Fund Saudi Riyal	**205,701,402**	205,723,497
Al Ghad/Al Anjal Low Risk Fund*	**112,968,471**	131,622,387
Al Saffa Equity Fund	**116,808,516**	117,100,399
Al Ghad/Al Anjal Murabaha Fund*	**12,583,008**	13,258,545
Al Badr Fund US Dollar	**17,914,380**	18,840,388
Al Danah GCC Equity Fund	**14,156,883**	10,514,522
Saudi Istithmar Fund	**2,417,290**	2,389,169
Money Market Fund Saudi Riyal	**1,524,644**	1,532,868
	484,074,594	500,981,775

*These funds mainly includes underlying investments in bonds and sukuks

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 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.

	2024 **SR**	2023 SR
Balance at beginning of the year	**500,981,775**	487,049,866
Purchases during the year	**70,818,108**	98,839,732
Disposals during the year	**(113,818,862)**	(108,529,665)
Changes in fair value of investments, net	**26,093,573**	23,621,842
Balance at year end	**484,074,594**	500,981,775

9. INSURANCE CONTRACT ASSETS / LIABILITIES

An analysis of the amounts presented on the statement of financial position for insurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

	Valuation approach	2024 SR		2023 SR	
		Assets	**Liabilities**	Assets	Liabilities
Medical	**PAA**	**72,751,849**	**151,760,594**	90,559,341	153,257,448
Motor	**PAA**	**49,248,988**	**56,761,510**	32,410,546	96,887,140
Property and casualty	**PAA**	**18,518,386**	**309,696,955**	17,000,366	290,166,166
Group life	**PAA**	**-**	**42,525,417**	2,710,850	63,347,567
Total – PAA		**140,519,223**	**560,744,476**	142,681,103	603,658,321
Protection and saving	**VFA**	**1,743,494**	**467,182,381**	2,453,370	507,259,433
Protection	**GMM**	**333,286**	**212,986**	451,432	217,146
Total – VFA / GMM		**2,076,780**	**467,395,367**	2,904,802	507,476,579
Total insurance contract assets & liabilities		**142,596,003**	**1,028,139,843**	145,585,905	1,111,134,900

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, gross (Medical)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**		**Total**	Liability for remaining coverage		Liability for incurred claims		Total
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Net insurance contract assets / (liabilities) as at January 1,	**78,891,391**	**(4,188,510)**	**(131,418,157)**	**(5,982,831)**	**(62,698,107)**	69,839,127	(5,409,639)	(124,792,635)	(5,531,593)	(65,894,740)
Insurance contract liabilities as at January 1,	**(11,667,950)**	**(4,188,510)**	**(131,418,157)**	**(5,982,831)**	**(153,257,448)**	(5,774,086)	(5,409,639)	(124,792,635)	(5,531,593)	(141,507,953)
Insurance contract assets as at January 1,	**90,559,341**	**-**	**-**	**-**	**90,559,341**	75,613,213	-	-	-	75,613,213
<u>Insurance revenue</u>	**321,510,479**	**-**	**-**	**-**	**321,510,479**	274,742,562	-	-	-	274,742,562
<u>Insurance service expenses</u>	**(23,060,659)**	**(689,184)**	**(316,454,749)**	**2,613,890**	**(337,590,702)**	(17,938,055)	1,221,129	(222,160,538)	(388,452)	(239,265,916)
Paid claims and other expenses	**-**	**-**	**(340,916,827)**	**-**	**(340,916,827)**	-	-	(154,015,346)	-	(154,015,346)
Amortization of insurance acquisition cash flows	**(23,060,659)**	**-**	**-**	**-**	**(23,060,659)**	(17,938,055)	-	-	-	(17,938,055)
Losses on onerous contracts and reversals	**-**	**(689,184)**	**-**	**-**	**(689,184)**	-	1,221,129	-	-	1,221,129
Changes in liabilities for incurred claims	**-**	**-**	**46,540,841**	**2,613,890**	**49,154,731**	-	-	(16,087,108)	(388,452)	(16,475,560)
Attributable expenses	**-**	**-**	**(24,051,262)**	**-**	**(24,051,262)**	-	-	(30,030,276)	-	(30,030,276)
Other movements (including surplus)	**-**	**-**	**1,972,499**	**-**	**1,972,499**	-	-	(22,027,808)	-	(22,027,808)
<u>Insurance service result</u>	**298,449,820**	**(689,184)**	**(316,454,749)**	**2,613,890**	**(16,080,223)**	256,804,507	1,221,129	(222,160,538)	(388,452)	35,476,646
Insurance finance expenses/income	**-**	**-**	**(1,800,313)**	**-**	**(1,800,313)**	-	-	(1,816,205)	(62,786)	(1,878,991)
Insurance finance expenses/income - P&L	**-**	**-**	**(1,694,408)**	**-**	**(1,694,408)**	-	-	(1,144,329)	(62,786)	(1,207,115)
Insurance finance expenses/income – OCI	**-**	**-**	**(105,905)**	**-**	**(105,905)**	-	-	(671,876)	-	(671,876)
<u>Total changes in the profit or loss and OCI</u>	**298,449,820**	**(689,184)**	**(318,255,062)**	**2,613,890**	**(17,880,536)**	256,804,507	1,221,129	(223,976,743)	(451,238)	33,597,655
Cash flows					**-**					
Premiums received	**(328,678,123)**	**-**	**-**	**-**	**(328,678,123)**	(269,263,885)	-	-	-	(269,263,885)
Claims and other expenses paid	**-**	**-**	**262,724,214**	**-**	**262,724,214**	-	-	160,602,878	-	160,602,878
Directly attributable expenses paid	**-**	**-**	**24,051,262**	**-**	**24,051,262**	-	-	30,030,276	-	30,030,276
Insurance acquisition cash flows paid	**17,113,101**	**-**	**-**	**-**	**17,113,101**	21,511,642	-	-	-	21,511,642
Other cash flows (including expired policy)	**-**	**-**	**26,359,444**	**-**	**26,359,444**	-	-	26,718,067	-	26,718,067
<u>Total cash flows</u>	**(311,565,022)**	**-**	**313,134,920**	**-**	**1,569,898**	(247,752,243)	-	217,351,221	-	(30,401,022)
Net insurance contract assets / (liabilities) as at December 31,	**65,776,189**	**(4,877,694)**	**(136,538,299)**	**(3,368,941)**	**(79,008,746)**	78,891,391	(4,188,510)	(131,418,157)	(5,982,831)	(62,698,107)
Insurance contract liabilities as at December 31,	**(6,975,660)**	**(4,877,694)**	**(136,538,299)**	**(3,368,941)**	**(151,760,594)**	(11,667,950)	(4,188,510)	(131,418,157)	(5,982,831)	(153,257,448)
Insurance contract assets as at December 31,	**72,751,849**	**-**	**-**	**-**	**72,751,849**	90,559,341	-	-	-	90,559,341

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, gross (Motor)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**		**Total**	Liability for remaining coverage		Liability for incurred claims		Total
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Net insurance contract assets / (liabilities) as at January 1,	**(24,824,419)**	**(1,044,200)**	**(35,383,322)**	**(3,224,653)**	**(64,476,594)**	(26,871,917)	(3,179,286)	(1,797,500)	(2,288,586)	(34,137,289)
Insurance contract liabilities as at January 1,	**(51,284,766)**	**(1,044,200)**	**(41,222,998)**	**(3,335,176)**	**(96,887,140)**	27,729,459	-	18,125,379	-	45,854,838
Insurance contract assets as at January 1,	**26,460,347**	**-**	**5,839,676**	**110,523**	**32,410,546**	(54,601,376)	(3,179,286)	(19,922,879)	(2,288,586)	(79,992,127)
Insurance revenue	**239,222,871**	**-**	**-**	**-**	**239,222,871**	292,802,595	-	-	-	292,802,595
Insurance service expenses	**(30,232,703)**	**(3,799,440)**	**(201,334,074)**	**1,677,375**	**(233,688,842)**	(36,385,427)	2,135,086	(257,510,845)	(893,983)	(292,655,169)
Paid claims and other expenses	**-**	**-**	**(204,954,634)**	**-**	**(204,954,634)**	-	-	(213,290,890)	-	(213,290,890)
Amortization of insurance acquisition cash flows	**(30,232,703)**	**-**	**-**	**-**	**(30,232,703)**	(36,385,427)	-	-	-	(36,385,427)
Losses on onerous contracts and reversals	**-**	**(3,799,440)**	**-**	**-**	**(3,799,440)**	-	2,135,086	-	-	2,135,086
Changes in liabilities for incurred claims	**-**	**-**	**29,141,994**	**1,677,375**	**30,819,369**	-	-	(19,468,060)	(893,983)	(20,362,043)
Attributable expenses	**-**	**-**	**(26,887,033)**	**-**	**(26,887,033)**	-	-	(23,825,759)	-	(23,825,759)
Other movements (including surplus)	**-**	**-**	**1,365,599**	**-**	**1,365,599**	-	-	(926,136)	-	(926,136)
Insurance service result	**208,990,168**	**(3,799,440)**	**(201,334,074)**	**1,677,375**	**5,534,029**	256,417,168	2,135,086	(257,510,845)	(893,983)	147,426
Insurance finance expenses/income	**-**	**-**	**(1,690,690)**	**-**	**(1,690,690)**	-	-	(1,809,382)	(42,084)	(1,851,466)
Insurance finance expenses/income - P&L	**-**	**-**	**(1,547,092)**	**-**	**(1,547,092)**	-	-	(1,104,880)	(42,084)	(1,146,964)
Insurance finance expenses/income – OCI	**-**	**-**	**(143,598)**	**-**	**(143,598)**	-	-	(704,502)	-	(704,502)
Total changes in the profit or loss and OCI	**208,990,168**	**(3,799,440)**	**(203,024,764)**	**1,677,375**	**3,843,339**	256,417,168	2,135,086	(259,320,227)	(936,067)	(1,704,040)
Cash flows										
Premiums received	**(260,357,841)**	**-**	**-**	**-**	**(260,357,841)**	(285,407,821)	-	-	-	(285,407,821)
Claims and other expenses paid	**-**	**-**	**198,511,174**	**-**	**198,511,174**	-	-	207,439,895	-	207,439,895
Directly attributable expenses paid	**-**	**-**	**26,887,033**	**-**	**26,887,033**	-	-	23,825,759	-	23,825,759
Insurance acquisition cash flows paid	**31,752,439**	**-**	**-**	**-**	**31,752,439**	31,038,151	-	-	-	31,038,151
Other cash flows (including expired policy)	**-**	**-**	**56,327,929**	**-**	**56,327,929**	-	-	(5,531,249)	-	(5,531,249)
Total cash flows	**(228,605,402)**	**-**	**281,726,136**	**-**	**53,120,734**	(254,369,670)	-	225,734,405	-	(28,635,265)
Net insurance contract assets / (liabilities) as at December 31,	**(44,439,654)**	**(4,843,640)**	**43,318,050**	**(1,547,278)**	**(7,512,521)**	(24,824,419)	(1,044,200)	(35,383,322)	(3,224,653)	(64,476,594)
Insurance contract liabilities as at December 31,	**(47,921,305)**	**(4,843,640)**	**(2,449,287)**	**(1,547,278)**	**(56,761,510)**	(51,284,766)	(1,044,200)	(41,222,998)	(3,335,176)	(96,887,140)
Insurance contract assets as at December 31,	**3,481,651**	**-**	**45,767,337**	**-**	**49,248,988**	26,460,347	-	5,839,676	110,523	32,410,546

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, gross (Property and casualty)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**		**Total**	Liability for remaining coverage		Liability for incurred claims		Total
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Net insurance contract assets / (liabilities) as at January 1,	**(35,989,435)**	**-**	**(224,037,334)**	**(13,139,031)**	**(273,165,800)**	38,810,502	-	(268,109,433)	(12,226,127)	(241,525,058)
Insurance contract liabilities as at January 1,	**(47,438,735)**	**-**	**(229,588,400)**	**(13,139,031)**	**(290,166,166)**	39,573,432	-	511,992	-	40,085,424
Insurance contract assets as at January 1,	**11,449,300**	**-**	**5,551,066**	**-**	**17,000,366**	(762,930)	-	(268,621,425)	(12,226,127)	(281,610,482)
Insurance revenue	**238,842,396**	**-**	**-**	**-**	**238,842,396**	208,316,496	-	-	-	208,316,496
Insurance service expenses	**(22,900,468)**	**-**	**(89,679,870)**	**(1,149,749)**	**(113,730,087)**	(21,326,693)	-	(71,796,053)	(522,310)	(93,645,056)
Paid claims and other expenses	**-**	**-**	**(53,472,102)**	**-**	**(53,472,102)**	-	-	(71,329,847)	-	(71,329,847)
Amortization of insurance acquisition cash flows	**(22,900,468)**	**-**	**-**	**-**	**(22,900,468)**	(21,326,693)	-	-	-	(21,326,693)
Losses on onerous contracts and reversals	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes in liabilities for incurred claims	**-**	**-**	**(10,694,929)**	**(1,149,749)**	**(11,844,678)**	-	-	22,574,615	(522,310)	22,052,305
Attributable expenses	**-**	**-**	**(25,111,678)**	**-**	**(25,111,678)**	-	-	(22,410,386)	-	(22,410,386)
Other movements (including surplus)	**-**	**-**	**(401,161)**	**-**	**(401,161)**	-	-	(630,435)	-	(630,435)
Insurance service result	**215,941,928**	**-**	**(89,679,870)**	**(1,149,749)**	**125,112,309**	186,989,803	-	(71,796,053)	(522,310)	114,671,440
Insurance finance expenses/income	**(6,161,242)**	**-**	**(12,311,251)**	**-**	**(18,472,493)**	(1,478,580)	-	(12,291,668)	(390,594)	(14,160,842)
Insurance finance expenses/income - P&L	**(6,161,242)**	**-**	**(12,449,747)**	**-**	**(18,610,989)**	(1,478,580)	-	(8,773,062)	(390,594)	(10,642,236)
Insurance finance expenses/income – OCI	**-**	**-**	**138,496**	**-**	**138,496**	-	-	(3,518,606)	-	(3,518,606)
Total changes in the profit or loss and OCI	**209,780,686**	**-**	**(101,991,121)**	**(1,149,749)**	**106,639,816**	185,511,223	-	(84,087,721)	(912,904)	100,510,598
Cash flows										
Premiums received	**(234,708,294)**	**-**	**-**	**-**	**(234,708,294)**	(282,017,718)	-	-	-	(282,017,718)
Claims and other expenses paid	**-**	**-**	**51,324,876**	**-**	**51,324,876**	-	-	71,645,364	-	71,645,364
Directly attributable expenses paid	**-**	**-**	**25,111,678**	**-**	**25,111,678**	-	-	22,410,386	-	22,410,386
Insurance acquisition cash flows paid	**20,784,693**	**-**	**-**	**-**	**20,784,693**	21,706,558	-	-	-	21,706,558
Other cash flows (including expired policy)	**-**	**-**	**12,834,462**	**-**	**12,834,462**	-	-	34,104,070	-	34,104,070
Total cash flows	**(213,923,601)**	**-**	**89,271,014**	**-**	**(124,652,587)**	(260,311,160)	-	128,159,820	-	(132,151,340)
Net insurance contract assets / (liabilities) as at December 31,	**(40,132,350)**	**-**	**(236,757,439)**	**(14,288,780)**	**(291,178,569)**	(35,989,435)	-	(224,037,334)	(13,139,031)	(273,165,800)
Insurance contract liabilities as at December 31,	**(41,890,280)**	**-**	**(253,517,895)**	**(14,288,780)**	**(309,696,955)**	(47,438,735)	-	(229,588,400)	(13,139,031)	(290,166,166)
Insurance contract assets as at December 31,	**1,757,930**	**-**	**16,760,456**	**-**	**18,518,386**	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 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract assets / (liabilities) as at January 1,	**(25,460,228)**	**-**	**(34,131,192)**	**(1,045,297)**	**(60,636,717)**	(31,425,753)	(33,773)	(23,955,253)	(660,689)	(56,075,468)
Insurance contract liabilities as at January 1,	**(28,171,078)**	**-**	**(34,131,192)**	**(1,045,297)**	**(63,347,567)**	-	-	-	-	-
Insurance contract assets as at January 1,	**2,710,850**	**-**	**-**	**-**	**2,710,850**	(31,425,753)	(33,773)	(23,955,253)	(660,689)	(56,075,468)
Insurance revenue	**67,145,220**	**-**	**-**	**-**	**67,145,220**	73,756,329	-	-	-	73,756,329
Insurance service expenses	**(5,656,062)**	**-**	**(52,970,804)**	**(125,042)**	**(58,751,908)**	(1,104,555)	33,773	(61,807,086)	(370,529)	(63,248,397)
Paid claims and other expenses	**-**	**-**	**(42,493,393)**	**-**	**(42,493,393)**	-	-	(47,460,775)	-	(47,460,775)
Amortization of insurance acquisition cash flows	**(5,656,062)**	**-**	**-**	**-**	**(5,656,062)**	(1,104,555)	-	-	-	(1,104,555)
Losses on onerous contracts and reversals	**-**	**-**	**-**	**-**	**-**	-	33,773	-	-	33,773
Changes in liabilities for incurred claims	**-**	**-**	**(4,517,092)**	**(125,042)**	**(4,642,134)**	-	-	(8,702,766)	(370,529)	(9,073,295)
Attributable expenses	**-**	**-**	**(5,871,203)**	**-**	**(5,871,203)**	-	-	(5,426,558)	-	(5,426,558)
Other movements (including surplus)	**-**	**-**	**(89,116)**	**-**	**(89,116)**	-	-	(216,987)	-	(216,987)
Insurance service result	**61,489,158**	**-**	**(52,970,804)**	**(125,042)**	**8,393,312**	72,651,774	33,773	(61,807,086)	(370,529)	10,507,932
Insurance finance expenses/income	**-**	**-**	**(494,632)**	**-**	**(494,632)**	-	-	(655,811)	(14,079)	(669,890)
Insurance finance expenses/income - P&L	**-**	**-**	**(537,362)**	**-**	**(537,362)**	-	-	(490,209)	(14,079)	(504,288)
Insurance finance expenses/income – OCI	**-**	**-**	**42,730**	**-**	**42,730**	-	-	(165,602)	-	(165,602)
Total changes in the profit or loss and OCI	**61,489,158**	**-**	**(53,465,436)**	**(125,042)**	**7,898,680**	72,651,774	33,773	(62,462,897)	(384,608)	9,838,042
Cash flows										
Premiums received	**(42,849,876)**	**-**	**-**	**-**	**(42,849,876)**	(68,217,069)	-	-	-	(68,217,069)
Claims and other expenses paid	**-**	**-**	**42,033,644**	**-**	**42,033,644**	-	-	46,691,313	-	46,691,313
Directly attributable expenses paid	**-**	**-**	**5,871,203**	**-**	**5,871,203**	-	-	5,426,558	-	5,426,558
Insurance acquisition cash flows paid	**5,160,221**	**-**	**-**	**-**	**5,160,221**	1,530,820	-	-	-	1,530,820
Other cash flows (including expired policy)	**-**	**-**	**(2,572)**	**-**	**(2,572)**	-	-	169,087	-	169,087
Total cash flows	**(37,689,655)**	**-**	**47,902,275**	**-**	**10,212,620**	(66,686,249)	-	52,286,958	-	(14,399,291)
Net insurance contract assets / (liabilities) as at December 31,	**(1,660,725)**	**-**	**(39,694,353)**	**(1,170,339)**	**(42,525,417)**	(25,460,228)	-	(34,131,192)	(1,045,297)	(60,636,717)
Insurance contract liabilities as at December 31,	**(1,660,725)**	**-**	**(39,694,353)**	**(1,170,339)**	**(42,525,417)**	(28,171,078)	-	(34,131,192)	(1,045,297)	(63,347,567)
Insurance contract assets as at December 31,	**-**	**-**	**-**	**-**	**-**	2,710,850	-	-	-	2,710,850

