

**GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITORS REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2024**

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL STATEMENTS
As at 30 September 2024

Index	Page
Independent auditors report on review of condensed interim financial statements	3
Condensed statement of financial position	4
Condensed statement of profit or loss	5
Condensed statement of other comprehensive income	6
Condensed statement of changes in equity	7
Condensed statement of cash flow	8
Notes to the condensed interim financial statements	9 – 36



KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarter in Riyadh



Al Kharashi & Co.
Certified Accountants and Auditors
7425 Sahab Tower-Altakhassusi Street
Riyadh- KSA.
P.O Box. 8306, Riyadh 11482
Tel: +966 920028229
Fax: +966 11 477 4924
www.forvismazars.com

Independent auditors' report on review of condensed interim financial statements

To the shareholders of Gulf General Cooperative Insurance Company – A Saudi Joint Stock Company

Introduction

We have reviewed the accompanying 30 September 2024 condensed interim financial statements of Gulf General Cooperative Insurance Company ("the Company") which comprises:

- the condensed statement of financial position as at 30 September 2024;
- the condensed statement of profit or loss for the three-month and nine-month periods ended 30 September 2024;
- the condensed statement of other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed statement of cash flow for the nine-month period ended 30 September 2024; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 September 2024 of Gulf General Cooperative Insurance Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

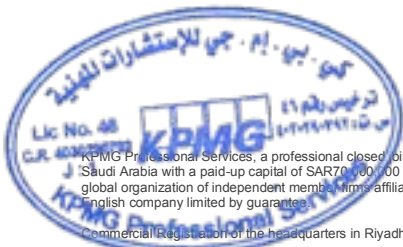
For KPMG Professional Services

Nasser Ahmed Al Shutairy
Certified Public Accountant
License No. 454

Al Kharashi & Co. Certified

Abdullah AlMansour
Certified Public Accountant
License No. 456

Jeddah, Kingdom of Saudi Arabia
Date: 10 November 2024
Corresponding to 8 Jumada Al-Awal 1446 AH




Alkharashi & Co. Certified Accountants and Auditors-partnership Company CR:10116327044 member of Forvis Mazars



GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 September 2024
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Cash and cash equivalents	4	8,562	14,462
Murabaha deposit	5	206,673	152,926
Financial assets at fair value through profit or loss ("FVTPL")	6.1	56,421	53,572
Financial assets at fair value through other comprehensive income ("FVOCI")	6.2	43,462	43,462
Prepaid expenses and other assets	7	14,101	35,661
Reinsurance contract assets	9.1	35,528	44,583
Insurance contract asset	9.1	12,906	--
Property and equipment		11,847	13,532
Intangible assets		11,069	12,113
Right of use asset		4,518	5,407
Statutory deposit	8	44,986	74,986
Accrued income on statutory deposit		5,699	3,233
Goodwill		36,260	36,260
TOTAL ASSETS		492,032	490,197
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other liabilities		9,288	14,123
Insurance contract liabilities	9.1	180,479	160,763
Employees' defined benefit obligations		4,450	4,194
Zakat payable	12.1	2,469	2,973
Lease liabilities		4,464	4,518
Accrued income on statutory deposit		5,699	3,233
TOTAL LIABILITIES		206,849	189,804
EQUITY			
Share capital	13	300,000	500,000
Statutory reserve		2,165	2,165
Accumulated losses		(59,339)	(244,129)
Fair value reserve for investment		41,539	41,539
Re-measurement reserve of defined benefit obligations		818	818
TOTAL EQUITY		285,183	300,393
TOTAL LIABILITIES AND EQUITY		492,032	490,197
COMMITMENTS AND CONTINGENCIES	21	300	300



Director



Chief Financial Officer




Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2024
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
REVENUES					
Insurance revenue	14	108,454	69,408	301,349	234,687
Insurance service expenses	14	(103,563)	(56,754)	(291,683)	(225,431)
Net expenses from reinsurance contracts	14	(7,873)	(9,796)	(25,359)	(26,797)
Insurance service result from Company's directly written business		(2,982)	2,858	(15,693)	(17,541)
Share of surplus from insurance pools		--	4,239	1,363	23,226
Total insurance service results		(2,982)	7,097	(14,330)	5,685
Net gains / (losses) on investments measured at FVTPL		1,778	(1,261)	2,008	3,541
Commission income on financial asset not measured at FVTPL and Murabaha		3,169	1,373	8,991	5,057
Dividend income		198	175	401	472
Investment return		5,145	287	11,400	9,070
Net finance expenses from insurance contracts	15	(58)	(718)	(867)	(7,614)
Net finance income from reinsurance contracts	15	505	192	1,017	3,216
Net insurance finance expense		447	(526)	150	(4,398)
Net insurance and investment result		2,610	6,858	(2,780)	10,357
Operating expense		(3,011)	(4,464)	(8,015)	(9,080)
Net loss for the period before zakat		(401)	2,394	(10,795)	1,277
Zakat	12.1	(1,398)	(900)	(4,415)	(2,700)
NET LOSS FOR THE PERIOD		(1,799)	1,494	(15,210)	(1,423)
Loss per share (expressed in SAR per share) - Restated	17	(0.06)	0.05	(0.51)	(0.05)


