

BOD Report

1446 - 2024



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



MY PRIMARY GOAL IS TO BE AN EXEMPLARY AND LEADING NATION IN ALL ASPECTS, AND I WILL WORK WITH YOU IN ACHIEVING THIS ENDEAVOUR.



King Salman bin Abdulaziz Al Saud
The king of saudi arabia



Prince Mohammed bin salman Al Saud
Crown Prince of Saudi Arabia



IT IS MY PLEASURE TO PRESENT SAUDI ARABIA'S VISION FOR THE FUTURE. IT IS AN AMBITIOUS YET ACHIEVABLE BLUEPRINT, WHICH EXPRESSES OUR LONG-TERM GOALS AND EXPECTATIONS AND REFLECTS OUR COUNTRY'S STRENGTHS AND CAPABILITIES.

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Chairman of the Board of Directors' speech



Praise be to Allah, the Lord of all worlds, and peace and blessings be upon our Prophet Muhammad and upon his family and companions.

Dear esteemed shareholders, our valued partners in excellence and success, May the peace, mercy, and blessings of Allah be upon you.

The year 2024 has been marked by rapidly evolving global economic conditions, which have significantly impacted the financial sector due to rising inflation rates. These challenges have had a profound effect on the results of global companies. However, our business resilience has allowed us to maintain outstanding performance in both insurance and investment activities. Additionally, our continuous enhancement of operational standards has contributed to an improved customer experience. Our unwavering commitment to comprehensive and robust governance frameworks has been the cornerstone of transparency and compliance.

On behalf of my esteemed colleagues on the Board of Directors, I am pleased to present to you the annual report for the year 2024, which outlines the company's performance, the results of its key activities, and the financial statements for the fiscal year ending on December 31, 2024. We are grateful to Allah for what we have achieved and look forward to even greater success in the coming years, Allah willing.

In conclusion, I extend my sincere gratitude and appreciation to my fellow Board members for their dedication in fulfilling their duties and responsibilities. On their behalf, I would like to express our deep appreciation for the exceptional performance of the executive management and all our employees at every level.

May Allah grant us success

Yasser bin Mohammed bin Nasser Al-Jarallah
Chairman of the Board

Board of Directors



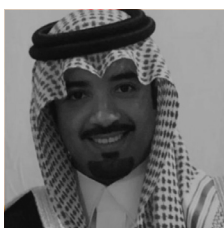
Mr. Yasser Mohammed Al-Jarallah
Chairman of the Board



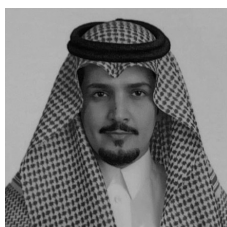
Mr. Faiz Saleh Bin Mahfouz
Vice Chairman of the Board



Mr. Ali Yahya Al-Jaafari
Managing Member



Mr. Abdulrahman Hassan Al-Amoudi
Member



Dr. Abdullah Ibrahim Al-Buraheem
Member



Mr. Abdullah Abdulrahman Al-Sheikh
Member



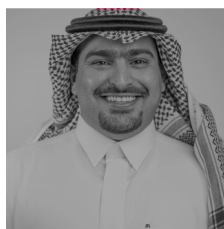
Mr. Abdullah Mohammed Al-Qahtani
Member



Mr. Ahmed Abdullah Al-Hamadi
Member



Eng. Abdul Latif Saud Al-Mandeel
Member



Mr. Mohammed Ibrahim Al-Rasheed
Member

Supporting Committees

Excutive Committee:

1.	Mr. Faiz Saleh Bin Mahfouz	Chairman of the Committee
2.	Mr. Ali Yahya Al-Jaafari	Member
3.	Mr. Ahmed Abdullah Al-Hamadi	Member

Audit committee :

1.	Mr. Abdullah Abdulrahman Al-Sheikh	Chairman of the Committee
2.	Mr. Bassam Mohammed Al-Baqaawi	Member
3.	Mr. Ibrahim Ahmed Al-Azq	Member
4.	Ms. Al-Hanouf Abduljabbar Al-Abduljabbar	Member

Nomination and Remuneration Committee:

1.	Mr. Abdulrahman Hassan Al-Amoudi	Chairman of the Committee
2.	Dr. Abdullah Ibrahim Al-Buraheem	Member
3.	Eng. Abdul Latif Saud Al-Mandeeel	Member

Investment Committee:

1.	Mr. Ali Yahya Al-Jaafari	Chairman of the Committee
2.	Mr. Faiz Saleh Bin Mahfouz	Member
3.	Mr. Abdulrahman Hassan Al-Amoudi	Member

Risk Management Committee:

1.	Mr. Yasser Mohammed Saud Al-Bisher	Chairman of the Committee
2.	Mr. Abdullah Mohammed Al-Qahtani	Member
3.	Eng. Abdul Latif Saud Al-Mandeeel	Member
4.	Mr. Mohammed Ibrahim Al-Rasheed	Member

Shariaa Committee:

1.	Sheikh Dr. Yousef bin Abdullah Al-Shubaili	Chairman of the Committee
2.	Sheikh Dr. Ibrahim Abdullah Al-Buraheem	Member
3.	Sheikh Dr. Mohammed Bin Abdullah Al-Amer	Member

Board of Directors Report

01 Main Activities

Allied Cooperative Insurance Group (ACIG), as a publicly listed company, operates in the cooperative insurance sector under the license issued by the Saudi Central Bank (SAMA), license number: (TMN/21/20095) dated 15/5/1430H (corresponding to 11/5/2009G). This license has been renewed for three consecutive years, with the latest renewal expiring on 12/05/1448H.

The company's primary activities include health insurance and general insurance, which cover motor insurance, property insurance against fire, theft, damage, and similar risks, marine insurance, engineering insurance, and general accident insurance.

The impact of these main activities on the company's business volume and their contribution to results is as follows:

Description	Revenue from Operations [Thousand SAR]	Percentage [%]
Motor Insurance	476,140	56.37%
Health Insurance	156,103	18.48%
General Accident Insurance	184,556	21.85%
Engineering Insurance	1,784	0.21%
Fire Insurance	24,684	2.92%
Marine Insurance	1,311	0.16%
Others	129	0.02%
Total	844,707	100%

The company faces various risks in providing general and health insurance, the most significant being market risks, including intense competition among more than twenty-five insurance companies. Despite these challenges, the company remains committed to achieving its objectives and continuing its operations in a way that serves the interests of its shareholders and stakeholders.

02

Second: Description of Key Company Plans, Decisions, and Future Business Expectations

- On 04/04/1445H (19/10/2023G), the Board of Directors recommended increasing the company's capital through a rights issue worth SAR 209,000,000 to support business expansion and enhance the solvency margin.
- On 25/06/1445H (07/01/2024G), the company received approval from the Insurance Authority to increase its capital by SAR 209 million.
- On 29/07/1446H (29/01/2025G), the company received approval from the Insurance Authority to extend the previously granted approval for the capital increase.

Additionally, the Board of Directors approved the resignations of: Dr. Khalid Majid Al-Rasheed on 19/02/2024G, Mr. Mohammed Jihad Al-Rasheed on 23/10/2024G

The Board also approved the appointment of: Dr. Abdullah Ibrahim Al-Buraheem on 20/02/2024G, Eng. Abdul Latif Saud Al-Mandeel on 24/10/2024G as Board Members.

Key Executive Appointments:

03/03/2024

Appointment of Mr. Mohammed Samir Kayani as Director of Actuarial Management.

11/08/2024

Assignment of Ms. Nahed Al-Mutairi as Technical Director of Health Insurance.

17/06/2024

Appointment of Mr. Sofyan Al-Hajilan as Director of Internal Audit.

02/05/2024

Appointment of Dr. Hisham Al-Bisher as Director of Legal Affairs.

04/08/2024

Assignment of Mr. Abdulmajid Al-Ameir as Director of Strategy and Business Development.

15/08/2024

Assignment of Mr. Hamad Al-Mutairi as Director of Compliance and Anti-Money Laundering.

01/08/2024

Resignation of Mr. Abdul Latif Al-Khathlan, Director of Compliance and Anti-Money Laundering.

Future Business Expectations:

1. Updating and developing the mechanisms of commercial product sales units and establishing specialized sales teams.
2. Enhancing commercial sales systems through automation and improving customer experience.
3. Developing a specialized direct marketing unit with advanced digital solutions for individual products and renewal units.
4. Professionally expanding electronic sales to facilitate customer experience, enhance services, and increase sales.
5. Introducing and improving various insurance products to meet customer needs and drive revenue growth.
6. Continuously developing mechanisms and programs through price comparison platforms.
7. Increasing training programs for sales employees across the Kingdom on the terms and conditions of insurance sales.
8. Launching marketing campaigns for specific insurance products tailored to individual customers, ensuring compliance with the Saudi Central Bank's regulations.
9. Expanding digital marketing campaigns to boost sales of non-mandatory insurance products.



03

Summary of Financial Results

The table below presents a summary of the financial data for the fiscal year ending 31/12/2024, as follows:

1- Summary of the company's financial statements (figures in thousands of riyals)

Description	2024	2023	2022	2021	2020
Total Assets	894,529	897,720	762,789		
Total Liabilities	641,378	643,377	573,842		
Total Equity	253,151	254,343	188,947		
Total Liabilities & Equity	894,529	897,720	762,789		
Insurance Revenue	883,353	974,681	672,811		
Insurance Service Result	4,591	81,869	(118)		
Net Profit (Loss) from Insurance Results	(26,797)	47,073	(32,918)		
Net Profit (Loss) from Investment Results	42,676	38,245	10,815		
Net Insurance Financing Expenses	846	185	3,615		
Net Profit (Loss) after Zakat attributable to Shareholders	(16,483)	63,406	(17,344)		
Total Comprehensive Income	706	65,396	(18,219)		
Insurance Operations Assets				539,373	447,022
Shareholders' Assets				85,131	160,388
Total Assets				624,504	607,410
Total Liabilities from Insurance Operations				540,910	447,022
Shareholders' Liabilities				51,558	13,693
Shareholders' Equity				33,573	146,695
Total Liabilities & Shareholders' Equity				85,131	160,388
Gross Written Premiums				592,588	515,117
Net Written Premiums				514,057	449,460
Total Revenues				489,075	455,793
Total Claims Paid				430,130	382,842
Net Incurred Claims				411,850	339,932
General Expenses				82,469	76,591
Investment Income and Other Insurance Operations Revenues				1,539	2,150
Surplus (Deficit) from Insurance Operations after Deducting Policyholders' Investment Returns (Operating Results)				105,549-	2,420
Net Profit (Loss) for the Year				114,584-	3,546

The financial results for 2023 ,2024, and 2022 have been presented according to IFRS 17, whereas the financial results for 2021 and 2020 have been presented according to IFRS 4.

2- Key Financial Indicators and Ratios for the Previous Figures:

	2024	2023	Variations Value	Variations Rate [%]
Description	Thousand SAR	Thousand SAR	Thousand SAR	
Total Assets	894,529	897,720	(3,191)	0%
Total Liabilities	641,378	643,377	(1,999)	0%
Total Equity	253,151	254,343	(1,192)	0%
Total Liabilities & Equity	894,529	897,720	(3,191)	0%

3- Significant Differences in Operating Results:

Description	2024	2023	Variations Value	Variations Rate [%]
	Thousand SAR	Thousand SAR	Thousand SAR	
Insurance Revenue	883,353	974,681	(91,328)	-9%
Insurance Service Result	4,591	81,869	(77,278)	-94%
Net Profit (Loss) from Insurance Results	(26,797)	47,073	(73,870)	-157%
Net Profit (Loss) from Investment Results	42,676	38,245	4,431	12%
Net Insurance Financing Expenses	846	185	661	357%
Net Profit (Loss) after Zakat attributable to Shareholders	(16,483)	63,406	(79,889)	-126%
Total Comprehensive Income	706	65,396	(64,690)	-99%

The decrease in revenues during the current year compared to last year due to the decrease in Motor insurance and health insurance sales.

The reason for the net loss this year compared to the net profit last year is due to a decrease in insurance revenue and the results of insurance services, leading to net losses in insurance result because of increasing in technical provisions in addition to the increase in the doubtful debts provision .

The company offers all types of general and health insurance. Below is an analysis of the business volume from 2020 to 2024:

Name	2024 Thousand SAR	2023 Thousand SAR	2022 Thousand SAR	2021 Thousand SAR	2020 Thousand SAR
Fire Insurance	24,684	24,078	19,886	19,141	20,843
Engineering Insurance	1,784	664	678	7,255	6,500
Marine Insurance	1,311	2,346	2,152	2,620	2,413
General Insurance	184,556	50,593	25,752	20,592	19,316
Motor Insurance	476,140	790,399	566,972	383,498	339,229
Health Insurance	156,103	179,098	21,5208	159,483	126,710
Other Insurance Types	129	225	46	1-	106
Total	844,707	1,047,403	830,694	592,588	515,117

4- Business Volume Analysis by Region:

Region Name	2024 [Thousand SAR]
Central Region	432,371
Western Region	250,266
Eastern Region	71,906
Northern Region	21,511
Southern Region	68,653
Total	844,707

04

Regulatory Disclosures:

1- Implementation of the Corporate Governance Regulations: Applied and Non-Applied Provisions, and Reasons for Non-Application.

The company, through its Internal Audit Department and Compliance Department, ensures adherence to all issued regulations and laws in accordance with the requirements set by regulatory authorities. The Compliance Department follows up on communications with regulatory bodies to ensure full compliance. The company has fully complied with all provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA). During the first Extraordinary General Assembly Meeting, held on Monday, 21/07/1433H (corresponding to 11/06/2012G), the shareholders approved the addition of Article (37) to the company's Articles of Association, which pertains to cumulative voting in shareholders' general assemblies.

In accordance with the Articles of Association and the company's internal regulations, shareholders have the right to:

- Receive a share of the profits decided for distribution.
- Receive a share of the company's assets upon liquidation.
- Attend general assemblies, participate in discussions, and vote on decisions.
- Dispose of shares freely.
- Monitor the Board of Directors' activities and file liability lawsuits against board members.
- Request information and make inquiries, provided they do not harm the company's interests or contradict market regulations and executive rules.

The Ordinary General Assembly Meeting, held on Monday, 07/04/1439H (corresponding to 25/12/2017G), approved amendments and additions to the Corporate Governance Regulations, aligning with the CMA's governance regulations while considering the Governance Regulations for Insurance Companies issued by the Saudi Central Bank (SAMA).

The company applies all provisions of the Corporate Governance Regulations issued by the CMA, except for the following:

Article Number / Paragraph	Article / Paragraph Text	Reasons for Non-Application
Article 24 (Paragraph C):	The Board of Directors shall clearly define the responsibilities and authorities of the Chairman, Vice Chairman, and CEO (if any), if not stated in the company's Articles of Association.	The Chairman's responsibilities are specified in the company's Articles of Association. The company is working on establishing a policy that defines the Vice Chairman's responsibilities.
Article 85	The company shall establish programs to develop and motivate employee participation and performance, which should include: <ol style="list-style-type: none"> Forming committees or workshops to listen to employees' opinions and discuss important decision-making topics. Implementing employee stock ownership programs, profit-sharing plans, and retirement programs, and establishing an independent fund to finance these programs. Establishing social institutions for company employees. 	Guidance Article
Article 87	Article 87: The Ordinary General Assembly, based on a proposal from the Board of Directors, shall establish a policy ensuring a balance between its objectives and the goals that society seeks to achieve, aiming to improve the social and economic conditions of the community.	Guidance Article

Article 88	<p>The Board of Directors shall establish programs and determine the necessary means to launch the company's social responsibility initiatives, including:</p> <ol style="list-style-type: none"> 1. Developing performance indicators that link the company's performance to its social initiatives and comparing them with similar companies. 2. Disclosing the company's social responsibility objectives to its employees and raising awareness about them. 3. Disclosing the company's social responsibility plans in its periodic reports related to business activities. <p>Implementing awareness programs to educate the community about the company's social responsibility initiatives.</p>	Guidance Article
Article 95	<p>If the Board of Directors establishes a committee specialized in corporate governance, it must delegate the responsibilities set forth in Article 94 of these regulations to this committee. The committee shall monitor governance-related matters and provide the Board with reports and recommendations at least once a year.</p>	Guidance Article

2.Dividend Distribution Policies:

The company adheres to the policies outlined in its Articles of Association regarding the distribution of dividends to shareholders, as stated in Article (46), with reference to Article (45) concerning Zakat and reserves, as follows:

Article Forty-Five: Zakat and Reserves

The company must:

1. Set aside the required Zakat and income tax.
2. Allocate 20% of net profits to form a statutory reserve. The General Assembly may stop this allocation when the total reserve reaches 100% of the paid-up capital.
3. The General Assembly may determine the share of profits allocated to shareholders and may also decide on forming additional reserves to serve the company's interests or ensure a stable distribution of dividends.
4. The company's annual net profits are determined after deducting all general expenses, other costs, and the necessary reserves to cover doubtful debts, investment losses, and contingencies deemed necessary by the Board of Directors. After deducting the required reserves and Zakat, at least 5% of the paid-up capital must be distributed to shareholders as proposed by the Board of Directors and approved by the General Assembly. If the remaining distributable profits are insufficient to pay this percentage, shareholders cannot demand payment in subsequent years. The General Assembly cannot approve a distribution exceeding what has been proposed by the Board of Directors.

Article Forty-Six: Dividend Entitlement:

A shareholder is entitled to dividends as per the General Assembly's decision. The decision specifies the entitlement date and distribution date. Dividend entitlement applies to shareholders registered in the company's shareholder register at the end of the entitlement date. The company must notify the Capital Market Authority (CMA) immediately regarding any dividend distribution decisions or recommendations. The approved dividends must be paid to shareholders at the locations and times determined by the Board of Directors, following the relevant regulatory instructions and subject to prior written approval from the Saudi Central Bank (SAMA).

3-Names of Board Members, Committee Members, and Executive Management, Including Their Current and Previous Positions, Qualifications, and Experience

a- Board of Directors Members

#	Name	Current Positions	Previous Posiotions	Qualifications	Experiences
1	Mr. Yasser Mohammed Al Jarallah	<ul style="list-style-type: none"> - Co-Founder & CEO - Tharwa Investment (UAE) - 2005 to present. - Co-Founder & Board Member - VC Bank Bahrain - 2009 to present. - Board Member - Inmaa Medical Services Co. - Board Member - The Saudi Investment Bank - 2019 to present. - Board Member - Tharwa Gulf Holding Co. (Saudi Arabia) - 2018 to present. 	<ul style="list-style-type: none"> - Co-Founder & Board Member (Publicly Listed on ADX) - Methaq Takaful Insurance (UAE) - 2006-2011. - Licensed by FSA, UK - Advanced Emerging Capital (UK) - 2005-2012. - Co-Founder & Analyst - Pi Capital (USA) - 2003-2006. - Co-Founder & CEO - Tharwa Gulf General Trading (LLC, UAE) - 2006-2011. - Co-Founder & CEO - Hadaf Al Jazira General Trading (UAE) - 2006-2011. - Board Member (Licensed by Central Bank of Bahrain) - VC Bank Bahrain - 2012-2018. 	<p>Bachelor's/Master's Degree in Economics - University of Southern California (USC), USA - 2005.</p> <p>Financial Options Workshop - UK, 2008.</p> <p>Waqf Fund - Corporate Governance - Central Bank of Bahrain, 2014 & 2016.</p>	Finance & Investment
2	Mr. Faiz Saleh Bin Mahfouz	General Manager - Tharwa Gulf Holding Co. - 01-06-2020 to Present	<ul style="list-style-type: none"> - Deputy General Manager - Saleh Bin Mahfouz Trading Establishment - 1999-2000 - Investment Management - Riyadh Bank - 2000-2004 - Investment & Equities Management - Banque Saudi Fransi - 2004-2006 - Investment Manager - Original Solutions - 2006-2018 	<p>Bachelor's Degree in Business Administration - King Saud University, 1999</p> <p>Management Consultant - Ministry of Commerce, 1441H</p>	Finance & Investment
3	Mr. Ali Yahya Al-Jaafari	<ul style="list-style-type: none"> - Vice Chairman - Eastern Development Company - Managing Director - Allied Cooperative Insurance Group (ACIG) - Vice Chairman - United Dairy Farms Company 	<ul style="list-style-type: none"> - Head of Accounts - Saudi Agricultural Bank - 1987-1993 - Financial & Administrative Manager - National Tourism Company - 1993-1998 - Financial & Investment Affairs Manager - Al-Jarallah Trading & Contracting Group - 1998-2004 - Founder & Owner - Al-Moasher Financial Consulting Center - 2004-2020 	<ul style="list-style-type: none"> - Bachelor's Degree in Accounting - Imam Muhammad Ibn Saud University, 1407H - Financial Consultant - Ministry of Commerce, 1426H - Member of the Saudi Organization for Certified Public Accountants (SOCPA), 1414H 	
4	Mr. Abdulrahman Hassan Al-Amoudi	Executive Director - Baniah Saudi Company	<ul style="list-style-type: none"> - Accountant - Robert Half International (Boston, USA) - Accountant - Al-Manwal Industrial & Trading Establishment - Deputy General Manager - Al-Manwal Industrial & Trading Establishment - General Manager - Al-Manwal Industrial & Trading Establishment 	Bachelor's Degree in Financial Management	Accounting, General Management, and Executive Management
5	Dr. Abdullah Ibrahim Al-Ibrahim	Legal Consultant	<ul style="list-style-type: none"> - Administrative Officer - Imam Muhammad Ibn Saud Islamic University - Legal Consultant - Shura Council 	PhD in Law	Governance, Compliance, General Administration, and Legal Consultancy
6	Mr. Abdullah Abdulrahman Al-Sheikh	<p>Board Member in Various Listed Companies</p> <p>General Manager of Financial Affairs - Al Rajhi Endowments</p>	<ul style="list-style-type: none"> - General Manager of Financial Affairs - Saudi Medical Care Group 	<p>Bachelor's Degree in Accounting - King Saud University</p> <p>Master's Degree in Accounting & Management - University of Aberdeen</p> <p>Financial Certification - Institute of Financial Consultants</p>	<p>General Manager of Financial Affairs - King Faisal Specialist Hospital & Research Center</p> <p>Internal Audit Manager - Saudi Stock Exchange (Tadawul)</p> <p>Board Member & Audit Committee Member in Several Companies</p>

7	Mr. Abdullah Mohammed Al-Qahtani	Owner & Chairman – Samik Plastic Factory Owner & Chairman – Ratel Logistics Services	<ul style="list-style-type: none"> - Sole Consultant – Business Evaluation - Founder & CEO – Fawz Plastic Products Factory - Project Management Consultant (Smart Cities Industry) – Orange Business Services - IT Consultant – Saudi Electricity Company - IT Consultant – Al-Raha Technical Services Group 	<ul style="list-style-type: none"> - Master's Degree in Business Administration (MBA) – University of Portsmouth, UK - Bachelor's Degree in Computer Engineering – King Fahd University of Petroleum & Minerals 	IT, Networks, and Business Management
8	Mr. Ahmed Bin Abdullah Al-Hammadi	Full-time Professional	<ul style="list-style-type: none"> - Director of Administrative & Financial Affairs – Cultural Attaché Office in Canada - General Director of Administrative Affairs – King Saud University - General Director of Strategic Planning – King Saud University - Director of Statistics Department – King Saud University - Director of Credit Management – King Saud University 	<ul style="list-style-type: none"> - Master's Degree in Agricultural Economics – King Saud University - One-Year Training Program – University of California, Davis - Bachelor's Degree in Agricultural Economics – King Saud University 	Administrative Affairs, Strategic Planning, and Credit Management
9	Eng. Abdulatif Saud Al-Mandeel	Real Estate Management & Development	<ul style="list-style-type: none"> - Civil Engineer – Saudi Consulting House - Relationship Manager – Saudi American Bank (SAMBA) - Relationship Management Director – United Saudi Bank - Head of Department – SAMBA Bank - Financial Consultant – Rafid Group 	Bachelor's Degree in Civil Engineering – King Fahd University of Petroleum & Minerals	Banking, Real Estate Management & Development, and Financial Consulting
10	Mr. Mohammed Ibrahim Al-Rasheed	CEO – Blair Saudi Arabia	<ul style="list-style-type: none"> - General Manager – Mohammed Abdullah Al-Areidh Co. Ltd. - Operations Manager – Mohammed Abdullah Al-Areidh Co. Ltd. - CEO – Al-Suwailem Group 	<ul style="list-style-type: none"> - Master's Degree in Business Administration (MBA) – Finance – Prince Sultan University - Bachelor's Degree in Business Administration – Project Management & Sustainability – California State University, Chico 	Diverse Industry Experience

B- Committee Members

Audit Committee

#	Name	Current Positions	Previous Positions	Educational Qualifications	Experiences
1	Abdullah Bin Abdulrahman Al-Sheikh	Board Member in Several Listed Companies	General Manager of Financial Affairs – Al Rajhi Endowments	Bachelor's Degree in Accounting – King Saud University Master's Degree in Accounting & Management – University of Aberdeen Financial Certification – Institute of Financial	General Manager of Financial Affairs – Saudi Medical Care Group General Manager of Financial Affairs – King Faisal Specialist Hospital & Research Center Internal Audit Manager – Saudi Stock Exchange (Tadawul) Board Member & Audit Committee Member in Multiple Companies
2	Bassem Bin Mohammed Al-Buqawi	Managing Partner – Bassem Mohammed Al-Buqawi & Partners for Professional Consulting (BMP & Co.)	CEO – Bait Al-Istithmar Company	Bachelor's Degree in Accounting – Qassim University Master's Degree in Accounting – University of Arkansas Certified Public Accountant (CPA) – American Institute of Certified Public Accountants (AICPA) Certified Public Accountant – Saudi Organization for Chartered and Professional Accountants (SOCPA) Zakat & Tax Advisory Certification – Saudi Organization for Chartered and Professional Accountants (SOCPA) Bachelor's Degree in Law – Al-Sharq Al-Awsat Colleges	Deputy General Manager & Secretary of the Board – Aseer Company Investment Manager – Gulf International Bank Auditor – Al-Fozan & Banaga Chartered Accountants Senior Audit Associate – PricewaterhouseCoopers (PwC) Faculty Member – Institute of Public Administration