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, gross (Total)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**		**Total**	Liability for remaining coverage		Liability for incurred claims		Total
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Net insurance contract assets / (liabilities) as at January 1,	(7,382,691)	(5,232,710)	(424,970,005)	(23,391,812)	(460,977,218)	50,351,959	(8,622,698)	(418,654,821)	(20,706,995)	(397,632,555)
Insurance contract liabilities as at January 1,	(138,562,529)	(5,232,710)	(436,360,747)	(23,502,335)	(603,658,321)	142,916,104	-	18,637,371	-	161,553,475
Insurance contract assets as at January 1,	131,179,838	-	11,390,742	110,523	142,681,103	(92,564,145)	(8,622,698)	(437,292,192)	(20,706,995)	(559,186,030)
Insurance revenue	866,720,966	-	-	-	866,720,966	849,617,982	-	-	-	849,617,982
Insurance service expenses	(81,849,893)	(4,488,624)	(660,439,496)	3,016,474	(743,761,539)	(76,754,730)	3,389,988	(613,274,522)	(2,175,274)	(688,814,538)
Paid claims and other expenses	-	-	(641,836,956)	-	(641,836,956)	-	-	(486,096,858)	-	(486,096,858)
Amortization of insurance acquisition cash flows	(81,849,893)	-	-	-	(81,849,893)	(76,754,730)	-	-	-	(76,754,730)
Losses on onerous contracts and reversals		(4,488,624)	-	-	(4,488,624)	-	3,389,988	-	-	3,389,988
Changes in liabilities for incurred claims	-	-	60,470,814	3,016,474	63,487,288	-	-	(21,683,319)	(2,175,274)	(23,858,593)
Attributable expenses	-	-	(81,921,176)	-	(81,921,176)	-	-	(81,692,979)	-	(81,692,979)
Other movements (including surplus)	-	-	2,847,822	-	2,847,822	-	-	(23,801,366)	-	(23,801,366)
Insurance service result	784,871,073	(4,488,624)	(660,439,496)	3,016,474	122,959,427	772,863,252	3,389,988	(613,274,522)	(2,175,274)	160,803,444
Insurance finance expenses/income	(6,161,242)	-	(16,296,887)	-	(22,458,129)	(1,478,580)	-	(16,573,066)	(509,543)	(18,561,189)
Insurance finance expenses/income - P&L	(6,161,242)	-	(16,228,609)	-	(22,389,851)	(1,478,580)	-	(11,512,480)	(509,543)	(13,500,603)
Insurance finance expenses/income – OCI	-	-	(68,278)	-	(68,278)	-	-	(5,060,586)	-	(5,060,586)
Total changes in the profit or loss and OCI	778,709,831	(4,488,624)	(676,736,383)	3,016,474	100,501,298	771,384,672	3,389,988	(629,847,588)	(2,684,817)	142,242,255
Cash flows										
Premiums received	(866,594,131)	-	-	-	(866,594,131)	(904,906,493)	-	-	-	(904,906,493)
Claims and other expenses paid	-	-	554,593,906	-	554,593,906	-	-	486,379,450	-	486,379,450
Directly attributable expenses paid	-	-	81,921,176	-	81,921,176	-	-	81,692,979	-	81,692,979
Insurance acquisition cash flows paid	74,810,452	-	-	-	74,810,452	75,787,171	-	-	-	75,787,171
Other cash flows (including expired policy)	-	-	95,519,264	-	95,519,264	-	-	55,459,975	-	55,459,975
Total cash flows	(791,783,679)	-	732,034,348	-	(59,749,331)	(829,119,322)	-	623,532,404	-	(205,586,918)
Net insurance contract assets / (liabilities) as at December 31,	(20,456,539)	(9,721,335)	(369,672,040)	(20,375,339)	(420,225,253)	(7,382,691)	(5,232,710)	(424,970,005)	(23,391,812)	(460,977,218)
Insurance contract liabilities as at December 31,	(98,447,969)	(9,721,335)	(432,199,832)	(20,375,339)	(560,744,476)	(138,562,529)	(5,232,710)	(436,360,747)	(23,502,335)	(603,658,321)
Insurance contract assets as at December 31,	77,991,430	-	62,527,792	-	140,519,223	131,179,838	-	11,390,742	110,523	142,681,103

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

b. VFA, gross (Protection and saving)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	**Total**
Net insurance contract assets / (liabilities) as at January 1,	**(466,810,451)**	**(16,127,346)**	**(21,766,293)**	**(101,973)**	**(504,806,063)**	(463,324,780)	(11,865,396)	(15,925,231)	(90,527)	(491,205,934)
Insurance contract liabilities as at January 1,	**(469,263,821)**	**(16,127,346)**	**(21,766,293)**	**(101,973)**	**(507,259,433)**	3,119,835	-	8,870	-	3,128,705
Insurance contract assets as at January 1,	**2,453,370**	**-**	**-**	**-**	**2,453,370**	(466,444,615)	(11,865,396)	(15,934,101)	(90,527)	(494,334,639)
<u>Insurance revenue</u>	**6,775,831**	**-**	**-**	**-**	**6,775,831**	12,435,264	-	-	-	12,435,264
<u>Insurance service expenses</u>	**112,050,856**	**3,139,388**	**(124,596,336)**	**10,966**	**(9,395,126)**	95,624,834	(4,261,950)	(107,220,903)	(11,446)	(15,869,465)
Incurred in current year, paid in current year	**-**	**-**	**1,015**	**(435)**	**580**	-	-	(1,113,340)	-	(1,113,340)
Changes that relate to past service – adjustments to LIC	**-**	**-**	**(312,211)**	**11,401**	**(300,810)**	-	-	(162,213)	(11,446)	(173,659)
Directly attributable expenses	**-**	**-**	**(11,065,563)**	**-**	**(11,065,563)**	-	-	(9,370,235)	-	(9,370,235)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows	**(1,168,721)**	**-**	**-**	**-**	**(1,168,721)**	(950,281)	-	-	-	(950,281)
Losses on onerous contracts and reversals	**-**	**3,139,388**	**-**	**-**	**3,139,388**	-	(4,261,950)	-	-	(4,261,950)
Investment components	**113,219,577**	**-**	**(113,219,577)**	**-**	**-**	96,575,115	-	(96,575,115)	-	-
Surrenders	**70,196,138**	**-**	**(70,196,138)**	**-**	**-**	59,876,571	-	(59,876,571)	-	-
Maturities	**43,023,439**	**-**	**(43,023,439)**	**-**	**-**	36,698,544	-	(36,698,544)	-	-
<u>Insurance service result</u>	**118,826,687**	**3,139,388**	**(124,596,336)**	**10,966**	**(2,619,295)**	108,060,098	(4,261,950)	(107,220,903)	(11,446)	(3,434,201)
Insurance finance expenses/income - P&L	**(26,093,573)**	**-**	**-**	**-**	**(26,093,573)**	(51,491,709)	-	-	-	(51,491,709)
Total changes in the profit or loss and OCI	**92,733,114**	**3,139,388**	**(124,596,336)**	**10,966**	**(28,712,868)**	56,568,389	(4,261,950)	(107,220,903)	(11,446)	(54,925,910)
Cash flows					**-**					
Premium received	**56,246,121**	**-**	**-**	**-**	**56,246,121**	63,298,949	-	-	-	63,298,949
Claims paid	**-**	**-**	**(109,387,966)**	**-**	**(109,387,966)**	-	-	(92,009,606)	-	(92,009,606)
Directly attributable expenses paid	**-**	**-**	**(11,054,884)**	**-**	**(11,054,884)**	-	-	(9,370,235)	-	(9,370,235)
Insurance acquisition cash flows	**(3,883,315)**	**-**	**-**	**-**	**(3,883,315)**	(3,244,889)	-	-	-	(3,244,889)
<u>Total cash flows</u>	**52,362,806**	**-**	**(120,442,850)**	**-**	**(68,080,044)**	60,054,060	-	(101,379,841)	-	(41,325,781)
Net insurance contract assets / (liabilities) as at December 31,	**(426,440,143)**	**(12,987,958)**	**(25,919,779)**	**(91,007)**	**(465,438,887)**	(466,810,451)	(16,127,346)	(21,766,293)	(101,973)	(504,806,063)
Insurance contract liabilities as at December 31,	**(428,183,637)**	**(12,987,958)**	**(25,919,779)**	**(91,007)**	**(467,182,381)**	(469,263,821)	(16,127,346)	(21,766,293)	(101,973)	(507,259,433)
Insurance contract assets as at December 31,	**1,743,494**	**-**	**-**	**-**	**1,743,494**	2,453,370	-	-	-	2,453,370

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

c. GMM, gross (Protection)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract assets / (liabilities) as at January 1,	**451,432**	**(172,967)**	**(42,940)**	**(1,239)**	**234,286**	240,312	(207,807)	(59,319)	(1,473)	(28,287)
Insurance contract assets as at January 1,	**451,432**	**-**	**-**	**-**	**451,432**	240,312	-	-	-	240,312
Insurance contract liabilities as at January 1,	**-**	**(172,967)**	**(42,940)**	**(1,239)**	**(217,146)**	-	(207,807)	(59,319)	(1,473)	(268,599)
<u>Insurance revenue</u>	**388,508**	**-**	**-**	**-**	**388,508**	571,821	-	-	-	571,821
<u>Insurance service expenses</u>	**1,510**	**32,840**	**(32,297)**	**(1,080)**	**973**	(159,188)	34,840	(45,163)	234	(169,277)
Incurred in current year, paid in current year	**-**	**-**	**(10,678)**	**-**	**(10,678)**	-	-	-	-	-
Changes that relate to past service – adjustments to LIC	**-**	**-**	**(21,619)**	**(1,080)**	**(22,699)**	-	-	4,700	234	4,934
Directly attributable expenses	**-**	**-**	**-**	**-**	**-**	-	-	(49,863)	-	(49,863)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows	**1,510**	**-**	**-**	**-**	**1,510**	(159,188)	-	-	-	(159,188)
Losses on onerous contracts and reversals	**-**	**32,840**	**-**	**-**	**32,840**	-	34,840	-	-	34,840
<u>Insurance service result</u>	**390,018**	**32,840**	**(32,297)**	**(1,080)**	**389,481**	412,633	34,840	(45,163)	234	402,544
Insurance finance expenses/income - P&L	**(7,111)**	**187**	**-**	**-**	**(6,924)**	18,701	-	-	-	18,701
Total changes in the profit or loss and OCI	**382,907**	**33,027**	**(32,297)**	**(1,080)**	**382,557**	431,334	34,840	(45,163)	234	421,245
Cash flows					**-**					
Premium received	**503,907**	**-**	**-**	**-**	**503,907**	495,937	-	-	-	495,937
Claims paid	**-**	**-**	**6,169**	**-**	**6,169**	-	-	(11,679)	-	(11,679)
Directly attributable expenses paid	**-**	**-**	**(10,678)**	**-**	**(10,678)**	-	-	(49,863)	-	(49,863)
Insurance acquisition cash flows	**(2,854)**	**-**	**-**	**-**	**(2,854)**	(275,723)	-	-	-	(275,723)
<u>Total cash flows</u>	**501,053**	**-**	**(4,509)**	**-**	**496,544**	220,214	-	(61,542)	-	158,672
Net insurance contract assets / (liabilities) as at December 31,	**333,286**	**(139,940)**	**(70,728)**	**(2,319)**	**120,299**	451,432	(172,967)	(42,940)	(1,239)	234,286
Insurance contract liabilities as at December 31,	**-**	**(139,940)**	**(70,728)**	**(2,319)**	**(212,987)**	-	(172,967)	(42,940)	(1,239)	(217,146)
Insurance contract assets as at December 31,	**333,286**	**-**	**-**	**-**	**333,286**	451,432	-	-	-	451,432