Director


Chief Financial Officer


Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2024	2023	2024	2023
NET LOSS FOR THE PERIOD	(1,799)	1,494	(15,210)	(1,423)
Other comprehensive income	--	--	--	--
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,799)	1,494	(15,210)	(1,423)



Director



Chief Financial Officer



Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2024
(All amounts in Saudi Riyal thousands unless otherwise stated)

Note	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of defined benefit obligations	Total
Balance as at 1 January 2023 (audited)	500,000	2,165	(245,632)	37,780	1,370	295,683
<u>Total comprehensive income</u>						
Loss for the period	--	--	(1,423)	--	--	(1,423)
Other comprehensive income for the period	--	--	--	--	--	--
Total comprehensive loss for the period	--	--	(1,423)	--	--	(1,423)
Balance as at 30 September 2023 (Unaudited)	500,000	2,165	(247,055)	37,780	1,370	294,260
Balance at 1 January 2024 (Audited)	500,000	2,165	(244,129)	41,539	818	300,393
Total comprehensive income:						
Loss for the period	--	--	(15,210)	--	--	(15,210)
Other comprehensive income for the period	--	--	--	--	--	--
Total comprehensive loss for the period	--	--	(15,210)	--	--	(15,210)
Transaction with owners of the Company						
Reduction in share capital to absorb losses (note 13)	(200,000)	--	200,000	--	--	--
Balance at 30 September 2024 (Unaudited)	300,000	2,165	(59,339)	41,539	818	285,183



Director



Chief Financial Officer



Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)
For the nine-month periods ended 30 September 2024
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	30 September 2024	30 September 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Total loss for the period before zakat		(10,795)	1,277
<u>Adjustments for non-cash items:</u>			
Depreciation		1,709	1,716
Amortization of intangible assets		1,114	1,102
Amortization of right-of-use assets		889	805
Finance cost on lease liability		146	66
Net gain on financial assets at FVTPL		(2,008)	(5,529)
Employee defined benefit obligation		1,452	--
Commission income on FVTPL investments and Murabaha		(8,991)	(3,541)
Dividend income		(401)	(472)
		<u>(16,885)</u>	<u>(4,576)</u>
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liability		19,716	(14,941)
Insurance contract asset		(12,906)	--
Reinsurance contract asset		9,055	8,577
Prepaid and other assets		21,560	(2,384)
Accrued expenses and other liabilities		(4,835)	(15,586)
Cash generated from / (used in) operating activities		<u>15,705</u>	<u>(28,910)</u>
Zakat paid	12	(4,919)	(4,050)
End of service payments		<u>(1,196)</u>	<u>(1,726)</u>
Net cash generated from / (used in) operating activities		<u><u>9,590</u></u>	<u><u>(34,686)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(24)	(72)
Addition of intangibles		(70)	(131)
Commission income on FVTPL investments and Murabaha		8,991	--
Purchase of FVTPL investments		(841)	--
Dividend income		401	472
(Increase) / maturity of Murabaha deposits		(53,747)	35,000
Net cash (used in) / generated from investing activities		<u>(45,290)</u>	<u>35,269</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(200)	(422)
Release of statutory deposit		30,000	--
Net cash used in financing activities		<u>29,800</u>	<u>(422)</u>
Net increase in cash and cash equivalents		(5,900)	161
Cash and cash equivalents at the beginning of the period		<u>14,462</u>	<u>5,152</u>
Cash and cash equivalents at the end of the period	4	<u><u>8,562</u></u>	<u><u>5,313</u></u>

NON-CASH TRANSACTIONS:

Decrease of capital to absorb accumulated losses	13	(200,000)	--
			
Director			
			
Chief Financial Officer			
			
Chief Executive Officer			

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

1. General

Gulf General Cooperative Insurance Company ("GGCI" or the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce and Industry's Resolution number 12/Q dated 17 Muharram 1431H (corresponding to 3 January 2010) and registered under Commercial Registration number 4030196620 dated 9 Safar 1431H (corresponding to 25 January 2010). The registered address of the Company's head office is as follows:

Gulf General Cooperative Insurance Company
Al Gheithy Plaza, Second Floor,
Ameer Al Shoura'a Street
Jeddah, Kingdom of Saudi Arabia

The Company also has the following branches, which are operating under separate commercial registrations:

Branch	Commercial Registration No.	Date of Registration
Jeddah	4030376633	12 Jumada Al Khira 1441H (Corresponding to 6 February 2020)
Riyadh	1010316823	29 Shawwal 1432H (corresponding to 27 September 2011)
Al Khobar	2051046836	19 Dhul Qa'dah 1432H (corresponding to 17 October 2011)

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/85 dated 5 Thul Hujja 1429H (corresponding to 3 December 2008) pursuant to Council of Ministers' Resolution No. 365 dated 3 Thul Hujja 1429H (corresponding to 1 December 2008). The Company obtained a license to conduct insurance operations in the Kingdom of Saudi Arabia from the Saudi Arabian Monetary Authority ("SAMA") on 20 Rabi-al-Awwal 1431H (corresponding to 6 March 2010). The Company was listed on the Saudi Arabian Stock Exchange ("Tadawul") on 24 Safar 1431H (corresponding to 8 February 2010). From 23 November 2023 the Insurance Authority (IA) became the authorized regulator of the insurance industry in Saudi Arabia, however, laws and regulations issued previously by SAMA related to the insurance sector will remain in effect until further instructions are issued by the IA. IA, as the principal authority responsible for the application and administration of the Insurance Law and its Insurance Implementing Regulations. The objectives of the Company are to engage in providing insurance and related services, which include reinsurance, in accordance with its by-laws, and applicable regulations in the Kingdom of Saudi Arabia. Its principal lines of business include medical, motor, accident & liability, marine, property and engineering.

In accordance with the by-laws of the Company, the surplus arising from the insurance operations is distributed as follows:

Transfer to shareholders' operations	90%
Transfer to insurance operations	10%
	<u>100%</u>

In case of deficit arising from the insurance operations, the entire deficit is allocated and transferred to the shareholders' operations in full. In accordance with Article 70 of SAMA implementing regulations, the Company proposes to distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors. The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to 30 September 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to 19 January 2023) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. For certain provisions of the New Law and the amended CMA implementing regulations, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Law and will amend its By-laws with the amendments in the provisions required to align with the provisions of the New Law and the amended CMA implementing regulations, and with any other amendments that may take advantage of the New Law and the amended CMA implementing regulations. Consequently, the Company shall present the amended By-laws, within the timeframe allowed, to the shareholders in its Extraordinary General Assembly meeting for their ratification.

During the period the Company has signed a non-binding Memorandum of Understanding (the "MOU") with Gulf Union Al Ahlia Cooperative Insurance Company on 03/02/1446H corresponding to 7 August 2024 to evaluate a potential merger between the two companies.

Both companies will conduct operational, technical, financial, legal, and actuarial due diligence and engage in non-binding discussions on the terms and conditions of the potential merger. The proposed merger is subject to the completion of due diligence to the parties' satisfaction, agreement on final terms and conditions of the merger agreement, and the approval of the competent authorities and the general assemblies of the Company and Gulf Union Al Ahlia Cooperative Insurance.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

1. General (continued)

1.2 Portfolio transfer

On 19 May 2012, the Company entered into an agreement with Saudi General Insurance Company E.C. ("SGI") and Gulf Cooperation Insurance Company Ltd. E.C. ("GCI") (the "Sellers") pursuant to which it acquired the sellers' insurance operations in the Kingdom of Saudi Arabia, effective 1 January 2009, at a goodwill amount of SR 36.26 million, as approved by SAMA, along with the related insurance assets and liabilities of an equivalent amount. The goodwill payments are governed by rules and regulations issued by SAMA in this regard and are also subject to SAMA approval. In December 2013, consequent to SAMA's approval, a sum of SR 18.13 million payable to the Sellers for goodwill was adjusted against amount receivable from them. Further, SAMA's approved additional payment of SR 5.37 million to the Sellers relating to 2012 profits, which was transferred to amount due to related parties, as at 31 December 2013, and settled in 2014. Further, during the year ended 31 December 2014, consequent to SAMA's approval, dated 28 Shawwal 1435H (corresponding to 24 August 2014), a payment of SR 2.96 million was made to the Sellers in respect of goodwill, out of 2013 profits. During the year ended 31 December 2015, consequent to SAMA's approval, dated 3 Rajab 1436H (corresponding to April 22, 2015), a final payment of SR 9.80 million was made to the Sellers in respect of goodwill, out of 2014 profits.