3	Ibrahim Bin Ahmed Al-Azq	Executive Partner – Ibrahim Al-Azq & Huda Al-Zailai Chartered Accountants & Auditors Member of the Professional Offices Committee – Chamber of Commerce	Financial Controller – General Auditing Bureau Revenue Management Director – Etihad Etisalat (Mobily) Finance Manager – Saudi Authority for Industrial Cities and Technology Zones (MODON)	Certified Public Accountant (SOCPA) Certified Bankruptcy Trustee Certified Insolvency Expert Certified Real Estate Off-Plan Sales Consultant Master's Degree in Accounting Science – King Saud University	Government Financial Audits & Final Accounts Committees – Various Ministries & Authorities Expert at the Experts Committee – Council of Ministers Performance Evaluation for Public Institutions & Authorities Consultant for Private & Government Entities Financial Auditor for Local Content and Government Procurement Authority Certifications Liquidation of Companies & Inheritance Estates Certified Court Expert & Judicial Report Specialist
4	Al-Hanouf Bint Abduljabbar Al-Abduljabbar	Director of Council Affairs Coordination	Director of Internal Audit	Bachelor's Degree in Computer Science – Princess Nourah Bint Abdulrahman University Advanced Diploma in Audit & Internal Control – College of Continuing Education, Al-Yamamah University Master's Degree in Business Administration (MBA) – King Saud University	11 Years of Professional Experience

Nomination and Remuneration Committee

#	Name	Current Positions	Previous Positions	Educational Qualifications	Expertise
1	Abdulrahman Hassan Al-Amoudi	Executive Director – Baniyah Saudi Company	<ul style="list-style-type: none"> - Accountant – Robert Half International (Boston, USA) - Accountant – Al-Manwal Industrial & Trading Establishment - Deputy General Manager – Al-Manwal Industrial & Trading Establishment - General Manager – Al-Manwal Industrial & Trading Establishment 	Bachelor's Degree in Financial Management	Accounting, General Management, and Executive Management
2	Abdullah Ibrahim Al-Ibrahim	Legal Consultant	Administrative Officer – Imam Muhammad Ibn Saud Islamic University Legal Consultant – Shura Council	PhD in Law	Governance, Compliance, General Administration, and Legal Consultancy
3	Abdulatif Saud Al-Mandeel	Real Estate Management & Development	<ul style="list-style-type: none"> - Civil Engineer – Saudi Consulting House - Relationship Manager – Saudi American Bank (SAMBA) - Relationship Management Director – United Saudi Bank - Head of Department – SAMBA Bank - Financial Consultant – Rafid Group 	Bachelor's Degree in Civil Engineering – King Fahd University of Petroleum & Minerals	Banking, Real Estate Management & Development, and Financial Consulting

Risk Management Committee

#	Name	Current Positions	Previous Positions	Educational Qualifications	Expertise
1	Yasser Bin Mohammed Al-Bishr	Chief of Enterprise Risk Management – National Water Company	<ul style="list-style-type: none"> - Investment Department – SAFM Co. - Treasury Management – Alinma Bank - Economic Affairs – Royal Court (Contractor) - Minister's Advisory Unit – Ministry of Finance (Contractor) - Business Manager & Consultant – EY (Ernst & Young) 	Bachelor's Degree in Economics & Finance – Mount Saint Vincent University, Canada	Investments, Risk Management, and Advisory Services
2	Mohammed Bin Ibrahim Al-Rasheed	CEO – Plur Saudi Arabia	<ul style="list-style-type: none"> - General Manager – Mohammed Abdullah Al-Areedh Co. Ltd. - Operations Manager – Mohammed Abdullah Al-Areedh Co. Ltd. - CEO – Al-Suwailem Group 	<ul style="list-style-type: none"> - MBA in Finance – Prince Sultan University - Bachelor of Science in Business Administration – Project Management & Sustainability, California State University, Chico 	Various Business & Management Fields
3	Abdullah Bin Mohammed Al-Qahtani	Owner & Chairman of the Board – Smik Plastic Industry Factory Owner & Chairman of the Board – Ratel Logistics Services	<ul style="list-style-type: none"> - Founder & CEO – Foz Plastic Products Factory - Project Management Consultant – Orange Business Services, Smart Cities - IT Consultant – Saudi Electricity Company - IT Consultant – Al-Raha Technical Services Group 	<ul style="list-style-type: none"> - Master's Degree in Business Administration – University of Portsmouth, UK - Bachelor's Degree in Computer Engineering – King Fahd University of Petroleum & Minerals 	Information Technology & Networks
4	Abdulatif Saud Al-Mandeel	Real Estate Management & Development	<ul style="list-style-type: none"> - Civil Engineer – Saudi Consulting House - Relationship Manager – Saudi American Bank (SAMBA) - Relationship Management Director – United Saudi Bank - Head of Department – SAMBA Bank - Financial Consultant – Rafid Group 	<ul style="list-style-type: none"> - Bachelor's Degree in Civil Engineering – King Fahd University of Petroleum & Minerals 	Banking, Real Estate Management & Development, and Financial Consulting

Investment Committee

#	Name	Current Positions	Previous Positions	Educational Qualifications	Experiences
1	Mr. Ali Yahya Al-Jaafari	<ul style="list-style-type: none"> - Vice Chairman – Eastern Development Company - Managing Director – Allied Cooperative Insurance Group (ACIG) - Vice Chairman – United Dairy Farms Company 	<ul style="list-style-type: none"> - Head of Accounts – Saudi Agricultural Bank – 1987-1993 - Financial & Administrative Manager – National Tourism Company – 1993-1998 - Financial & Investment Affairs Manager – Al-Jarallah Trading & Contracting Group – 1998-2004 - Founder & Owner – Al-Moasher Financial Consulting Center – 2004-2020 	<ul style="list-style-type: none"> - Bachelor's Degree in Accounting – Imam Muhammad Ibn Saud University, 1407H - Financial Consultant – Ministry of Commerce, 1426H - Member of the Saudi Organization for Certified Public Accountants (SOCPA), 1414H 	Finance & Investment
2	Mr. Faiz Saleh Bin Mahfouz	General Manager – Tharwa Gulf Holding Co. – 01-06-2020 to Present	<ul style="list-style-type: none"> - Deputy General Manager – Saleh Bin Mahfouz Trading Establishment – 1999-2000 - Investment Management – Riyadh Bank – 2000-2004 - Investment & Equities Management – Banque Saudi Fransi – 2004-2006 - Investment Manager – Original Solutions – 2006-2018 	Bachelor's Degree in Business Administration – King Saud University, 1999 Management Consultant – Ministry of Commerce, 1441H	Finance & Investment
3	Mr. Abdulrahman Hassan Al-Amoudi	Executive Director – Baniah Saudi Company	<ul style="list-style-type: none"> - Accountant – Robert Half International (Boston, USA) - Accountant – Al-Manwal Industrial & Trading Establishment - Deputy General Manager – Al-Manwal Industrial & Trading Establishment - General Manager – Al-Manwal Industrial & Trading Establishment 	Bachelor's Degree in Financial Management	Accounting, General Management, and Executive Management

Executive Committee

#	Name	Current Positions	Previous Positiions	Educational Qualifications	Experiences
1	Mr. Faiz Saleh Bin Mahfouz	General Manager – Tharwa Gulf Holding Co. – 01-06-2020 to Present	<ul style="list-style-type: none"> - Deputy General Manager – Saleh Bin Mahfouz Trading Establishment – 1999-2000 - Investment Management – Riyad Bank – 2000-2004 - Investment & Equities Management – Banque Saudi Fransi – 2004-2006 - Investment Manager – Original Solutions – 2006-2018 	Bachelor's Degree in Business Administration – King Saud University, 1999 Management Consultant – Ministry of Commerce, 1441H	Finance & Investment
2	Mr. Ali Yahya Al-Jaafari	<ul style="list-style-type: none"> - Vice Chairman – Eastern Development Company - Managing Director – Allied Cooperative Insurance Group (ACIG) - Vice Chairman – United Dairy Farms Company 	<ul style="list-style-type: none"> - Head of Accounts – Saudi Agricultural Bank – 1987-1993 - Financial & Administrative Manager – National Tourism Company – 1993-1998 - Financial & Investment Affairs Manager – Al-Jarallah Trading & Contracting Group – 1998-2004 - Founder & Owner – Al-Moasher Financial Consulting Center – 2004-2020 	<ul style="list-style-type: none"> - Bachelor's Degree in Accounting – Imam Muhammad Ibn Saud University, 1407H - Financial Consultant – Ministry of Commerce, 1426H - Member of the Saudi Organization for Certified Public Accountants (SOCPA), 1414H 	Finance & Investment
3	Mr. Ahmed Bin Abdullah Al-Hammadi	Full-time Professional	<ul style="list-style-type: none"> - Director of Administrative & Financial Affairs – Cultural Attaché Office in Canada - General Director of Administrative Affairs – King Saud University - General Director of Strategic Planning – King Saud University - Director of Statistics Department – King Saud University - Director of Credit Management – King Saud University 	<ul style="list-style-type: none"> - Master's Degree in Agricultural Economics – King Saud University - One-Year Training Program – University of California, Davis - Bachelor's Degree in Agricultural Economics – King Saud University 	Administrative Affairs, Strategic Planning, and Credit Management

C-Executive Management

#	Name	Current Positions	Previous Positiions	Educational Qualifications	Experiences
1	Mohammed Bin Abdullah Al-Qadhi	Chief Executive Officer – Allied Cooperative Insurance Group (ACIG)	<ul style="list-style-type: none"> - Regional Manager for the Central Region – Tawuniya - Marketing Channel Manager – Tawuniya - Regional Underwriting Manager for the Central Region – Tawuniya - General Underwriting Manager – Tawuniya - Commercial Insurance Underwriting Manager – Tawuniya - Senior Underwriting & Customer Relations Officer – Tawuniya - Customer Relations Officer – Tawuniya 	Bachelor's Degree in Marketing (1992) Diploma in Customer Satisfaction & Its Contribution to Profit (1995) COP – London (1996) PIC – London (2004) Multiple Advanced International Courses in Underwriting & Strategic Management (2004-2011) Certified Trainer Certificates (2014)	Insurance Product Design Insurance Market Analysis & Forecasting Market Expansion & Penetration Strategies Budgeting & Strategic Planning Underwriting & Claims Management Sales & Marketing Management Company Operations Oversight & Process Improvement Continuous System Development & Automation Reinsurance Program Development & Risk Distribution Training & Curriculum Development for Institutes & Training Centers Speaker & Participant in Insurance Conferences (Local & International) Certified Trainer at the Financial Academy
2	Tawfiq Al-Kali	Deputy CEO – Finance & Investment	Over 17 years of expertise in finance & investment management, covering auditing, banking, industrial, educational, and insurance sectors.	Master's in Finance & Accounting – Bangor University, UK Academic English Certificate – Oxford Brookes University, UK Bachelor's Degree in Accounting – Umm Al-Qura University, Saudi Arabia Various Certified Specialized Courses in Finance & Administration	Auditing & Accounting – Ernst & Young (EY) Banking Services – Riyad Bank Banking & Compliance – Samba Bank Financial Management – Salem York Johnson Controls Lecturer in Accounting – Umm Al-Qura University Financial Management & Investment Director – University of Jeddah Financial Director – ACIG Insurance Acting Deputy CEO – Finance & Investment, ACIG Insurance Research Focus: Income Management & Corporate Governance

3	Hassan Awad Hassan Al-Hazmi	Deputy CEO – Marketing & Sales	<ul style="list-style-type: none"> - IT Department – Irfan Group (2000-2002) - Deputy General Manager – Tawuniya Insurance Agency (2002-2006) - CEO – Hulul Insurance Brokerage (2006-2009) - Personal Insurance Manager – ACIG (2009-2013) - Deputy CEO – Marketing & Sales, ACIG (2013 – Present) 	Bachelor's Degree in Electrical Engineering – Computer Division	IT, E-Marketing & Sales, and Insurance Sales Management
4	Hisham Al-Bishr	Legal Affairs Director	<ul style="list-style-type: none"> - Over 16 years of legal experience in both the public and private sectors - Faculty Member – Higher Institute of Judiciary (2009 – Present) 	Ph.D. in Public Law (First-Class Honors) – Higher Institute of Judiciary, Imam Muhammad bin Saud Islamic University LL.M in Private Law – Higher Institute of Judiciary, Imam Muhammad bin Saud Islamic University LL.B in Sharia – College of Sharia, Imam Muhammad bin Saud Islamic University	Participation in numerous international & national legal conferences Member of several global & local legal committees Provided legal consultations to government & private sector entities
5	Talal Al-Zahrani	Chief Customer Experience Officer	<ul style="list-style-type: none"> - Technical Support Engineer – Gulf Computer Services Company (SPSNET) (2004-2009) - Information Systems Management Specialist – Allied Cooperative Insurance Group (ACIG) (2009-2011) - Customer Relations Management Specialist – Al-Rajhi Takaful Insurance (2011-2013) - Customer Service Manager – Allied Cooperative Insurance Group (ACIG) (2013-2017) - Customer Care Manager – Allied Cooperative Insurance Group (ACIG) (2017-2021) - Chief Customer Experience Officer – Allied Cooperative Insurance Group (ACIG) (2021-Present) 	Advanced Diploma in System Programming & Analysis Certified Lean Six Sigma Black Belt Mistake Proofing & Error-Proofing Business Processes Certification in Personal Skills Development Measuring & Managing Customer Satisfaction – ISO 9001:2015	Customer Care & Experience Enhancement Digital Transformation of Pre-Sales, Sales, & Post-Sales Services Information Technology & Data Analysis
6	Abdullah Bin Mashhoor	Chief Information Officer	Over 21 years of experience in Information Technology at the Royal Saudi Naval Forces	Bachelor's Degree in Computer Engineering – College of Computer Science & Information Technology, King Saud University Various Courses in IT & Project Management English Language Course – Naval Education Center	Team Member in the Design & Development of the Naval Forces Network Management of the Naval Forces Network Chairman of Multiple Committees Member of the Workforce Development Team in IT Administration Member of the Naval Forces Initiatives Development Team
7	Hanan Al-Ahmari	Director of Human Resources and Administrative Affairs	<ul style="list-style-type: none"> - Social Specialist at King Abdulaziz Hospital - Administrative Assistant - Medical Claims Coordinator - Call Center Representative - Human Resources Specialist - Director of Human Resources and Administrative Affairs 	<ul style="list-style-type: none"> - Bachelor's Degree in Sociology, King Abdulaziz University - Certified HR Management Exam Preparation Course (SHRM) - Certified Manager Course - Certified Human Resources Specialist Course - Administrative Report Writing Skills Course - Diploma in Computer Science - Underwriting Insurance Course 	<ul style="list-style-type: none"> - 2004-2005: Social Specialist, King Abdulaziz Hospital - 2005-2006: Administrative Assistant, Allied Cooperative Insurance Group (ACIG) (Women's Division) - 2006-2007: Medical Claims Coordinator, Allied Cooperative Insurance Group (ACIG) (Medical Insurance Department) - 2007-2008: Call Center Representative, Allied Cooperative Insurance Group (ACIG) (Customer Service Department) - 2008-2021: Human Resources Specialist, Allied Cooperative Insurance Group (ACIG) (HR Department) - 2021-Present: Director of Human Resources and Administrative Affairs, Allied Cooperative Insurance Group (ACIG)

8	Mohammed Mohsen Balhareth	Director of Risk Management	<ul style="list-style-type: none"> - Risk Manager, Finzy Finance - Credit Operations Manager, First Finance Company - Risk Manager, First Finance Company - Operational Risk Audit Supervisor, Riyadh Bank - Banking Operations Officer, Riyadh Bank 	<ul style="list-style-type: none"> - Bachelor's Degree in Business Administration, King Abdulaziz University 	<ul style="list-style-type: none"> - Extensive experience in banking and financial services
9	Nahid Al-Mutairi	Technical Manager – Medical Administration	<ul style="list-style-type: none"> - Medical Research Audit Officer, College of Medicine - Medical Records Officer - Medical Underwriting Team Leader - Medical Insurance Consultant - Technical Manager – Medical Administration 	<ul style="list-style-type: none"> - Bachelor's Degree in Business Administration, King Abdulaziz University - Diploma in Computer Science - CERT CII (Chartered Insurance Institute Certification) - Various specialized accredited courses in finance and insurance 	<ul style="list-style-type: none"> - Medical research monitoring - Medical underwriting and document management - Claims management and provider relations - Developing insurance segment projects - Preparing reports on portfolio performance
10	Hamad Al-Mutairi	Acting Director of Compliance & Anti-Money Laundering	<ul style="list-style-type: none"> - Senior Compliance Officer – ACIG - Regulatory Compliance & Inspection Specialist – Ministry of Tourism - Trainee Affairs Specialist – Saudi Technical Institute for Electricity Services - Business Coordinator – Tatweer Educational Services Company - Administrative Assistant – Samba Financial Group - Customer Service Representative – Turooq Company 	<ul style="list-style-type: none"> - Bachelor's Degree in Tourism Management (2007-2011), King Saud University 	<ul style="list-style-type: none"> - Over 15 years of experience in compliance, inspection, quality assurance, customer service, and human resources - Ensuring adherence to internal and external regulations and standards - Secretary of the Nominations and Remuneration Committee
11	Sufyan Al-Hujailan	Director of Internal Audit	<ul style="list-style-type: none"> - General Accountant, Al-Hassoun Center (2017-2018) - External Auditor, Saudi Group for Accountants and Auditors (2018-2019) - Internal Auditor, Qassim Cement Company (2019-2021) - Internal Audit Management Specialist, Allied Cooperative Insurance Group (ACIG) (2021-2023) - Director of Internal Audit, Allied Cooperative Insurance Group (ACIG) (2023-Present) 	<ul style="list-style-type: none"> - Bachelor's Degree in Accounting, Qassim University - Certified specialized courses in accounting, governance, risk management, and auditing 	<ul style="list-style-type: none"> - Accounting, external auditing, internal auditing

12	Sultan Al-Rashid	Regional Director of General Underwriting	<ul style="list-style-type: none"> - Senior General Underwriting Supervisor, Wataniya - Senior General Underwriting Officer, Wataniya - General Underwriting Officer, Wataniya - Technical Officer, Alinma Tokio Marine - Assistant Data Analysis & Service Planning Analyst, Tatweer Educational Transportation Services - Underwriting Assistant, SABB Takaful 	<ul style="list-style-type: none"> - Bachelor's Degree in Business Administration - BELL Diploma in English Language from BELL School - CII Certification - IFCE Certification - Diploma in Insurance - Ethical Decision-Making in Risk & Insurance - Assistant Underwriting Officer Certification - Property Underwriting Model - Saudi Reinsurance Company - Property & Casualty Risk Estimation & Underwriting Considerations - Risk Management Certification - Reinsurance Level 4 Certification - Business Analytics Nanodegree - Leadership of People & Teams - University of Michigan Capstone Course - Compliance & Risk Management Training - Accident & Financial Lines Reinsurance 	<ul style="list-style-type: none"> - Technical underwriting management - Risk acceptance assessment - Insurance premium determination - General underwriting pricing management - Underwriting process oversight & service improvement - Reinsurance program development & risk distribution control - Customer experience enhancement - Data analysis & market trend assessment
13	Sameer Kayani	Director of Actuarial Services	<ul style="list-style-type: none"> - Director, SHMA Actuarial Consulting (2022-2024) - Senior Consultant, SHMA Actuarial Consulting (2021-2022) 	<ul style="list-style-type: none"> - Fellow of the Society of Actuaries (FSA) (2023) - Bachelor's Degree in Mathematics & Economics, Institute of Business Administration (IBA), Pakistan (2017) 	<ul style="list-style-type: none"> - 8 years of experience in actuarial consulting - Expertise in property & casualty reserves, pricing, capital modeling, reinsurance, and IFRS 17 implementation
14	Abdulmajid Al-Omair	Acting Director of Strategic Management & Business Development	<ul style="list-style-type: none"> - Acting Director of Strategic Management & Business Development - Financial Controller & Payments Officer - Shareholder Relations Officer 	<ul style="list-style-type: none"> - Bachelor's Degree in Financial Management (Finance & Investment), Western Michigan University - Certified Strategic Planning Professional 	<ul style="list-style-type: none"> - Financial accounting - Shareholder relations & disclosure management

4-Board of Directors:

The Board of Directors is responsible for overseeing the executive management of the company, which manages its operational and financial affairs, and for making all key policy-related decisions. The primary responsibility of the Board is to ensure effective governance of the company's affairs in a manner that serves the interests of shareholders and policyholders. Additionally, the Board is responsible for balancing the various interests of stakeholders, including the company's clients and business partners. Through the decisions made by the Board, its members strive to take the necessary measures to serve the best interests of the company.

The Board, along with its committees, monitors the executive management in implementing the decisions and strategies approved by the Board and ensures their proper execution.

This is the sixth term of the Board of Directors, which was formed in the Ordinary General Assembly meeting held on June 5, 2022. The term began on June 5, 2022, and will end on May 17, 2025 (a three-year term). Board members were elected through cumulative voting, and the current Board consists of 10 members, categorized as follows:

- Board Composition and Classification of Members

Name	Membership Classification (Executive / Non-Executive / Independent)
Mr. Yasser Mohammed Al-Jarallah	Non-Executive
Mr. Faiz Saleh Bin Mahfouz	Non-Executive
Mr. Ali Yahya Al-Jaafari	Executive
Mr. Abdulrahman Hassan Al-Amoudi	Independent
Dr. Abdullah Ibrahim Al-Ibrahim	Independent
Mr. Abdullah Abdulrahman Al-Sheikh	Independent
Mr. Abdullah Mohammed Al-Qahtani	Independent
Mr. Ahmed Bin Abdullah Al-Hammadi	Independent
Eng. AbdulLatif Saud Al-Mandeel	Independent
Mr. Mohammed Ibrahim Al-Rasheed	Independent

The Board of Directors approved the resignation of: Dr. Khalid Majid Al-Rasheed on February 19, 2024 and Mr. Mohammed Jihad Al-Rasheed on October 23, 2024

The Board also approved the appointment of: Dr. Abdullah Ibrahim Al-Ibrahim on February 20, 2024 and Eng. AbdulLatif Saud Al-Mandeel on October 24, 2024

Shares Owned by Board Members

Name	Number of shares owned in the company
Mr. Yasser Mohammed Al-Jarallah	425967
Mr. Faiz Saleh Bin Mahfouz	-
Mr. Ali Yahya Al-Jaafari	-
Mr. Abdulrahman Hassan Al-Amoudi	-
Dr. Abdullah Ibrahim Al-Ibrahim	-
Mr. Abdullah Abdulrahman Al-Sheikh	-
Mr. Abdullah Mohammed Al-Qahtani	-
Mr. Ahmed Bin Abdullah Al-Hammadi	-
Eng. AbdulLatif Saud Al-Mandeel	-
Mr. Mohammed Ibrahim Al-Rasheed	-

Names of Companies Inside or Outside the Kingdom Where a Board Member is a Current or Former Board Member or Director

#	Board Member Name	Names of companies where the board member is a current board member or director	Inside the Kingdom / Outside the Kingdom	Legal entity (Listed Joint Stock - Unlisted Joint Stock - Limited Liability Company)	Names of companies where the board member was a former board member or director	Inside the Kingdom / Outside the Kingdom	Legal entity (Listed Joint Stock - Unlisted Joint Stock - Limited Liability Company)
1	Mr. Yasser Mohammed Al-Jarallah	Alinma Medical Services The Saudi Investment Bank Allied Cooperative Insurance Group (ACIG) Eastern Development Company (Eastern Development) Tharwa Investment Company - Dubai	Inside Outside	LLC Listed Joint Stock Listed Joint Stock Listed Joint Stock LLC	Bin Jarallah Trading & Contracting Company	Inside	Closed Joint Stock
2	Mr. Faiz Saleh Bin Mahfouz	Eastern Development Company	Inside	Listed Joint Stock	None		
3	Mr. Ali Yahya Al-Jaafari	The Eastern Development Company United Dairy Farms Company	Inside Inside	Listed Joint Stock Unlisted Joint Stock	Owner of Al-Moasher Financial Consulting Center 2004-2020	Inside	Closed Joint Stock
4	Mr. Abdulrahman Hassan Al-Amoudi	Allied Cooperative Insurance Group (ACIG)	Inside	Listed Joint Stock	-	-	-
5	Dr. Abdullah Ibrahim Al-Ibrahim	Baniah Saudi Company ABV Rock Group	Inside	LLC	General Manager at Al-Manwal Trading & Industry Foundation 2013-2015.	Inside	LLC
6	Mr. Abdullah Abdulrahman Al-Sheikh	----	----	-----	-----	----	-----
7	Mr. Abdullah Mohammed Al-Qahtani	---	---	---	-	---	---
8	Mr. Ahmed Bin Abdullah Al-Hammadi	Founder and Director of Smeek Plastic Factory for Industry 2016-2022.	Inside	LLC	Founder and Director of Fawz Plastic Products Factory 2013-2016	Inside	LLC
9	Eng. AbdulLatif Saud Al-Mandeel	Board Member - Enma Al-Ruwabi Company Board Member - Al Kathiri Holding	Inside Inside	Listed Joint Stock Listed Joint Stock	Vice Chairman of Al-Salam Medical Group 2019-2021. Board Member of Al-Takhassusi Holding 2009-2019.	Inside	Closed Joint Stock LLC
10	Mr. Mohammed Ibrahim Al-Rasheed	Chief Executive Officer at Mohammed Al Ali Al-Suwailem Company from 2021 to present.	Inside	LLC	General Manager - Mohammed Abdullah Al-Areid Company 2017-2021.	Inside	LLC

6-Procedures Taken by the Board of Directors to Inform Its Members – Especially Non-Executive Members – About Shareholders’ Proposals and Observations Regarding the Company and Its Performance

The Board has undertaken this procedure to inform its members, especially non-executive members, about shareholders’ proposals and observations regarding the company and its performance by opening discussions, inquiries, and remarks from shareholders during the company’s general assemblies. These are addressed by the Chairman of the assembly during its session. If any proposal aligns with the company’s policies, it is recorded in the meeting minutes and submitted to the next Board of Directors meeting for discussion.