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

d. GMM, VFA, gross (Total)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
SR	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	Total	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract assets / (liabilities) as at January 1,	**(466,359,019)**	**(16,300,313)**	**(21,809,233)**	**(103,212)**	**(504,571,777)**	(463,084,468)	(12,073,203)	(15,984,550)	(92,000)	(491,234,221)
Insurance contract liabilities as at January 1,	**(469,263,821)**	**(16,300,313)**	**(21,809,233)**	**(103,212)**	**(507,476,579)**	3,360,147	-	8,870	-	3,369,017
Insurance contract assets as at January 1,	**2,904,802**	**-**	**-**	**-**	**2,904,802**	(466,444,615)	(12,073,203)	(15,993,420)	(92,000)	(494,603,238)
<u>Insurance revenue</u>	**7,164,339**	**-**	**-**	**-**	**7,164,339**	13,007,085	-	-	-	13,007,085
<u>Insurance service expenses</u>	**112,052,366**	**3,172,228**	**(124,628,633)**	**9,886**	**(9,394,153)**	95,465,646	(4,227,110)	(107,266,066)	(11,212)	(16,038,742)
Incurred in current year, paid in current year	-	-	**(9,663)**	**(435)**	**(10,098)**	-	-	(1,113,340)	-	(1,113,340)
Incurred in current year, outstanding at year end	-	-	(333,830)	**10,321**	**(323,509)**	-	-	(157,513)	(11,212)	(168,725)
Directly attributable expenses	-	-	**(11,065,563)**	-	**(11,065,563)**	-	-	(9,420,098)	-	(9,420,098)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows	**(1,167,211)**	-	-	-	**(1,167,211)**	(1,109,469)	-	-	-	(1,109,469)
Losses on onerous contracts and reversals	-	**3,172,228**	-	-	**3,172,228**	-	(4,227,110)	-	-	(4,227,110)
Investment components	**113,219,577**	-	**(113,219,577)**	-	-	96,575,115	-	(96,575,115)	-	-
Surrenders	**70,196,138**	-	**(70,196,138)**	-	-	59,876,571	-	(59,876,571)	-	-
Maturities	**43,023,439**	-	**(43,023,439)**	-	-	36,698,544	-	(36,698,544)	-	-
<u>Insurance service result</u>	**119,216,705**	**3,172,228**	**(124,628,633)**	**9,886**	**(2,229,814)**	108,472,731	(4,227,110)	(107,266,066)	(11,212)	(3,031,657)
Insurance finance expenses/income - P&L	**(26,100,684)**	**187**	-	-	**(26,100,497)**	(51,473,008)	-	-	-	(51,473,008)
Total changes in the profit or loss and OCI	**93,116,021**	**3,172,415**	**(124,628,633)**	**9,886**	**(28,330,311)**	56,999,723	(4,227,110)	(107,266,066)	(11,212)	(54,504,665)
Cash flows					-					
Premium received	**56,750,028**	-	-	-	**56,750,028**	63,794,886	-	-	-	63,794,886
Claims paid	-	-	**(109,381,797)**	-	**(109,381,797)**	-	-	(92,021,285)	-	(92,021,285)
Directly attributable expenses paid	-	-	**(11,065,562)**	-	**(11,065,562)**	-	-	(9,420,098)	-	(9,420,098)
Insurance acquisition cash flows	**(3,886,169)**	-	-	-	**(3,886,169)**	(3,520,612)	-	-	-	(3,520,612)
<u>Total cash flows</u>	**52,863,859**	-	**(120,447,359)**	-	**(67,583,500)**	60,274,274	-	(101,441,383)	-	(41,167,109)
Net insurance contract assets / (liabilities) as at December 31,	**(426,106,857)**	**(13,127,898)**	**(25,990,507)**	**(93,326)**	**(465,318,588)**	(466,359,019)	(16,300,313)	(21,809,233)	(103,212)	(504,571,777)
Insurance contract liabilities as at December 31,	**(428,183,637)**	**(13,127,898)**	**(25,990,507)**	**(93,326)**	**(467,395,368)**	(469,263,821)	(16,300,313)	(21,809,233)	(103,212)	(507,476,579)
Insurance contract assets as at December 31,	**2,076,780**	-	-	-	**2,076,780**	2,904,802	-	-	-	2,904,802

9. INSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

d. GMM, VFA, gross (Total) (continued)

	For the year ended 31 December 2024				*For the year ended 31 December 2023*			
SR	**Estimates of present values of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Total**	Estimates of present values of future cash flows	Risk adjustment	Contractual service margin	Total
Net insurance contract assets / (liabilities) as at January 1,	**(491,587,139)**	**(6,663,348)**	**(6,321,289)**	**(504,571,777)**	(472,304,331)	(5,255,732)	(13,674,155)	(491,234,221)
Insurance contract assets as at January 1,	**-**	**-**	**-**	**-**	-	-	-	-
Insurance contract liabilities as at January 1,	**(491,587,139)**	**(6,663,348)**	**(6,321,288)**	**(504,571,777)**	(472,304,331)	(5,255,732)	(13,674,155)	(491,234,221)
Insurance service result	**(2,540,659)**	**1,849,155**	**(1,538,310)**	**(2,229,814)**	(43,732,740)	(1,407,542)	42,108,626	(3,031,657)
Changes that relate to current services	**1,189,648**	**480,908**	**2,055,550**	**3,726,106**	5,184,638	372,519	1,824,801	7,381,959
CSM recognized for services provided	**-**	**-**	**2,055,550**	**2,055,550**	-	-	1,824,801	1,824,801
Risk adjustment recognized for risk expired	**-**	**480,908**	**-**	**480,908**	-	372,519	-	372,519
Experience adjustments / expected items	**1,189,648**	**-**	**-**	**1,189,648**	5,184,638	-	-	5,184,638
Expected claims (AvE)	**1,312,188**	**-**	**-**	**1,312,188**	1,094,803	-	-	1,094,803
Expected expenses (AvE)	**(29,485)**	**-**	**-**	**(29,485)**	1,517,044	-	-	1,517,044
Experience adjustment - premiums (AvE)	**(93,055)**	**-**	**-**	**(93,055)**	2,572,792	-	-	2,572,792
Changes that relate to future services	**1,142,601**	**(279,905)**	**(3,593,861)**	**(2,731,165)**	(50,717,845)	(1,769,040)	40,283,825	(12,203,060)
Contracts initially recognized in the period	**886,259**	**(470,131)**	**(2,496,850)**	**(2,080,723)**	(5,352,339)	(1,097,148)	(573,013)	(7,022,500)
Changes in estimates that adjust the CSM	**906,784**	**190,226**	**(1,097,010)**	**-**	(40,184,945)	(671,892)	40,856,838	-
Changes in estimates that do not adjust the CSM	**(5,189,519)**	**1,636,751**	**-**	**(3,552,768)**	(2,122,421)	-	-	(2,122,421)
Changes that relate to past services	**(333,530)**	**11,401**	**-**	**(322,129)**	(1,257,672)	(11,022)	-	(1,268,694)
Insurance finance income/expenses	**(21,359,115)**	**-**	**(4,741,383)**	**(26,100,497)**	(16,717,175)	(73)	(34,755,760)	(51,473,008)
Total changes through profit or loss or OCI	**(23,899,774)**	**1,849,155**	**(6,279,693)**	**(28,330,311)**	(60,449,915)	(1,407,615)	7,352,866	(54,504,665)
Cash flows								
Premiums received	**56,750,030**	**-**	**-**	**56,750,030**	63,794,890	-	-	63,794,890
Claims paid	**(109,381,797)**	**-**	**-**	**(109,381,797)**	(92,021,287)	-	-	(92,021,287)
Directly attributable expenses paid (excluding acquisition cashflows)	**(11,065,562)**	**-**	**-**	**(11,065,562)**	(9,420,098)	-	-	(9,420,098)
Insurance acquisition cash flows	**(3,886,169)**	**-**	**-**	**(3,886,169)**	(3,520,612)	-	-	(3,520,612)
Insurance contract (assets) / liabilities as at December 31,	**(67,583,499)**	**-**	**-**	**(67,583,499)**	(491,587,139)	(6,663,348)	(6,321,289)	(504,571,777)
Insurance contract assets as at December 31,	**-**	**-**	**-**	**-**	-	-	-	-
Insurance contract liabilities as at December 31,	**(447,903,413)**	**(4,814,192)**	**(12,600,981)**	**(465,318,587)**	(491,587,139)	(6,663,348)	(6,321,288)	(504,571,777)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES

An analysis of the amounts presented on the statement of financial position for reinsurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

	Valuation approach	**2024 SR**		2023 SR	
		Assets	**Liabilities**	Assets	Liabilities
Reinsurance contract assets & liabilities					
Medical	**PAA**	**40,863,447**	**12,391,557**	81,766,847	59,622,246
Motor	**PAA**	**3,068,084**	**-**	2,730,809	-
Property and casualty	**PAA**	**280,773,096**	**113,181,124**	279,449,949	69,961,084
Group life	**PAA**	**26,753,408**	**6,295,233**	32,748,591	25,686,760
Total – PAA		**351,458,035**	**131,867,914**	396,696,196	155,270,090
Protection and saving	**GMM**	**2,060,431**	**7,985**	1,688,722	-
Total – GMM		**2,060,431**	**7,985**	1,688,722	-
Total reinsurance contract assets & liabilities		**353,518,466**	**131,875,899**	398,384,918	155,270,090

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, RI (Medical)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Assets for remaining coverage		**Assets recoverable on incurred claims**			Assets for remaining coverage		Assets recoverable on incurred claims		
SR	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**(59,622,244)**	**1,195,486**	**78,033,888**	**2,537,471**	**22,144,601**	(43,139,370)	1,963,108	80,563,975	3,407,138	42,794,851
Reinsurance contract assets as at January 1,	**2**	**1,195,486**	**78,033,888**	**2,537,471**	**81,766,847**	-	1,963,108	80,563,975	3,407,138	85,934,221
Reinsurance contract liabilities as at January 1,	**(59,622,246)**	**-**	**-**	**-**	**(59,622,246)**	(43,139,370)	-	-	-	(43,139,370)
<u>Amounts allocated to reinsurance</u>	**(73,326,236)**	**-**	**-**	**-**	**(73,326,236)**	(102,104,732)	-	-	-	(102,104,732)
<u>Amounts recoverable from reinsurance</u>	**-**	**17,109**	**87,345,224**	**(1,407,153)**	**85,955,180**	-	(767,622)	79,097,005	(907,944)	77,421,439
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**112,462,580**	**-**	**112,462,580**	-	-	79,750,649	-	79,750,649
Losses on onerous contracts and reversals	**-**	**17,109**	**-**	**-**	**17,109**	-	1,195,486	-	-	1,195,486
Changes in liabilities for incurred claims	**-**	**-**	**(25,117,045)**	**(1,407,153)**	**(26,524,198)**	-	(1,963,108)	(6,788,470)	(907,944)	(9,659,522)
Other movements	**-**	**-**	**(311)**	**-**	**(311)**	-	-	6,134,826	-	6,134,826
<u>Reinsurance service result</u>	**(73,326,236)**	**17,109**	**87,345,224**	**(1,407,153)**	**12,628,944**	(102,104,732)	(767,622)	79,097,005	(907,944)	(24,683,293)
Reinsurance finance expenses/income	**-**	**-**	**703,784**	**-**	**703,784**	-	-	1,007,751	38,277	1,046,028
Reinsurance finance expenses/income – P&L	**-**	**-**	**646,775**	**-**	**646,775**	-	-	623,206	38,277	661,483
Reinsurance finance expenses/income – OCI	**-**	**-**	**57,009**	**-**	**57,009**	-	-	384,545	-	384,545
<u>Total changes in the profit or loss and OCI</u>	**(73,326,236)**	**17,109**	**88,049,008**	**(1,407,153)**	**13,332,728**	(102,104,732)	(767,622)	80,104,756	(869,667)	(23,637,265)
Cash flows										
Premium paid	**120,556,923**	**-**	**-**	**-**	**120,556,923**	85,621,858	-	-	-	85,621,858
Claims received	**-**	**-**	**(127,562,363)**	**-**	**(127,562,363)**	-	-	(82,634,843)	-	(82,634,843)
Fixed commission received	-	-	-	-	-	-	-	-	-	-
<u>Total cash flows</u>	**120,556,923**	**-**	**(127,562,363)**	**-**	**(7,005,440)**	85,621,858	-	(82,634,843)	-	2,987,015
Net reinsurance contract assets / (liabilities) as at December 31,	**(12,391,557)**	**1,212,595**	**38,520,533**	**1,130,319**	**28,471,890**	(59,622,244)	1,195,486	78,033,888	2,537,471	22,144,601
Reinsurance contract assets as at December 31,	**-**	**1,212,595**	**38,520,533**	**1,130,319**	**40,863,447**	2	1,195,486	78,033,888	2,537,471	81,766,847
Reinsurance contract liabilities as at December 31,	**(12,391,557)**	**-**	**-**	**-**	**(12,391,557)**	(59,622,246)	-	-	-	(59,622,246)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, RI (Motor)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Assets for remaining coverage		**Assets recoverable on incurred claims**			Assets for remaining coverage		Assets recoverable on incurred claims		
SR	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**1**	**-**	**2,635,771**	**95,037**	**2,730,809**	(3,003,087)	-	3,002,505	88,731	88,149
Reinsurance contract assets as at January 1,	**1**	**-**	**2,635,771**	**95,037**	**2,730,809**	-	-	3,002,505	88,731	3,091,236
Reinsurance contract liabilities as at January 1,	**-**	**-**	**-**	**-**	**-**	(3,003,087)	-	-	-	(3,003,087)
<u>Amounts allocated to reinsurance</u>	**(1,562,833)**	**-**	**-**	**-**	**(1,562,833)**	(2,453,010)	-	-	-	(2,453,010)
<u>Amounts recoverable from reinsurance</u>	**-**	**-**	**1,828,806**	**(6,155)**	**1,822,651**	-	-	420,578	5,113	425,691
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**1,600,050**	**-**	**1,600,050**	-	-	247,611	-	247,611
Losses on onerous contracts and reversals	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes in liabilities for incurred claims	**-**	**-**	**228,756**	**(6,155)**	**222,601**	-	-	172,967	5,113	178,080
Other movement	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
<u>Reinsurance service result</u>	**(1,562,833)**	**-**	**1,828,806**	**(6,155)**	**259,818**	(2,453,010)	-	420,578	5,113	(2,027,319)
Reinsurance finance expenses/income	**-**	**-**	**114,674**	**-**	**114,674**	-	-	(18,333)	1,193	(17,140)
Reinsurance finance expenses/income - P&L	**-**	**-**	**83,050**	**-**	**83,050**	-	-	32,205	1,193	33,398
Reinsurance finance expenses/income – OCI	**-**	**-**	**31,624**	**-**	**31,624**	-	-	(50,538)	-	(50,538)
<u>Total changes in the profit or loss and OCI</u>	**(1,562,833)**	**-**	**1,943,480**	**(6,155)**	**374,492**	(2,453,010)	-	402,245	6,306	(2,044,459)
Cash flows	**-**	**-**	**-**	**-**						
Premium paid	**1,562,833**	**-**	**-**	**-**	**1,562,833**	5,456,098	-	-	-	5,456,098
Claims received	**-**	**-**	**(1,600,050)**	**-**	**1,600,050**	-	-	(768,979)	-	(768,979)
Fixed commission received	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
<u>Total cash flows</u>	**1,562,833**	**-**	**(1,600,050)**	**-**	**(37,217)**	5,456,098	-	(768,979)	-	4,687,119
Net reinsurance contract assets / (liabilities) as at December 31,	**1**	**-**	**2,979,201**	**88,882**	**3,068,084**	1	-	2,635,771	95,037	2,730,809
Reinsurance contract assets as at December 31,	**1**	**-**	**2,979,201**	**88,882**	**3,068,084**	1	-	2,635,771	95,037	2,730,809
Reinsurance contract Liabilities as at December 31,	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, RI (Property and casualty)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Assets for remaining coverage		**Assets recoverable on incurred claims**			Assets for remaining coverage		Assets recoverable on incurred claims		
SR	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**(38,829,310)**	**-**	**237,943,934**	**10,374,241**	**209,488,865**	(88,839,614)	-	292,681,064	11,151,511	214,992,961
Reinsurance contract assets as at January 1,	**31,131,774**	**-**	**237,943,934**	**10,374,241**	**279,449,949**	15	-	292,681,064	11,151,511	303,832,590
Reinsurance contract liabilities as at January 1,	**(69,961,084)**	**-**	**-**	**-**	**(69,961,084)**	(88,839,629)	-	-	-	(88,839,629)
Amounts allocated to reinsurance	**(174,838,009)**	**-**	**-**	**-**	**(174,838,009)**	(147,191,390)	-	-	-	(147,191,390)
Amounts recoverable from reinsurance	**-**	**-**	**52,016,402**	**601,327**	**52,617,728**	-	-	40,073,122	(1,138,744)	38,934,378
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**43,226,703**	**-**	**43,226,703**	-	-	60,339,995	-	60,339,995
Losses on onerous contracts and reversals	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes in liabilities for incurred claims	**-**	**-**	**8,789,708**	**601,327**	**9,391,034**	-	-	(20,266,873)	(1,138,744)	(21,405,617)
Other movement	**-**	**-**	**(9)**	**-**	**(9)**	-	-	-	-	-
Reinsurance service result	**(174,838,009)**	**-**	**52,016,402**	**601,327**	**(122,220,281)**	(147,191,390)	-	40,073,122	(1,138,744)	(108,257,012)
Reinsurance finance expenses/income	**4,143,227**	**-**	**11,549,055**	**-**	**15,692,283**	1,239,735	-	11,398,979	361,474	13,000,188
Reinsurance finance expenses/income - P&L	**4,143,227**	**-**	**11,809,022**	**-**	**15,952,249**	1,239,735	-	8,214,184	361,474	9,815,393
Reinsurance finance expenses/income – OCI	**-**	**-**	**(259,967)**	**-**	**(259,967)**	-	-	3,184,795	-	3,184,795
Total changes in the profit or loss and OCI	**(170,694,782)**	**-**	**63,565,457**	**601,327**	**(106,527,998)**	(145,951,655)	-	51,472,101	(777,270)	(95,256,824)
Cash flows										
Premium paid	**118,224,391**	**-**	**-**	**-**	**118,224,391**	205,962,778	-	-	-	205,962,778
Claims received	**-**	**-**	**(43,779,552)**	**-**	**(43,779,552)**	-	-	(106,209,231)	-	(106,209,231)
Fixed commission received	**(9,813,734)**	**-**	**-**	**-**	**(9,813,734)**	(10,000,819)	-	-	-	(10,000,819)
Total cash flows	**108,410,657**	**-**	**(43,779,552)**	**-**	**64,631,105**	195,961,959	-	(106,209,231)	-	89,752,728
Net reinsurance contract assets / (liabilities) as at December 31,	**(101,113,435)**	**-**	**257,729,839**	**10,975,568**	**167,591,972**	(38,829,310)	-	237,943,934	10,374,241	209,488,865
Reinsurance contract assets as at December 31,	**12,029,687**	**-**	**257,767,041**	**10,976,368**	**280,773,096**	31,131,774	-	237,943,934	10,374,241	279,449,949
Reinsurance contract liabilities as at December 31,	**(113,143,122)**	**-**	**(37,202)**	**(801)**	**(113,181,124)**	(69,961,084)	-	-	-	(69,961,084)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, RI (Group life)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Assets for remaining coverage		**Assets recoverable on incurred claims**			Assets for remaining coverage		Assets recoverable on incurred claims		
SR	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**(25,686,760)**	**-**	**32,042,935**	**705,656**	**7,061,831**	(31,191,480)	9,614	31,673,746	474,046	965,926
Reinsurance contract assets as at January 1,	**-**	**-**	**32,042,935**	**705,656**	**32,748,591**	-	9,614	31,673,746	474,046	32,157,406
Reinsurance contract liabilities as at January 1,	**(25,686,760)**	**-**	**-**	**-**	**(25,686,760)**	(31,191,480)	-	-	-	(31,191,480)
Amounts allocated to reinsurance	**(40,367,082)**	**-**	**-**	**-**	**(40,367,082)**	(46,122,832)	-	-	-	(46,122,832)
Amounts recoverable from reinsurance	**-**	**-**	**32,385,420**	**117,329**	**32,502,749**	-	(9,614)	41,109,486	221,728	41,321,600
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**29,242,117**	**-**	**29,242,117**	-	-	35,027,999	-	35,027,999
Losses on onerous contracts and reversals	**-**	**-**	**-**	**-**	**-**	-	(9,614)	-	-	(9,614)
Changes in liabilities for incurred claims	**-**	**-**	**3,143,303**	**117,329**	**3,260,632**	-	-	6,081,487	221,728	6,303,215
Other movement	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Reinsurance service result	**(40,367,082)**	**-**	**32,385,420**	**117,329**	**(7,864,333)**	(46,122,832)	(9,614)	41,109,486	221,728	(4,801,232)
Reinsurance finance expenses/income	**-**	**-**	**319,032**	**-**	**319,032**	-	-	417,374	9,882	427,256
Reinsurance finance expenses/income - P&L	**-**	**-**	**354,007**	**-**	**354,007**	-	-	319,345	9,882	329,227
Reinsurance finance expenses/income – OCI	**-**	**-**	**(34,975)**	**-**	**(34,975)**	-	-	98,029	-	98,029
Total changes in the profit or loss and OCI	**(40,367,082)**	**-**	**32,704,452**	**117,329**	**(7,545,301)**	(46,122,832)	(9,614)	41,526,860	231,610	(4,373,976)
Cash flows										
Premium paid	**59,903,076**	**-**	**-**	**-**	**59,903,076**	53,097,758	-	-	-	53,097,758
Claims received	**-**	**-**	**(38,816,964)**	**-**	**(38,816,964)**	-	-	(41,157,671)	-	(41,157,671)
Fixed commission received	**(144,467)**	**-**	**-**	**-**	**(144,467)**	(1,470,206)	-	-	-	(1,470,206)
Total cash flows	**59,758,609**	**-**	**(38,816,964)**	**-**	**20,941,645**	51,627,552	-	(41,157,671)	-	10,469,881
Net reinsurance contract assets / (liabilities) as at December 31,	**(6,295,233)**	**-**	**25,930,423**	**822,985**	**20,458,175**	(25,686,760)	-	32,042,935	705,656	7,061,831
Reinsurance contract assets as at December 31,	**-**	**-**	**25,930,423**	**822,985**	**26,753,408**	-	-	32,042,935	705,656	32,748,591
Reinsurance contract liabilities as at December 31,	**(6,295,233)**	**-**	**-**	**-**	**(6,295,233)**	(25,686,760)	-	-	-	(25,686,760)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

a. PAA, RI (Total)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Assets for remaining coverage		**Assets recoverable on incurred claims**			Assets for remaining coverage		Assets recoverable on incurred claims		
SR	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**(124,138,312)**	**1,195,486**	**350,656,528**	**13,712,405**	**241,426,106**	(166,173,550)	1,972,722	407,921,290	15,121,425	258,841,887
Reinsurance contract assets as at January 1,	**31,131,777**	**1,195,486**	**350,656,528**	**13,712,405**	**396,696,196**	16	1,972,722	407,921,290	15,121,425	425,015,453
Reinsurance contract liabilities as at January 1,	**(155,270,090)**	**-**	**-**	**-**	**(155,270,090)**	(166,173,566)	-	-	-	(166,173,566)
<u>Amounts allocated to reinsurance</u>	**(290,094,160)**	**-**	**-**	**-**	**(290,094,160)**	(297,871,964)	-	-	-	(297,871,964)
<u>Amounts recoverable from reinsurance</u>	**-**	**17,109**	**173,575,852**	**(694,652)**	**172,898,310**	-	(777,236)	160,700,191	(1,819,846)	158,103,109
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**186,531,450**	**-**	**186,531,450**	-	-	175,366,254	-	175,366,254
Losses on onerous contracts and reversals	**-**	**17,109**	**-**	**-**	**17,109**	-	1,185,872	-	-	1,185,872
Changes in liabilities for incurred claims	**-**	**-**	**(12,955,278)**	**(694,652)**	**(13,649,929)**	-	(1,963,108)	(20,800,889)	(1,819,846)	(24,583,843)
Other movement	**-**	**-**	**(320)**	**-**	**(320)**	-	-	6,134,826	-	6,134,826
<u>Reinsurance service result</u>	**(290,094,160)**	**17,109**	**173,575,852**	**(694,652)**	**(117,195,850)**	(297,871,964)	(777,236)	160,700,191	(1,819,846)	(139,768,855)
Reinsurance finance expenses/income	**4,143,227**	**-**	**12,686,546**	**-**	**16,829,773**	1,239,735	-	12,805,771	410,826	14,456,332
Reinsurance finance expenses/income - P&L	**4,143,227**	**-**	**12,892,855**	**-**	**17,036,082**	1,239,735	-	9,188,940	410,826	10,839,501
Reinsurance finance expenses/income – OCI	**-**	**-**	**(206,309)**	**-**	**(206,309)**	-	-	3,616,831	-	3,616,831
<u>Total changes in the profit or loss and OCI</u>	**(285,950,933)**	**17,109**	**186,262,399**	**(694,652)**	**(100,366,077)**	(296,632,229)	(777,236)	173,505,962	(1,409,020)	(125,312,523)
Cash flows										
Premium paid	**300,247,224**	**-**	**-**	**-**	**300,247,224**	350,138,492	-	-	-	350,138,492
Claims received	**-**	**-**	**(211,758,932)**	**-**	**(211,758,932)**	-	-	(230,770,724)	-	(230,770,724)
Fixed commission received	**(9,958,201)**	**-**	**-**	**-**	**(9,958,201)**	(11,471,025)	-	-	-	(11,471,025)
<u>Total cash flows</u>	**290,289,023**	**-**	**(211,758,932)**	**-**	**78,530,091**	338,667,467	-	(230,770,724)	-	107,896,743
Net reinsurance contract assets / (liabilities) as at December 31,	**(119,800,224)**	**1,212,595**	**325,159,997**	**13,017,753**	**219,590,120**	(124,138,312)	1,195,486	350,656,528	13,712,405	241,426,106
Reinsurance contract assets as at December 31,	**12,029,687**	**1,212,595**	**325,197,199**	**13,018,553**	**351,458,035**	31,131,777	1,195,486	350,656,528	13,712,405	396,696,196
Reinsurance contract liabilities as at December 31,	**(131,829,911)**	**-**	**(37,202)**	**(801)**	**(131,867,914)**	(155,270,090)	-	-	-	(155,270,090)

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

b. GMM, RI (Protection and saving)

	For the year ended 31 December 2024					*For the year ended 31 December 2023*				
	Assets for remaining coverage		**Assets recoverable on incurred claims**			Assets for remaining coverage		Assets recoverable on incurred claims		
SR	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**830,162**	**-**	**817,958**	**40,602**	**1,688,722**	(323,142)	-	804,374	35,974	517,206
Reinsurance contract assets as at January 1,	**830,162**	**-**	**817,958**	**40,602**	**1,688,722**	12,870	-	804,374	35,974	853,218
Reinsurance contract liabilities as at January 1,	**-**	**-**	**-**	**-**	**-**	(336,012)	-	-	-	(336,012)
<u>Amounts allocated to reinsurance</u>	**(563,193)**	**-**	**-**	**-**	**(563,193)**	(331,953)	-	-	-	(331,953)
Expected claims recoverable in the year	**(254,625)**	**-**	**-**	**-**	**(254,625)**	(62,829)	-	-	-	(62,829)
Change in risk adjustment for non-financial risk	**(33,930)**	**-**	**-**	**-**	**(33,930)**	(37,064)	-	-	-	(37,064)
Experience adjustments	**(102,892)**	**-**	**-**	**-**	**(102,892)**	(166,600)	-	-	-	(166,600)
CSM (net gain/loss) release	**(171,746)**	**-**	**-**	**-**	**(171,746)**	(65,460)	-	-	-	(65,460)
<u>Amounts recoverable from reinsurance</u>	**-**	**-**	**143,840**	**(3,960)**	**139,880**	-	-	234,106	4,628	238,734
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**-**	**-**	**-**	-	-	141,542	-	141,542
Changes in liabilities for incurred claims	**-**	**-**	**143,840**	**(3,960)**	**139,880**	-	-	92,564	4,628	97,192
<u>Reinsurance service result</u>	**(563,193)**	**-**	**143,840**	**(3,960)**	**(423,313)**	(331,953)	-	234,106	4,628	(93,219)
Reinsurance finance expenses/income										
Reinsurance finance expenses/income - P&L	**(21,335)**	**-**	**-**	**-**	**(21,335)**	21,888	-	-	-	21,888
<u>Total changes in the profit or loss and OCI</u>	**(584,528)**	**-**	**143,840**	**(3,960)**	**(444,648)**	(310,065)	-	234,106	4,628	(71,331)
Cash flows										
Premium paid	**1,037,321**	**-**	**-**	**-**	**1,037,321**	1,463,369	-	-	-	1,463,369
Claim recoveries received from reinsurer	**-**	**-**	**(228,949)**	**-**	**(228,949)**	-	-	(220,522)	-	(220,522)
<u>Total cash flows</u>	**1,037,321**	**-**	**(228,949)**	**-**	**808,372**	1,463,369	-	(220,522)	-	1,242,847
Net reinsurance contract assets / (liabilities) as at December 31,	**1,282,955**	**-**	**732,849**	**36,642**	**2,052,446**	830,162	-	817,958	40,602	1,688,722
Reinsurance contract assets as at December 31,	**1,290,940**	**-**	**732,849**	**36,642**	**2,060,431**	830,162	-	817,958	40,602	1,688,722
Reinsurance contract liabilities as at December 31,	**(7,985)**	**-**			**(7,985)**	-	-	-	-	-

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

b. GMM, RI (Protection and saving) (continued)

	For the year ended 31 December 2024				*For the year ended 31 December 2023*			
SR	**Estimates of present value of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Total**	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Net reinsurance contract assets / (liabilities) as at January 1,	**1,097,402**	**366,008**	**225,313**	**1,688,722**	(130,891)	480,246	167,851	517,206
Reinsurance contract assets as at January 1,	**1,097,402**	**366,008**	**225,313**	**1,688,722**	(130,891)	480,246	167,851	517,206
Reinsurance contract liabilities as at January 1,	**-**	**-**	**-**	**-**	-	-	-	-
<u>Income / (expenses) from reinsurance contracts held</u>	**(637,570)**	**(315,781)**	**530,038**	**(423,313)**	(26,540)	(118,675)	51,996	(93,219)
Changes that relate to current services	**(357,517)**	**(33,930)**	**(171,746)**	**(563,193)**	(229,430)	(32,435)	(65,460)	(327,325)
Recognition of CSM in profit or loss to reflect transfer of services	**-**	**-**	**(171,746)**	**(171,746)**	-	-	(65,460)	(65,460)
Change in risk adjustment for non-financial risk that does not relate to future or past service	**-**	**(33,930)**	**-**	**(33,930)**		(32,435)	-	(32,435)
Experience adjustments / expected items	**(357,517)**	**-**	**-**	**(357,517)**	(229,430)	-	-	(229,430)
Expected claims (AvE)	**(254,625)**	**-**	**-**	**(254,625)**	(62,830)	-	-	(62,830)
Experience adjustment - premiums (AvE)	**(102,892)**	**-**	**-**	**(102,892)**	(166,600)	-	-	(166,600)
Changes that relate to future services	**(423,893)**	**(277,890)**	**701,783**	**-**	(31,217)	(86,239)	117,456	-
Contracts initially recognised in period	**34,526**	**19,674**	**(54,199)**	**-**	96,189	61,825	(158,014)	-
CSM non-financial experience changes	**(458,419)**	**(297,564)**	**755,983**	**-**	(127,406)	(148,064)	275,470	-
Changes that relate to past services	**143,840**	**(3,960)**	**-**	**139,880**	234,105	-	-	234,105
Reinsurance finance expenses/income	**(18,085)**	**-**	**(3,250)**	**(21,335)**	11,985	4,436	5,466	21,888
Total changes in the statement of profit or loss and OCI	**(655,655)**	**(315,781)**	**526,788**	**(444,648)**	(14,556)	(114,238)	57,462	(71,333)
Cash flows								
Reinsurance premiums paid	**(1,037,322)**	**-**	**-**	**(1,037,322)**	(1,463,370)	-	-	(1,463,370)
Claim recoveries received from reinsurer	**228,949**	**-**	**-**	**228,949**	220,522	-	-	220,522
Net reinsurance contract assets / (liabilities) as at December 31,	**1,250,119**	**50,227**	**752,100**	**2,052,446**	1,097,402	366,008	225,313	1,688,722
Reinsurance contract assets as at December 31,	**1,250,119**	**50,227**	**752,100**	**2,052,446**	1,097,402	366,008	225,313	1,688,722
Reinsurance contract liabilities as at December 31,	**-**	**-**	**-**	**-**	-	-	-	-

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

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

	2024 SR			2023 SR		
Impact on insurance contract liabilities	**Non-onerous contracts originated**	**Onerous contracts originated**	**Total**	Non-onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows						
Insurance acquisition costs	**(125,925)**	**(2,078,720)**	**(2,204,645)**	(41,721)	(2,091,149)	(2,132,870)
Claims incurred	**(48,844,985)**	**(7,185,726)**	**(56,030,711)**	(405,538)	(55,885,462)	(56,291,000)
Directly attributable non-acquisition expenses	**(2,182,380)**	**(1,922,963)**	**(4,105,343)**	(29,802)	(4,865,219)	(4,895,021)
	(51,153,290)	**(11,187,409)**	**(62,340,699)**	(477,061)	(62,841,830)	(63,318,891)
Estimates of the present value of future cash inflows	**54,095,596**	**9,131,361**	**63,226,957**	1,073,082	56,893,470	57,966,552
Risk adjustment for non-financial risk	**(445,456)**	**(24,675)**	**(470,131)**	(23,008)	(1,074,140)	(1,097,148)
CSM	**(2,496,850)**	**-**	**(2,496,850)**	(573,013)	-	(573,013)
Increase in insurance contract liabilities from contracts recognized in the year	**-**	**(2,080,723)**	**(2,080,723)**	-	(7,022,500)	(7,022,500)