7.Disclosure of Remuneration and Allowances for Board Members, Committees, and Senior Executives

A- Remuneration Policy for Board Members and Committees in Accordance with Article (19) of the Company’s Articles of Association

“The minimum annual remuneration for the Chairman of the Board for the services rendered shall be SAR 180,000 per year. The minimum remuneration for each board member for their services shall be SAR 120,000 per year, with a maximum limit of SAR 500,000 per year. This includes additional remuneration in case the member participates in any committee derived from the Board of Directors. If the company generates profits, a percentage equivalent to 10% of the remaining net profit, after deducting the reserves determined by the General Assembly in accordance with the provisions of the Cooperative Insurance Companies Control Law, and after distributing at least 5% of the paid-up capital to shareholders, may be distributed. The entitlement to this remuneration shall be proportionate to the number of meetings attended by the member, and any decision contrary to this shall be considered invalid. In all cases, the total remuneration and financial or in-kind benefits received by a board member shall not exceed SAR 500,000 annually. The maximum attendance allowance for board and committee meetings is SAR 5,000 per meeting, excluding travel and accommodation expenses. Each board member, including the Chairman, shall be reimbursed for the actual expenses incurred in attending board or committee meetings, including travel, accommodation, and subsistence costs.

The Board of Directors’ report to the Ordinary General Assembly must include a comprehensive statement of all the remuneration, allowances, and other benefits received by board members during the financial year. It should also include details of any amounts received by board members as employees or executives, or as compensation for technical, administrative, or consulting services. Additionally, it should contain information about the number of board meetings and the number of meetings attended by each member since the last General Assembly meeting.”

Remuneration Policy for Board Members, Board Committees, and Senior Executives Approved by the Ordinary General Assembly on June 12, 2023

First: Introduction

The remuneration policy for board members, board committees, and senior executives has been developed in compliance with paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Capital Market Authority. This regulation states that the Nomination and Remuneration Committee must:

“Develop a clear policy for the remuneration of board members, board committees, and senior executives and submit it to the Board of Directors for review before it is approved by the General Assembly.”

Second: Objective

This policy aims to establish clear criteria for the remuneration of board members, board committees, and senior executives in accordance with the requirements of the Companies Law and the regulations of the Capital Market Authority. It also seeks to attract individuals with the necessary competence, ability, and talent to serve on the Board of Directors, board committees, and senior executive positions by adopting performance-linked reward programs, thereby improving the company’s performance and ensuring the best interests of its shareholders.

Third: General Remuneration Standards

The Nomination and Remuneration Committee is responsible for recommending the remuneration of board members, committee members, and senior executives based on approved criteria as follows:

- Remuneration should be commensurate with the company’s activities and the skills required for its management.
- The company ensures that remuneration aligns with its strategy, objectives, and the size, nature, and level of risks it faces.
- The company considers market practices and prevailing labor market conditions when determining remuneration.
- Remuneration is determined based on the position level, assigned tasks and responsibilities, academic qualifications, professional experience, skills, and performance level.
- Remuneration should be fair and proportionate to the member’s role and responsibilities, whether as a board member, committee member, or senior executive, in addition to the financial goals set by the Board of Directors for the financial year.
- Remuneration payments shall be suspended or recovered if it is found that they were determined based on inaccurate information provided by a board member or executive management. This is to prevent the exploitation of positions for unjustified financial gain.

Fourth: Remuneration of Board Members

Board members are entitled to a specified amount for attending meetings and an additional allowance in case of travel.

The Chairman and members of the Board receive an annual remuneration for their services, as outlined in this policy and according to the included table.

Board members may also receive remuneration as a percentage of the company's profits, in accordance with Article 19 of the company's Articles of Association. However, the total remuneration, financial benefits, and in-kind benefits for each board member shall not exceed SAR 500,000 annually under any circumstances.

The Board of Directors' annual report to the General Assembly must include a comprehensive statement of all remuneration, expense allowances, and other benefits received by board members during the financial year. It must also specify any amounts received by board members as employees or executives, or for technical, administrative, or consultancy work (if applicable). Additionally, the report should include details on the number of board meetings and the attendance record of each member.

Fifth: Remuneration of Committee Members

The remuneration for committee membership, derived from the Board of Directors, consists of meeting attendance allowances and additional allowances in case of travel.

Each member of the Audit Committee, whether a board member or an external member, is entitled to an annual remuneration as outlined in this policy and in accordance with the included table. Each member of other committees, whether a board member or a company executive, is entitled to an annual remuneration as specified in this policy.

Each external member of other committees (non-board members) is entitled to an annual remuneration as specified in this policy.

Sixth: Shariah Committee

The remuneration of Shariah Supervisory Board members consists of meeting attendance allowances and additional allowances in case of travel. The Chairman of the Shariah Supervisory Board receives an annual remuneration as specified in this policy and in accordance with the included table. Each member of the Shariah Supervisory Board is entitled to an annual remuneration as specified in this policy and in accordance with the included table.

Seventh: Executive Management Remuneration

The Nomination and Remuneration Committee reviews the performance of senior executives and formulates incentive policies and plans, submitting its recommendations to the Board of Directors.

The annual remuneration system (based on the employee's basic monthly salary) will be linked to both the company's performance and the employee's individual performance. For example, performance levels may be categorized as "Good," "Very Good," or "Excellent." The company's performance will be measured based on net income, and the remuneration will be correlated with the employee's performance level.

Eighth: Detailed Statement of Board Members' and Committee Members' Remuneration

1- Board Members

A - Attendance allowance per session.	SAR 3,000
B - Additional travel allowance for members attending from outside the meeting location.	SAR 2,500
C - Minimum annual remuneration for the Chairman of the Board:.	SAR 180,000 Min
D - Annual remuneration for each board member.	SAR 120,000 Min
E - The Board Secretary is entitled to remuneration for each session.	SAR 3,000
F - Profit-linked remuneration: A percentage of net profits, determined based on the recommendation of the Nomination and Remuneration Committee, in the event that the company achieves profits after fulfilling regulatory requirements.	

2- Members of Board Committees

A - Attendance allowance per session.	SAR 2,000
B - Additional travel allowance for members attending from outside the meeting location.	SAR 2,500
C - Each member of the Audit Committee, whether a board member or an external member, is entitled to an annual remuneration.	SAR 50,000
D - Each member of other committees, whether a board member or a company executive, is entitled to an annual remuneration.	SAR 15,000
E - Each external member of other committees (non-board members) is entitled to an annual remuneration.	SAR 3,000
F - The Secretary of each committee is entitled to an attendance allowance per session.	SAR 2,000

3- Members of the Shariah Committee

A - Attendance allowance per session.	SAR 2,000
B - Additional travel allowance for members attending from outside the meeting location.	SAR 2,500
C - Annual remuneration for the Chairman of the Shariah Supervisory Board.	SAR 50,000
D - Annual remuneration for each member of the Shariah Supervisory Board.	SAR 75,000
E - The Secretary of each committee is entitled to an attendance allowance per session.	SAR 2,000

B- Executive Management Remuneration Policy

The Nomination and Remuneration Committee reviews the performance of senior executives, establishes incentive policies and plans, and submits its recommendations to the Board of Directors. The annual remuneration system (based on the basic monthly salary) depends on linking the company's performance with the employee's performance level, such as (Good, Very Good, Excellent). The company's performance is determined based on the net income level and is linked to the employee's performance level.

Remuneration and Compensation Paid to Board Members During 2024 (in Saudi Riyals)

		Fixed Remuneration						Variable Remuneration								
	Name	Specific Amount	Board Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	In-Kind Benefits	Chairman's or Managing Director's Remuneration (if applicable)	Total	Percentage of Profits	Periodic Bonus	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (Value)	Total Variable Remuneration	End-of-Service Gratuity	Total Compensation	Expense Allowance
First: Independent Members																
1	Mr. Abdulrahman Hassan Al-Amoudi		6,000	36,000		120,000	162,000								162,000	
2	Mr. Khalid Majed Al-Rasheed		3,000	6,000		120,000	129,000								129,000	
3	Mr. Abdullah Abdulrahman Al-Sheikh		3,000	16,000		120,000	139,000								139,000	
4	Mr. Abdullah Mohammed Al-Qahtani					120,000	120,000								120,000	
5	Mr. Mohammed Mohsen Balhareth			8,000		91,000	99,000								99,000	
6	Mr. Mohammed Jihad Al-Rasheed		6,000	14,000		120,000	140,000								140,000	
7	Mr. Mohammed Ibrahim Al-Rasheed		6,000			120,000	126,000								126,000	
8	Mr. Ahmed Abdullah Al-Hammadi		6,000	6,000		29,000	41,000								41,000	
9	Mr. Abdul Latif Saud Al-Mandeel			2,000			2,000								2,000	
10	Mr. Abdullah Ibrahim Al-Buraheem		-	10,000			10,000								10,000	
	Total		30,000	98,000		840,000	968,000								968,000	
Second: Non-Executive Members																
1	Mr. Yasser Mohammed Al-Jarallah		6,000.00			180,000	186,000								186,000	
2	Mr. Faiz Saleh Bin Mahfouz		6,000.00	34,000		120,000	160,000								160,000	
	Total		12,000	34,000		300,000	346,000								346,000	
Third: Executive Members																
1	Mr. Ali Yahya Al-Jafari	2,454,000	6,000.00	34,000		120,000	2,614,000		1,500,000				1,500,000		4,114,000	
	Total	2,454,000	6,000	34,000		120,000	2,614,000		1,500,000				1,500,000		4,114,000	
Total		2,454,000	48,000	166,000		1,260,000	3,928,000		1,500,000				1,500,000		5,428,000	

There is no material deviation between the granted remunerations and the applicable remuneration policy. All members have received the minimum remuneration. The periodic remunerations paid to the Chairman and Board members in the table above represent their remuneration for Board membership, while committee remunerations will be disclosed separately.

(c) Benefits and Remunerations Paid to the Five Highest-Paid Senior Executives, Including the CEO and CFO

Description	Amount [SAR]
Salaries and Compensation	2,832,000
Allowances	1,159,200
Periodic and Annual Bonuses	-
Incentive Plans	-
Any Other Monthly or Annual Compensation or In-Kind Benefits	-
Total	3,991,200

(d) Committee Members' Remunerations

Description	Fixed Remuneration (except for committee attendance allowance)	Attendance Allowance	Total
Audit Committee Members			
Mr. Abdullah bin Abdulrahman Al-Sheikh	50,000.00	16,000.00	66,000
Mr. Bassam bin Mohammed Al-Buqaiwi	50,000.00	16,000.00	66,000
Mr. Ibrahim bin Ahmed Al-Azq	50,000.00	16,000.00	66,000
Ms. Al-Hanouf bint Abduljabbar Al-Abduljabbar	50,000.00	16,000.00	66,000
Total	200,000	64,000	264,000
Nomination and Remuneration Committee Members			
Mr. Abdulrahman Hassan Al-Amoudi	15,000.00	16,000.00	31,000
Mr. Khalid Majed Al-Rasheed	15,000.00	6,000.00	21,000
Mr. Mohammed Jihad Al-Rasheed	15,000.00	14,000.00	29,000
Dr. Abdullah Ibrahim Al-Buraheem	-	10,000	10,000
Eng. Abdul Latif Saud Al-Mandeel	-	2,000	2,000
Total	45,000	48,000	93,000
Investment Committee Members			
Mr. Ali Yahya Al-Jaafari	15,000.00	20,000.00	35,000
Mr. Faiz Saleh Bin Mahfouz	15,000.00	20,000.00	35,000
Mr. Abdulrahman Hassan Al-Amoudi	15,000.00	20,000.00	35,000
Total	45,000	60,000	105,000
Risk Management Committee Members			
Mr. Mohammed Mohsen Balhareth	11,384.00		11,384
Mr. Mohammed Jihad Al-Rasheed	15,000.00		15,000
Mr. Abdullah Mohammed Al-Qahtani	15,000.00		15,000
Mr. Mohammed Ibrahim Al-Rasheed	15,000.00		15,000
Total	56,384	-	56,384
Executive Committee Members			
Mr. Faiz Saleh Bin Mahfouz	15000	14,000	29,000
Mr. Ali Yahya Al-Jaafari	15000	14,000	29,000
Mr. Mohammed Mohsen Balhareth	11384	8,000	19,384
Mr. Ahmed Abdullah Al-Hammadi	3452	6,000	9,452
Total	44,836	42,000	86,836
Shariah Committee Members			
Sheikh Dr. Yusuf bin Abdullah Al-Shubaili	150,000.00	2,000.00	152,000
Sheikh Dr. Ibrahim Abdullah Al-Buraheem	75,000.00	2,000.00	77,000
Sheikh Dr. Mohammed bin Abdullah Al-Amer	75,000.00	2,000.00	77,000
Lawyer Dr. Khalid bin Majed Al-Rasheed	75,000.00		75,000
Total	375,000	6,000	381,000

8-Board of Directors Meetings

The Board of Directors held 5 meetings during 2024, with attendance as follows:

NO.	Name	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Nos. of Attendance
		17/03/2024	10/07/2024	01/08/2024	23/10/2024	29/12/2024	
1	Mr. Yasser bin Mohammed bin Jarallah	Attended	Attended	Attended	Attended	Attended	5
2	Mr. Faiz bin Saleh bin Mahfouz	Attended	Attended	Attended	Attended	Attended	5
3	Mr. Ali bin Yahya Al-Jaafari	Attended	Attended	Attended	Attended	Attended	5
4	Dr. Abdullah bin Ibrahim Al-Buraheem	Attended	Attended	Attended	Attended	Attended	5
5	Mr. Abdulrahman bin Hassan Al-Amoudi	Attended	Attended	Attended	Attended	Attended	5
6	Mr. Mohammed bin Jihad Al-Rasheed	Attended	Attended	Attended	Attended	Not member	3
7	Mr. Abdullah bin Mohammed Al-Qahtani	Attended	Attended	Attended	Attended	Absent	4
8	Mr. Abdullah bin Abdulrahman Al-Sheikh	Attended	Attended	Attended	Attended	Attended	5
9	Mr. Mohammed bin Ibrahim Al-Rasheed	Attended	Attended	Attended	Attended	Attended	5
10	Mr. Ahmed bin Abdullah Al-Hammadi	Attended	Attended	Attended	Attended	Attended	5
11	Mr. Abdul Latif bin Saud Al-Mandeel	Not member	Not member	Not member	Not member	Attended	1

Additionally, one Ordinary General Assembly meeting was held on June 25, 2024.

Board Resolutions Passed by Circulation

The Board of Directors issued 12 resolutions by circulation, as follows

- 1- Resolution No. 1-24 dated 25/01/2024
- 2- Resolution No. 2-24 dated 20/02/2024
- 3- Resolution No. 3-24 dated 18/03/2024
- 4- Resolution No. 4-24 dated 29/04/2024
- 5- Resolution No. 5-24 dated 05/05/2024
- 6- Resolution No. 6-24 dated 12/05/2024
- 7- Resolution No. 7-24 dated 06/06/2024
- 8- Resolution No. 01-8-24 dated 03/10/2024
- 9- Resolution No. 02-8-24 dated 23/10/2024
- 10- Resolution No. 9-24 dated 24/10/2024
- 11- Resolution No. 10-24 dated 03/11/2024
- 12- Resolution No. 11-24 dated 21/11/2024

9-Penalty, Sanction, Preventive Measure, or Restrictive Condition Imposed on the Company

Subject of Violation	2023			2024		
	Number of Executive Decisions	Total Amount of Fines in SAR	Measures Taken to Remedy and Prevent Future Occurrences	Number of Executive Decisions	Total Amount of Fines in SAR	Measures Taken to Remedy and Prevent Future Occurrences
Violation of the institution's supervisory and regulatory instructions	An executive decision (1) was issued by the Insurance Authority due to the company's violation of the statutory periods specified for settling vehicle claims.	SAR 220,000	The company has developed a corrective plan to address and implement all requirements and ensure non-recurrence in the future.	An executive decision (3) was issued, including facts and justifications, warning the company and imposing financial fines.	24040-Q SAR 360,000 24094-Q SAR 110,000 24192-Q SAR 460,000	The company has developed a corrective plan to address and implement all requirements and ensure non-recurrence in the future.
Violation of the institution's customer protection instructions	1	An official letter containing 5 points was issued as a mere notice.	The company has developed a corrective plan to address and implement all requirements and ensure non-recurrence in the future.	0	0	
Violation of the institution's due diligence instructions in combating money laundering	0	0	0	0	0	0
Violation of the central bank's cybersecurity risk-related instructions				An executive decision (1) was issued, including facts and justifications, warning the company and imposing financial fines.	24166-Q SAR 216,000	The company has developed a corrective plan to address and implement all requirements and ensure non-recurrence in the future.

10- Board Committees:

- Executive Committee:**

The Executive Committee consists of three Board members:.

NO.	Name	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Sixth meeting	Seventh meeting
		24/01/2024	06/03/2024	02/06/2024	05/06/2024	01/09/2024	21/10/2024	05/11/2024
1	Mr. Faiz Saleh Bin Mahfouz	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Mr. Ali Yahya Al-Jaafari	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Mr. Ahmed Abdullah Al-Hammadi	Attended	Attended	Attended	Attended	Attended	Attended	Attended

The Executive Committee held seven meetings during the year 2024. The committee studies matters presented to the Board before their discussion in the Board meetings and issues recommendations to facilitate Board deliberations. Additionally, the committee makes decisions on matters assigned by the Board from time to time, exercising certain delegated powers as needed for company operations.

The current Executive Committee was formed based on a Board resolution dated June 6, 2022.

• **Audit Committee:**

The Audit Committee consists of four independent members:

1. Mr. Abdullah bin Abdulrahman Al-Sheikh	Chairman of the Committee
2. Mr. Bassam bin Mohammed Al-Buqawi	Committee Member
3. Mr. Ibrahim bin Ahmed Al-Azaq	Committee Member
4. Ms. Al-Hanouf bint Abduljabbar Al-Abduljabbar	Committee Member

The Ordinary General Assembly approved the formation of the committee on July 25, 2022, with the same members listed above, for a term starting from July 25, 2022, to May 17, 2025.

The Audit Committee held eight meetings in 2024 and carried out the following tasks:

- Reviewing the company's financial statements, ensuring their accuracy, and verifying the integrity of financial reporting procedures and internal accounting systems.
- Conducting an independent annual review of the company's financial statements, engaging external auditors, and evaluating their qualifications, performance, and independence.
- Examining reports from the external actuarial expert appointed by the company.
- Reviewing the company's risk management reports.
- Recommending the appointment of an internal auditor and statutory auditor, as well as periodically reviewing their roles and responsibilities.
- Ensuring the company complies with legal and regulatory requirements, including disclosure policies.
- Ensuring adherence to the company's established policies and procedures.
- Overseeing the following areas:
 - Evaluating whether the company applies appropriate accounting policies and makes reasonable judgments and estimates, considering the opinion of external auditors.
 - Reviewing options for handling financial information in line with accepted accounting standards.
 - Assessing the strength of accounting policies and any changes implemented annually across all company departments.
 - Identifying necessary adjustments based on audit findings and ensuring the effectiveness of the internal control system.
 - Studying internal audit reports and monitoring corrective actions for identified issues.
 - Examining interim and annual financial statements before presenting them to the Board and making recommendations.
 - Reviewing accounting policies and advising the Board on any necessary modifications.
 - Appointing and dismissing the Compliance Officer after obtaining regulatory approval.
 - Appointing and dismissing the Head of Internal Audit after obtaining regulatory approval.
 - Reviewing and approving the compliance plan and monitoring its execution.
 - Reviewing and approving the internal audit plan and monitoring its implementation.
 - Discussing periodic compliance reports.
 - Discussing periodic internal audit reports.
- Determining the monthly salary, incentive bonus, and other rewards for the Internal Audit Department or Internal Auditor in accordance with the company's internal regulations approved by the Board.
- Determining the monthly salary, incentive bonus, and other rewards for the Compliance Department or Compliance Officer in accordance with the company's internal regulations approved by the Board.
- Ensuring the company has a written Code of Professional Conduct, approved by the Board, to maintain fair and ethical business practices.
- Monitoring significant lawsuits filed by or against the company, in coordination with the Compliance Officer, and submitting periodic reports to the Board.
- Reviewing complaints that may be referred to litigation.
- Reviewing reports from regulatory and legislative authorities.

Attendance Records and Meeting Dates as Detailed in the Table Below:

The Audit Committee held eight (8) meetings during 2024, with attendance as follows:									
NO.	Name	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Sixth meeting	Seventh meeting	Eighth meeting
		115	116	117	118	119	120	121	122
		14/03/2024	29/04/2024	12/05/2024	01/08/2024	13/08/2024	21/10/2024	03/11/2024	17/12/2024
1	Mr. Abdullah bin Abdulrahman Al-Sheikh	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Mr. Bassam bin Mohammed Al-Buqawi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Mr. Ibrahim bin Ahmed Al-Azaq	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
4	Ms. Al-Hanouf bint Abduljabbar Al-Abduljabbar	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

• **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee consists of three Board members:

- | | | |
|----|---|---------------------------|
| 1. | 1. Mr. Abdulrahman bin Hassan Abdulrahman Al-Amoudi | Chairman of the Committee |
| 2. | 2. Mr. Abdullah bin Ibrahim Al-Ibrahim | Committee Member |
| 3. | 3. Mr. Abdulatif bin Saud Al-Mandeel | Committee Member |

The committee held eight (8) meetings during 2024 and is responsible for the following tasks:

- Submitting recommendations regarding Board membership nominees to be presented at the General Assembly and executive management candidates, including the CEO and deputies.
- Establishing clear policies and procedures for the Board's remuneration policy.
- Reporting to the Board on the annual review of Board performance and submitting recommendations for committee appointments.
- Recommending to the Board the approval of compensation policies, annual bonuses, and incentive plans to attract, retain, and motivate talented employees.
- Evaluating the skills and expertise of Board members and senior executive management, and recommending necessary training programs based on assessment results.
- Developing corporate social responsibility (CSR) programs and monitoring their implementation in collaboration with executive management.
- Ensuring the company's continuous compliance with corporate governance requirements and reporting to the Board accordingly.

• **Attendance Records and Meeting Dates as Detailed in the Table Below:**

Nomination and Remuneration Committee Attendance and Meeting Dates									
No.	Name	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Sixth meeting	Seventh meeting	Eighth meeting
		11/01/2024	20/02/2024	13/03/2024	22/04/2024	25/07/2024	02/10/2024	24/10/2024	24/10/2024
1	Abdulrahman bin Hassan Al-Amoudi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Khalid bin Majid Al-Rasheed	Attended	Attended	Attended	-	-	-	--	-
3	Mohammed bin Jihad Al-Rasheed	Attended	Attended	Attended	Attended	Attended	Attended	Attended	-
4	Abdullah bin Ibrahim Al-Ibrahim	-	-	-	Attended	Attended	Attended	Attended	Attended
5	Abdulatif bin Saud Al-Mandeel	-	-	-	-	-	-	-	Attended

- On June 6, 2022, the Board of Directors issued a resolution to form the Nomination and Remuneration Committee for the current term.
- On March 18, 2024, Mr. Khalid bin Majid Al-Rasheed submitted his resignation from the Nomination and Remuneration Committee due to personal reasons.
- On March 18, 2024, the Board of Directors resolved to appoint Dr. Abdullah Al-Ibrahim as a member of the Nomination and Remuneration Committee.
- On October 24, 2024, Mr. Mohammed bin Jihad Al-Rasheed submitted his resignation from the Nomination and Remuneration Committee.
- On October 24, 2024, the Board of Directors resolved to appoint Mr. Abdulatif bin Saud Al-Mandeel as a member of the Nomination and Remuneration Committee.

•Investment Committee

The Investment Committee consists of three members: Mr. Ali Yahya Al-Jaafari – Chairman, Mr. Faiz Saleh Bin Mahfouz – Member, and Mr. Abdulrahman Hassan Al-Amoudi – Member. The committee is responsible for overseeing the company's investment portfolio, holding full authority in this regard. The committee also has the right to appoint investment advisory firms as needed. The committee held eight (8) meetings during 2024, with the following members in attendance:

#	Name	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Sixth meeting	Seventh meeting	Eighth meeting
		13/03/2024	28/03/2024	01/05/2024	20/05/2024	15/07/2024	12/09/2024	21/10/2024	06/11/2024
1	Faiz Saleh Bin Mahfouz	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Abdulrahman Hassan Al-Amoudi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Ali Yahya Al-Jaafari	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

On June 6, 2022, the Board of Directors issued a resolution to form the Investment Committee for the current term.

•Risk Management Committee:

The Risk Management Committee consists of four members: Mr. Yasser bin Mohammed Al-Bishr – Chairman (after the resignation of the former Chairman, Mr. Mohammed bin Jihad Al-Rasheed), Mr. Abdullah bin Mohammed Al-Qahtani – Member, Mr. Mohammed bin Ibrahim Al-Rasheed – Member, and Mr. Abdulatif bin Saud Al-Mandeel – Member. The committee is responsible for overseeing the company's risk management framework, approving a comprehensive risk strategy that considers market conditions and available expertise to mitigate potential risks. It also conducts periodic reviews and updates to the risk management strategy, considering both internal and external changes affecting the company.