	2024 SR			2023 SR		
Impact on reinsurance contract assets	**Non-onerous contracts originated**	**Onerous contracts originated**	**Total**	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	**(70,020)**	**-**	**(70,020)**	(195,075)	-	(195,075)
Estimates of the present value of future cash inflows	**104,546**	**-**	**104,546**	291,264	-	291,264
Risk adjustment for non-financial risk	**19,674**	**-**	**19,674**	61,825	-	61,825
CSM	**(54,200)**	**-**	**(54,200)**	(158,014)	-	(158,014)
Increase in reinsurance contract liabilities from contracts recognized in the year	**-**	**-**	**-**	-	-	-

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

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

	2024 SR			2023 SR		
	Contracts measured under the fair value approach at transition	**Others**	**Total**	Contracts measured under the fair value approach at transition	Others	Total
Insurance revenue	**2,667,002**	**4,497,337**	**7,164,339**	2,667,001	10,340,084	13,007,085
Opening CSM as of 1 January,	**(5,430,699)**	**(890,589)**	**(6,321,288)**	(13,674,154)	-	(13,674,154)
	-	**-**	**-**	-	-	-
CSM recognized in statement of income for the services provided	**1,751,738**	**303,812**	**2,055,550**	1,495,444	329,357	1,824,801
Changes in estimates that adjust the CSM	**(2,265,906)**	**1,168,896**	**(1,097,010)**	41,476,913	(620,075)	40,856,838
Contracts initially recognized in the year	**-**	**(2,496,850)**	**(2,496,850)**	-	(573,013)	(573,013)
	(514,168)	**(1,024,142)**	**(1,538,310)**	42,972,357	(863,731)	42,108,626
Finance expenses from insurance contracts issued	**(2,704,532)**	**(2,036,851)**	**(4,741,383)**	(34,728,902)	(26,858)	(34,755,760)
Total amounts recognized as income	**(3,218,699)**	**(3,060,994)**	**(6,279,693)**	8,243,454	(890,589)	7,352,866
Closing CSM as of 31 December,	**(8,649,399)**	**(3,951,582)**	**(12,600,981)**	(5,430,699)	(890,589)	(6,321,288)

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

Insurance contract liabilities	**2024 SR**			2023 SR		
Number of years until expected to be recognized	**Protection & savings**	**Protection**	**Total**	Protection & savings	Protection	Total
Estimates of the present value of future cash outflows						
1 year	**1,148,783**	**164,816**	**1,313,599**	536,251	184,179	720,430
2 years	**1,046,941**	**135,577**	**1,182,518**	488,711	151,505	640,216
3 years	**934,107**	**121,106**	**1,055,213**	436,040	135,334	571,374
4 years	**840,758**	**99,512**	**940,270**	392,465	111,203	503,668
5 years	**761,867**	**27,625**	**789,492**	355,639	30,870	386,509
6 to 10 years	**2,380,822**	**80,897**	**2,461,719**	1,111,365	90,401	1,201,766
More than 10 years	**4,812,778**	**45,393**	**4,858,171**	2,246,600	50,726	2,297,326
Total	**11,926,056**	**674,926**	**12,600,982**	5,567,071	754,218	6,321,289

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

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

Reinsurance contract held	**2024 SR**			2023 SR		
Number of years until expected to be recognized	**Protection & Savings**	**Protection**	**Total**	Protection & Savings	Protection	Total
Estimates of the present value of future cash outflows						
1 year	**119,976**	**-**	**119,976**	36,283	-	36,283
2 years	**103,491**	**-**	**103,491**	30,391	-	30,391
3 years	**86,806**	**-**	**86,806**	25,838	-	25,838
4 years	**73,526**	**-**	**73,526**	21,983	-	21,983
5 years	**62,051**	**-**	**62,051**	18,577	-	18,577
6 to 10 years	**165,854**	**-**	**165,854**	80,821	-	80,821
More than 10 years	**140,397**	**-**	**140,397**	11,420	-	11,420
Total	**752,101**	**-**	**752,101**	225,313	-	225,313

e. Expected derecognition of the assets for insurance acquisition costs

	2024 SR		2023 SR	
Number of years until the asset is expected to be derecognized	**Protection & savings**	**Total**	Protection & savings	Total
1 year	**114,385**	**114,385**	3,086	3,086
2 years	**100,431**	**100,431**	3,114	3,114
3 years	**87,832**	**87,832**	3,120	3,120
4 years	**77,322**	**77,322**	3,101	3,101
5 years	**68,549**	**68,549**	3,072	3,072
More than 5 years	**483,678**	**483,678**	52,241	52,241
Total	**932,197**	**932,197**	67,734	67,734

10. REINSURANCE CONTRACT ASSETS / LIABILITIES (CONTINUED)

f. Insurance / reinsurance premium analysis

	2024					
SR	**Gross**			**Reinsurance**		
Insurance	**Receivables**	**ECL**	**Net total**	**Receivables**	**ECL**	**Net Total**
Medical	**165,218,956**	**(22,627,832)**	**142,591,124**	**16,323,577**	**(1,772,937)**	**14,550,640**
Motor	**164,168,316**	**(38,093,516)**	**126,074,800**	**-**	**-**	**-**
P&C	**100,766,292**	**(18,044,868)**	**82,721,424**	**28,544**	**-**	**28,544**
Group life	**-**	**-**	**-**	**607,910**	**(376,844)**	**231,066**
Protection and saving	**9,170,215**	**-**	**9,170,215**	**-**	**-**	**-**
Protection	**-**	**-**	**-**	**-**	**-**	**-**
Total	**439,323,779**	**(78,766,216)**	**360,557,563**	**16,960,031**	**(2,149,781)**	**14,810,250**

	2023					
SR	Gross			Reinsurance		
Insurance	Receivables	ECL	Net total	Receivables	ECL	Net Total
Medical	198,278,653	(17,178,445)	181,100,208	25,434,084	(1,623,200)	23,810,884
Motor	160,688,018	(35,334,620)	125,353,398	-	-	-
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	480,754,377	(68,120,699)	412,633,678	41,204,144	(4,857,758)	36,346,386

11. PREPAID EXPENSES AND OTHER ASSETS

	2024 **SR**	2023 SR
Receivable for unit linked investments	**4,410,608**	1,985,363
Accrued investment income	**6,440,099**	7,057,966
Advances to employees	**1,054,936**	1,375,844
Prepaid rent	**191,966**	2,494,080
Prepaid supplier	**5,564,082**	5,984,042
VAT receivable	**40,719,655**	28,133,155
Other assets	**26,477,088**	4,404,537
	84,858,434	51,434,987

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	2024 **SR**	2023 SR
Cost		
At 1 January	**15,247,862**	15,247,862
Addition during the year	**2,636,565**	-
Disposals during the year	**-**	-
At 31 December	**17,884,427**	15,247,862
Accumulated depreciation		
At 1 January	**14,041,781**	11,140,553
Charge for the year	**2,901,228**	2,901,228
Disposals during the year	**-**	-
At 31 December	**16,943,009**	14,041,781
Net book value	**941,418**	1,206,081

Lease liabilities

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

	2024 **SR**	2023 SR
Balance at beginning of the year	**3,019,008**	6,092,308
Additions during the year	**2,636,564**	-
Finance cost on lease liabilities	**448,788**	448,788
	6,104,360	6,541,096
Payments during the year	**(2,946,738)**	(3,522,088)
Balance at year end	**3,157,622**	3,019,008
Current	**1,457,364**	3,019,008
Non-current	**1,700,258**	-
Total lease liabilities	**3,157,622**	3,019,008

13. PROPERTY AND EQUIPMENT

	Computer and office equipment* **SR**	**Motor Vehicles** **SR**	**Furniture and fittings** **SR**	**Leasehold improvements** **SR**	**Total** **SR**
Cost:					
At 1 January 2024	**25,579,214**	**1,293,057**	**11,137,811**	**2,077,665**	**40,087,747**
Additions during the year	**5,229,662**	**72,100**	**264,342**	**3,255**	**5,569,359**
Disposals during the year	**-**	**(197,764)**	**-**	**-**	**(197,764)**
At 31 December 2024	**30,808,876**	**1,167,393**	**11,402,153**	**2,080,920**	**45,459,342**
Accumulated depreciation:					
At 1 January 2024	**19,191,774**	**1,279,110**	**11,134,362**	**1,988,679**	**33,593,925**
Charge for the year	**4,336,230**	**14,565**	**63,563**	**59,007**	**4,473,365**
Disposals during the year	**-**	**(173,382)**	**-**	**-**	**(173,382)**
At 31 December 2024	**23,528,004**	**1,120,293**	**11,197,925**	**2,047,686**	**37,893,908**
Net book value at 31 December 2024	**7,280,872**	**47,100**	**204,228**	**33,234**	**7,565,434**

	Computer and office equipment* SR	Motor Vehicles SR	Furniture and fittings SR	Leasehold improvements SR	Total SR
Cost:					
At 1 January 2023	22,489,067	1,293,057	11,054,455	1,925,916	36,762,495
Additions during the year	3,090,147	-	83,356	151,749	3,325,252
At 31 December 2023	25,579,214	1,293,057	11,137,811	2,077,665	40,087,747
Accumulated depreciation:					
At 1 January 2023	17,152,294	1,084,795	9,917,895	1,447,988	29,602,972
Charge for the year	2,039,480	194,315	1,216,467	540,691	3,990,953
At 31 December 2023	19,191,774	1,279,110	11,134,362	1,988,679	33,593,925
Net book value at 31 December 2023	6,387,440	13,947	3,449	88,986	6,493,822

*Computers and office equipment includes part related to intangible assets whereby additions amount to SR 4,249,053 (2023: SR 2,837,772, disposals amount to nil (2023: nil) and charge for the year amounts to SR 2,310,699 (2023: SR 1,780,520).

14. DEFERRED TAX ASSET

	2024 SR	2023 SR
Deferred tax assets, net	**238,173**	4,286,053

Movement in deferred tax asset balance is as follows:

	2024 SR	2023 SR
Balance at beginning of the year	**4,286,053**	7,051,465
Deferred tax (expense) / income - statement of income	**(798,983)**	(142,223)
Deferred tax (expense) / income - statement of comprehensive income	**(3,248,897)**	(2,623,189)
Balance at year end	**238,173**	4,286,053

The deferred tax asset arises on employee benefit obligations, provision against premium receivable, provision against reinsurance receivable, unabsorbed tax losses, fair value reserve on investments and property and equipment. The recoverability of recognized deferred tax assets depends on the Company's ability to generate future taxable profits sufficient to utilize deductible temporary differences. The Company has recognized deferred tax assets attributable to deductible temporary differences that it believes are recoverable. During 2024, Company has release most of the deferred tax expenses due to change in shareholder structure amounting to SR 3.2 million.

15. STATUTORY DEPOSIT

In accordance with Article 58 of the Implementing Regulations of IA, the Company is required to maintain a statutory deposit of not less than 10% of its paid-up capital. The statutory deposit is maintained with a Saudi Arabian bank and can be withdrawn only with the consent of IA.

In accordance with the instruction received from IA (previously SAMA) vide their circular dated 1 March 2016, the Company has disclosed the interest due on the statutory deposit as at 31 December 2024 as an asset and a liability in this financial statements.

The gross carrying amount of statutory deposit represents the Company’s maximum exposure to credit risk on these financial assets which are categorized under investment grade. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company’s exposures to credit risk are not collateralized. At 31 December 2024 and 31 December 2023, the ECL allowance on such financial assets was immaterial.

16. ACCRUED EXPENSES AND OTHER LIABILITIES

	2024 SR	2023 SR
Accrued IT costs	**961,073**	3,180,835
Accrued consultation expenses	**3,995,499**	2,759,678
Accrued reinsurance volume discount	**6,968,714**	5,979,437
Accrued bonus	**5,621,094**	6,600,000
Inspection and supervision fees	**3,011,373**	5,296,811
Withholding tax	**9,615,112**	17,165,767
Others	**3,317,911**	4,734,845
	33,490,776	45,717,373

17. EMPLOYEES BENEFIT OBLIGATIONS

General description of the plan

The Company operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment. The most recent comprehensive actuarial valuation coincided with the year-end reporting date.

The movement in provision for employees' benefit obligations are as follows:

	2024 **SR**	2023 SR
Balance at beginning of the year	**19,219,326**	19,381,794
Charged during the year:		
Current service cost	**2,051,866**	1,957,417
Interest cost	**827,274**	671,125
Curtailment / settlement gain / loss	**-**	-
	2,879,140	2,628,542
Paid during the year	**(3,606,045)**	(4,015,556)
Re-measurement of defined benefit liability	**(39,805)**	1,224,546
Balance at year end	**18,452,616**	19,219,326

Amounts recognised in the statements of income and comprehensive income

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

	2024 **SR**	2023 SR
Current service cost	**2,051,866**	1,957,417
Interest cost	**827,274**	671,125
Total amount recognized in the statement of income	**2,879,140**	2,628,542
Remeasurements		
Gain (loss) from change in financial assumptions	**898,246**	-
Gain (loss) from change in experience assumptions	**(938,051)**	1,224,546
Total amount recognized in the statement of comprehensive income	**(39,805)**	1,224,546

Key actuarial assumptions:

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

	2024 **SR**	2023 SR
Discount rate used for valuation	**5.00%**	4.50%
Salary increase rate	**4.00%**	4.90%
Duration (years)	**7.50**	6.42

17. EMPLOYEES BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis for actuarial assumptions

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

	2024	2023
	SR	SR
Valuation discount rate		
- Increase by 1%	**1,715,339**	1,145,647
- Decrease by 1%	**1,993,347**	1,302,569
Future salary growth		
- Increase by 1%	**1,974,897**	1,424,279
- Decrease by 1%	**1,729,062**	1,277,770
Mortality rate		
- Increase by 1 year	**184,531**	3,643
- Decrease by 1 year	**184,522**	3,628
Withdrawal rate		
- Increase by 10%	**183,876**	284,753
- Decrease by 10%	**185,176**	316,699

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

Expected maturity analysis

The weighted average duration of the defined benefit obligation is 7 years (2023: 7.5 years). The expected maturity analysis of undiscounted post-employment benefits is as follows:

	Less than a year SR	**Between 1 – 2 years SR**	**Between 2 – 5 years SR**	**5 – 10 years SR**
31 December 2024	**2,624,485**	**1,909,038**	**3,344,421**	**22,386,052**
31 December 2023	2,078,937	1,830,857	3,093,268	18,237,453

18. ZAKAT AND INCOME TAX

Share capital and percentages

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

	2024		2023	
	SR	**%**	SR	%
Non-Saudi Shareholders	**12,120,000**	**2.02%**	318,540,000	53.09%
Saudi and GCC Shareholders	**587,880,000**	**97.98%**	281,460,000	46.91%
	600,000,000	**100.00%**	600,000,000	100.00%

As at 31 December 2024, the authorized, issued and fully paid-in share capital of the Company consists of 60 million shares of SR 10 each (2023: 60 million shares of SR 10 each). The Company’s zakat and income tax calculations and corresponding accruals and payments of zakat and income tax are based on the above ownership percentages in accordance with the relevant provisions of the Saudi Arabian zakat and income tax regulations.

18. ZAKAT AND INCOME TAX (CONTINUED)

Charge for the year

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

	2024 SR	2023 SR
Zakat charge for the year		
- Current year	**10,393,086**	7,378,324
- Prior year	**-**	-
	10,393,086	7,378,324
Income tax charge for the year		
- Current tax	**116,648**	4,712,797
- Deferred tax (Note 14)	**798,970**	142,223
	915,618	4,855,020
	11,308,704	12,233,344

Zakat base

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

	2024 SR	2023 SR
Opening share capital	**600,000,000**	600,000,000
Reserves and opening provisions	**600,000,000**	276,610,568
Closing value of long term assets	**288,328,456**	(265,312,746)
	(477,652,164)	611,297,822
Zakatable income for the year	**410,676,292**	21,576,048
Zakat base	**16,285,911**	632,873,870
Total Saudi and GCC share of zakat base	**426,962,202**	286,888,794
Zakat due on Saudi and GCC shareholding	**415,723,447**	7,378,324

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.

Income tax base

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

	2024 SR	2023 SR
Net income for the year before attribution	**26,475,779**	49,220,236
Add: Inadmissible expenses	**9,781,890**	417,879
Less: Admissible expenses	**(8,351,452)**	(5,250,974)
Adjusted income	**27,906,217**	44,387,141
Non-Saudi shareholders	**734,564**	23,563,979
Adjustments	**27,906,217**	-
Adjusted income attributed to non-Saudi shareholders	**583,240**	23,563,979
Provision for income tax (20%)	**116,648**	4,712,797

18. ZAKAT AND INCOME TAX (CONTINUED)

Provision as at year end

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

	2024 SR	2023 SR
Provision for zakat	**12,968,280**	10,570,943
Provision for income tax	**4,957,516**	7,845,171
	17,925,796	18,416,114

Movement for the year

Movement in zakat and income tax payable is as follows:

	2024 SR	2023 SR
Balance at the beginning of the year	**18,416,114**	27,490,781
Provided during the year – zakat	**10,393,086**	7,378,324
Provided during the year – income tax	**116,648**	4,712,797
Payment made during the year – income tax	**(3,004,303)**	(4,660,408)
Payment made during the year – zakat	**(7,995,749)**	(16,505,380)
Balance at year end	**17,925,796**	18,416,114

Status of assessments

ZATCA raised an assessment in the year 2020, which resulted in an additional VAT amount payable of SAR 45.9 million. The Company paid the additional VAT amount to avoid any penalties but submitted its objections against ZATCA's assessment. ZATCA partially accepted the objections for SAR 18.1 million and rejected the remaining SAR 27.8 million (which relate to input VAT recovery on prepaid expenses and other assets). The Company filed an appeal to the General Secretariat of the Tax Committees (GSTC) for the remaining SAR 27.8 million (GSTC Level 1). The case under GSTC Level 1 was heard by the committee in July 2021, and GSTC ruled in favor of ZATCA. The Company decided to appeal the case to GSTC Level 2, and the appeal was submitted on 10 October 2021. The GSTC Level 2 appeal was heard by the GSTC in August 2022 without the presence of the Company, and GSTC ruled in favor of the Company for the contested purchase items amounting to SAR 19.2 million and rejected the contested sales items amounting to SAR 8.5 million.

The Company further submitted a reconsideration request to the GSTC in relation to the rejected contested sales items amounting to SAR 8.5 million on the basis that the verbal ruling was issued in the absence of the Company. GSTC gave an unfavorable response to the Company, and the case is now closed. To recover the amount for the accepted part of the appeal, the Company has submitted a reconsideration request to the GSTC in respect of the contested sales item. Separately, in August 2023, the Company received an audit notification from ZATCA for the years 2021 and 2022, and the audit was concluded on 26 February 2024, with ZATCA issuing an initial assessment. The initial assessment stated that the Company had a VAT payable amount of SAR 3,361,018.72. The Company challenged some of the aforementioned points by submitting additional documents and explanations. Consequently, on 25 June 2024, ZATCA re-evaluated the initial assessment considering the new evidence provided by the Company. This re-evaluated assessment determined that the Company's VAT liability had been reduced from SAR 3,361,018.72 to SAR 1,216,632.92. However, the audit process is still ongoing as the Company has disputed the re-evaluated assessment by presenting more detailed analysis (such as reconciliation between the VAT return and the financial statement) and further documentation to substantiate their claims. On 15 September 2024, ZATCA has considered the additional information provided by the Company and concluded the reassessment for the years 2021 and 2022. The final reassessment has resulted in a reduction of VAT liability from SAR 1,216,632.92 to SAR 914,603.97. Nevertheless, the Company has accepted this revised final assessment from ZATCA and proceeded with the VAT liability payment. On December 10, 2024, ZATCA has started an audit for the year 2023, which is still ongoing.

The Company has filed the zakat and income tax declarations for all the years up to 31 December 2023. The Company finalized its zakat and income tax position for all the years up to 31 December 2020. The ZATCA did not yet issue the zakat and income tax assessment for the years ended 31 December 2021, 2022, and 2023.

19. SHARE CAPITAL AND SHARE PREMIUM

The authorized and issued share capital of the Company is SR 600 million divided into 60 million shares of SR 10 each (31 December 2023: SR 600 million divided into 60 million shares of SR 10 each). The founding shareholders of the Company had subscribed and paid for 39 million shares with a nominal value of SR 10 each, which represented 65% of the shares of the Company's capital and the remaining 21 million shares with a nominal value of SR 10 each were subscribed by general public.

During the year end 2023, the Company announced on Tadawul dated 28 September 2023 about a major change in shareholders. Allianz SE was willing to sell all of its shares in the Company (which it indirectly held 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 was subject to certain conditions and regulatory approvals. Accordingly, on 27 September 2023 these three subsidiaries entered into a legally binding sale and purchase agreement with ADNIC. Upon completion of the overall transaction, ADNIC would have directly owned 51% of the share capital of the Company and Allianz SE would have cease to hold, directly or indirectly, any shares in the Company, subject to regulatory approvals.

During the year end 31 December 2024, the Company announced that it has been notified by Allianz SE of the completion of the sale and purchase arrangement with respect to all of the shares held by Allianz SE in the Company (which were held indirectly through its three subsidiaries Allianz Europe B.V., Allianz France S.A. and Allianz MENA Holding (Bermuda) Limited), to Abu Dhabi National Insurance Company PJSC, being 30,600,000 shares representing 51% of the share capital of the Company, with a total value of USD 133,068,800 (being SR 499,008,000) at a weighted average price of approximately SR 16.3075 per share.

The shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax.

	2024	
	Number of Shares	**Authorized, issued and paid-up capital (SR)**
Abu Dhabi National Insurance Company PJSC	**30.60 Million**	**306 Million**
Banque Saudi Fransi	**8.40 Million**	**84 Million**
Public	**21.00 Million**	**210 Million**
	60 Million	**600 Million**

	2023	
	Number of Shares	Authorized, issued and paid up capital (SR)
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

20. RESERVES

20.1 Statutory reserve

In accordance with the By-laws of the Company and Article 70(2) (g) of the Implementing Regulations issued by IA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company. Also see Note 1.

20.2 Fair value reserve for investments

The fair value reserve for investments comprises the cumulative net change in the fair value of equity and debt securities measured at FVOCI and share of other comprehensive income / loss of investment in equity and debt accounted investments.

20.3 Insurance finance reserves

The insurance finance reserves include the changes in Other Comprehensive Income (OCI) booked under the Premium Allocation Approach (PAA) for both Gross and Reinsurance (RI). These changes reflect the impact of the locked-in discount rate adjustments recorded under finance expenses in OCI.

21. INSURANCE SERVICE RESULT

	2024 SR	2023 SR
Insurance revenue		
Contracts not measured under PAA		
Expected claims expenses and attributable expenses incurred in the year end	**9,807,128**	11,933,655
Loss component run off	**(8,805,721)**	(1,897,539)
Change in risk adjustment for non-financial risk	**480,908**	372,709
Experience adjustments	**2,459,261**	(336,009)
Amount of CSM recognized in profit or loss	**2,055,550**	1,824,801
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	**1,167,211**	1,109,468
Contracts measured under PAA		
Insurance revenue from contracts measured under PAA	**866,720,967**	849,617,982
Total insurance revenue	**873,885,304**	862,625,067
Insurance service expenses		
Incurred in current year, paid in current year	**(512,515,844)**	(487,210,199)
Changes in liabilities for incurred claims	**(62,629,736)**	(24,027,317)
Directly attributable expenses, excluding insurance acquisition cash flows	**(92,986,738)**	(91,113,076)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows	**(83,017,104)**	(77,864,200)
Losses on onerous contracts and reversals	**(1,316,395)**	(871,962)
Other movements	**(689,875)**	(23,766,526)
Total insurance service expenses	**(753,155,692)**	(704,853,280)
Insurance service result before reinsurance contracts held	**120,729,612**	157,771,787
Allocation of reinsurance premiums		
Contracts not measured under PAA		
Expected claims recoverable in the year end	**(254,625)**	(62,830)
Change in risk adjustment for non-financial risk	**(33,930)**	(37,064)
Experience adjustments	**(102,892)**	(166,600)
CSM (net gain/loss) release	**(171,746)**	(65,460)
Allocation of reinsurance premiums from contracts not measured under the PAA	**(563,193)**	(331,954)
Contracts measured under PAA		
Ceded premium	**(204,223,436)**	(287,215,031)
Change in reinsurance share of unearned premium reserves	**(97,030,632)**	(20,194,187)
Reinsurance (fixed) commission	**9,958,201**	11,471,025
Change in reinsurance share unearned (fixed) commission	**1,201,707**	(1,933,770)
Amounts allocated to reinsurance from contracts measured under the PAA	**(290,094,160)**	(297,871,963)
Total allocation of reinsurance premiums	**(290,657,353)**	(298,203,917)
Amounts recoverable from reinsurers for incurred claims		
Amounts recoverable for incurred claims and other expenses	**171,617,747**	175,507,795
Losses on onerous contracts and reversals of those losses	**(17,109)**	1,195,486
Changes in liabilities for incurred claims	**(1,270,425)**	(24,496,267)
Other movements	**2,707,977**	6,134,828
Total amounts recoverable from reinsurance for incurred claims	**173,038,190**	158,341,842
Net expense from reinsurance contracts held	**(117,619,163)**	(139,862,075)
Share of surplus from insurance pools	**5,063,916**	12,294,000
Insurance service result	**8,174,365**	30,203,712

22. SHARE OF SURPLUS FROM INSURANCE POOL

This principally represents the Company's share in the surplus for general accident product arising from the Umrah & Haj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Company for Cooperative Insurance (Tawuniya) effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by IA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement as at 31 December 2024 as the aforementioned arrangement has been discontinued. For the year ended 31 December 2024, there is no share of income in the Hajj and Umrah scheme (2023 insurance revenues amounted to SR 35.8 million net expenses which amounted to SR 16.6 million.

23. NET INSURANCE FINANCE INCOME / EXPENSES

The Company has approved to present changes in discount rates and financial risks in Other Comprehensive Income (OCI) to reduce volatility in profit or loss arising from interest rate fluctuations. This approach aligns with the Company's financial reporting objectives of providing a clearer representation of underwriting performance in profit or loss.

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

	2024						
SR	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	(1,694,408)	(1,547,092)	(18,610,989)	(537,362)	-	(38,188)	(22,428,039)
Effects of changes in interest rates and other financial assumptions	(105,906)	(143,598)	138,496	42,730	(26,093,573)	31,264	(26,130,587)
Finance income / expenses from insurance contracts issued	(1,800,314)	(1,690,690)	(18,472,493)	(494,632)	(26,093,573)	(6,924)	(48,558,626)
Represented by:							
Amounts recognised in profit or loss	(1,694,408)	(1,547,092)	(18,610,989)	(537,362)	(26,093,573)	(6,924)	(48,490,348)
Amounts recognised in OCI	105,906	143,598	(138,496)	(42,730)	-	-	(68,278)
Finance income/expenses from reinsurance contracts held							
Interest accreted using locked-in interest rates	646,775	83,050	15,952,249	354,007	(3,250)	-	17,032,831
Effects of changes in interest rates and other financial assumptions	57,009	31,624	(259,967)	(34,975)	(18,085)	-	(224,394)
Finance income from reinsurance contracts held	703,784	114,674	15,692,282	319,033	(21,335)	-	16,808,438
Represented by:							
Amounts recognised in profit or loss	646,775	83,050	15,952,249	354,007	(21,335)	-	17,014,746
Amounts recognised in OCI	57,009	31,624	(259,967)	(34,975)	-	-	(206,309)
Net insurance finance income	(1,096,530)	(1,576,016)	(2,780,211)	(175,599)	(26,114,908)	(6,924)	(31,750,188)

23. NET FINANCE INCOME / EXPENSES (CONTINUED)

	2023						
SR	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	(671,876)	(704,502)	(3,518,606)	(165,602)	(13,846,046)	45,559	(18,861,073)
Finance income / expenses from insurance contracts issued	(1,878,991)	(1,851,466)	(14,160,842)	(669,890)	(51,491,709)	18,701	(70,034,197)
Represented by:							
Amounts recognised in profit or loss	(1,207,115)	(1,146,964)	(10,642,236)	(504,288)	(51,491,709)	18,701	(64,973,611)
Amounts recognised in OCI	(671,876)	(704,502)	(3,518,606)	(165,602)	-	-	(5,060,586)
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	384,545	(50,538)	3,184,795	98,029	16,421	-	3,633,252
Finance income from reinsurance contracts held	1,046,028	(17,140)	13,000,188	427,256	21,888	-	14,478,220
Represented by:							
Amounts recognised in profit or loss	661,483	33,398	9,815,393	329,227	21,888	-	10,861,389
Amounts recognised in OCI	384,545	(50,538)	3,184,795	98,029			3,616,831
Net insurance finance income	(832,963)	(1,868,606)	(1,160,654)	(242,634)	(51,469,821)	18,701	(55,555,977)

24. OTHER OPERATING EXPENSES

	2024 **SR**	2023 SR
Professional and legal costs	**16,125,460**	6,902,650
Provision of VAT case	**594,247**	4,684,498
Staff cost	**5,988,581**	3,611,231
Communication and technology	**1,739,333**	1,782,452
Depreciation and amortization	**1,228,234**	1,197,286
Hospitality and travel expenses	**980,286**	1,172,651
Rent	**1,043,033**	1,052,616
Advertisement and marketing expenses	**2,546,699**	953,254
Repair and maintenance	**2,888,679**	935,723
Others	**2,442,914**	1,475,415
	35,577,466	23,767,776

24. OTHER OPERATING EXPENSES (CONTINUED)

The breakdown of remuneration for the statutory audit, quarterly reviews, zakat, tax, and other services of the Company's financial statements is presented below.

Statutory audit, quarterly reviews, zakat and tax services:

	2024 SR	2023 SR
Annual audit and quarterly reviews for second and third quarters of 2024 (2023: None) – Deloitte and Touche & Co. Chartered Accountants	**1,145,000**	-
Annual audit and quarterly reviews for first, second and third quarters of 2024 (2023: Annual audit and quarterly reviews for first, second and third quarters) – PKF Al Bassam Chartered Accountants	**465,000**	390,000
Quarterly review for first quarter (2023: Annual audit and quarterly reviews for first, second and third quarters) – PricewaterhouseCoopers	**150,000**	1,500,000
Zakat and tax services – Ernst and Young	**413,959**	315,957
	2,173,959	2,205,957

Other services:

	2024 SR	2023 SR
Fees for agreed upon procedures related to related parties	**20,000**	17,500
Fees for agreed upon procedures related to surplus distribution	**20,000**	17,500
Fees for agreed upon procedures related to prudential regulations	**-**	17,500
Fees for agreed upon procedures related to solvency	**-**	20,000
	40,000	72,500

25. EXPENSE ALLOCATION ANALYSIS

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

	2024		
	Insurance acquisition costs SR	**Attributable non-acquisition expenses SR**	**Total SR**
Medical	**23,060,659**	**24,051,262**	**47,111,921**
Motor	**30,232,703**	**26,887,033**	**57,119,736**
Property and casualty	**22,900,468**	**25,111,678**	**48,012,146**
Group Life	**5,656,062**	**5,871,203**	**11,527,265**
Protection and saving	**1,168,721**	**11,065,563**	**12,234,284**
Protection	**(1,510)**	**-**	**(1,510)**
Total	**83,017,103**	**92,986,739**	**176,003,842**

	2023		
	Insurance acquisition costs SR	Attributable non-acquisition expenses SR	Total SR
Medical	17,938,055	30,030,276	47,968,331
Motor	36,385,428	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	159,188	49,863	209,051
Total	77,864,201	91,113,077	168,977,278

26. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share has been calculated by dividing the income for the year by the weighted average number of shares outstanding at the reported date after excluding the treasury shares consisting of 542,077 shares (31 December 2023: 233,334 shares). (Note 31)

	2024	2023
Net Income for the year attributable to the shareholders	**SR 15,167,075**	SR 36,986,892
Weighted average number of ordinary shares for basic and diluted earnings per share	**59,457,923 shares**	59,766,666 shares
Basic and diluted earnings per share	**SR 0.26**	SR 0.62

27. RELATED PARTY DISCLOSURES

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		**Balance as at year end**	
	2024	2023	**2024**	2023
	SR	SR	**SR**	SR
Entities controlled, jointly controlled or significantly influenced by related parties				
- Insurance premium ceded*	**28,470,780**	185,799,331	**-**	-
- Reinsurers' share of claims paid*	**26,781,948**	134,059,533	**-**	-
- Commission income*	**2,417,558**	8,868,518	**-**	-
- Third party administrator expenses	**2,509,137**	10,930,999	**-**	-
- Reinsurers' share of outstanding claims (Treaty)	-	-	**-**	1,697,513
- Accrued third party administrator	-	-	**-**	4,052,294
- Reinsurance balance payable, net	-	-	**-**	95,853,513
- Investment in equity of Saudi NextCare	-	-	**-**	2,410,440
Other shareholders				
- Insurance premium written*	**41,587,301**	124,159,299	**-**	-
- Claims paid*	**45,675,886**	47,740,160	**-**	-
- Commission expense*	**553,347**	1,300,699	**-**	-
- Premium receivable	**-**	-	**33,706,063**	23,967,410
- Outstanding claims	**-**	-	**26,927,707**	26,809,999
- Cash and cash equivalents	-	-	**29,702,489**	42,557,872
- Unit linked investments managed by shareholders	-	-	**484,074,594**	500,981,775

*Transactions for those items comprises balance from previous related parties which 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.