- The committee held three (3) meetings during 2024, with attendance as follows:

#	Name	First meeting	Second meeting	Third meeting
		21/05/2024	05/06/2024	04/09/2024
1	Mr. Yasser bin Mohammed Al-Bishr	Not Member	Not Member	Not Member
2	Mr. Mohammed bin Jihad bin Abdulaziz Al-Rasheed	Attended	Attended	Attended
3	Mr. Mohammed Ibrahim Mohammed Al-Rasheed	Attended	Attended	Attended
4	Mr. Abdullah Mohammed Abdullah Al-Dalaan Al-Qahtani	Attended	Attended	Attended
5	Mr. Abdulatif bin Saud Al-Mandeel	Not Member	Not Member	Not Member

- On June 6, 2022, the Board of Directors issued a resolution to form the Risk Management Committee for the current term.
- On October 24, 2024, the Board of Directors approved the resignation of **Mr. Mohammed Jihad Al-Rasheed** from his position as Chairman and member of the Risk Management Committee.
- On October 24, 2024, the Board of Directors approved the appointment of **Eng. Abdulatif Al-Mandeel** as a member of the Risk Management Committee.
- On November 21, 2024, the Board of Directors approved the appointment of **Mr. Yasser Al-Bishr** as Chairman of the Risk Management Committee.

- **Shari'a Supervisory Board:**

On August 17, 2022, the Board of Directors issued a resolution to form **the Shariah Supervisory Board, consisting of the following members: Sheikh Dr. Youssef bin Abdullah Al-Shubaili – Chairman, Sheikh Dr. Ibrahim Abdullah Al-Ibrahim – Member, and Sheikh Dr. Mohammed bin Abdullah Al-Amer – Member.** The committee is responsible for ensuring the company's compliance with Shariah principles in all its transactions.

The Shariah Supervisory Board held two (2) meetings during 2024, with attendance as follows:

Number	Name	First Meeting 10/03/2024	Second Meeting 18/12/2024
1	Sheikh Dr. Youssef bin Abdullah Al-Shubaili	Attended	Attended
2	Sheikh Dr. Ibrahim Abdullah Al-Ibrahim	Attended	Attended
3	Sheikh Dr. Mohammed bin Abdullah Al-Amer	Attended	Attended
4	Dr. Khalid bin Majid Al-Rasheed (Lawyer)	Not Member	Not Member

On March 18, 2024, Dr. Khalid bin Majid Al-Rasheed submitted his resignation from the Shariah Supervisory Board.

11-General Assembly:

During the year 2024, one Ordinary General Assembly Meeting was held as follows:

The Ordinary General Assembly Meeting was convened within the six months following the end of the financial year, in accordance with the company's Articles of Association. The General Assembly, held on June 25, 2024, approved the following resolutions:

1. Review and discussion of the Board of Directors' Report for the financial year ending on December 31, 2023.
2. Review and discussion of the financial statements for the financial year ending on December 31, 2023.
3. Approval of the auditors' report for the financial year ending on December 31, 2023, after discussion.
4. Approval of the appointment of external auditors for the company: "Hulool Krow Professional Consulting" for a fee of SAR 450,000, and "Al-Kharashi & Partners, Chartered Accountants and Auditors" for a fee of SAR 415,000. These firms will review and audit the financial statements for Q2, Q3, Q4, and the annual financials for 2024, in addition to Q1 of 2025.
5. Approval of the payment of SAR 1,260,329 as remuneration for the Board of Directors for the financial year ending on December 31, 2023.
6. Approval of discharging the Board of Directors from liability for the financial year ending on December 31, 2023.
7. Approval of the Board of Directors' resolution to appoint Mr. Ahmed Abdullah Al-Hammadi (Independent Member) to the Board of Directors, effective October 4, 2023, to complete the current board term until May 17, 2025, replacing the former board member Mr. Mohammed Mohsen Balharith (Independent Member).
8. Approval of the Board of Directors' resolution to appoint Dr. Abdullah Ibrahim Al-Ibrahim (Independent Member) to the Board of Directors, effective February 20, 2024, to complete the current board term until May 17, 2025, replacing the former board member Dr. Khalid Majid Al-Rasheed (Independent Member).

12-Shares, Debt Instruments, Loans, and Subsidiary Companies:

The company's authorized and issued capital amounts to SAR 291 million as of December 31, 2024, consisting of 29,100,000 shares, with a nominal value of SAR 10 per share. Tharawat Private Investment Holding Company holds 15% of the shares, while the public holds 85%.

During the financial year ended December 31, 2024, the company did not issue any debt instruments. There is no interest in voting shares held by any individuals, nor are there any stock options, subscription rights, or similar rights held by board members, senior executives, or their family members in the company's shares.

Furthermore, there are no convertible debt instruments, stock options, warrants, or similar rights issued or granted by the company during the financial year. There are no conversion or subscription rights under any convertible debt instruments, options, warrants, or similar certificates issued or granted by the company in 2024. Additionally, the company has not redeemed, repurchased, or canceled any redeemable debt instruments.

There are no arrangements or agreements under which any shareholder has waived any rights to profits. The company has no financial obligations to third parties, loans, debt instruments, or equity-related activities. The Board of Directors confirms that the company has no outstanding loans.

The following Board Members have interests in the company's shares or debt instruments:

#	The name of those who have interest	At the beginning of the year		At the end of the year		Net variation	Variation %
		Nos. of shares	Debt instruments	Nos. of shares	Debt instruments		
1	Mr. Yasser Mohammed Al-Jarallah	425967	---	425967	---	---	---
2	Mr. Faiz Saleh Bin Mahfouz	---	---	---	---	---	---
3	Mr. Ali Yahya Al-Jaafari	---	---	---	---	---	---
4	Mr. Abdulrahman Hassan Al-Amoudi	---	---	---	---	---	---
5	Dr. Abdullah Ibrahim Al-Ibrahim	---	---	---	---	---	---
6	Mr. Abdullah Abdulrahman Al-Sheikh	---	---	---	---	---	---
7	Mr. Abdullah Mohammed Al-Qahtani	---	---	---	---	---	---
8	Mr. Ahmed Abdullah Al-Hammadi	---	---	---	---	---	---
9	Eng. Abdulatif Saud Al-Mandeel	---	---	---	---	---	---
10	Mr. Mohammed Ibrahim Al-Rasheed	---	---	---	---	---	---

- There are no interests held by senior executives, their spouses, or minor children in the company's shares or debt instruments.

13- Zakat, regular payments and loans:

Description	2024		Brief	Reasons
	Amount Paid	Amounts Due but Unpaid by the End of the Fiscal Year:		
Zakat	2,277	-		
Tax	-			
Value-Added Tax (VAT)	91,847	2,671	December 2024 Dues	Payable in January 2025
GOSI Contributions	4,910	462	December 2024 Dues	Payable in January 2025
Visa and Passport Fees	20			
Ministry of Labor Fees	493			
Insurance Authority Supervision Fees	6,883	804	Remaining 2024 Dues	Payable in January 2025
Tadawul Fees	352			
Fines	1,019			
Withholding Tax	924	150	2024 Remaining Dues	Payable in January 2025

14. Declarations:**The Allied Cooperative Insurance Group (ACIG) hereby declares that:**

1. It does not have any subsidiaries.
2. It does not have any outstanding loans, whether on-demand or otherwise, and has not made any loan repayments during the 2024 fiscal year.
3. It has not issued or granted any convertible debt instruments, stock options, warrants, or similar instruments during the 2024 fiscal year.
4. It has not issued or granted any convertible debt instruments, rights, options, warrants, or similar financial instruments during 2024.
5. It has not redeemed, repurchased, or canceled any redeemable debt instruments or outstanding securities.
6. No individuals hold any special voting shares in the company.
7. No stock options or subscription rights have been issued to any board members, senior executives, their spouses, or their minor children.
8. No agreements or arrangements exist where any shareholder waives their rights to profits.
9. No employee benefit investments or reserves have been established for company employees.
10. No salary or compensation waivers have been made.
11. No board member is engaged in any competing business activities or has previously engaged in any competing activities relevant to the company's operations.

15: Company Requests for the Shareholder Register:

Company Shareholder Register Requests	Request Date	Reason for Request
1	April 18, 2024	Other
2	June 23, 2024	General Assembly Meeting
3	August 21, 2024	Other
4	September 18, 2024	Other
5	November 19, 2024	Other

16. External Auditors and International Financial Reporting Standards (IFRS):

The Ordinary General Assembly, convened on June 25, 2024, approved the appointment of the company's external auditors: Hulool Krow Professional Consulting and Al-Kharashi & Partners, Chartered Accountants and Auditors. These auditors were engaged to examine, review, and audit the financial statements for Q2, Q3, Q4, and the annual financials of 2024, as well as Q1 of 2025.

The auditors issued an unqualified opinion, stating:**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 that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial statements of the Company. The Company has posted a net comprehensive income of SAR 0.70 million for the year ended December 31, 2024 (net comprehensive income of SAR 65.4 million for the year ended December 31, 2023), and as of that date, the Company's accumulated losses stand at SAR 92.38 million (as at December 31, 2023: SAR 73.99 million), representing 31.75% of the share capital as at December 31, 2024 (as at December 31, 2023: 25.42%). These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the accompanying financial statements are prepared using the going-concern assumption based on management's assessment of the company's abilities to continue as a going concern as detailed in the above referred note. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note 4 of the financial statements, which describes the restatement made by the Company to reclassify recoveries previously recorded under "Prepayments and Other Receivables" to "Insurance Contract Liabilities". This adjustment was made to more appropriately reflect the nature of these recoveries in accordance with the applicable financial reporting framework. Our opinion is not modified in respect of this matter.

The Company acknowledges that: -

- a- Its financial records have been properly maintained.
- b- Its internal control system has been properly designed and effectively implemented.
- c- There are no significant doubts regarding its ability to continue as a going concern.

17. Effectiveness and efficiency of internal control procedures:

According to the scope of the internal audit results and the planned and additional compliance management conducted by the internal audit and compliance activity, and after discussion with the external auditors, the external auditor, and the executive management regarding the consolidated financial statements for the year 2024 and the internal control system, the committee believes that the above provides reasonable assurance regarding the effectiveness of the internal control system, noting that no internal control system can provide absolute assurances about the soundness and effectiveness of the internal control system.

18- Details of the company's social contributions**Corporate Social Responsibility Initiatives for 2024:**

1. Fraud Awareness Campaign under the slogan (#StayAlert) – January 2024
2. National Foundation Day Campaign under the slogan (#TheDayWeBegan) – February 2024
3. Campaign for the Transfer of Health Insurance Responsibilities to the Insurance Authority – March 2024
4. National Flag Day Campaign – March 2024
5. Ramadan Awareness Campaign under the slogan (#RamadanBlessings) – March 2024
6. Seventh Anniversary of the Pledge of Allegiance to Crown Prince Mohammed bin Salman – April 2024
7. Insurance Authority Campaign during Hajj Season under the slogan (#FeelSecure) – June 2024
8. Hajj Awareness Campaign under the slogan (#NoHajjWithoutPermit) – June 2024
9. Network Security Awareness Campaign under the slogan (#StayAlert) – July, September 2024
10. Support Campaign for Purple Saturday for People with Disabilities – July 2024
11. Awareness Campaign on Policyholder Rights in Health Insurance in Case of Death – August 2024
12. Insurance Authority Hackathon Campaign – August 2024
13. 94th National Day Campaign under the slogan (#DreamAndAchieve) – September 2024
14. Najm and Insurance Authority Awareness Campaign on Vehicle Insurance under the slogan (#WhatAreYouWaitingFor #InsureToBeSafe) – September, October, November 2024
15. Tenth Anniversary of King Salman bin Abdulaziz's Pledge of Allegiance – October 2024
16. Breast Cancer Awareness Campaign – October 2024
17. World Diabetes Day Awareness Campaign – November 2024
18. Medical Disclosure Awareness Campaign – November 2024
19. National Campaign Celebrating Saudi Arabia's Victory in Hosting the 2034 FIFA World Cup – December 2024
20. Personal Data Security Awareness Campaign under the slogan (#StayAlert) – December 2024

University Interns for the Year 2024:

#	Name	Nationality	University	Specialization	University ID	Duration	ID No.	Start Date	End Date	City	Dept
1	Abdulaziz Mohammed Saleh Bin Masined	Saudi	Imam Muhammad ibn Saud University	Insurance and Risk Management	439015173		1102836093	26-11-2023	15-02-2024	Riyadh	Sales
2	Tala Zuhair Rafie	Saudi	Jeddah University	Insurance and Risk Management		120 hours	1117293900	25-02-2024	14-03-2024	Jeddah	Customer Experience
3	Mohammed Abdulrahman Al-Mughirah	Saudi	Applied Technical College for Boys	Insurance and Risk Management	443314991	8 weeks	1127832846	23-06-2024	15-08-2024	Riyadh	Automotive Claims Dept
4	Tariq Ghaib Mahmas Al-Harithi	Saudi	King Saud University	Insurance and Risk Management	442190620	8 weeks	1114162702	23-06-2024	15-08-2024	Riyadh	Automotive Claims Dept
5	Rayan Khalid Abdullah Al-Zahrani	Saudi	King Abdulaziz University	Insurance and Risk Management	2341410	9 weeks	1127880852	23-06-2024	15-08-2024	Jeddah	Automotive Claims Dept
6	Aseel Mohammed Saleh Al-Ghamdi	Saudi	Imam Abdulrahman bin Faisal University	Insurance and Risk Management	2220006405	9 weeks	1117147015	23-06-2024	15-08-2024	Al Khobar	Sales Dept
7	Bushra Ibrahim Hakami	Saudi	Imam Abdulrahman bin Faisal University	Insurance and Risk Management		9 weeks	1121713943	23-06-2024	15-08-2024	Al Khobar	Sales Dept
8	Abdulmajid Salem Bin Mahfoodh	Saudi	Umm Al-Qura University	Economics and Management	443016535	120	1104183866	01-07-2024	01-08-2024	Jeddah	Marketing Dept
9	Salman Abdulrahman Ghanem Al-Dosari	Saudi	King Saud University	Insurance and Risk Management	444190306	8 weeks	1118928710	23-06-2024	15-08-2024	Riyadh	Recovery Dept
10	Mohammed Abdullah Mohammed Al-Suhaim	Saudi	King Saud University	Insurance and Risk Management	444190524	8 weeks	1129408686	23-06-2024	15-08-2024	Riyadh	Recovery Dept
11	Fatimah Ibrahim Abdulrahman Bin Humaid	Saudi	King Saud University	Law	442201986	18 weeks	1119916698	18-08-2024	23-12-2024	Riyadh	Legal Dept
12	Ahmed Hassan Al-Fifi	Saudi	King Saud University	Actuarial Sciences	442102298	17 weeks	1115056044	18-08-2024	12-12-2024	Riyadh	Actuarial Services Dept
13	Khaled Al-Humaidi Al-Mutairi	Saudi	King Saud University	Law	442130338	17 weeks	1114672841	18-08-2024	12-12-2024	Riyadh	Legal Dept
14	Reema Salman Mohammed Al-Owais	Saudi	King Saud University	Computer Networks	42059747	10 weeks	1120912884	25-08-2024	31-10-2024	Riyadh	Information Technology Dept
15	Al-Jawhara Munir Al-Subaie	Saudi	King Saud University	Computer Networks	43587793	10 weeks	1124548163	25-08-2024	31-10-2024	Riyadh	Information Technology Dept
16	Saad Da'alah Yusuf Al-Somali	Saudi	Institute of Public Administration	Computer Networks	31010394	10 weeks	1069239778	25-08-2024	31-10-2024	Riyadh	Information Technology Dept

19- Dates of General Shareholders' Meetings Held in the Last Financial Year and Attending Board Members:

Attending Board Members	Extraordinary General Meeting June 25, 2024
Yasser Mohammed Al-Jarallah	Attended
Fayez Saleh Bin Mahfoodh	Attended
Ali Yahya Al-Jaafari	Attended
Abdulrahman Hassan Al-Amoudi	Attended
Abdullah Ibrahim Al-Brahim	Attended
Abdullah Abdulrahman Al-Sheikh	Attended
Abdullah Mohammed Al-Qahtani	Attended
Ahmed Abdullah Mani Al-Hammadi	Attended
Mohammed Jihad Al-Rasheed	Attended
Mohammed Ibrahim Al-Rasheed	Attended

20. Future risks:

There are undoubtedly future risks that may impact the performance of companies operating in the insurance sector. One such risk is the effect of global reinsurance companies being influenced by international market conditions, which may lead to non-compliance with reinsurance agreement terms. Although the company only contracts with reinsurers with high financial ratings, changes in the general policies of reinsurance companies remain a potential risk that could impact the company's performance.

Another significant risk is the limited availability of qualified human resources in the Saudi insurance sector. The company is actively working to mitigate this risk through training and development programs. Additionally, other potential risks include: Technological risks, Liquidity risks, Legal and regulatory risks, and Competitive risks. To address these challenges, the company has established a Risk Management Department due to its crucial role in ensuring company stability and developing the most effective methods to identify, assess, and control risks that the company may face.

Risks that the company may face:

Risk Management

RISK MANAGEMENT

The Company has developed and implemented a risk management structure that is designed to identify, assess, control and monitor the risks associated with its business. Adhering to this structure, the Company aims to meet its obligations to policyholders and other customers and creditors, to manage its capital efficiently, and to comply with applicable laws and regulations. The Company's Risk Committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Committee is responsible for defining, installing and monitoring the risk management organisation in order to ensure that its control systems are effective. The Risk Committee approves all risk management policies, as well as the quantitative and qualitative elements of the Company's risk appetite and tolerance framework.

(A) Insurance risk

The Company provides medical, motor, medical malpractice, property, marine, domestic labor and other general insurance contracts in Saudi Arabia. Accordingly, the main insurance risk within the Company is that there are no sufficient reserves available to cover the liabilities associated with the insurance contracts issued. Actual claims may differ from the estimated ultimate claims. The Company seeks to manage this as follows:

Estimate of present value of cash flows and risk adjustment for non-financial risk

- through close monitoring of the claims' trend and payments' pattern to ensure that sufficient reserves are available to cover claim liabilities. The Company also has an external actuary to perform quarterly independent reviews of the reserves adequacy. Estimate of present value of cash flows and risk adjustment for non-financial risk, which are key components of the Company's insurance contract liabilities are estimated amounts of the outstanding claims, incurred but not reported claims ("IBNR"), claims handling provisions and risk adjustment for non-financial risk. These reserves do not represent exact calculations but rather expectations based on historical claims' trend (frequency and severity), payments' pattern, medical inflation, members' behaviour, seasonality and other factors. The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues.
- The Company has a large insurance portfolio resulting in stable claims development patterns which relatively reduces the risk of fluctuations in the estimated ultimate claims. The short-tailed nature of the business is associated with higher consistency of the reserve estimates.
- The Company continually reviews the adequacy of claims reserves by conducting back-testing analysis, assessing the sufficiency of data, monitoring claims backlogs and settlement patterns. In addition, the external actuary runs independent valuation models after due reconciliation with consolidated financial statements to validate reserve adequacy.

Reinsurance

- The Company has a reinsurance arrangement to reduce its exposure through transfer of risk. During the years ended 31 December 2024 and 2023, the Group had Treaty reinsurance arrangement for medical and treaty & facultative arrangements for other general lines such as property, engineering and excess of loss arrangement for motor lines of business to reduce its exposure through partial transfer of insurance risk. The reinsurance premium ceded represents a minimal margin of the overall gross premium written. Reinsurance premium ceded reached 11% of gross premium written (2023: 9%).
- The reinsurers selected met IA's minimum acceptable rating of BBB from a reputable credit agency.
- Reinsurance ceded business does not relieve the Company from its obligations to policyholders and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Pricing

- The pricing team follows the Company's underwriting guidelines (approved by the Board of Directors) in setting premiums taking into consideration credible claims experiences for both new business and renewals for all lines of business.

Managing the concentration of insurance risk

- The insurance risk exposure related to policyholders is mainly concentrated in Saudi Arabia. However, through its underwriting strategy, the Company ensures that the portfolio is well diversified and not concentrated within few large clients. Its business is proportionally spread across all regions in the Saudi Arabia, and the Company targets both corporate and retail business. The insurance portfolio is not concentrated in a specific benefit level.

Process used to decide on assumptions

- Assumptions used in determining estimate of present value of cash flows are based on the best estimate. Ultimate claims are estimated using historical claim trends adjusted for inflation, seasonality, membership growth, driver age, driver history etc. and any other external or internal factors that may have impact on claim costs. Given the nature of the business, the Group may still be exposed to risk of insufficiency of claim reserves for which actual claim cost may turn out to be higher than the initial estimated ultimate claims.
- The estimation of present value of future cash flows related to incurred but not reported claims (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the present value of future cash flows related to reported claims which are received but not yet settled with the providers. For the case of present value of future cash flows related to reported claims, the Company uses settled claims information to estimate present value of future cash flows related to IBNR. The Company seeks to avoid inadequate reserve levels by adopting established processes in determining claim reserve and using updated information regarding settled claims.

Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions.

	SAR'000	
	31 December 2024	31 December 2023
Impact on equity and net income of change in claims ratio		
5% increase	(39,441)	(28,262)
5% decrease	39,441	28,262
Impact on equity and net income of change in direct expense ratio-loss component		
5% increase	(14,075)	142
5% decrease	14,075	(142)
Impact on equity and net income of change in risk adjustment for non financial risk		
5% increase	510	286
5% decrease	(510)	(286)

(b) Operational risks

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 behavior. Operational risks arise from all the Company's activities.

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

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.

(C) Market risk

Market risk refers to the potential impact of various market dynamics on the fair value or the expected cash flows of financial instruments. The Company adopts asset allocation guidelines and diversification limits on asset classes, geographies, currencies and securities to ensure that market risk is contained and kept to minimal levels.

The Board of Directors sets the overall risk appetite to a prudent level that does not impact the Company's operating results. The management prepares monthly and quarterly reports, highlighting deployment activities and exposure limits to ensure that appropriate monitoring and compliance with the approved guidelines. Management performs continuous assessment of developments in relevant markets to ensure that market risk is monitored and mitigated at the asset class and securities levels

Market risk comprises three types: interest rate risk, price risk and currency risk.

i) Interest rate risk

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. Management constantly monitors developments in global and local interest rates and accordingly allocates the durations of its term deposits and sukuk investments. Investments in term deposits and sukuk instruments have various maturities in order to maximise investment returns while ensuring that liquidity requirements are continuously met. Details of maturities of interest-bearing securities using discounted cashflows as at 31 December are as follows:

	SAR'000				
	Less than 3 Months	3 Months to 1 Year	1 year to 3 Years	More than 3 Years	Total
Term deposits	-	-	-	-	-
Debt instruments at amortised cost.	-	-	-	-	-
31 December 2024	-	-	-	-	-
Term deposits	-	565,328	-	-	565,328
Debt instruments at amortised cost.	-	-	-	-	-
31 December 2023	-	565,328	-	-	565,328

ii) Price risk

Price risk is the potential change in the fair value of financial instruments as a result of instrument-specific developments or systemic factors affecting the overall market in which the instrument is being traded.

The total size of investments which are exposed to market price risk is SR 90.3 million (2023: SR 43.6 million). The Company manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

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

	Fair value change	Effect on Company's profit SR '000	
2024	+/-10%	+/-10%	+/- 7,010
2023	+/-10%	+/-10%	+/- 7,010

iii) Currency risk

Currency risk is the potential fluctuation of the value of a financial instrument due to changes in foreign exchange rates. All Company's transactions are in Saudi Arabian Riyals and US Dollar. Given the peg of Saudi Arabian Riyals and US Dollars, foreign exchange risk is minimal.

(C) 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.

The Company seeks to manage its credit risk with respect to customers by following the Company's credit control policy and monitoring outstanding receivables on an on-going basis in order to reduce the Company's exposure to expected credit loss. The management estimates specific impairment provisions on a case by case basis. In addition to specific provisions, the Company also makes an additional portfolio provision, estimated on a collective basis, based on the ageing profile of the future premiums cashflow. The Company seeks to limit its credit risk with respect to other counterparties by placing term deposits and investments with reputable financial institutions. The Company enters into reinsurance contracts with recognised, creditworthy third parties.

The following table shows the maximum exposure to credit risk by class of financial asset:

	SAR'000	
	2024	2023
Cash and cash equivalents	654,668	141,633
Term deposits	-	565,328
Investments measured at fair value through other comprehensive income	61,154	43,463
Investments measured at fair value through profit or loss	29,137	-
Reinsurance contract assets	68,420	57,814
Statutory deposit	43,650	43,650
Accrued commission on statutory deposit	1,253	1,778
	858,282	853,666

	31 Dec 2024			
	Investment grade	Non investment Grade		Total
		Non Impaired	Impaired	
	SAR'000			
Cash and cash equivalents	654,668	-	-	654,668
Investments measured at fair value through other comprehensive income	61,154	-	-	61,154
Investments measured at fair value through profit or loss	29,137	-	-	29,137
Reinsurance contract assets	-	68,420	-	68,420
Statutory deposit	43,650	-	-	43,650
Accrued commission on statutory deposit	1,253	-	-	1,253
	789,862	68,420	-	858,282

	31 Dec 2023			
	Investment grade	Non investment Grade		Total
		Non Impaired	Impaired	
	SAR'000			
Cash and cash equivalents	141,633	-	-	141,633
Term deposits	565,328	-	-	565,328
Investments measured at fair value through other comprehensive income	43,463	-	-	43,463
Debt instruments at amortised cost.	-	-	-	-
Reinsurance contract assets	-	57,814	-	57,814
Statutory deposit	43,650	-	-	43,650
Accrued commission on statutory deposit	1,778	-	-	1,778
	795,852	57,814	-	853,666

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its operational or financial obligations when they are due. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds through premiums received and excess cash are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining expected undiscounted contractual obligations:

	2024		
	Upto one year	More than one year	Total
Insurance contract liabilities	586,468	-	586,468
Lease liabilities	6,750	-	6,750
Accruals and other payables	21,039	-	21,039
Accrued commission on statutory deposit payable to IA	1,253	-	1,253
	615,510	-	615,510

	2023		
	Upto one year	More than one year	Total
Insurance contract liabilities	579,124	-	579,124
Lease liabilities	16,413	-	16,413
Accruals and other payables	348	-	348
Accrued commission on statutory deposit payable to IA	11,622	-	11,622
	607,507	-	607,507

(f) Liquidity Profile

All assets excluding financial assets at amortised cost, fixtures, furniture and equipment and right-of-use assets, intangible assets, statutory deposit and accrued income on statutory deposit, are expected to be recovered or settled before one year.