During the year ended 31 December 2024, the Company announced the completion of the sale and purchase arrangement with respect to all of the shares held by Allianz SE in the Company (which are held indirectly through its three subsidiaries Allianz Europe B.V., Allianz France S.A. and Allianz MENA Holding (Bermuda) Limited), to Abu Dhabi National Insurance Company PJSC, therefore those transactions are only limited to the date of the approved transaction. Balance reported in above table exclude transaction related to previous shareholders Allianz SE and its subsidiaries. Other related parties include Banque Saudi Fransi (one of the shareholders) and its Group Companies.

27. RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel

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 including the Chief Executive Officer, and the Chief Financial Officer of the Company.

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

2024	**BoD members SR**	**Top executives SR**
Salaries and compensation	**-**	**7,162,545**
Allowances	**444,000**	**-**
Annual remuneration	**1,840,000**	**-**
End of service obligations	**-**	**489,672**
	2,284,000	**7,652,217**

2023	BoD members SR	Top executives SR
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

28. 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.

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

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

Carrying amounts and fair value

The following table shows the fair values 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 if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

28. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Carrying amounts and fair value (continued)

	Fair value			
	Level 1 SR	**Level 2 SR**	**Level 3 SR**	**Total SR**
2024				
Financial assets at FVOCI				
Bonds and sukuks	**-**	**-**	**-**	**-**
Equities	**3,010,607**	**-**	**62,716,414**	**65,727,021**
Financial assets at FVTPL				
Bonds and sukuks	**46,661,550**	**-**	**-**	**46,661,550**
Mutual funds	**-**	**-**	**-**	**-**
Financial assets for unit linked contracts	**-**	**484,074,594**	**-**	**484,074,594**
	49,672,157	**484,074,594**	**62,716,414**	**596,463,165**

	Fair value			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
2023				
Financial assets at FVOCI				
Bonds and sukuks	344,595,645	335,472,335	-	680,067,980
Equities	3,741,450	-	45,894,692	49,636,142
Financial assets at FVTPL				
Bonds and sukuks	69,598,125	-	-	69,598,125
Mutual funds	9,597,433	-	-	9,597,433
Financial assets for unit linked contracts	-	500,981,775	-	500,981,775
	427,532,653	836,454,110	45,894,692	1,309,881,455

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

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

Fair value of financial instruments measured at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognized in the statement of financial position approximate their fair values.

SR	Carrying value	Fair value
December 31, 2024		
Financial assets at amortised cost	**602,939,784**	**376,513**
December 31, 2023		
Financial assets at amortised cost	-	-

Reconciliation of recurring fair value measurements under Level 3 of the fair value hierarchy:

	2024 SR	2023 SR
Balance at the beginning of the year	**45,894,692**	42,313,127
Purchases	**-**	-
Unrealized gain on fair value of investments at FVOCI	**16,821,722**	3,581,565
Balance at the end of the year	**62,716,414**	45,894,692

28. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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.

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

2024	**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**	**(4,840,745)**	**4,840,745**
Equities	**+/- 1% change in the breakup value of shares**	**(627,164)**	**627,164**

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

29. 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.

There have been a changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2023.

Segment assets do not include cash and cash equivalents, term deposits, prepaid expenses and other assets, right of use assets, investments, financial assets for unit linked contracts, property and equipment, deferred tax assets, 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 benefit obligations, zakat and income tax and accrued income payable to IA. 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 31 December 2024 and 31 December 2023, 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
Protection and saving	:	Individual protection and saving
Protection	:	Individual protection
Shareholders	:	Shareholders

29. OPERATING SEGMENTS (CONTINUED)

	2024								
SR	Medical	Motor	Property and casualty	Group life	Protection and saving	Protection	Total	Shareholders	Total
Assets									
Insurance contract assets	**72,751,849**	**49,248,988**	**18,518,386**	**-**	**1,743,494**	**333,286**	**142,596,003**	**-**	**142,596,003**
Reinsurance contract assets	**40,863,447**	**3,068,084**	**280,773,096**	**26,753,408**	**2,060,431**	**-**	**353,518,466**	**-**	**353,518,466**
Investments							**278,260,760**	**436,908,238**	**715,168,998**
Prepaid expenses and other assets							**80,764,146**	**4,094,288**	**84,858,434**
Statutory deposit							**-**	**60,000,000**	**60,000,000**
Accrued income on statutory deposit							**-**	**2,232,103**	**2,232,103**
Other assets							**354,038,416**	**335,953,596**	**689,992,012**
Total assets							**1,209,177,791**	**839,188,225**	**2,048,366,016**
Liabilities and equity									
Insurance contract liabilities	**151,760,594**	**56,761,510**	**309,696,955**	**42,525,417**	**467,182,381**	**212,986**	**1,028,139,843**	**-**	**1,028,139,843**
Reinsurance contract liabilities	**12,391,557**	**-**	**113,181,124**	**6,295,233**	**7,985**	**-**	**131,875,899**	**-**	**131,875,899**
Accrued expenses and other liabilities							**31,258,673**	**2,232,103**	**33,490,776**
Employees benefit obligations							**18,452,616**	**-**	**18,452,616**
Zakat and income tax							**-**	**17,925,796**	**17,925,796**
Other liabilities							**5,389,725**	**-**	**5,389,725**
Equity							**(5,938,965)**	**819,030,326**	**813,091,361**
Total liabilities and equity							**1,209,177,791**	**839,188,225**	**2,048,366,016**

29. OPERATING SEGMENTS (CONTINUED)

	2023								
SR	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							581,785,536	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 expenses and other liabilities							43,739,101	1,978,272	45,717,373
Employees benefit obligations							19,219,326	-	19,219,326
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							1,368,897,529	786,488,748	2,155,386,277

29. OPERATING SEGMENTS (CONTINUED)

	2024						
SR	**Medical**	**Motor**	**Property and casualty**	**Group life**	**Protection and saving**	**Protection**	**Total**
Insurance revenue	**321,510,478**	**239,222,871**	**238,842,396**	**67,145,220**	**6,775,831**	**388,508**	**873,885,304**
Insurance service expenses	**(337,590,702)**	**(233,688,842)**	**(113,730,087)**	**(58,751,908)**	**(9,395,126)**	**973**	**(753,155,692)**
Insurance service result before reinsurance contracts	**(16,080,224)**	**5,534,029**	**125,112,309**	**8,393,312**	**(2,619,295)**	**389,481**	**120,729,612**
Allocation of reinsurance premiums	**(73,326,236)**	**(1,562,833)**	**(174,838,009)**	**(40,367,082)**	**(194,452)**	**(368,741)**	**(290,657,353)**
Amounts recoverable from reinsurance	**85,955,181**	**1,822,651**	**52,617,728**	**32,502,750**	**364,292**	**(224,412)**	**173,038,190**
Net expenses from reinsurance contracts	**12,628,945**	**259,818**	**(122,220,281)**	**(7,864,332)**	**169,840**	**(593,153)**	**(117,619,163)**
Insurance service result from Company's directly written business	**(3,451,279)**	**5,793,847**	**2,892,028**	**528,980**	**(2,449,455)**	**(203,672)**	**3,110,449**
Share of surplus from insurance pools	**5,063,916**	**-**	**-**	**-**	**-**	**-**	**5,063,916**
Total insurance service result	**1,612,637**	**5,793,847**	**2,892,028**	**528,980**	**(2,449,455)**	**(203,672)**	**8,174,365**
Finance expenses from insurance contracts	**(1,694,408)**	**(1,547,092)**	**(18,610,989)**	**(537,362)**	**(26,093,573)**	**(6,924)**	**(48,490,348)**
Finance income from reinsurance contracts	**646,775**	**83,050**	**15,952,250**	**354,007**	**(6,924)**	**(14,411)**	**17,014,747**
Net insurance finance expenses	**(1,047,633)**	**(1,464,042)**	**(2,658,739)**	**(183,355)**	**(26,100,497)**	**(21,335)**	**(31,475,601)**
Income from financial assets measured at FVTPL							**27,456,623**
Income from financial assets not measured at FVTPL							**48,104,850**
Other income							**9,793,008**
Net investment income							**85,354,481**
Other operating expenses							**(35,577,466)**
NET INCOME FOR THE YEAR BEFORE ZAKAT AND INCOME TAX							**26,475,779**

29. OPERATING SEGMENTS (CONTINUED)

	2023						
SR	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 from reinsurance contracts	(24,683,293)	(2,027,319)	(108,257,012)	(4,801,232)	(93,219)	-	(139,862,075)
Insurance service result from Company’s 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 insurance pools	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 income							96,896,522
Other operating expenses							(23,767,776)
NET INCOME FOR THE YEAR BEFORE ZAKAT AND INCOME TAX							49,220,236

29. OPERATING SEGMENTS (CONTINUED)

	2024						
SR	**Medical**	**Motor**	**Property and casualty**	**Group Life**	**Protection and saving**	**Protection**	**Total**
Gross written premiums – retail	**11,008,840**	**73,330,914**	**(182,988)**	**11,419**	**33,569,750**	**-**	**117,737,935**
Gross written premiums – corporate	**188,521,179**	**79,871,506**	**121,454,479**	**9,397,585**	**-**	**37,191,019**	**436,435,768**
Gross written premiums – very small entities	**9,119,948**	**7,140,838**	**5,153,036**	**207,814**	**-**	**-**	**21,621,636**
Gross written premiums – small entities	**21,229,603**	**41,523,219**	**21,731,295**	**213,376**	**-**	**-**	**84,697,493**
Gross written premiums – medium entities	**27,810,531**	**52,377,000**	**45,755,297**	**25,674,365**	**-**	**4,151,332**	**155,768,525**
Gross written premiums	**257,690,101**	**254,243,477**	**193,911,119**	**35,504,559**	**33,569,750**	**41,342,351**	**816,261,357**

	2023						
SR	Medical	Motor	Property and casualty	Group Life	Protection and saving	Protection	Total
Gross written premiums – retail	15,688,914	80,016,897	(2,669,102)	10,068	-	38,582,481	131,629,258
Gross written premiums – corporate	232,061,183	93,715,707	147,591,024	70,202,268	32,655,898	-	576,226,080
Gross written premiums – very small entities	8,595,208	8,254,064	6,013,672	-	-	-	22,862,944
Gross written premiums – small entities	36,947,409	32,573,036	16,046,843	105,853	-	-	85,673,141
Gross written premiums – medium entities	49,778,117	53,821,652	39,390,325	1,563,471	-	-	144,553,565
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.

30. 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.

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

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

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

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

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.

30. RISK MANAGEMENT (CONTINUED)

Insurance risk

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

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

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

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors. The Company monitors concentration of insurance risks primarily by class of business.

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 neighbouring 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.

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 that is not lower than prescribed in the Regulations.
b. Reputation of particular reinsurance companies.
c. Existing or past business experience with the reinsurers.

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Reinsurance risk (continued)

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Risk and Underwriting Committee before approving them for reinsurance business. As at 31 December 2024, 88% of reinsurance receivables balance was due from one party (31 December 2023: 53% due from one party).

The nature of the Company's exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

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

	2024			2023		
SR	**Insurance contract liabilities (net of insurance contract assets)**	**Reinsurance contract assets (net of liabilities)**	**Net**	Insurance contract liability (net of insurance contract assets)	Reinsurance contract assets (net of liability)	Net
Medical	**79,008,745**	**28,471,890**	**50,536,855**	62,698,107	22,144,601	40,553,506
Motor	**7,512,522**	**3,068,084**	**4,444,438**	64,476,594	2,730,809	61,745,785
Property and casualty	**291,178,569**	**167,591,972**	**123,586,597**	273,165,800	209,488,865	63,676,935
Group life	**42,525,417**	**20,458,175**	**22,067,242**	60,636,717	7,061,831	53,574,886
Protection and saving	**465,438,887**	**2,052,446**	**463,386,441**	504,806,063	1,688,722	503,117,341
Protection	**(120,300)**	**-**	**(120,300)**	(234,286)	-	(234,286)
Total	**885,543,840**	**221,642,567**	**663,901,273**	965,548,995	243,114,828	722,434,167

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.

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.

Process used to decide on assumptions

The process used to determine the assumptions for calculating the estimate of the present value of cash flows 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.

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Process used to decide on assumptions (continued)

The estimation of the present value of cash flows is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

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 analysed by accident years, but can also be further analysed 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.

Sensitivity analysis on significant assumptions used

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

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before tax 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:

	2024			2023		
SR	**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	**420,225,253**			460,977,218		
Reinsurance contract assets	**219,590,121**			241,426,106		
Net insurance contract liabilities	**200,635,132**			219,551,112		
Expenses increase by 5%	**200,267,253**	**(367,879)**	**(367,879)**	220,618,020	(4,734,468)	(4,734,468)
Expenses decrease by 5%	**201,003,011**	**367,879**	**367,879**	221,438,408	4,931,797	4,931,797
Yields curve shift up by 1%	**200,999,786**	**364,654**	**364,654**	219,845,016	1,183,197	1,183,197
Yields curve shift down by 1%	**200,270,693**	**(364,439)**	**(364,439)**	223,785,781	(2,757,568)	(2,757,568)
Loss reserve increase by 5%	**192,562,652**	**(8,072,480)**	**(8,072,480)**	232,443,396	(11,415,183)	(11,415,183)
Loss reserve decrease by 5%	**208,707,612**	**8,072,480**	**8,072,480**	210,165,745	10,862,468	10,862,468

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Sensitivity analysis on significant assumptions used (continued)

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

	2024			2023		
SR	**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	**465,318,587**			504,571,776		
Reinsurance contract Assets	**2,052,446**			1,688,722		
Net insurance contract liabilities	**463,266,141**			502,883,054		
Lapse/surrenders scenario increase by 5%	**467,427,201**	**(4,161,060)**	**(4,161,060)**	508,608,349	(1,667,890)	(1,667,890)
Lapse/surrenders scenario decrease by 5%	**459,322,571**	**3,943,570**	**3,943,570**	499,526,057	394,115	394,115
Mortality increase by 5%	**468,067,499**	**(4,801,358)**	**(4,801,358)**	508,608,349	(1,667,890)	(1,667,890)
Mortality decrease by 5%	**462,898,411**	**367,730**	**367,730**	499,526,057	394,115	394,115
Morbidity increase by 5%	**463,179,514**	**86,627**	**86,627**	509,856,234	(1,212,663)	(1,212,663)
Morbidity decrease by 5%	**462,719,354**	**546,787**	**546,787**	454,114,597	586,019	586,019
Expenses increase by 5%	**-**	**-**	**-**	-	-	-
Expenses decrease by 5%	**-**	**-**	**-**	-	-	-
Yields curve shift up by 1%	**471,049,225**	**(7,783,084)**	**(7,783,084)**	506,085,490	(898,472)	(898,472)
Yields curve shift down by 1%	**462,883,584**	**382,557**	**382,557**	489,434,621	1,090,093	1,090,093
Loss reserve increase by 5%	**463,899,173**	**(633,032)**	**(633,032)**	497,854,223	(678,452)	(678,452)
Loss reserve decrease by 5%	**462,881,721**	**384,420**	**384,420**	507,094,633	412,002	412,002