None of the financial liabilities on the statement of financial position are based on discounted cash flows, with exception of end-of-service benefits and lease liabilities and are all payable on a basis as set out above. There are no differences between contractual and expected maturity of the financial liabilities of the Company.

21. Description of any transaction between the Company and a related party

None

Related Party	Board Member Name	Type of Transaction	Duration	Value (in thousand SAR)

22- Information on Any Business or Contracts in Which the Company Was a Party or in Which a Board Member or Senior Executive Had an Interest:

Nature of the Business or Contract	Value of the Business or Contract (in thousand SAR)	Duration of the Business or Contract	Terms of the Business or Contract	Board Members / Senior Executives Involved
Vehicle Insurance Policies	3.2	One year	Insurance provided in accordance with applicable regulations	Yasser Mohammed Al-Jarallah
Vehicle Insurance Policies	0.7	One year	Insurance provided in accordance with applicable regulations	Abdullah Mohammed Al-Qahtani
Vehicle Insurance Policies	1.6	One year	Insurance provided in accordance with applicable regulations	Mohammed Al-Qadi
Vehicle Insurance Policies	4.2	One year	Insurance provided in accordance with applicable regulations	Hassan Al-Hazmi
Vehicle Insurance Policies	4.3	One year	Insurance provided in accordance with applicable regulations	Talal Al-Zahrani
Vehicle Insurance Policies	3.7	One year	Insurance provided in accordance with applicable regulations	Abdulmajid Omar Abdullah Al-Omir
Vehicle Insurance Policies	3.7	One year	Insurance provided in accordance with applicable regulations	Hanan Al-Ahmari
Vehicle Insurance Policies	1.7	One year	Insurance provided in accordance with applicable regulations	Hamad Mohammed Faleh Al-Badnah Al-Mutairi
Vehicle Insurance Policies	2.8	One year	Insurance provided in accordance with applicable regulations	Mohammed Samir Kayani
Vehicle Insurance Policies	1.8	One year	Insurance provided in accordance with applicable regulations	Abdullah Bin Mashhoor
Vehicle Insurance Policies	14.2	One year	Insurance provided in accordance with applicable regulations	Hisham Bin Misfer Bin Abdullah Al-Bisher
Vehicle Insurance Policies	1.8	One year	Insurance provided in accordance with applicable regulations	Mohammed Balharith

23. Investments:

The company invests its funds deposited in local banks in low-risk Murabaha programs and fixed-term deposits, but there are no fixed-term deposits at the end of the year. Additionally, Asij holds shares in Najm Insurance Services Company (a closed Saudi joint-stock company), owning 3.85% of the company's shares, with a nominal investment value recorded in the company's books of 61,154 thousand Saudi Riyals and Investments measured at fair value consist of listed and unlisted securities totaling 29,137 thousand Saudi riyals.

	2024 AD (Thousand Saudi riyals)	2023 AD (Thousand Saudi riyals)
Fixed-term deposits	-	565,328

This concludes the Board of Directors' Report on the company's operations for the year 2024 AD

We ask Allah Almighty for success.



المجموعة المتحدة للتأمين التعاوني
Allied Cooperative Insurance Group

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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**Independent Auditors' Report
To the Shareholders of
The Allied Cooperative Insurance Group
(A Saudi Joint Stock Company)**

Opinion

We have audited the financial statements of **Allied Cooperative Insurance Group** ("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 policies and other explanatory notes.

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 issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial statements of the Company. As of 31 December 2024, the Company's accumulated losses stands at SAR 92.38 million (December 31, 2023: SAR 73.99 million), representing 31.75% of the share capital (December 31, 2023: 25.42%). These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the accompanying financial statements are prepared using the going-concern assumption based on management's assessment of the Company's abilities to continue as a going concern as detailed in the above referred note. Our opinion is not modified with respect to this matter.

Independent Auditors' Report
To the Shareholders of
The Allied Cooperative Insurance Group
(A Saudi Joint Stock Company) (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 31 December 2024. 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter:

Key audit matter	How the key audit matter was addressed in our audit
<p>Valuation of estimates of present value of future cashflows and risk adjustment for non-financial risk - insurance contract liabilities:</p> <p>As at 31 December 2024, estimate of present value of future cash flows and risk adjustment for non-financial risk for insurance contracts issued amounted to SAR 231.33 million and SAR 9.15 million (2023: SAR 236.54 million and SAR 9.41 million) respectively.</p> <p>The estimation of the liability for incurred claims and loss component involves a significant degree of judgement. This entails estimating the present value of future cash flows and the risk adjustment for non-financial risk. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best- estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the design and implementation of internal control procedures and their operational effectiveness; Evaluated and tested the data used in the process of valuation of the "Present Value of Future Cash Flows" (PVFCFs); Tested samples of claims reserves by comparing the estimated amount of the reserve to appropriate documentation, such as reports from loss adjusters, reinsurance contracts etc.; 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 their work was sufficient for audit purposes. Assessed the disclosures relating to this matter in the financial statements against the requirements of IFRSs. <p>In addition, with the assistance of our actuarial specialists, we performed the following:</p> <ul style="list-style-type: none"> 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;

**Independent Auditors' Report
To the Shareholders of
The Allied Cooperative Insurance Group
(A Saudi Joint Stock Company) (continued)**

Key Audit Matters (continued)

The loss component is recognized if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. Such loss component is remeasured at each reporting date as the difference between the amounts of the fulfillments cashflows determined under the premium allocation approach model relating to the future service and the carrying amount of the liability for remaining coverage without the loss component.

Accordingly, this complexity arises from calculating the actuarial best estimate and the margin using historical data which is sensitive to external inputs, such as claims cost inflation and medical trends, as well as the actuarial methodology that is applied and the assumptions on current and future events.

Due to the inherent estimation uncertainty, complexity and subjectivity involved in the valuation of the estimates of present value of future cashflows, risk adjustment for non-financial risk and loss component arising from insurance contracts, we have considered this as a key audit matter.

Refer to note 2 (e) & 3 for material accounting policies and significant accounting judgements, estimates and assumptions adopted by the Company, involved in the initial recognition and subsequent measurement of insurance contract liabilities.

- 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.

**Independent Auditors' Report
To the Shareholders of
The Allied Cooperative Insurance Group
(A Saudi Joint Stock Company) (continued)**

Other information

Management is responsible for the other information. Other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. 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 as endorsed in Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies, and the Company's By-laws, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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, is responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as 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.



Crowe Solutions for Professional Consulting
Member Crowe Global



Al Kharashi & Co.
Certified Accountants and Auditors
7425 Saradi Tower Al Nakheel Street
Dubai - U.A.E.
P.O. Box: 8306, Riyadh 11482
Tel : +966 920029229
Fax : +966 11 777 1226
www.forvismazars.com

Independent Auditors' Report

To the Shareholders of The Allied Cooperative Insurance Group (A Saudi Joint Stock Company) (continued)

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

As part of an audit in accordance with ISA, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify 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; and
- 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.



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**Independent Auditors' Report
To the Shareholders of
The Allied Cooperative Insurance Group
(A Saudi Joint Stock Company) (continued)**

Al Kharashi & Co.
Certified Accountants and Auditors
P.O. Box 8306, Riyadh 11482
Riyadh, KSA
P.O. Box 8306, Riyadh 11482
Tel : +966 920038228
Fax : +966 11 5174024
www.al-kharashi.com

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mazzars**

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

**Crowe Solutions for Professional Consulting
Member Crowe Global**

P. O. Box 10504
Riyadh 11443
Kingdom of Saudi Arabia

Abdullah M. Al Azem
Certified Public Accountant
License No. 335

**AlKharashi and Co.
Certified Accountants and Auditors**

P.O Box 8306
Riyadh 11482
Kingdom of Saudi Arabia

Abdullah S Al Msned
Certified Public Accountant
License No. 456

Dated: March 26, 2025

Corresponding to: Ramdhan 26, 1446H



ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		SAR '000		
	Notes	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
ASSETS				
Cash and cash equivalents	7	654,668	141,633	484,331
Term deposits	8	-	565,328	-
Investments	9	90,291	43,463	87,099
Reinsurance contract assets	5	68,420	57,814	62,505
Prepayments and other receivables	26	18,378	32,519	35,091
Right-of-use asset, net	12	7,543	1,424	3,309
Statutory deposit	10	43,650	43,650	43,650
Accrued commission on statutory deposit		1,253	1,778	2,342
Due from a related party		-	-	1,986
Property and equipment, net	14	3,544	3,376	4,596
Intangible assets, net	15	6,782	6,735	6,046
TOTAL ASSETS		894,529	897,720	730,955
LIABILITIES				
Accruals and other payables		21,039	34,092	-
Insurance contract liabilities	5	586,468	579,124	514,991
Lease liabilities	13	6,750	348	2,122
Provision for zakat	17	8,479	11,622	9,481
Employees' terminal benefits	16	17,389	16,413	13,072
Accrued commission on statutory deposit		1,253	1,778	2,342
TOTAL LIABILITIES		641,378	643,377	542,008
EQUITY				
Share capital	13	291,000	291,000	291,000
Accumulated losses		(92,379)	(73,998)	(143,338)
Fair values reserve on investments		59,234	41,543	43,717
Re-measurement reserve of employees' terminal benefits		(4,704)	(4,202)	(2,432)
TOTAL EQUITY		253,151	254,343	188,947
TOTAL LIABILITIES AND EQUITY		894,529	897,720	730,955
COMMITMENTS AND CONTINGENCIES				
	11	-	-	-

*Comparative information has been restated (refer note 4)

Chairman of Board of Directors

Chief Executive Officer

Chief Financial Officer

The accompanying notes 1 to 31 form an integral part of these financial statements.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

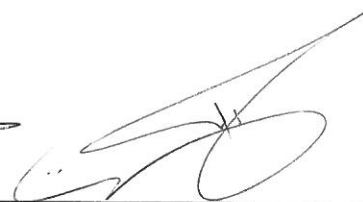
	Notes	SAR '000	
		For the year ended	
		31 December 2024	31 December 2023
Insurance revenue	5.1	883,353	974,681
Insurance service expenses	27	(878,762)	(892,812)
Insurance service result before reinsurance contracts held		4,591	81,869
Amounts recoverable from reinsurance	5.2	63,140	57,439
Allocation of reinsurance premiums	5.2	(94,528)	(92,235)
Net expenses from reinsurance contracts held		(31,388)	(34,796)
Insurance service result		(26,797)	47,073
Interest revenue from financial assets measured at amortised costs		42,985	37,045
Other investment income		401	1,215
Fair value loss on investments		(491)	-
Net ECL charge on financial assets		(219)	(15)
Net investment income		42,676	38,245
Net finance income /(expenses) from insurance contracts issued	5.1	740	(334)
Net finance income from reinsurance contracts held	5.2	106	519
Net insurance finance income		846	185
Net insurance and investment result		16,725	85,503
Other income		4,052	16,764
Other operating expenses	25	(30,160)	(30,061)
Net (loss) / profit for the year, before zakat & income tax, attributable to the shareholders		(9,383)	72,206
Zakat charged during the year	17	(7,100)	(8,800)
Net (loss) /profit for the year, after zakat & income tax, attributable to shareholders only		(16,483)	63,406
Weighted average number of ordinary shares outstanding (in thousands shares)	29	29,100	29,100
Basic and diluted earning /(loss) per share for the year (SAR per share)	29	(0.57)	2.18



Chairman of Board of Directors



Chief Executive Officer



Chief Financial Officer

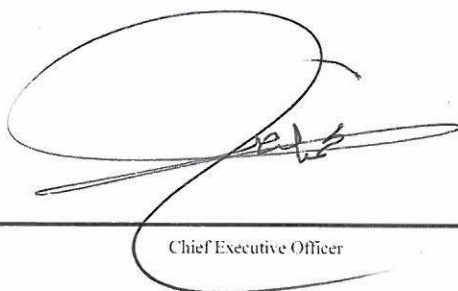
The accompanying notes 1 to 31 form an integral part of these financial statements.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	SAR '000	
	For the year ended	
	31 December 2024	31 December 2023
Net (loss) / profit attributed to the shareholders after zakat and income tax	(16,483)	63,406
Other comprehensive income:		
<i>Items that will not be reclassified to statement of income in subsequent years</i>		
Investments at fair value through other comprehensive income		
- Net change in fair value of FVOCI Investments	17,691	3,760
- Actuarial losses on employees' terminal benefits	(502)	(1,770)
Total other comprehensive income for the year	17,189	1,990
Total comprehensive income for the year	706	65,396



Chairman of Board of Directors



Chief Executive Officer

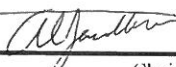


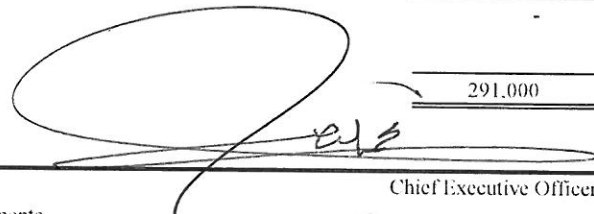
Chief Financial Officer

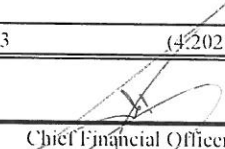
The accompanying notes 1 to 31 form an integral part of these financial statements.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	SAR'000				
	Share capital	Accumulated losses	Fair value reserve for investments	Re-measurement reserve of employees' terminal benefits	Total
31 December 2024					
Balance as at 01 January 2024	291,000	(73,998)	41,543	(4,202)	254,343
Net loss for the year, after zakat & income tax, attributable to the shareholders	-	(16,483)	-	-	(16,483)
- Net change in fair value of FVOCI Investments	-	-	17,691	-	17,691
- Actuarial losses on employees' terminal benefits	-	-	-	(502)	(502)
Total comprehensive income for the period	-	(16,483)	17,691	(502)	706
Right issue expenses	-	(1,898)	-	-	(1,898)
Balance as at 31 December 2024	291,000	(92,379)	59,234	(4,704)	253,151
31 December 2023					
Balance as at 01 January 2023, as previously reported	291,000	(132,191)	5,934	(2,432)	162,311
Transition adjustment on initial application of IFRS 17, net of Zakat and tax	-	(11,095)	-	-	(11,095)
Transition adjustment on initial application of IFRS 09, net of Zakat and tax	-	(52)	37,783	-	37,731
Balance as at 01 January 2023-(Audited)-Restated	291,000	(143,338)	43,717	(2,432)	188,947
Sale of investments measured at fair value through OCI	-	5,934	(5,934)	-	-
- Net change in fair value of FVOCI Investments	-	-	3,760	-	3,760
- Actuarial losses on employees' terminal benefits	-	-	-	(1,770)	(1,770)
Net profit for the period, after zakat & income tax, attributable to the shareholders	-	63,406	-	-	63,406
Total comprehensive income attributable to the shareholders	-	69,340	(2,174)	(1,770)	65,396
Balance as at 31 December 2023	291,000	(73,998)	41,543	(4,202)	254,343


Chairman of Board of Directors


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 31 form an integral part of these financial statements.

Chairman of Board of Directors

Chief Executive Officer

Chief Financial Officer

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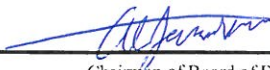
ALLIED COOPERATIVE INSURANCE GROUP (ACIG)

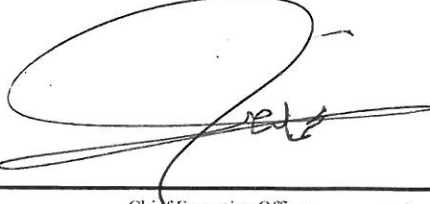
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	SAR '000'	
	For the year ended	
	31 December 2024	31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Income for the period before zakat & income tax	(9,383)	72,206
Adjustments for non-cash items:		
Depreciation of property and equipment	2,035	1,858
Adjustment of property and equipment	(1,170)	-
Depreciation of right of use assets	3,481	1,885
Finance cost of lease liability	283	31
Amortisation of intangible assets	1,872	1,626
Gain on disposal of investments measured at fair value through profit and loss	(6)	(113)
Interest revenue from financial assets measured at amortised costs.	(42,985)	(37,046)
Other investment income	(401)	(1,215)
Fair value loss on investments	497	-
Employees' terminal benefits	2,997	2,325
Net ECL charge on financial assets	219	15
	(42,561)	41,572
Changes in operating assets and liabilities:		
Insurance contract liabilities	7,344	32,299
Reinsurance contract assets	(10,606)	4,692
Accruals and other payables	(13,053)	34,092
Prepayments and other receivables	14,141	34,408
	(44,735)	147,063
Employees' terminal benefits paid	(2,523)	(754)
Zakat and income tax paid during the year	(10,243)	(6,659)
Net cash (used in) / generated from operating activities	(57,501)	139,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,033)	(636)
Purchase of Intangible assets	(1,919)	(2,315)
Maturity / (placement) of term deposits	565,110	(563,360)
(Purchase) / maturity of investments	(30,164)	20,000
Proceed from sale of Investments	535	27,509
Interest revenue from financial assets measured at amortised costs.	42,985	37,044
Other investment income	401	1,215
Net cash generated from / (used in) from investing activities	575,915	(480,543)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for issuing right shares expenses	(1,898)	-
Payment of lease liability	(3,481)	(1,805)
Net cash used in financing activities	(5,379)	(1,805)
Net change in cash and cash equivalents	513,035	(342,698)
Cash and cash equivalents, beginning of the year	141,633	484,331
Cash and cash equivalents, end of the year	654,668	141,633
NON CASH INFORMATION		
Net change in fair value of FVOCI Investments	17,691	3,760
Additions in right of use assets	9,600	-
Actuarial losses on employees' terminal benefits	(502)	(1,770)


Chairman of Board of Directors


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 31 form an integral part of these financial statements.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

Allied Cooperative Insurance Group (“the Company” or “ACIG”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia under Commercial Registration No. 1010417178 dated Shabaan 9,1428H, corresponding to 22 August 2007. The registered office of the Company is situated at Hteen

The activities of the Company are to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia. On 4 April, 2009, the Company received a license from the Saudi Central Bank (“SAMA”) to engage in insurance in Saudi Arabia. The Company commenced its commercial operations on 1 July 2009. The Company was listed on the Saudi Stock Exchange (Tadawul) on 27 August 2007.

The Company has 3 registered branches as set out below:

Branch	Commercial Registration Number	Place of issuance	Date
Branch of ACIG	2051043671	Al Khobar	12 Ramadan 1439
Branch of ACIG	5855035150	Khamis Mushayt	12 Ramadan 1439
Branch of ACIG	4030204059	Jeddah	12 Ramadan 1439

The Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Insurance Implementing Regulations issued by Insurance Authority (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. Post implementation of IFRS 17, the surplus payable is included in the insurance contract liabilities under LIC.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organisation for Chartered and Professional Accountants (“SOCPA”) (“IFRS as endorsed by SOCPA”).

The Company’s statement of financial position is presented in order of liquidity. Except for financial assets, fixtures, furniture and equipment, right-of-use assets, intangible assets, statutory deposit, accrued income on statutory deposit, provision for end-of-service benefits and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature.

As required by the Saudi Arabian Insurance Regulations (The Implementation Regulations), the Company maintains separate books of accounts for “Insurance Operations” and “Shareholders’ Operations”. Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts. Note 28 to these financial statements provides the statement of financial position, statement of income, statement of comprehensive income and statement of cash flows of the insurance operations and shareholders operations, separately. The accounting policies adopted for the insurance and shareholders’ operations are in accordance with IFRS as endorsed by SOCPA.

The statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 28 of the financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations and is not required under IFRSs. The implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

As of the reporting date, the company has invested in a newly established investment fund. Due to the unavailability of an official valuation and financial statements for the fund at year-end, the investment has been accounted for in accordance with IFRS 9 – Financial Instruments. In accordance with IFRS 9, investments in investment funds are typically measured at Fair Value Through Profit or Loss (FVTPL) or Fair Value Through Other Comprehensive Income (FVOCI). However, in the absence of a reliable fair value estimate, cost has been used as a temporary measure in accordance with IFRS 9 guidance.

Fair Value Estimation Considerations:

- As no official audited or draft financial statements are available at the reporting date, the investment is recognized at its initial cost.
- Once a reliable fair value estimate becomes available, the investment will be remeasured in accordance with IFRS 9.

2 BASIS OF PREPARATION-(CONTINUED)

(b) Basis of Measurement

Going Concern

The Company has posted a net comprehensive income of SAR 0.70 million for the year ended December 31, 2024 (net comprehensive income of SAR 65.4 million for the year ended December 31, 2023), and as of that date, the Company's accumulated losses stand at SAR 92.38 million (as at December 31, 2023: SAR 73.99 million), representing 31.75% of the share capital as at December 31, 2024 (as at December 31, 2023: 25.42%). The management believes that the Company will be able to continue the business and meet its obligations as and when they fall due over the next 12 months. As a result, the financial statements have been prepared on a going concern basis. Management's assessment is based on number of estimates and assumptions including significant underwriting and pricing measures, improved recoveries from major policyholders, re-insurers and other cost saving measures.

The Company has announced on Tadawul on 19 October 2023, about the Board's recommendation to increase the share capital by SAR 209 million by offering right issue shares to existing shareholders. The Company has obtained the approval from Insurance Authority for increase of Share Capital on 07 January 2024. After which the ratio of accumulated losses to share capital will be 18.48%. Following the year-end, on January 30, 2025, the Company received approval from the Insurance Authority to issue right shares, valid for six months. The Company has submitted its application for the issuance of right shares to the CMA and is currently awaiting the CMA's approval process.

(c) Functional and presentation currency

These financial statements are expressed in Saudi Arabian Riyals (SAR) and all amounts are rounded off to the nearest thousand, unless otherwise indicated.

(d) Fiscal year

The Company follows a fiscal year ending on 31 December.

(e) Critical accounting judgments, estimates and assumptions

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the accompanying notes disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates.

(1) Unit of account

Judgement is involved in the identification of portfolios of contracts, as required by IFRS 17 (that is, having similar risks and being managed together). Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts. Similar grouping assessment is required for reinsurance contracts held. Areas of potential judgements include:

- the determination of contract sets within portfolios and whether the Company has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by IFRS 17; and
- judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For insurance contracts issued which are measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

(2) Discount rates

Under the bottom-up 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'). Management uses judgement to assess liquidity characteristics of the liability cash flows.

(3) Methods used to measure the risk adjustment for non-financial risk

Judgement is involved in assessing the most appropriate method to estimate the risk adjustment for non-financial risk and also to choose the most appropriate confidence level to which the risk adjustment for non-financial risk should correspond. The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion.

2 BASIS OF PREPARATION-(CONTINUED)

(e) Critical accounting judgments, estimates and assumptions-(Continued)

(4) Measurement of the Expected Credit Losses allowance (ECL)

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behavior. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held). A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk;
- determining the criteria and definition of default;
- choosing appropriate models and assumptions for the measurement of ECL; and
- establishing groups of similar financial assets for the purposes of measuring ECL

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

5) Fair value of financial instruments

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values. Refer note 21 for details.

6) Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

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. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims. That present the 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, delays in settlement and changes in foreign currency exchange rates.

3 MATERIAL ACCOUNTING POLICIES

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

(a) New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Company

- Amendments to IAS 1 Presentation of Financial Statements–Non-Current Liabilities with covenants and classification of Liabilities as Current or Non- current
 - Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback.
 - Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures– Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- These amendments had no material impact on the financial statements of the Company.

(b) New accounting standards / amendments and IFRS interpretations that are not yet effective.

The following new accounting standards, interpretations and amendments have been issued by the IASB that are effective in future accounting periods. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective from annual period beginning on or after:
-Amendments to IAS 21, Lack of exchangeability – Amendments to IAS 21	1 January 2025
-New standard “ IFRS 18, ‘Presentation and Disclosure in Financial Statements’	1 January 2027
New standard “ IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027
Amendments to IFRS 9 and IFRS 7 "Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7"	1 January 2026

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates

(i) IFRS 17 Insurance Contracts

The Company measures all of its insurance contracts on premium allocation Approach(PAA). The key measurement principles of the PAA are as follows:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognized in revenue for insurance services provided.
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding, incurred-but-not- reported (IBNR) claims and other technical reserves, claims payable and surplus distribution) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.
- The Company capitalizes insurance acquisition cash flows for all product lines .The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of insurance contracts is recognized, an asset for insurance acquisition cash flows is recognized. When insurance contracts are recognized, the related portion of the asset for insurance acquisition cash flows is derecognized and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group. For further details, refer to Note 05.

Unit of account and measurement model

The Company deals in products related to motor, medical and other general lines. The Company has defined portfolios of insurance contracts issued based on products as that includes Medical Malpractice, worker's Compensation/Product Liability/Commercial General Liability/Other general accident Products, All other General Accident products (including Travel), motor Retail TPL, motor Fleet TPL, motor TPL Manafeth, motor Retail Comprehensive, motor Fleet Comprehensive, property, marine, construction All Risks/Erection All Risks, all other engineering products medical SME, medical Group, medical visitor visa The proportional reinsurance portfolios include, General Accident Quota Share & Surplus, Travel Quota Share Property Quota Share & Surplus, marine Quota Share & Surplus.

Each portfolio is further disaggregated into groups of contracts that are issued within a underwriting year (annual cohorts) and are:

- (i) contracts that are onerous at initial recognition;
- (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

The GMM is the default model to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts.

The liability for remaining coverage includes:

- Fulfilment cash flows which are comprised of:
 - Discounted estimates of future cash flows.; and
 - A risk adjustment which is the compensation required for bearing uncertainty; and
 - Contractual service margin which is the unearned profit that is recognized as services are provided.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(i) IFRS 17 Insurance Contracts-(Continued)

Unit of account and measurement model-(Continued)

The premium allocation approach (“PAA”) is a simplified approach for the measurement of the liability for remaining coverage, that an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the Company of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The Company uses the PAA for measuring contracts with a coverage period of one year or less. The Company is adopting the PAA measurement model for the measurement of LRC for all the portfolios. This is principally based on the eligibility test for fulfillment cash flows and that coverage period for most contracts are one year or less. Some contracts have coverage period more than one year, but passed the eligibility test.

Initial and subsequent measurement

The Company uses the PAA for measuring contracts with a coverage period of one year or less and on contracts that pass the eligibility testing. Group of insurance contracts issued are initially recognised from the earliest of the following:

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

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

The carrying amount of a Group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the LIC, comprising the fulfillment cash flows (“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 recognised as insurance revenue for the services provided in the period; and
- d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. For example, an insurance contract may include an investment component or a service component (or both). The non-insurance components may need to be separated for the purposes of reporting under IFRS 17 if they are deemed to be distinct. Based on Company’s assessment, there are no investment components within insurance contracts issued by the Company. An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. For example, an insurance contract may include an investment component or a service component (or both). The non-insurance components may need to be separated for the purposes of reporting under IFRS 17 if they are deemed to be distinct. Based on Company’s assessment, there are no investment components within insurance contracts issued by the Company.

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.

Contract modification and derecognition

An insurance contract is derecognized when it is:

- extinguished (i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified, and certain additional criteria are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognizes the original contract and recognizes the modified contract as a new contract if any of the following conditions are present:

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

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(i) IFRS 17 Insurance Contracts-(Continued)

Contract modification and derecognition-(Continued)

When an insurance contract accounted for under the PAA is derecognized, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- a. if the contract is extinguished, any net difference between the derecognized part of the LRC of the original contract and any other cash flows arising from extinguishment;
- b. if the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party;
- c. if the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Liability for Incurred Claims “LIC”

The Company estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfill 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 establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the balance sheet date, including claims not yet reported (“IBNR”) and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Company. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

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

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

The Company has elected not to adjust the LRC for the effect of time value of money, as it expects the time between providing each part of the coverage and the related premium due date to be one year or less.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of group of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a) the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b) both of the following criteria are satisfied:
 - the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance and financial risks, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Measurement Model Application

The Company applies the Premium Allocation Approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds for which the coverage period is less than one year. For other contracts issued and held where the coverage period is more than one year, the Company performs PAA Eligibility testing to confirm whether the PAA may be applied. Subject to passing the PAA eligibility testing, the Company applied PAA on contract issued and reinsurance contracts held that pass the testing.

When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company’s previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(i) IFRS 17 Insurance Contracts-(Continued)

Insurance acquisition costs and directly attributable expenses

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a Group of insurance contracts and that are:

- (a) 'costs directly attributable to individual contracts and Groups of contracts; and
- (b) 'costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts

Before a group of insurance contracts is recognized, the Company could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a Group of insurance contracts when the insurance contracts are subsequently recognized. The acquisition costs are generally capitalized and recognized in the statement of income over the life of the contracts. However, for contracts under PAA approach, there is an option to recognize any insurance acquisition cash flows as an expense when the Company incurs those costs. The Company has elected not to choose the option.

Other operating expenses

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

Value Added Taxes

Transaction-based taxes (such as premium taxes, value added taxes and goods & services taxes) and levies that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis. These are not included within insurance contract liabilities and are shown separately in accruals and other payables.

Insurance revenue

As the Company provides services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

For Groups of insurance contracts measured under the PAA, the Company recognizes insurance revenue based on the passage of time over the coverage period of a Group of contracts. 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 acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a Group of contracts.

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. Other expenses not meeting the above categories are included in other operating expenses in the statement of income

Insurance finance income or expenses

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

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

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.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(i) IFRS 17 – accounting policies, including key judgments and estimates-(Continued)

Net income (expenses) from reinsurance contracts held

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;

For Groups of reinsurance contracts held measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a Group of contracts.

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.

Onerous contract

For all contracts measured under PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. In addition, if facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. Once a Group of contracts is determined as onerous on initial or subsequent assessment, loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the same and adjusts the loss component as required until the loss component is reduced to zero. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

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 chosen a confidence level based on the 65th percentile of the distribution of the claim reserves, considering the confidence level is adequate to cover sources of uncertainty about the amount and timing of the cash flows.

(ii) IFRS 9 – Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. For transition to IFRS 9, the Company applied a retrospective approach to be in line with transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9.

Financial assets – Classification

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets at amortized cost

Debt Instruments:

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

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”).

Financial assets at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI). Interest income and foreign exchange gains and losses are recognized in the statement of income.

For an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument basis on initial recognition.

Financial assets at FVTPL

All other financial assets are classified measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(ii) IFRS 9 – Financial Instruments (continued)

Business model assessment:

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

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

For the purpose of the assessment of whether contractual cash flows are solely payments of principal and interest, principal is the fair value of the financial asset on initial recognition. Interest is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g., liquidity risk and administrative costs), along with profit margin.

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in condensed interim statement of income and presented in other gains/(losses) together with foreign exchange gains and losses.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in condensed interim statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to condensed interim statement of income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the interim condensed statement of profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the interim condensed statement of income and presented net within other gains/(losses) in the period in which it arises.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(ii) IFRS 9 – Financial Instruments (continued)

Financial assets – Measurement (Continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in condensed interim statement of income as investment income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in investment income in the condensed interim statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – Impairment

Overview of Expected Credit Loss ("ECL") principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Company recognizes loss allowances for ECL on the following financial instruments that are not measured at fair value:

- Financial assets that are debt instruments
- Deposits and bank balances
- Other receivables balances

No impairment loss is recognized on equity instruments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Company considers debt securities to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The measurement of ECL for other receivables is carried out using the simplified ECL impairment model and is determined by using a matrix which uses historical credit loss experience of the Company.

Staging of financial assets

The Company categorizes its investments portfolio classified as amortized cost and FVOCI into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 - Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 - Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition, but which are not credit-impaired; and

Stage 3 - Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(ii) IFRS 9 – Financial Instruments (continued)

Financial assets – Impairment (Continued)

Credit impaired financial asset

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
 - a breach of contract such as a default or past due event (more than 90 days);
 - it is becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganization; or
 - the disappearance of an active market for a security because of financial difficulties.
- In assessing whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Definition of default

In assessing whether an issuer is in default, the Company considers indicators that are:

- qualitative- e.g., breaches of covenant.
- quantitative- e.g., overdue status and non-payment on another obligation of the same issuer to the Company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

ECL methodology and measurement

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted by an appropriate rate to get the Present Value of ECL.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Probability of Default ('PD')

The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss Given Default ('LGD')

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default ('EAD')

The exposure at default is an estimate of the exposure at a future default date.

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(ii) IFRS 9 – Financial Instruments (continued)

Financial assets – Impairment (Continued)

Forward looking estimate

While estimating the ECL, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyzes the relationship between key economic trends with the estimate of PD. The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on reports from economic experts and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private-sector and academic forecasters. The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

Presentation of allowance for ECL in the interim condensed statement of financial position

Loss allowances for ECL are presented in the interim condensed statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Financial liabilities

Classification and derecognition of financial liabilities

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

(iii) Investment income

Investment income on debt instruments classified under held to maturity investments and murabaha deposits are accounted for on an effective interest basis.

(iv) Dividend income

Dividend income on equity instruments classified under fair value through other comprehensive income (FVTOCI) investments is recognized when the right to receive payment is established.

(v) Offsetting

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

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS-(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

vi) Intangible assets

Computer software are shown at historical cost. They have a finite useful life and are subsequent carried at cost less accumulated amortization and impairment losses. The Company amortizes computer software with a limited useful life using straight-line method over the following periods:

	Years
IT development and software	4

(vii) 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:

	Years
Motor vehicles	4
Furniture, fittings and office equipment	7
Computer equipment	4
Leasehold improvements	4

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of insurance operations and accumulated surplus.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the statement of shareholders' operations as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of these assets are reviewed for impairment when event 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 amount, the assets are written down to their recoverable amount.

(viii) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, land – are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(ix) Leases

Definition of lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange of consideration. The Company assess whether a contract is or contains a lease based on the new definition of a lease. On transition to IFRS 16, the Company elected to apply the practical expedients to grandfather the assessment of which transactions are leases.

As a lessee

The Company leases its offices, and as a lessee, the Company previously classified leases as operating leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most leases - i.e. these leases are on balance sheet.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted with certain remeasurements of lease liability. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of-use assets are determined considering the term of the lease.

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate (if the interest rate implicit in the lease is not available). The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in the future lease payments arising from the change in an index or rate, a change in the estimate of the amount expected to be payable under residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or termination option is reasonably certain not to be exercised. The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

(X) Employees' terminal benefits

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

(xi) Zakat and income tax

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA). Zakat is computed on the Saudi shareholders' share of equity or net income using the basis defined under the Zakat regulations. 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. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined. Zakat expense is charged to the profit or loss. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat. The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

(xii) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(xiii) Cash and cash equivalents

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

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)

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NOTES TO THE FINANCIAL STATEMENTS-(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MATERIAL ACCOUNTING POLICIES-(CONTINUED)

(c) Material accounting policies, including key judgments and estimates-(Continued)

(xiv) Term deposits

Short-term deposits comprise of time deposits with banks with maturity periods of more than three months and less than one year from the date of acquisition.

(xv) 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.

(xvi) Statutory deposit

In accordance with the Cooperative Insurance Companies Control Law issued by the Insurance Authority, the Company is required to maintain a deposit in a bank account equal to 10% of the paid up share capital of the Company. This statutory deposit cannot be withdrawn without the consent of Insurance Authority. Statutory deposit is classified as a financial asset and is carried at amortized cost.

(xvii) Accruals and Other payables

Provisions are recognized when the Company has an obligation (legal or constructive) arising from past events, and the costs of settling the obligation are both probable and may be measured reliably. Provisions are not recognized for future operating losses. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(xviii) Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the KSA, including dividend payments to the non-resident shareholders, as required under Saudi Arabian Income Tax Law.

(xix) Value added tax

Expenses and assets are recognized 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.

(xx) Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. For management purposes, the Company is organized into business units based on their products and services and has the following reportable segments:

- Medical insurance provides coverage for health insurance.
- Motor insurance provides coverage for vehicles' insurance.
- Property insurance provides coverage for property insurance.
- Engineering insurance provides coverage for engineering and contract works.
- Other insurance provides coverage for marine and other general insurance.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements.

No inter-segment transactions occurred during the year. If any transaction was to occur, transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

Shareholders' income is a non-operating segment. Income earned from time deposits and investments is the only revenue generating activity. Certain direct operating expenses and other overhead expenses are allocated to this segment on an appropriate basis.

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 the performance of the operating segments, has been identified as the chief executive officer that makes strategic decisions.

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NOTES TO THE FINANCIAL STATEMENTS-(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

4 CORRECTION OF MATERIAL ERROR IN PRIOR YEARS

As at 31 December 2023, the company incorrectly classified third party motor recoveries into other receivables instead of recognising into insurance contract liabilities. This error has been corrected. The effect of correction is below:

Impact of Reclassification Adjustments on the Financial Statements for the Year Ended 31 December 2022

Effect on statement of Comprehensive income

No Impact

Effect on statement of financial position As on 01 January 2023

Detailed below

	<u>Balance Before restatement</u>	<u>Reclassification Effect</u>	<u>Restated Balance</u>
<u>Assets</u>			
<i>Prepayments and other receivables</i>	66,925	(31,834)	35,091
<i>All other assets</i>	695,864	-	695,864
Total Assets	762,789	(31,834)	730,955
<u>Liabilities</u>			
<i>Insurance contract Liabilities</i>	546,825	(31,834)	514,991
<i>All other liabilities</i>	27,017	-	27,017
Total Liabilities	573,842	(31,834)	542,008
<u>Equity</u>			
<i>Share capital</i>	291,000	-	291,000
<i>Accumulated losses</i>	(143,338)	-	(143,338)
<i>Fair values reserve on investments</i>	43,717	-	43,717
<i>Re-measurement reserve of employees' terminal benefits</i>	(2,432)	-	(2,432)
Total Equity	188,947	-	188,947
Total equity and liabilities	762,789	(31,834)	730,955

Impact of Reclassification Adjustments on the Financial Statements for the Year Ended 31 December 2023

Effect on statement of Comprehensive income

No Impact

Effect on statement of financial position As on 31 December 2023

Detailed below

	<u>Balance Before restatement</u>	<u>Reclassification Effect</u>	<u>Restated Balance</u>
<u>Assets</u>			
<i>Prepayments and other receivables</i>	64,353	(31,834)	32,519
<i>All other assets</i>	865,201	-	865,201
Total Assets	929,554	(31,834)	897,720
<u>Liabilities</u>			
<i>Insurance contract Liabilities</i>	610,958	(31,834)	579,124
<i>All other liabilities</i>	64,253	-	64,253
Total Liabilities	675,211	(31,834)	643,377
<u>Equity</u>			
<i>Share capital</i>	291,000	-	291,000
<i>Accumulated losses</i>	(73,998)	-	(73,998)
<i>Fair values reserve on investments</i>	41,543	-	41,543
<i>Re-measurement reserve of employees' terminal benefits</i>	(4,202)	-	(4,202)
Total Equity	254,343	-	254,343
Total equity and liabilities	929,554	(31,834)	897,720

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FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS

	SAR'000				
	Medical	Motor	General Accident	Others	Total
31 December 2024					
Insurance contracts					
– <i>Insurance contract balances</i>					
– Insurance contract liabilities	86,696	325,676	162,436	11,660	586,468
	86,696	325,676	162,436	11,660	586,468
– <i>Reinsurance contract balances</i>					
- Reinsurance contract assets	(33,287)	(5,379)	(5,556)	(24,198)	(68,420)
	(33,287)	(5,379)	(5,556)	(24,198)	(68,420)
Net insurance and reinsurance contract liabilities	53,409	320,297	156,880	(12,538)	518,048
31 December 2023					
Insurance contracts					
– <i>Insurance contract balances</i>					
– Insurance contract liabilities	84,616	440,068	46,048	8,392	579,124
	84,616	440,068	46,048	8,392	579,124
– <i>Reinsurance contract balances</i>					
- Reinsurance contract assets	(35,119)	(5,954)	(3,559)	(13,182)	(57,814)
	(35,119)	(5,954)	(3,559)	(13,182)	(57,814)
Net insurance and reinsurance contract liabilities	49,497	434,114	42,489	(4,790)	521,310
01 January 2023					
Insurance contracts					
– <i>Insurance contract balances</i>					
– Insurance contract liabilities	92,347	350,419	64,603	7,622	514,991
	92,347	350,419	64,603	7,622	514,991
– <i>Reinsurance contract balances</i>					
- Reinsurance contract assets	(32,960)	(9,457)	(12,578)	(7,510)	(62,505)
	(32,960)	(9,457)	(12,578)	(7,510)	(62,505)
Net insurance and reinsurance contract liabilities	59,387	340,962	52,025	112	452,486

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.1 Movement in insurance contract assets and liabilities

Insurance contracts

Analysis by remaining coverage and incurred claims

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total
	Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk		Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	
Insurance contracts Issued										
Opening insurance contract liabilities	330,330	2,838	236,544	9,412	579,124	307,011	21,863	180,396	5,721	514,991
Insurance Revenue	883,353	-	-	-	883,353	974,681	-	-	-	974,681
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	-	725,344	7,250	732,594	-	-	714,994	8,811	723,805
Losses / (reversal of those losses) on onerous contracts	-	36,258	-	-	36,258	-	(21,317)	-	-	(21,317)
Changes that relate to past service - adjustments to the LIC	-	-	(35,798)	(7,536)	(43,334)	-	-	18,961	(4,957)	14,004
Surplus distribution to policyholders	-	-	-	-	-	-	-	7,958	-	7,958
Insurance acquisition cash flows amortization	153,244	-	-	-	153,244	168,362	-	-	-	168,362
Insurance service expenses	153,244	36,258	689,546	(286)	878,762	168,362	(21,317)	741,913	3,854	892,812
Insurance service result	730,109	(36,258)	(689,546)	286	4,591	806,319	21,317	(741,913)	(3,854)	81,869
Net finance income / (expenses) from insurance contracts	-	-	767	(27)	740	-	(2,292)	1,795	163	(334)
Cash flows										
Premiums received	859,228	-	-	-	859,228	1,004,194	-	-	-	1,004,194
Claims paid	-	-	(638,296)	-	(638,296)	-	-	(632,819)	-	(632,819)
Other directly attributable expenses paid	-	-	(55,688)	-	(55,688)	-	-	(51,151)	-	(51,151)
Insurance acquisition cash flows paid	(152,569)	-	-	-	(152,569)	(174,556)	-	-	-	(174,556)
Total cash flows	706,659	-	(693,984)	-	12,675	829,638	-	(683,970)	-	145,668
Closing insurance contract liabilities	306,880	39,096	231,339	9,153	586,468	330,330	2,838	236,544	9,412	579,124

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.1 Movement in insurance contract assets and liabilities-(Continued)

Insurance contracts

Analysis by remaining coverage and incurred claims

5.1.A Medical

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total
	Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk		Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	
Insurance contracts Issued										
Opening insurance contract liabilities	28,183	2,798	52,882	753	84,616	45,819	1,538	43,978	1,012	92,347
Insurance Revenue	176,524	-	-	-	176,524	184,106	-	-	-	184,106
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	-	181,510	746	182,256	-	-	143,879	837	144,716
Losses on onerous contracts and reversal of those losses	-	16,280	-	-	16,280	-	401	-	-	401
Changes that relate to past service - adjustments to the LIC	-	-	(5,275)	(839)	(6,114)	-	-	(5,839)	(1,032)	(6,871)
Surplus distribution to policyholders	-	-	-	-	-	-	-	7,958	-	7,958
Insurance acquisition cash flows amortization	30,068	-	-	-	30,068	31,155	-	-	-	31,155
Insurance service expenses	30,068	16,280	176,235	(93)	222,490	31,155	401	145,998	(195)	177,359
Insurance service result	146,456	(16,280)	(176,235)	93	(45,966)	152,951	(401)	(145,998)	195	6,747
Net finance income / (expenses) from insurance contracts	-	-	(156)	(78)	(234)	-	(859)	(565)	64	(1,360)
Cash flows										
Premiums received	158,857	-	-	-	158,857	174,114	-	-	-	174,114
Claims paid	-	-	(172,305)	-	(172,305)	-	-	(126,645)	-	(126,645)
Other directly attributable expenses paid	-	-	(12,601)	-	(12,601)	-	-	(11,014)	-	(11,014)
Insurance acquisition cash flows paid	(18,071)	-	-	-	(18,071)	(38,799)	-	-	-	(38,799)
Total cash flows	140,786	-	(184,906)	-	(44,120)	135,315	-	(137,659)	-	(2,344)
Closing insurance contract liabilities	22,513	19,078	44,367	738	86,696	28,183	2,798	52,882	753	84,616

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-

5.1 Movement in insurance contract assets and liabilities-(Continued)

Insurance contracts

Analysis by remaining coverage and incurred claims

5.1.B Motor

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total
	Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk		Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	
Insurance contracts Issued										
Opening insurance contract liabilities	277,534	40	154,506	7,988	440,068	234,219	20,325	91,796	4,079	350,419
Insurance Revenue	611,174	-	-	-	611,174	733,063	-	-	-	733,063
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	-	469,897	5,772	475,669	-	-	557,582	7,660	565,242
Losses on onerous contracts and reversal of those losses	-	14,116	-	-	14,116	-	(21,718)	-	-	(21,718)
Changes that relate to past service - adjustments to the LIC	-	-	(27,528)	(6,354)	(33,882)	-	-	28,048	(3,801)	24,247
Insurance acquisition cash flows amortization	110,947	-	-	-	110,947	133,052	-	-	-	133,052
Insurance service expenses	110,947	14,116	442,369	(582)	566,850	133,052	(21,718)	585,630	3,859	700,823
Insurance service result	500,227	(14,116)	(442,369)	582	44,324	600,011	21,718	(585,630)	(3,859)	32,240
Net finance income / (expenses) from insurance contracts	-	-	460	171	631	-	(1,433)	2,004	(50)	521
Cash flows										
Premiums received	479,081	-	-	-	479,081	776,375	-	-	-	776,375
Claims paid	-	-	(427,270)	-	(427,270)	-	-	(484,915)	-	(484,915)
Other directly attributable expenses paid	-	-	(24,525)	-	(24,525)	-	-	(36,001)	-	(36,001)
Insurance acquisition cash flows paid	(96,723)	-	-	-	(96,723)	(133,049)	-	-	-	(133,049)
Total cash flows	382,358	-	(451,795)	-	(69,437)	643,326	-	(520,916)	-	122,410
Closing insurance contract liabilities	159,665	14,156	144,620	7,235	325,676	277,534	40	154,506	7,988	440,068

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.1 Movement in insurance contract assets and liabilities-(Continued)

Insurance contracts

Analysis by remaining coverage and incurred claims

5.1.C General Accident

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total
	Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk		Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	
Insurance contracts Issued										
Opening insurance contract liabilities	19,243	-	26,155	650	46,048	22,959	-	41,036	608	64,603
Insurance Revenue	67,871	-	-	-	67,871	32,804	-	-	-	32,804
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	-	67,953	679	68,632	-	-	10,422	288	10,710
Losses on onerous contracts and reversal of those losses	-	5,862	-	-	5,862	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(2,478)	(316)	(2,794)	-	-	(2,410)	(105)	(2,515)
Insurance acquisition cash flows amortization	9,927	-	-	-	9,927	1,963	-	-	-	1,963
Insurance service expenses	9,927	5,862	65,475	363	81,627	1,963	-	8,012	183	10,158
Insurance service result	57,944	(5,862)	(65,475)	(363)	(13,756)	30,841	-	(8,012)	(183)	22,646
Net finance income / (expenses) from insurance contracts	-	-	471	(113)	358	-	-	316	141	457
Cash flows										
Premiums received	188,914	-	-	-	188,914	27,912	-	-	-	27,912
Claims paid	-	-	(35,279)	-	(35,279)	-	-	(19,880)	-	(19,880)
Other directly attributable expenses paid	-	-	(16,225)	-	(16,225)	-	-	(2,697)	-	(2,697)
Insurance acquisition cash flows paid	(34,420)	-	-	-	(34,420)	(787)	-	-	-	(787)
Total cash flows	154,494	-	(51,504)	-	102,990	27,125	-	(22,577)	-	4,548
Closing insurance contract liabilities	115,793	5,862	39,655	1,126	162,436	19,243	-	26,155	650	46,048

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.1 Movement in insurance contract assets and liabilities-(Continued)

Insurance contracts

Analysis by remaining coverage and incurred claims

5.1.D Others

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims (LIC)		Total
	Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk		Excluding loss Component	Loss Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	
Insurance contracts Issued										
Opening insurance contract liabilities	5,369	-	3,002	21	8,392	4,013	-	3,585	24	7,622
Insurance Revenue	27,784	-	-	-	27,784	24,708	-	-	-	24,708
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	-	5,985	53	6,038	-	-	3,116	26	3,142
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(518)	(25)	(543)	-	-	(841)	(21)	(862)
Insurance acquisition cash flows amortization	2,303	-	-	-	2,303	2,192	-	-	-	2,192
Insurance service expenses	2,303	-	5,467	28	7,798	2,192	-	2,275	5	4,472
Insurance service result	25,481	-	(5,467)	(28)	19,986	22,516	-	(2,275)	(5)	20,236
Net finance income / (expenses) from insurance contracts	-	-	(8)	(5)	(13)	-	-	40	8	48
Cash flows										
Premiums received	32,376	-	-	-	32,376	25,794	-	-	-	25,794
Claims paid	-	-	(3,442)	-	(3,442)	-	-	(1,379)	-	(1,379)
Other directly attributable expenses paid	-	-	(2,338)	-	(2,338)	-	-	(1,440)	-	(1,440)
Insurance acquisition cash flows paid	(3,355)	-	-	-	(3,355)	(1,921)	-	-	-	(1,921)
Total cash flows	29,021	-	(5,780)	-	23,241	23,873	-	(2,819)	-	21,054
Closing insurance contract liabilities	8,909	-	2,697	54	11,660	5,370	-	3,001	21	8,392

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.2 Movement in reinsurance contract assets and liabilities-(Continued)

Reinsurance Contracts

Analysis by remaining coverage and incurred claims for reinsurance contracts

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Asset for remaining coverage		Assets for incurred claims			Asset for remaining coverage		Assets for incurred claims		
	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total
Reinsurance contracts held										
Opening reinsurance contract assets	25,585	1,258	30,570	401	57,814	13,434	692	47,880	500	62,506
Allocation of reinsurance premiums	(94,528)	-	-	-	(94,528)	(92,235)	-	-	-	(92,235)
Amounts recoverable from reinsurance										
Incurring claims and other expenses	-	-	78,993	331	79,324	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	6,640	-	-	6,640	-	180	63,802	400	64,382
Changes that relate to past service - adjustments to the LIC	-	-	(22,500)	(324)	(22,824)	-	-	(6,446)	(497)	(6,943)
	-	6,640	56,493	7	63,140	-	180	57,356	(97)	57,439
Reinsurance results	(94,528)	6,640	56,493	7	(31,388)	(92,235)	180	57,356	(97)	(34,796)
Net finance expenses from reinsurance contracts	-	-	107	-	107	-	386	135	(2)	519
Cash flows										
Premiums paid	(94,347)	-	-	-	(94,347)	(108,773)	-	-	-	(108,773)
Claims received	-	-	48,045	-	48,045	-	-	74,801	-	74,801
Fixed commission income	4,415	-	-	-	4,415	4,387	-	-	-	4,387
Total cash flows	(89,932)	-	48,045	-	(41,887)	(104,386)	-	74,801	-	(29,585)
Closing reinsurance contract assets	20,989	7,898	39,125	408	68,420	25,585	1,258	30,570	401	57,814

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.2 Movement in reinsurance contract assets and liabilities-(Continued)