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

	2024 **SR**	2023 SR
Impact on net income of change in direct expense ratio – loss component*		
Increase by 2%	**(823,749)**	(637,620)
Decrease by 2%	**806,778**	624,582
	(16,971)	(13,038)

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

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

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

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

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Claims development table (continued)

2024 Accident year	2019 & earlier SR	2020 SR	2021 SR	2022 SR	2023 SR	2024 SR	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:							
At end of accident year	5,998,224,315	463,429,302	394,244,624	408,630,374	477,087,946	431,854,793	8,173,471,354
1 year later	3,084,796,094	440,292,376	430,509,094	479,105,678	597,127,270	-	5,031,830,512
2 years later	3,121,686,472	449,339,802	411,216,563	441,211,824	-	-	4,423,454,661
3 years later	3,140,390,368	444,415,093	410,291,192	-	-	-	3,995,096,653
4 years later	2,504,421,745	439,880,013	-	-	-	-	2,944,301,758
5 years later	3,214,148,293	-	-	-	-	-	3,214,148,293
Gross estimates of the undiscounted amount of the claims	3,214,148,293	439,880,013	410,291,192	441,211,824	597,127,270	431,854,793	5,534,513,385
Cumulative gross claims and other directly attributable expenses paid	2,970,995,885	434,552,555	404,392,503	427,167,491	496,701,341	411,605,317	5,145,415,092
Gross undiscounted liabilities for incurred claims	243,152,408	5,327,458	5,898,689	14,044,333	100,425,929	20,249,476	389,098,293
Effect of discounting							(19,426,253)
Gross discounted liabilities for incurred claims excluding risk adjustment							369,672,040
Effect of the risk adjustment margin for non-financial risk							20,375,339
Gross liabilities for incurred claims							390,047,379

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Claims development table (continued)

2023 Accident year	2018 & earlier SR	2019 SR	2020 SR	2021 SR	2022 SR	2023 SR	Total SR
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

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Claims development table (continued)

2024 Accident year	2019 & earlier SR	2020 SR	2021 SR	2022 SR	2023 SR	2024 SR	Total SR
Undiscounted liabilities for incurred claims, net of reinsurance:							
At end of accident year	**2,591,672,285**	**199,787,796**	**180,246,455**	**220,725,822**	**233,046,665**	**166,447,561**	**3,591,926,584**
1 year later	**1,359,523,702**	**189,780,243**	**239,402,977**	**165,872,709**	**238,112,228**	**-**	**2,192,691,859**
2 years later	**1,402,191,897**	**195,437,155**	**203,640,157**	**151,483,483**	**-**	**-**	**1,952,752,692**
3 years later	**1,445,521,253**	**187,372,419**	**204,750,984**	**-**	**-**	**-**	**1,837,644,656**
4 years later	**1,187,705,972**	**185,983,859**	**-**	**-**	**-**	**-**	**1,373,689,831**
5 years later	**1,424,597,720**	**-**	**-**	**-**	**-**	**-**	**1,424,597,720**
Gross estimates of the undiscounted amount of the claims	**1,424,597,720**	**185,983,859**	**204,750,984**	**151,483,483**	**238,112,228**	**166,447,561**	**2,371,375,835**
Cumulative gross claims and other directly attributable expenses paid	**1,254,587,383**	**181,944,624**	**200,468,311**	**145,765,485**	**165,309,840**	**82,517,302**	**2,030,592,945**
Gross undiscounted liabilities for incurred claims	**170,010,337**	**4,039,235**	**4,282,673**	**5,717,998**	**72,802,388**	**83,930,259**	**340,782,890**
Effect of discounting							**(15,622,894)**
Gross discounted liabilities for incurred claims excluding risk adjustment							**325,159,998**
Effect of the risk adjustment margin for non-financial risk							**13,017,753**
Gross liabilities for incurred claims							**338,177,750**

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

Claims development table (continued)

2023 Accident year	2018 & earlier SR	2019 SR	2020 SR	2021 SR	2022 SR	2023 SR	Total SR
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

30. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

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

	Estimates of present value of future cash flows SR	**Risk adjustment for non-financial risk SR**	**Total SR**
2024			
Gross liabilities for incurred claims	**299,524,407**	**20,375,339**	**319,899,746**
Amounts recoverable from reinsurers	**325,159,998**	**13,017,753**	**338,177,750**
Net liabilities for incurred claims	**(25,635,591)**	**7,357,586**	**(18,278,004)**

	Estimates of present value of future cash flows SR	Risk adjustment for non-financial risk SR	Total SR
2023			
Gross liabilities for incurred claims	400,209,137	23,391,812	423,600,949
Amounts recoverable from reinsurers	356,635,969	13,712,404	370,348,373
Net liabilities for incurred claims	43,573,168	9,679,408	53,252,576

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.

Financial risk

The Company's principal financial assets and liabilities are cash and cash equivalents, term deposits, prepaid expenses and other assets, financial assets for unit linked contracts, investments, statutory deposit, accrued income on statutory deposit. The Company's principal financial liabilities are accrued expenses and other liabilities, accrued income payable to Insurance Authority and employee benefit obligations.

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

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.

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

30. RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	2024			2023		
SR	***Less than one year***	***More than one year***	***Total***	*Less than one year*	*More than one year*	*Total*
Assets						
Cash and cash equivalents	**78,672,393**	**-**	**78,672,393**	126,187,903	-	126,187,903
Term deposits	**-**	**118,500,000**	**118,500,000**	-	50,000,000	50,000,000
Prepaid expenses and other assets	**84,858,434**		**84,858,434**	51,434,987	-	51,434,987
Financial assets for unit linked contracts	**484,074,594**		**484,074,594**	500,981,775	-	500,981,775
Investments	**74,798,000**	**640,370,998**	**715,168,998**	40,341,785	760,557,895	800,899,680
Statutory deposit	**-**	**60,000,000**	**60,000,000**	-	60,000,000	60,000,000
Accrued income on statutory deposit	**2,232,103**		**2,232,103**	-	1,925,153	1,925,153
	724,635,524	**818,870,998**	**1,543,506,522**	718,946,450	872,483,048	1,591,429,498
Liabilities						
Accrued expenses and other liabilities	**33,490,776**	**-**	**33,490,776**	45,717,373	-	45,717,373
Accrued income payable to Insurance Authority	**2,232,103**	**-**	**2,232,103**	-	1,925,153	1,925,153
Employee benefit obligations	**-**	**18,452,616**	**18,452,616**	-	19,219,326	19,219,326
	35,722,879	**18,452,616**	**54,175,495**	45,717,373	21,144,479	66,861,852
Total liquidity gap	**688,912,645**	**800,418,382**	**1,489,331,027**	673,229,077	851,338,569	1,524,567,646

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.

	2024						
SR	**Up to 1 Year**	**1–2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Insurance contract liabilities	**227,558,218**	**228,109,904**	**41,420,482**	**33,783,100**	**29,883,736**	**256,820,013**	**817,575,453**
Reinsurance contract liabilities	**(35,576,126)**	**(286,297,430)**	**(4,082,971)**	**(219,781)**	**(49,691)**	**(184,118)**	**(326,410,117)**
Total	**191,982,092**	**(58,187,526)**	**37,337,511**	**33,563,319**	**29,834,045**	**256,635,895**	**491,165,336**

	2023						
SR	Up to 1 Year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Insurance contract liabilities	207,513,885	310,184,580	46,826,936	37,260,635	32,903,608	281,867,500	916,557,144
Reinsurance contract liabilities	(38,205,337)	(308,729,456)	(4,388,782)	(225,108)	(43,621)	(161,626)	(351,753,930)
Total	169,308,548	1,455,124	42,438,154	37,035,527	32,859,987	281,705,874	564,803,214

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.

30. RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The table below shows the amount payable on demand for insurance contract:

	2024 SR		2023 SR	
	Amount payable on demand	**Carrying amount**	Amount payable on demand	Carrying amount
Direct participating insurance contracts issued	**478,003,467**	**465,267,859**	496,161,700	490,864,120
	478,003,467	**465,267,859**	496,161,700	490,864,120

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

- Fair value through profit and loss 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.
- Term deposits includes deposits placed with high credit rating financial institutions with maturities of less than 12 and more than 12 months from the date of placement.
- Cash and bank balances are available on demand.
- Reinsurers' contract assets majorly pertain to property segment and are generally realized within three to six months based on settlement of balances with reinsurers.

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

- Majority of insurance contract liabilities are expected to be settled within twelve months in accordance with statutory timelines for payment.
- Accrued and other liabilities are expected to settle within a period of twelve months from the period end date.
- Reinsurers' balances payable are settled as per terms of reinsurance agreements.
- Employee benefit obligations are expected to settle based on the maturity analysis disclosed in Note 20.

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 receivables 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 maintained 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.

30. RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

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

	2024	2023
	SR	SR
Cash and cash equivalents	**78,672,393**	126,187,903
Term deposits	**118,500,000**	50,000,000
Insurance contract assets	**142,596,003**	145,585,905
Reinsurance contract assets	**353,518,466**	398,384,918
Financial assets for unit linked contracts	**484,074,594**	500,981,775
Investments	**715,168,998**	808,899,680
Statutory deposit	**60,000,000**	60,000,000
Accrued income on statutory deposit	**2,232,103**	1,925,153
Other assets (included in prepaid expenses and other assets)	**93,603,459**	63,420,943
	2,048,366,016	2,155,386,277

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. Approximately all of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

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

Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. 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 and reinsurance balances, investments and cash:

	2024		
	Gross	**ECL**	**Net**
ASSETS			
Cash and cash equivalents	**78,779,993**	**(107,600)**	**78,672,393**
Premium receivables*	**439,323,779**	**(78,766,216)**	**360,557,563**
Reinsurance receivables*	**16,960,031**	**(2,149,781)**	**14,810,250**
Investments	**715,328,355**	**(159,357)**	**715,168,998**
TOTAL ASSETS	**1,250,392,158**	**(81,182,954)**	**1,169,209,204**

	2023		
	Gross	ECL	Net
ASSETS			
Cash and cash equivalents	126,433,717	(245,814)	126,187,903
Premium receivables*	480,754,377	(68,120,699)	412,633,678
Reinsurance receivables*	41,204,144	(4,857,758)	36,346,386
Investments	809,120,199	(220,519)	808,899,680
TOTAL ASSETS	1,457,512,437	(73,444,790)	1,384,067,647

*Premium receivables and reinsurance receivables are part of insurance contract assets and reinsurance contract assets.

30. RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Credit ratings of investments
Following are the credit ratings of investments:

Credit Rating	Credit rating agency	Financial instrument	2024 SR	2023 SR
A-	S&P/ Moody's	**Bonds/sukuk**	**516,529,807**	691,841,221
BBB-	S&P/ Moody's	**Bonds/ sukuk**	**151,977,641**	61,365,874
Unrated	N/A	**Equity**	**46,661,550**	55,692,585
Total			**715,168,998**	808,899,680

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, 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. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The Company limits market risk by maintaining a diversified portfolio and by monitoring the developments in financial markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

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 summarizes the Company's investment assets by major currencies:

	2024 SR	2023 SR
Saudi Arabian Riyals	**438,360,691**	417,381,268
US dollars	**276,808,307**	391,518,412
	715,168,998	808,899,680

Commission rate risk

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

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

The Company manages commission rate risk by closely matching, where possible, the durations of insurance contracts with fixed and guaranteed terms and the supporting financial assets. The Company monitors its commission rate risk exposure through periodic reviews of asset and liability positions. The Company has no significant concentration of commission rate risk.

30. RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Commission rate risk (continued)

The Company’s exposure to commission rate risk sensitive financial assets are as follows:

	2024 SR	2023 SR
Cash and cash equivalents	**78,672,393**	126,187,903
Term deposits	**118,500,000**	50,000,000
Investment	**715,168,998**	808,899,680
	912,341,391	985,087,583

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit/ (loss) before tax. The correlation of variables will have a significant effect in determining the ultimate impact of commission rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

		2024 SR	
	Changes in commission rate	**Impact on decrease in commission rate**	**Impact on increase in commission rate**
Cash and cash equivalents	**+ / - 2%**	**(1,573,448)**	**1,573,448**
Term deposits	**+ / - 2%**	**(2,370,000)**	**2,370,000**
Investment	**+ / - 2%**	**(14,303,380)**	**14,303,380**
		(18,246,828)	**18,246,828**

		2023 SR	
	Changes in commission rate	Impact on decrease in commission rate	Impact on increase in commission rate
Cash and cash equivalents	+ / - 2%	(2,523,758)	2,523,758
Term deposits	+ / - 2%	(1,000,000)	1,000,000
Investment	+ / - 2%	(16,177,994)	16,177,994
		(19,701,752)	19,701,752

Price risk

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

The Company's investments amounting to SR 718.2 million (2023: SR 808.9 million) are susceptible to market price risk arising from uncertainty about the future value of invested securities. The Company limits this nature of market risk by diversifying its invested portfolio and by actively monitoring the developments in markets as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

30. RISK MANAGEMENT (CONTINUED)

Price risk (continued)

The impact of a hypothetical change of a 10% increase and 10% decrease in the market prices of investments carried at fair value through profit and loss would be as follows:

	Fair value change	*Effect on statement of income SR*
2024	**+10%**	**4,666,155**
	-10%	**(4,666,155)**
2023	+10%	8,273,745
	-10%	(8,273,745)

The impact of a hypothetical change of a 10% increase and 10% decrease in the market prices of investments carried at fair value through other comprehensive income would be as follows:

	Fair value change	*Effect on statement of comprehensive income SR*
2024	**+10%**	**6,572,702**
	-10%	**(6,572,702)**
2023	+10%	72,218,155
	-10%	(72,218,155)

The sensitivity analysis presented is based upon the portfolio position as at 31 December 2023 and 2022. Accordingly, the sensitivity analysis prepared is not necessarily indicative of the effect on the Company's assets of future movements in the value of investments held by the Company.

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.

Capital risk management

The 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.

30. RISK MANAGEMENT (CONTINUED)

Capital risk management (continued)

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

- Minimum capital requirement of SR 200 million
- Premium solvency margin
- Claims solvency margin

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

31. TREASURY SHARES AND SHARED BASED PAYMENTS RESERVE

Treasury shares

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

	2024		
	Average price of share (SR)	**Number of shares**	**Treasury shares (SR)**
At 1 January	**17.9**	**233,334**	**4,176,245**
Share buyback during the period / year	**17.5**	**332,807**	**5,823,755**
Settled during the period / year	**18.4**	**(24,064)**	**(442,781)**
At 31 December	**17.6**	**542,077**	**9,557,219**

	2023		
	Average price of share (SR)	Number of shares	Treasury shares (SR)
At 1 January	-	-	-
Share buyback during the year	17.9	233,334	4,176,245
Settled during the year	-	-	-
At 31 December	17.9	233,334	4,176,245

The below table show the movement of provision and payment during the year end:

	2024	2023
At 1 January	**-**	-
Provision during the year	**668,111**	-
Settled during the year	**(442,781)**	-
At 31 December	**225,330**	-

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. 30 June 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.

31. TREASUREY SHARES AND EMPLOYEE SHARE BASED PLAN (CONTINUED)

Employee share-based plan (continued)

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	2
Grant date	30 June 2023
Maturity date	30 June 2025
Grant price (SR per share)	15
Vesting period 1	30 September 23
Vesting period 2	30 June 24
Vesting period 3	30 June 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 (SR)	2.40

	Number of shares	
	2024	2023
At 1 January	**23,385**	-
Granted during the year	**24,064**	25,450
Settled during the year	**-**	-
Forfeited by leavers during the year	**-**	(2,065)
At 31 December	**47,449**	23,385

32. CONTINGENCIES AND COMMITMENTS

a) The Company's commitments and contingencies are as follows:

	2024	2023
	SR	SR
Letters of guarantee	**9,186,080**	9,092,033

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 impact on the Company's financial position and results as at and for the year ended 31 December 2024.

33. SUBSEQUENT EVENTS

No events have arisen subsequent to 31 December 2024, and before the date of signing the independent auditors' report, that could have a significant effect on the financial statements as at 31 December 2024.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Company's Board of Directors on 6 February 2025 (corresponding to 7 Shaban 1445 AH).