Reinsurance Contracts

Analysis by remaining coverage and incurred claims for reinsurance contracts

5.2.A Medical

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Asset for remaining coverage		Assets for incurred claims			Asset for remaining coverage		Assets for incurred claims		
	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total
Reinsurance contracts held										
Opening reinsurance contract assets	19,217	1,258	14,271	373	35,119	11,264	692	20,541	463	32,960
Allocation of reinsurance premiums	(58,966)	-	-	-	(58,966)	(60,180)	-	-	-	(60,180)
Amounts recoverable from reinsurance										
Incurred claims and other expenses	-	-	77,721	289	78,010	-	-	-	377	377
Losses on onerous contracts and reversal of those losses	-	6,640	-	-	6,640	-	180	61,701	-	61,881
Changes that relate to past service - adjustments to the LIC	-	-	(2,616)	(377)	(2,993)	-	-	(2,690)	(465)	(3,155)
	-	6,640	75,105	(88)	81,657	-	180	59,011	(88)	59,103
Reinsurance results	(58,966)	6,640	75,105	(88)	22,691	(60,180)	180	59,011	(88)	(1,077)
Net finance expenses from reinsurance contracts	-	-	84	2	86	-	386	96	(2)	480
Cash flows										
Premiums paid	(54,891)	-	-	-	(54,891)	(68,133)	-	-	-	(68,133)
Claims received	-	-	79,500	-	79,500	-	-	65,377	-	65,377
Fixed commission income	-	-	-	-	-	-	-	-	-	-
Total cash flows	(54,891)	-	79,500	-	24,609	(68,133)	-	65,377	-	(2,756)
Closing reinsurance contract assets	15,142	7,898	9,960	287	33,287	19,217	1,258	14,271	373	35,119

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.2 Movement in reinsurance contract assets and liabilities-(Continued)

Reinsurance Contracts

Analysis by remaining coverage and incurred claims for reinsurance contracts

5.2.B Motor

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Asset for remaining coverage		Assets for incurred claims			Asset for remaining coverage		Assets for incurred claims		
	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total
Reinsurance contracts held										
Opening reinsurance contract assets	-	-	5,954	-	5,954	-	-	9,457	-	9,457
Allocation of reinsurance premiums	(5,178)	-	-	-	(5,178)	(5,198)	-	-	-	(5,198)
Amounts recoverable from reinsurance										
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(1,393)	80	(1,313)	-	-	(324)	-	(324)
	-	-	(1,393)	80	(1,313)	-	-	(324)	-	(324)
Reinsurance results	(5,178)	-	(1,393)	80	(6,491)	(5,198)	-	(324)	-	(5,522)
Net finance expenses from reinsurance contracts	-	-	20	(1)	19	-	-	18	-	18
Cash flows										
Premiums paid	(5,178)	-	-	-	(5,178)	(5,198)	-	-	-	(5,198)
Claims received	-	-	(719)	-	(719)	-	-	3,197	-	3,197
Fixed commission income	-	-	-	-	-	-	-	-	-	-
Total cash flows	(5,178)	-	(719)	-	(5,897)	(5,198)	-	3,197	-	(2,001)
Closing reinsurance contract assets	-	-	5,300	79	5,379	-	-	5,954	-	5,954

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.2 Movement in reinsurance contract assets and liabilities-(Continued)

Reinsurance Contracts

Analysis by remaining coverage and incurred claims for reinsurance contracts

5.2.C General Accident

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Asset for remaining coverage		Assets for incurred claims			Asset for remaining coverage		Assets for incurred claims		
	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total
Reinsurance contracts held										
Opening reinsurance contract assets	1,992	-	1,565	2	3,559	1,235	-	11,327	16	12,578
Allocation of reinsurance premiums	(8,446)	-	-	-	(8,446)	(8,158)	-	-	-	(8,158)
Amounts recoverable from reinsurance										
Incurred claims and other expenses	-	-	203	9	212	-	-	817	-	817
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(3,419)	2	(3,417)	-	-	(2,799)	(16)	(2,815)
	-	-	(3,216)	11	(3,205)	-	-	(1,982)	(16)	(1,998)
Reinsurance results	(8,446)	-	(3,216)	11	(11,651)	(8,158)	-	(1,982)	(16)	(10,156)
Net finance expenses from reinsurance contracts	-	-	(1)	-	(1)	-	-	53	2	55
Cash flows										
Premiums paid	(8,564)	-	-	-	(8,564)	(9,680)	-	-	-	(9,680)
Claims received	-	-	(5,864)	-	(5,864)	-	-	7,833	-	7,833
Fixed commission income	779	-	-	-	779	765	-	-	-	765
Total cash flows	(7,785)	-	(5,864)	-	(13,649)	(8,915)	-	7,833	-	(1,082)
Closing reinsurance contract assets	1,331	-	4,212	13	5,556	1,992	-	1,565	2	3,559

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 INSURANCE AND REINSURANCE CONTRACTS-(CONTINUED)

5.2 Movement in reinsurance contract assets and liabilities-(Continued)

Reinsurance Contracts

Analysis by remaining coverage and incurred claims for reinsurance contracts

5.2.D Others

	As at 31 December 2024					As at 31 December 2023				
	SAR'000					SAR'000				
	Asset for remaining coverage		Assets for incurred claims			Asset for remaining coverage		Assets for incurred claims		
	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total	Excluding loss Component	Loss Recovery Component	Estimate of present value of future cash flows	Risk Adjustment for non financial risk	Total
Reinsurance contracts held										
Opening reinsurance contract assets	4,376	-	8,780	26	13,182	935	-	6,555	20	7,510
Allocation of reinsurance premiums	(21,938)	-	-	-	(21,938)	(18,699)	-	-	-	(18,699)
Amounts recoverable from reinsurance										
Incurred claims and other expenses	-	-	1,069	33	1,102	-	-	1,284	23	1,307
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(15,073)	(28)	(15,101)	-	-	(632)	(17)	(649)
	-	-	(14,004)	5	(13,999)	-	-	652	6	658
Reinsurance results	(21,938)	-	(14,004)	5	(35,937)	(18,699)	-	652	6	(18,041)
Net finance expenses from reinsurance contracts	-	-	4	(2)	2	-	-	(32)	-	(32)
Cash flows										
Premiums paid	(25,714)	-	-	-	(25,714)	(25,762)	-	-	-	(25,762)
Claims received	-	-	(24,873)	-	(24,873)	-	-	(1,605)	-	(1,605)
Fixed commission income	3,636	-	-	-	3,636	3,622	-	-	-	3,622
Total cash flows	(22,078)	-	(24,873)	-	(46,951)	(22,140)	-	(1,605)	-	(23,745)
Closing reinsurance contract assets	4,516	-	19,653	29	24,198	4,376	-	8,780	26	13,182

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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FOR THE YEAR ENDED 31 DECEMBER 2024
6 GROSS PREMIUM WRITTEN AND REINSURANCE PREMIUMS CEDED

Premium written during the year is as follows

	For the year ended 31 December 2024			
	Medical	Motor	Properties and accident	Total
	SAR'000			
<u>Gross premiums written</u>				
Individual	4,729	436,495	173,963	615,187
Micro enterprise	65,944	13,612	1,641	81,197
Small	20,412	22,837	5,251	48,500
Medium	10,392	655	11,899	22,946
Large	54,625	2,540	19,712	76,877
TOTAL GROSS PREMIUMS WRITTEN	156,102	476,139	212,466	844,707

	For the year ended 31 December 2023			
	Medical	Motor	Properties and accident	Total
	SAR'000			
<u>Gross premiums written</u>				
Individual	4,120	743,617	40,009	787,746
Micro enterprise	86,428	16,644	1,243	104,315
Small	37,301	25,180	5,205	67,686
Medium	24,954	1,965	10,872	37,791
Large	26,295	2,994	20,576	49,865
TOTAL GROSS PREMIUMS WRITTEN	179,098	790,400	77,905	1,047,403

Premium ceded during the year with local and foreign entities as follows:

For the year ended 31 December 2024			
	Local	Foreign	Total
	SAR'000		
Medical	-	52,544	52,544
Motor	1,294	3,884	5,178
General Accident	66	7,355	7,421
Others	1,894	24,479	26,373
Total	3,254	88,262	91,516

For the year ended 31 December 2023			
	Local	Foreign	Total
	SAR'000		
Medical	-	57,325	57,325
Motor	1,039	4,159	5,198
General Accident	722	7,007	7,729
Others	1,319	24,276	25,595
Total	3,080	92,767	95,847

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

		SAR'000		
	Note	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Insurance operations				
Bank balances and cash		46,061	30,787	30,189
Deposits maturing within 3 months from the acquisition date	7.1	475,859	38,606	373,084
		521,920	69,393	403,273
Shareholders' operations				
Bank balances and cash		140	865	3,167
Deposits maturing within 3 months from the acquisition date	7.1	132,958	71,396	77,978
		133,098	72,261	81,145
Less: expected credit loss allowance		(350)	(21)	(87)
Total		654,668	141,633	484,331

7.1 Time deposits are held with the commercial banks. These time deposits are denominated in Saudi Arabian Riyals and have an original maturity of less than three months. The carrying amounts of these time deposits reasonably approximate their fair values at the reporting date. These deposits earn commission at an average of 6.04% per annum as at 31 December 2024. (31 December 2023: 5%, 01 January 2023: 3.34%).

8 TERM DEPOSITS

		SAR'000		
	Note	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Insurance operations				
Term deposits	8.1	-	453,736	-
		-	453,736	-
Shareholders' operations				
Term deposits	8.1	-	111,704	-
		-	111,704	-
Less: expected credit loss allowance		-	(112)	-
Total		-	565,328	-

8.1 Term deposits were held with the commercial banks. These term deposits are denominated in Saudi Arabian Riyals and had an original maturity of more than three months and less than twelve months. The carrying amounts of these term deposits reasonably approximate their fair values at the reporting date. This deposit earn commission at an average of 6.55% per annum as at 31 December 2023: 6.65%.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 INVESTMENTS

SAR'000			
31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*	
61,154	43,463	67,099	
-	-	20,000	
29,137	-	-	
90,291	43,463	87,099	
-	-	27,396	
61,154	43,463	39,703	
61,154	43,463	67,099	
-	27,396	28,798	
43,463	39,703	37,032	
43,463	67,099	65,830	
-	-	1,252	
-	(27,396)	-	
-	-	(2,654)	
17,691	3,760	2,671	
17,691	3,760	17	
-	-	27,396	
61,154	43,463	39,703	
61,154	43,463	67,099	
-	-	20,000	
-	-	20,000	
9,035	-	-	
20,102	-	-	
29,137	-	-	

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 INVESTMENTS-(CONTINUED)

	SAR'000		
	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Opening balance as at 01 January			
-Listed Equity Securities	-	-	-
-Unlisted Equity Securities	-	-	-
	-	-	-
Add: Additions during the period/year			-
-Listed Equity Securities	10,164	-	-
-Unlisted Equity Securities	20,000	-	-
	30,164		
Less: Disposals during the period/year			-
-Listed Equity Securities	(535)	-	-
<i>Add/(less): fair value measurement change during the year</i>			
-Listed Equity Securities	(594)	-	-
-Unlisted Equity Securities	102	-	-
	(492)	-	-
Closing Balance			
-Listed Equity Securities	9,035	-	-
-Unlisted Equity Securities	20,102	-	-
	29,137	-	-

10 STATUTORY DEPOSIT

	SAR'000		
	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Statutory deposit	43,650	43,650	43,650
	43,650	43,650	43,650

As required by Saudi Arabian Insurance Regulations, the Company had deposited 15% of its paid up capital of SAR 291 million as at 31 December 2024 (31 December 2023; SAR 291 million), in a bank designated by the Insurance Authority (IA). The Company cannot withdraw this deposit without IA's approval and commission accruing on this deposit is payable to IA.

11 COMMITMENTS AND CONTINGENCIES

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position. The Company did not have any significant outstanding legal proceedings as at the reporting date. There are no material commitments outstanding as at 31 December 2024.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

12 RIGHT OF USE ASSETS, NET

	SAR'000		
	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Cost:			
At beginning of the year	12,838	12,838	10,091
Additions during the year	9,600	-	2,747
As at end of year	22,438	12,838	12,838
Accumulated amortization			
At beginning of the year	(11,414)	(9,529)	(6,862)
Charge for the year	(3,481)	(1,885)	(2,667)
As at end of year	(14,895)	(11,414)	(9,529)
Net book value	7,543	1,424	3,309

13 LEASE LIABILITIES

	SAR'000		
	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Liabilities:			
At beginning of the year	348	2,122	2,983
Additions during the period	9,600	-	2,747
Finance cost	283	31	119
	10,231	2,153	5,849
Payments:			
Paid during the year	(3,481)	(1,805)	(3,727)
Total lease liabilities	6,750	348	2,122

14 PROPERTY AND EQUIPMENT, NET

	SAR'000					
	Motor Vehicles	Furniture, fittings and office equipment	Computer equipment	Leasehold improvements	Total 2024	Total 2023
Cost:						
As at 01 January	135	7,680	8,529	9,735	26,079	25,443
Additions during the year	-	30	762	241	1,033	636
As at 31 December	135	7,710	9,291	9,976	27,112	26,079
Accumulated depreciation:						
As at 01 January	116	8,004	6,767	7,816	22,703	20,847
Charge for the year	10	875	1,632	(482)	2,035	1,856
Adjustment	-	(1,170)	-	-	(1,170)	-
As at 31 December	126	7,709	8,399	7,334	23,568	22,703
Net book value						
As at 31 December, 2024	9	1	892	2,642	3,544	-
As at 31 December, 2023	19	(324)	1,762	1,919	-	3,376
As at 01 January, 2023	-	103	1,969	2,524	4,596	-

15 INTANGIBLE ASSETS

	SAR'000		
	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Cost:			
As at 01 January	16,138	13,823	12,054
Additions during the year	1,919	2,315	1,769
As at 31 December	18,057	16,138	13,823
Accumulated amortisation:			
As at 01 January			
Charge for the year	(9,403)	(7,777)	(6,469)
As at 31 December	(1,872)	(1,626)	(1,308)
	(11,275)	(9,403)	(7,777)
Net book Value	6,782	6,735	6,046

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16 EMPLOYEES' TERMINAL BENEFITS

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

	SAR'000	
	31 December 2024	31 December 2023 (Restated)*
Present value of defined benefit obligation	17,389	16,413

16.1 Movement of defined benefit obligation

Opening balance	16,413	13,072
Charge to statement of income	2,997	2,325
Charge to statement of other comprehensive income	502	1,770
Payment of benefits during the year	(2,523)	(754)
Closing balance	17,389	16,413

16.2 Reconciliation of present value of defined benefit obligation

Present value of defined benefit obligation as at 1 January	16,413	13,072
Current service costs	2,477	1,791
Financial costs	520	534
Actuarial loss from experience adjustments	502	1,770
Benefits paid during the year	(2,523)	(754)
Present value of defined benefit obligation as at 31 December	17,389	16,413

16.3 Principal actuarial assumptions

Valuation discount rate	5.70%	4.70%
Expected rate of increase in salary level across different age bands	5.20%	4.20%

Valuation discount rate

-Increase by 1%	15,942	15,108
-Decrease by 1%	17,841	17,841

Expected rate of increase in salary level across different age bands

-Increase by 1%	19,176	17,903
-Decrease by 1%	15,853	15,031

Mortality rate

-1 year Mortality age set back	17,393	16,377
-1 year Mortality age set forward	17,385	16,365

Withdrawal turnover

-Increase by 10%	17,247	16,206
-Decrease by 10%	17,541	16,552

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17 ZAKAT

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

	SAR'000	
	31 December 2024	31 December 2023 (Restated)*
Equity	347,685	291,000
Provisions and other adjustments	20,611	22,553
Net book value of long term assets	(16,700)	(24,616)
Investments	(61,154)	(73,998)
Statutory deposit	(43,650)	(43,650)
	246,792	171,289
Zakat	(6,379)	6,224
	SAR'000	
	31 December 2024	31 December 2023 (Restated)*
Balance at the beginning of the year	11,622	9,481
Provided during the year	7,100	8,800
Payments during the year	(10,243)	(6,659)
Balance at the end of the year	8,479	11,622

Zakat base has been computed based on the Company's understanding of the Zakat regulations enforced in the Kingdom of Saudi Arabia. The Zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the ZATCA could be different from the declarations filed by the Company.

Status of assessments

Zakat and income tax returns have been filed with the Zakat, Tax and Custom Authority (the "ZATCA ") for the years ended up to 31 December 2023. Related certificate has been received from the ZATCA for the year ended 31 December 2023. ZATCA has completed their assessment up till 2020 and currently there are no on-going assessments/appeals. The Company has received a draft Zakat assessment for the year 2021 and 2022. The Company has submitted their response against each item, these years are pending ZATCA assessment. Furthermore, the Company has received queries for the year 2023 against which the Company has provided the requested information. As at 31 December 2024, the Company has sufficient provisions to cover the possible outflow in this regard.

18 SEGMENTAL INFORMATION

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 its 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 income statement. Segment assets and liabilities comprise operating assets and liabilities.

Segment results do not include other interest revenue for financial measured at amortised costs, Other investment income, net impairment loss on financial assets, other income, other operating expenses and zakat charged for the year. Segment assets do not include cash and cash equivalents, term deposits, Investments measured at fair value through other comprehensive income, debt instruments at amortised costs, due from a related party, property and equipment, net, intangible assets and right of use asset, statutory deposit and accrued income on statutory deposit, prepayments and other assets. Segment liabilities do not include employees terminal benefits, lease liabilities, zakat and income tax, and accrued income on statutory deposit payable to IA.

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis. 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, 2023 and for the year ended 31 December 2024, its total revenues, expenses, and net income , are as follows:

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18 SEGMENTAL INFORMATION-(CONTINUED)

	31 December 2024						
	Medical	Motor	General Accident	Others	Insurance Operations	Shareholders' Operations	Total
	SAR'000						
Assets							
Reinsurance contract assets	33,287	5,379	5,556	24,198	68,420	-	68,420
Cash and cash equivalents	-	-	-	-	521,624	133,044	654,668
Term deposits	-	-	-	-	-	-	-
Investments	-	-	-	-	-	90,291	90,291
Unallocated assets	-	-	-	-	36,056	45,094	81,150
Total assets	33,287	5,379	5,556	24,198	626,100	268,429	894,529
Liabilities							
Insurance contract liabilities	86,696	325,676	162,436	11,660	586,468	-	586,468
Unallocated liabilities and equity	-	-	-	-	39,632	268,429	308,061
Total liabilities and insurance operations' surplus	86,696	325,676	162,436	11,660	626,100	268,429	894,529
	31 December 2023 (Restated)*						
	Medical	Motor	General Accident	Others	Insurance Operations	Shareholders' Operations	Total
	SAR'000						
Assets							
Reinsurance contract assets	35,119	5,954	3,559	13,182	57,814	-	57,814
Cash and cash equivalents	-	-	-	-	69,393	72,240	141,633
Term deposits	-	-	-	-	-	-	-
Investments	-	-	-	-	-	43,463	43,463
Unallocated assets	-	-	-	-	497,601	157,209	654,810
Total assets	35,119	5,954	3,559	13,182	624,808	272,912	897,720
Liabilities							
Insurance contract liabilities	84,616	440,068	46,048	8,392	579,124	-	579,124
Unallocated liabilities and equity	-	-	-	-	45,684	272,912	318,596
Total liabilities and insurance operations' surplus	84,616	440,068	46,048	8,392	624,808	272,912	897,720
	01 January 2023 (Restated)*						
	Medical	Motor	General Accident	Others	Insurance Operations	Shareholders' Operations	Total
	SAR'000						
Assets							
Reinsurance contract assets	32,960	9,457	12,578	7,510	62,505	-	62,505
Cash and cash equivalents	-	-	-	-	414,508	69,823	484,331
Term deposits	-	-	-	-	-	-	-
Investments	-	-	-	-	-	87,099	87,099
Unallocated assets	-	-	-	-	50,740	46,280	97,020
Total assets	32,960	9,457	12,578	7,510	527,753	203,202	730,955
Liabilities							
Insurance contract liabilities	92,347	350,419	64,603	7,622	514,991	-	514,991
Unallocated liabilities and equity	-	-	-	-	12,762	203,202	215,964
Total liabilities and insurance operations' surplus	92,347	350,419	64,603	7,622	527,753	203,202	730,955

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

18 SEGMENTAL INFORMATION-(CONTINUED)

	For the year ended 31 December 2024					
	Medical	Motor	General Accident	Others	Total Insurance Operations	Shareholders' Operations
	SAR'000					
Insurance revenue	176,524	611,174	67,871	27,784	883,353	-
Insurance service expenses	(222,490)	(566,850)	(81,627)	(7,795)	(878,762)	-
Insurance service result before reinsurance contracts held	(45,966)	44,324	(13,756)	19,989	4,591	-
Amounts recoverable from reinsurance	81,657	(1,313)	(3,205)	(13,999)	63,140	-
Allocation of reinsurance premiums	(58,966)	(5,178)	(8,446)	(21,938)	(94,528)	-
Net expenses from reinsurance contracts held	22,691	(6,491)	(11,651)	(35,937)	(31,388)	-
<u>INSURANCE REVENUE RESULT</u>	(23,275)	37,833	(25,407)	(15,948)	(26,797)	-
Interest revenue from financial assets measured at amortised costs.					37,420	5,565
Other investment income					-	401
Fair value loss on investments					-	(491)
Net ECL charge on financial assets					(180)	(39)
Net investment income					37,240	5,436
Net finance income from insurance contracts issued	(234)	631	358	(15)	740	-
Net finance income from reinsurance contracts issued	86	19	(1)	2	106	-
	(148)	650	357	(13)	846	-
Net insurance and investment result	(23,423)	38,483	(25,050)	(15,961)	11,288	5,436
Other income					4,050	2
Other operating expenses					(25,633)	(4,527)
Net profit for the period, before zakat & income tax, attributable to the shareholders					(10,295)	911
Zakat charge for the year					-	(7,100)
Net profit /(loss) attributable to shareholders.					(10,295)	(6,189)

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

18 SEGMENTAL INFORMATION-(CONTINUED)

	For the year ended 31 December 2023					
	Medical	Motor	General Accident	Others	Total Insurance Operations	Shareholders' Operations
	SAR'000					
Insurance revenue	184,106	733,063	32,804	24,708	974,681	-
Insurance service expenses	(177,359)	(700,823)	(10,158)	(4,472)	(892,812)	-
Insurance service result before reinsurance contracts held	6,747	32,240	22,646	20,236	81,869	-
Amounts recoverable from reinsurance	59,103	(324)	(1,998)	658	57,439	-
Allocation of reinsurance premiums	(60,180)	(5,198)	(8,158)	(18,699)	(92,235)	-
Net expenses from reinsurance contracts held	(1,077)	(5,522)	(10,156)	(18,041)	(34,796)	-
<u>INSURANCE REVENUE RESULT</u>	5,670	26,718	12,490	2,195	47,073	-
Interest revenue from financial assets measured at amortised costs.					31,420	5,625
Other investment income					-	1,215
Net ECL charge on financial assets					-	(15)
Net investment income					31,420	6,825
Net finance income from insurance contracts issued	(1,360)	521	457	48	(334)	-
Net finance income from reinsurance contracts issued	480	18	53	(32)	519	-
	(880)	539	510	16	185	-
Net insurance and investment result	4,790	27,257	13,000	2,211	78,678	6,825
Other income					16,764	-
Other operating expenses					(23,820)	(6,241)
Net profit for the period, before zakat & income tax, attributable to the shareholders					71,622	584
Zakat charge for the period					-	(5,800)
Net profit /(loss) attributable to shareholders.					71,622	(5,216)

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
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19 CLAIMS DEVELOPMENT TABLE

The following tables show the estimates of cumulative incurred claims, including both claims reported and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

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.

Claims triangulation analysis is by accident years spanning a number of financial years:

Accident year or Underwriting year	SAR'000							TOTAL
	2018 & Earlier	2019	2020	2021	2022	2023	2024	
At the end of accident year	1,588,731	387,920	344,741	455,381	538,505	635,240	632,832	4,583,350
One year later	1,577,139	392,016	333,804	443,378	558,064	586,653	-	3,891,054
Two years later	1,583,812	388,595	336,280	443,906	566,530	-	-	3,319,123
Three years later	1,588,138	388,005	336,121	447,760	-	-	-	2,760,024
Four years later	1,522,632	387,755	338,383	-	-	-	-	2,248,770
Five years later	1,517,184	390,507	-	-	-	-	-	1,907,691
Six years later	1,450,028	-	-	-	-	-	-	1,450,028
Current estimate of cumulative claims	1,450,028	390,507	338,383	447,760	566,530	586,653	632,832	4,412,693
Ultimate payments to date	(1,448,779)	(388,940)	(335,889)	(442,935)	(555,477)	(561,396)	(467,601)	(4,201,017)
Liability recognized in statement of financial position	1,249	1,567	2,494	4,825	11,053	25,257	165,231	211,676
Salvage and subrogation	5	-	1	8	74	-	-	88
Loss component	-	-	-	-	-	2,801	36,295	39,096
Outstanding Claims	789	636	1,028	1,371	2,493	3,590	32,758	42,665

Accident year or Underwriting year	SAR'000							TOTAL
	2017 & Earlier	2018	2019	2020	2021	2022	2023	
At the end of accident year	1,257,296	331,435	387,920	344,741	455,381	538,505	635,240	3,950,518
One year later	1,251,791	325,348	392,016	333,804	443,378	558,064	-	3,304,401
Two years later	1,257,484	326,328	388,595	336,280	443,906	-	-	2,752,593
Three years later	1,260,361	327,777	388,005	336,121	-	-	-	2,312,264
Four years later	1,195,990	326,642	387,755	-	-	-	-	1,910,387
Five years later	1,189,676	327,508	-	-	-	-	-	1,517,184
Six years later	1,195,860	-	-	-	-	-	-	1,195,860
Current estimate of cumulative claims	1,195,860	327,508	387,755	336,121	443,906	558,064	635,240	3,884,454
Cumulative payments to date	(1,194,901)	(327,089)	(387,144)	(334,468)	(439,275)	(546,333)	(428,653)	(3,657,863)
Liability recognized in statement of financial position	959	419	611	1,653	4,631	11,731	206,587	226,591
Salvage and subrogation	45	18	425	374	2,387	7,590	22,553	33,392
Loss component	-	-	-	-	-	-	2,838	2,838
Outstanding Claims and Reserves	895	339	(6,479)	(9,204)	718	(4,226)	43,407	25,450

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20 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 statement.

Determination of fair value and fair value hierarchy

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

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

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

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

a) Carrying amount and fair value

The following table shows the carrying amount and 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 not considered to reasonably approximate fair value.

Shareholders' operations

SAR'000s	Carrying Value	Level 1	Level 2	Level 3	Total
31 December, 2024					
Investments measured at fair value through other comprehensive income					
<i>Unquoted securities</i>	61,154	-	-	61,154	61,154
Investments measured at fair value through profit or loss					
<i>Quoted securities</i>	9,035	9,035	-	-	9,035
<i>Unquoted securities</i>	20,102	-	-	20,102	20,102
	90,291	9,035	-	81,256	90,291

Shareholders' operations

SAR'000'	Value	Level 1	Level 2	Level 3	Total
31 December, 2023					
Investments measured at fair value through other comprehensive income					
<i>Unquoted securities</i>	43,463			43,463	43,463
Investments measured at fair value through profit or loss					
<i>Quoted securities</i>	-	-	-	-	-
<i>Unquoted securities</i>	-	-	-	-	-
	-	-	-	-	-

Shareholders' operations

SAR'000'	Carrying Value	Level 1	Level 2	Level 3	Total
01 January, 2023					
Investments measured at fair value through other comprehensive income					
<i>Unquoted securities</i>	39,703	-	-	39,703	39,703
<i>Quoted securities</i>	12,507	12,507	-	-	12,507
<i>Quoted local real estate fund</i>	14,889	14,889	-	-	14,889
	67,099	27,396	-	39,703	67,099

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21 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. 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 period and the related balances:

Related parties	Nature of transaction	Transactions for the year ended		Balance receivable / (payable) as at	
		31 December, 2024	31 December, 2023	31 December, 2024	31 December, 2023
		SAR'000			
Board of directors	Premium written	-	-	-	-
Affiliates	Premium written	4	19	-	-
	Claims paid/ payment received	-	-	-	-
ACIG Bahrain (Shareholder)	Claims paid on behalf of ACIG Bahrain	-	-	-	-
Board and audit committee	Attendance fees	214	202	-	-

Remuneration and compensation of BOD Members and Top Executives

	SAR'000	
	BOD members (Non-Executive)	Top Executives including the CEO and CFO
2024		
Salaries and compensation	-	3,274
Allowances	214	-
End of service indemnities	-	422
	214	3,696
	SAR'000	
	BOD members (Non-Executive)	Top Executives including the CEO and CFO
2023		
Salaries and compensation	-	3,274
Allowances	154	-
End of service indemnities	-	422
	154	3,696

22 CAPITAL MANAGEMENT

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

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

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

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

- Minimum Capital Requirement of SAR 100 million
- Premium Solvency Margin
- Claims Solvency Margin

The capital structure of the Company as at 31 December 2024 consists of paid-up share capital of SAR 291 million and accumulated losses of SAR 92.37 million (31 December 2023: paid-up share capital of SAR 291 million and accumulated losses of SAR 74 million.) in the statement of financial position.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

23 RISK MANAGEMENT

The Company has developed and implemented a risk management structure that is designed to identify, assess, control and monitor the risks associated with its business. Adhering to this structure, the Company aims to meet its obligations to policyholders and other customers and creditors, to manage its capital efficiently, and to comply with applicable laws and regulations. The Company's Risk Committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Committee is responsible for defining, installing and monitoring the risk management organisation in order to ensure that its control systems are effective. The Risk Committee approves all risk management policies, as well as the quantitative and qualitative elements of the Company's risk appetite and tolerance framework.

(a) Insurance risk

The Company provides medical, motor, medical malpractice, property, marine, domestic labor and other general insurance contracts in Saudi Arabia. Accordingly, the main insurance risk within the Company is that there are no sufficient reserves available to cover the liabilities associated with the insurance contracts issued. Actual claims may differ from the estimated ultimate claims. The Company seeks to manage this as follows:

23 RISK MANAGEMENT-(CONTINUED)

(a) Insurance risk-(Continued)

Estimate of present value of cash flows and risk adjustment for non-financial risk

- through close monitoring of the claims' trend and payments' pattern to ensure that sufficient reserves are available to cover claim liabilities. The Company also has an external actuary to perform quarterly independent reviews of the reserves adequacy. Estimate of present value of cash flows and risk adjustment for non-financial risk, which are key components of the Company's insurance contract liabilities are estimated amounts of the outstanding claims, incurred but not reported claims ("IBNR"), claims handling provisions and risk adjustment for non-financial risk. These reserves do not represent exact calculations but rather expectations based on historical claims' trend (frequency and severity), payments' pattern, medical inflation, members' behaviour, seasonality and other factors. The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues.

- The Company has a large insurance portfolio resulting in stable claims development patterns which relatively reduces the risk of fluctuations in the estimated ultimate claims. The short-tailed nature of the business is associated with higher consistency of the reserve estimates.

- The Company continually reviews the adequacy of claims reserves by conducting back-testing analysis, assessing the sufficiency of data, monitoring claims backlogs and settlement patterns. In addition, the external actuary runs independent valuation models after due reconciliation with consolidated financial statements to validate reserve adequacy.

Reinsurance

- The Company has a reinsurance arrangement to reduce its exposure through transfer of risk. During the years ended 31 December 2024 and 2023, the Group had Treaty reinsurance arrangement for medical and treaty & facultative arrangements for other general lines such as property, engineering and excess of loss arrangement for motor lines of business to reduce its exposure through partial transfer of insurance risk. The reinsurance premium ceded represents a minimal margin of the overall gross premium written. Reinsurance premium ceded reached 11% of gross premium written (2023: 9%).

- The reinsurers selected met IA's minimum acceptable rating of BBB from a reputable credit agency.

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

Pricing

- The pricing team follows the Company's underwriting guidelines (approved by the Board of Directors) in setting premiums taking into consideration credible claims experiences for both new business and renewals for all lines of business.

Managing the concentration of insurance risk

- The insurance risk exposure related to policyholders is mainly concentrated in Saudi Arabia. However, through its underwriting strategy, the Company ensures that the portfolio is well diversified and not concentrated within few large clients. Its business is proportionally spread across all regions in the Saudi Arabia, and the Company targets both corporate and retail business. The insurance portfolio is not concentrated in a specific benefit level.

23 RISK MANAGEMENT-(CONTINUED)

(a) Insurance risk-(Continued)

Process used to decide on assumptions

• Assumptions used in determining estimate of present value of cash flows are based on the best estimate. Ultimate claims are estimated using historical claim trends adjusted for inflation, seasonality, membership growth, driver age, driver history etc. and any other external or internal factors that may have impact on claim costs. Given the nature of the business, the Group may still be exposed to risk of insufficiency of claim reserves for which actual claim cost may turn out to be higher than the initial estimated ultimate claims.

• The estimation of present value of future cash flows related to incurred but not reported claims (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the present value of future cash flows related to reported claims which are received but not yet settled with the providers. For the case of present value of future cash flows related to reported claims, the Company uses settled claims information to estimate present value of future cash flows related to IBNR. The Company seeks to avoid inadequate reserve levels by adopting established processes in determining claim reserve and using updated information regarding settled claims.

Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions.

	SAR'000	
	31 December 2024	31 December 2023
Impact on equity and net income of change in claims ratio		
5% increase	(39,441)	(28,262)
5% decrease	39,441	28,262
Impact on equity and net income of change in direct expense ratio-loss component		
5% increase	(14,075)	142
5% decrease	14,075	(142)
Impact on equity and net income of change in risk adjustment for non financial risk		
5% increase	510	286
5% decrease	(510)	(286)

(b) Operational risks

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 behavior. Operational risks arise from all the Company's activities.

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

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.

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23 RISK MANAGEMENT-(CONTINUED)

(c) Market risk

Market risk refers to the potential impact of various market dynamics on the fair value or the expected cash flows of financial instruments. The Company adopts asset allocation guidelines and diversification limits on asset classes, geographies, currencies and securities to ensure that market risk is contained and kept to minimal levels.

The Board of Directors sets the overall risk appetite to a prudent level that does not impact the Company's operating results. The management prepares monthly and quarterly reports, highlighting deployment activities and exposure limits to ensure that appropriate monitoring and compliance with the approved guidelines. Management performs continuous assessment of developments in relevant markets to ensure that market risk is monitored and mitigated at the asset class and securities levels

Market risk comprises three types: interest rate risk, price risk and currency risk.

i) Interest rate risk

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. Management constantly monitors developments in global and local interest rates and accordingly allocates the durations of its term deposits and sukuk investments. Investments in term deposits and sukuk instruments have various maturities in order to maximise investment returns while ensuring that liquidity requirements are continuously met. Details of maturities of interest-bearing securities using discounted cashflows as at 31 December are as follows:

	SAR'000				
	Less than 3 Months	3 Months to 1 Year	1 year to 3 Years	More than 3 Years	Total
Term deposits	-	-	-	-	-
Debt instruments at amortised cost.	-	-	-	-	-
31 December 2024	-	-	-	-	-
Term deposits	-	565,328	-	-	565,328
Debt instruments at amortised cost.	-	-	-	-	-
31 December 2023	-	565,328	-	-	565,328

ii) Price risk

Price risk is the potential change in the fair value of financial instruments as a result of instrument-specific developments or systemic factors affecting the overall market in which the instrument is being traded.

The total size of investments which are exposed to market price risk is SR 90.3 million (2023: SR 43.6 million). The Company manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

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

	Fair value change	Effect on Company's profit SR '000	
2024	+/-10%	+/-10%	+/- 7010
2023	+/-10%	+/-10%	+/- 7010

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23 RISK MANAGEMENT-(CONTINUED)

iii) Currency risk

Currency risk is the potential fluctuation of the value of a financial instrument due to changes in foreign exchange rates. All Company's transactions are in Saudi Arabian Riyals and US Dollar. Given the peg of Saudi Arabian Riyals and US Dollars, foreign exchange risk is minimal.

(c) 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.

The Company seeks to manage its credit risk with respect to customers by following the Company's credit control policy and monitoring outstanding receivables on an on-going basis in order to reduce the Company's exposure to expected credit loss. The management estimates specific impairment provisions on a case by case basis. In addition to specific provisions, the Company also makes an additional portfolio provision, estimated on a collective basis, based on the ageing profile of the future premiums cashflow. The Company seeks to limit its credit risk with respect to other counterparties by placing term deposits and investments with reputable financial institutions. The Company enters into reinsurance contracts with recognised, creditworthy third parties.

The following table shows the maximum exposure to credit risk by class of financial asset:

	SAR'000	
	2024	2023
Cash and cash equivalents	654,668	141,633
Term deposits	-	565,328
Investments measured at fair value through other comprehensive income	61,154	43,463
Investments measured at fair value through profit or loss	29,137	-
Reinsurance contract assets	68,420	57,814
Statutory deposit	43,650	43,650
Accrued commission on statutory deposit	1,253	1,778
	858,282	853,666

	<u>Non investment Grade</u>			
	Investment grade	Non Impaired	Impaired	Total
Cash and cash equivalents	654,668	-	-	654,668
Investments measured at fair value through other comprehensive income	61,154	-	-	61,154
Investments measured at fair value through profit or loss	29,137	-	-	29,137
Reinsurance contract assets		68,420	-	68,420
Statutory deposit	43,650	-	-	43,650
Accrued commission on statutory deposit	1,253	-	-	1,253
	789,862	68,420	-	858,282

	Non investment Grade			
	Investment grade	Non Impaired	Impaired	Total
Cash and cash equivalents	141,633	-	-	141,633
Term deposits	565,328	-	-	565,328
Investments measured at fair value through other comprehensive income	43,463	-	-	43,463
Debt instruments at amortised cost.	-	-	-	-
Reinsurance contract assets	-	57,814	-	57,814
Statutory deposit	43,650	-	-	43,650
Accrued commission on statutory deposit	1,778	-	-	1,778
	795,852	57,814	-	853,666

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23 RISK MANAGEMENT-(CONTINUED)

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its operational or financial obligations when they are due. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds through premiums received and excess cash are available to meet any commitments as they arise.

The table below summaries the maturity profile of the financial liabilities of the Company based on remaining expected undiscounted contractual obligations:

	2024		
	Upto one year	More than one year	Total
Insurance contract liabilities	586,468	-	586,468
Lease liabilities	6,750	-	6,750
Accruals and other payables	21,039	-	21,039
Accrued commission on statutory deposit payable to IA	1,253	-	1,253
	615,510	-	615,510

	2023		
	Upto one year	More than one year	Total
Insurance contract liabilities	579,124	-	579,124
Lease liabilities	16,413	-	16,413
Accruals and other payables	348	-	348
Accrued commission on statutory deposit payable to IA	11,622	-	11,622
	607,507	-	607,507

(f) Liquidity Profile

All assets excluding financial assets at amortised cost, fixtures, furniture and equipment and right-of-use assets, intangible assets, statutory deposit and accrued income on statutory deposit, are expected to be recovered or settled before one year.

None of the financial liabilities on the statement of financial position are based on discounted cash flows, with exception of end-of-service benefits and lease liabilities and are all payable on a basis as set out above. There are no differences between contractual and expected maturity of the financial liabilities of the Company.

24 INSURANCE OPERATIONS' SURPLUS PAYABLE

	SAR'000	
	2024	2023
Balance at the beginning of the year	13,945	5,987
Income attributable to insurance operations during the year	-	7,958
Surplus paid to policyholders during the year	(28)	-
Net surplus payable to policyholders	13,917	13,945

As a result of the adoption of IFRS 17, net surplus payable to policyholders is reported as part of insurance contract liabilities.

25 OTHER OPERATING COSTS

	SAR'000	
	2024	2023
Policy acquisition costs	102,247	102,116
Employees' costs	57,228	53,799
Rents, IT,utilities and maintenance costs	10,920	12,950
Professional and Legal expenses	3,697	6,608
Depreciation and amortisation	7,388	5,367
Marketing expenses and other	24,719	18,340
	206,199	199,180

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25 OTHER OPERATING COSTS-(CONTINUED)

Allocation of expenses is as follows;

	2024			2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Policy acquisition costs*	102,247	-	102,247	102,116	-	102,116
Other attributable expenses*	73,792	-	73,792	67,003	-	67,003
Other operating expenses**	25,633	4,527	30,160	23,820	6,241	30,061
	201,672	4,527	206,199	192,939	6,241	199,180

*Reported part of insurance service expense

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

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	2023
Annual audit and quarterly reviews for first, second and third quarters-AIKharashi & Co – Forvis Mazars SA	425,000	408,750
Annual audit and quarterly reviews for first, second and third quarters-Crowe solutions for Professional Consulting	450,000	450,000
Zakat and Tax services-Deloitte and Touche & Co. Chartered Accountants	162,000	-
Zakat and Tax services-Arab Consultants	-	1,242,000
	1,037,000	2,100,750
<i>Other services:</i>		
Fees for agreed upon procedures related to surplus distribution	20,000	-
Fees for agreed upon procedures related to right issue	90,000	-
Fees for agreed upon procedures related to losses report	20,000	20,000
	130,000	20,000

26 PREPAYMENTS AND OTHER RECEIVABLES

	SAR'000		
	31 December 2024	31 December 2023 (Restated)*	01 January 2023 (Restated)*
Accrued income	6,226	16,622	16,805
Prepaid expenses	5,661	5,144	4,943
Other receivables	929	4,329	5,550
Guarantees	4,554	4,472	4,809
Miscellaneous	1,008	1,952	2,985
	18,378	32,519	35,092

27 INSURANCE SERVICE EXPENSES

	2024				
	Medical	Motor	General Accident	Others	Total
Incurring claims and other directly attributable expenses	182,256	475,669	68,632	6,038	732,595
Losses on onerous contracts and reversal of those losses	16,280	14,116	5,862	-	36,258
Changes that relate to past service - adjustments to the LIC	(6,114)	(33,882)	(2,794)	(543)	(43,333)
Insurance acquisition cash flows amortization	30,068	110,947	9,927	2,300	153,242
	222,490	566,850	81,627	7,795	878,762

	2023				
	Medical	Motor	General Accident	Others	Total
Incurring claims and other directly attributable expenses	144,716	565,242	10,710	3,142	723,810
Losses on onerous contracts and reversal of those losses	401	(21,718)	-	-	(21,317)
Changes that relate to past service - adjustments to the LIC	(6,871)	24,247	(2,515)	(862)	13,999
Surplus distribution to policyholders	7,958	-	-	-	7,958
Insurance acquisition cash flows amortization	31,155	133,052	1,963	2,192	168,362
	177,359	700,823	10,158	4,472	892,812

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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28 SUPPLEMENTARY INFORMATION

STATEMENT OF FINANCIAL POSITION

	SAR '000								
	31 December 2024			31 December 2023 (Restated)*			01 January 2023 (Restated)*		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
ASSETS									
Cash and cash equivalents	521,624	133,044	654,668	69,393	72,240	141,633	414,508	69,823	484,331
Term deposits	-	-	-	453,736	111,592	565,328	-	-	-
Investments	-	90,291	90,291	-	43,463	43,463	-	87,099	87,099
Reinsurance contract assets	68,420	-	68,420	57,814	-	57,814	62,505	-	62,505
Prepayments and other receivables	18,187	191	18,378	32,330	189	32,519	34,803	288	35,091
Right-of-use asset, net	7,543	-	7,543	1,424	-	1,424	3,309	-	3,309
Statutory deposit	-	43,650	43,650	-	43,650	43,650	-	43,650	43,650
Accrued commission on statutory deposit	-	1,253	1,253	-	1,778	1,778	-	2,342	2,342
Due from a related party	-	-	-	-	-	-	1,986	-	1,986
Property and equipment, net	3,544	-	3,544	3,376	-	3,376	4,596	-	4,596
Intangible assets, net	6,782	-	6,782	6,735	-	6,735	6,046	-	6,046
TOTAL ASSETS	626,100	268,429	894,529	624,808	272,912	897,720	527,753	203,202	730,955
LIABILITIES									
Insurance contract liabilities	586,468	-	586,468	579,124	-	579,124	514,991	-	514,991
Employees' terminal benefits	17,389	-	17,389	16,413	-	16,413	13,072	-	13,072
Lease liabilities	6,750	-	6,750	348	-	348	2,122	-	2,122
Provision for zakat and income tax	-	8,479	8,479	-	11,622	11,622	-	9,481	9,481
Accruals and other payables	20,197	842	21,039	33,125	967	34,092	-	-	-
Accrued commission on statutory deposit payable to IA	-	1,253	1,253	-	1,778	1,778	-	2,342	2,342
TOTAL LIABILITIES	630,804	10,574	641,378	629,010	14,367	643,377	530,185	11,823	542,008
EQUITY									
Share capital	-	291,000	291,000	-	291,000	291,000	-	291,000	291,000
Accumulated losses	-	(92,379)	(92,379)	-	(73,998)	(73,998)	-	(143,338)	(143,338)
Fair values reserve on investments	-	59,234	59,234	-	41,543	41,543	-	43,717	43,717
Re-measurement reserve of employees' terminal benefits	(4,704)	-	(4,704)	(4,202)	-	(4,202)	(2,432)	-	(2,432)
TOTAL EQUITY	(4,704)	257,855	253,151	(4,202)	258,545	254,343	(2,432)	191,379	188,947
TOTAL LIABILITIES AND EQUITY	626,100	268,429	894,529	624,808	272,912	897,720	527,753	203,202	730,955

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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28 SUPPLEMENTARY INFORMATION (CONTINUED)

STATEMENT OF INCOME

	SAR '000					
	For the year ended 31 December 2024					
	31 December 2024			31 December 2023		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Insurance revenue	883,353	-	883,353	974,681	-	974,681
Insurance service expenses	(878,762)	-	(878,762)	(892,812)	-	(892,812)
Insurance service result before reinsurance contracts held	4,591	-	4,591	81,869	-	81,869
Amounts recoverable from reinsurance	63,140	-	63,140	57,439	-	57,439
Allocation of reinsurance premiums	(94,528)	-	(94,528)	(92,235)	-	(92,235)
Net expenses from reinsurance contracts held	(31,388)	-	(31,388)	(34,796)	-	(34,796)
Insurance service result	(26,797)	-	(26,797)	47,073	-	47,073
Interest revenue from financial assets measured at amortised costs.	37,420	5,565	42,985	31,420	5,625	37,045
Other investment income	-	401	401	-	1,215	1,215
Fair value loss on investments	-	(491)	(491)	-	-	-
Net ECL (charge) /reversal on financial assets	(180)	(39)	(219)	-	(15)	(15)
Net investment income	37,240	5,436	42,676	31,420	6,825	38,245
Net finance expenses from insurance contracts issued	740	-	740	(334)	-	(334)
Net finance income from reinsurance contracts held	106	-	106	519	-	519
Net insurance finance income	846	-	846	185	-	185
Net insurance and investment result	11,289	5,436	16,725	78,678	6,825	85,503
Other income	4,050	2	4,052	16,764	-	16,764
Other operating expenses	(25,633)	(4,527)	(30,160)	(23,820)	(6,241)	(30,061)
Net (loss) / profit for the year, before zakat & income tax, attributable to the shareholders	(10,294)	911	(9,383)	71,622	584	72,206
Zakat reversed /(charged) during the year	-	(7,100)	(7,100)	-	(8,800)	(8,800)
Net (loss) / profit for the year, after zakat & income tax, attributable to shareholders	(10,294)	(6,189)	(16,483)	71,622	(8,216)	63,406
Other comprehensive income:						
<i>Items that will not be reclassified to statement of income in subsequent periods</i>						
- Net change in fair value of FVOCI Investments	-	17,691	17,691	-	3,760	3,760
- Actuarial losses on employees' terminal benefits	-	(502)	(502)	(1,770)	-	(1,770)
Total other comprehensive income for the year	-	17,189	17,189	(1,770)	3,760	1,990
Total comprehensive (loss) / income for the year	(10,294)	11,000	706	69,852	(4,456)	65,396

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28 SUPPLEMENTARY INFORMATION (CONTINUED)

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Net profit / (loss) for the year before zakat and income tax

Adjustments for non-cash items:

Depreciation of property and equipment

Adjustment of property and equipment

Depreciation of right of use assets

Finance cost of lease liability

Amortisation of intangible assets

Gain on disposal of investments measured at fair value through profit and loss

Interest revenue from financial assets measured at amortised costs.

Other investment income

Fair value loss on investments

Employees' terminal benefits

Net ECL (charge) /reversal on financial assets

Changes in operating assets and liabilities:

Insurance contract liabilities

Reinsurance contract assets

Accruals and other payables

Prepayments and other receivables

Employees' terminal benefits paid

Zakat and income tax paid

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment

Purchase of Intangible assets

Maturity / (placement) of term deposits

Purchase of investments

Proceed from sale of Investments

Interest revenue from financial assets measured at amortised costs.

Other investment income

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Payment for issuing right shares expenses

Payment of lease liability

Net cash (used in) / generated from financing activities

Net change in cash and cash equivalents

Cash and cash equivalents, beginning of the year

Cash and cash equivalents, end of the year

SAR '000					
Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
For the year ended 31 December, 2024			For the year ended 31 December, 2023		
(10,294)	911	(9,383)	71,622	584	72,206
2,035	-	2,035	1,858	-	1,858
(1,170)	-	(1,170)	-	-	-
3,481	-	3,481	1,885	-	1,885
283	-	283	31	-	31
1,872	-	1,872	1,626	-	1,626
-	(6)	(6)	-	(113)	(113)
(37,420)	(5,565)	(42,985)	(31,420)	(5,626)	(37,046)
-	(401)	(401)	-	(1,215)	(1,215)
-	497	497	-	-	-
2,997	-	2,997	2,325	-	2,325
180	39	219	-	15	15
(38,036)	(4,525)	(42,561)	47,927	(6,355)	41,572
7,344	-	7,344	32,299	-	32,299
(10,606)	-	(10,606)	4,692	-	4,692
(12,928)	(125)	(13,053)	33,125	967	34,092
14,143	(2)	14,141	35,061	(653)	34,408
(40,083)	(4,652)	(44,735)	153,104	(6,041)	147,063
(2,523)	-	(2,523)	(754)	-	(754)
-	(10,243)	(10,243)	-	(6,659)	(6,659)
(42,606)	(14,895)	(57,501)	152,350	(12,700)	139,650
(1,033)	-	(1,033)	(636)	-	(636)
(1,919)	-	(1,919)	(2,315)	-	(2,315)
463,850	101,260	565,110	(524,129)	(39,231)	(563,360)
-	(30,164)	(30,164)	-	20,000	20,000
-	535	535	-	27,509	27,509
37,420	5,565	42,985	31,420	5,624	37,044
-	401	401	-	1,215	1,215
498,318	77,597	575,915	(495,660)	15,117	(480,543)
-	(1,898)	(1,898)	-	-	-
(3,481)	-	(3,481)	(1,805)	-	(1,805)
(3,481)	(1,898)	(5,379)	(1,805)	-	(1,805)
452,231	60,804	513,035	(345,115)	2,417	(342,698)
69,393	72,240	141,633	414,508	69,823	484,331
521,624	133,044	654,668	69,393	72,240	141,633

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29 EARNING PER SHARE

Earning per share for the period has been calculated by dividing the net income for the year by the weighted average number of issued and outstanding shares at year end.

The basic and diluted earning per share is calculated as follows:

	31 December 2024	31 December 2023 (Restated)
Net (Loss) / profit for the year (SAR in '000)	(16,483)	63,406
Weighted average number of ordinary shares outstanding in ('000)	29,100	29,100
Basic and diluted (loss) /earnings per share. (in SAR)	(0.57)	2.18

30 SUBSEQUENT EVENTS

Following the year-end, on January 30, 2025, the Company received approval from the Insurance Authority to issue right shares, valid for six months. The Company has submitted its application for the issuance of right shares to the CMA and is currently awaiting the CMA's review process.

31 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 17 March 2024 (corresponding to Ramadan 17, 1446 AH).