2 Basis of preparation

(a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

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

The condensed interim financial statements may not be considered indicative of the expected results for the full year.

(b) Basis of measurement

The condensed interim financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method. The Company's interim condensed statement of financial position is presented in order of liquidity. Except for property and equipment, intangible assets, investments, statutory deposit and accident and liability and engineering related insurance and reinsurance contracts, all other assets and liabilities are of short-term nature, unless, stated otherwise. The current and non-current classification of the assets and liabilities have not changed since the year ended 31 December 2023.

(c) Functional and presentation currency

These financial statements have been presented in Saudi Arabian Riyals ("Saudi Riyals" or "SR" or "SAR"), which is also the functional currency of the Company. All financial information presented in SR has been rounded to the nearest thousands, except where otherwise indicated.

(d) Basis of presentation

The condensed interim financial statements do not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2023. In addition, results for the interim three-month and nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

(e) Seasonality of operations

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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

2 Basis of preparation (continued)

(f) Going concern

The Company's management has made an assessment of its ability to continue as a going concern, although the Company's has losses of SR 15.2 million for the period ended 30 September 2024 and the accumulated losses reached to SAR 59.3 million as of 30 September 2024 which represents 19.8% of its share capital, however the management is satisfied that it has the resources to continue its business for the foreseeable future, specially the Company has achieved positive operating cash flows during the period of SR 9.5 million .

Following an amendment made to the Co-operative Insurance Company Law in accordance with the Royal Decree (M/12) dated 23/1/144AH (corresponding to 01/09/2021) requires the minimum capital of insurance company to be SR 300 million by 15 December 2024 from the current requirement of SR 100 million.

In light of recent financial challenges and the stop of pool revenue that was contributed directly to the profitability, management has prioritized a strategic initiative aimed at attracting and retaining profitable customer segments to fortify the company's financial stability and long-term viability. As part of this initiative, a comprehensive review of pricing strategies has been undertaken to ensure that underwriting practices aligns with the Company's profitability objectives.

By concentrating on customer segments that positively impact the bottom line, the company seeks to enhance revenue quality and overall financial performance. This strategic shift includes the implementation of a dynamic pricing model, allowing for adjustments based on prevailing market conditions, competitive dynamics, and individual risk assessments. Furthermore, the company has developed targeted underwriting criteria tailored to distinct customer segments and risk profiles. This approach ensures that premium levels are not only appropriate but also sustainable, thereby reinforcing our commitment to profitability and the long-term success of the organization.

The management of the Company has prepared and in the implementation process of its business plan for future prospects of the Company with approval by the Board of Directors and has undertaken strategic initiatives to address the accumulated losses started by the reduction of the accumulated losses by SAR 200 million which approved by General Assembly in its extra ordinary meeting held on 19 March 2024 and reflected in the accounting records, further, the steps being taken by the management to improve performance included operational measures to enhance claims management; manage cost rationalization through expense control and reducing discretionary spending, and work toward improve the portfolio mix by focusing on more profitable lines of business and products. Company has also put in place measures such as actuarial pricing tools and periodic business reviews to support better business decisions.

Moreover, the company had signed a non-binding Memorandum of Understanding (the "MOU") with Gulf Union Al Ahlia Cooperative Insurance Company dated 7 August 2024 corresponding to 3 Safar 1446H to evaluate the potential merger between both Companies, where a serious actions taken by both parties to proceed with this merger. Due to this merger, the board has decided to suspend the previously approved decision taken in its meeting held on 18 March 2024 to increase the company's capital with an amount of SR 300 million through right issue until further notice.

Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Based on the above measures taken by the management, along with positive operating cashflows, and existing cash and cash equivalents and other liquid assets, the management and those charged with governance remain confident that going concern assumption is valid. Based on the above these condensed interim financial statements have been prepared on a going concern basis.

3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statement as at and for the year ended 31 December 2023, except for the adoption of new and revised standards disclosed below (note 3.1) which become effective as of 1 January 2024, the Company has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

A number of other amendments became applicable for the current reporting period i.e. for reporting periods beginning on or after 1 January 2024 . The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below, further they did not have a material effect on the Company's financial statements:

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

3. Material accounting policies (continued)**3.1 New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company (continued)**

<u>Interpretation</u>	<u>Description</u>
IAS 1	<i>Non – current liability with covenants - Amendment to IAS 1 and classification of liabilities as current or non-current - Amendment to IAS 1</i>
IFRS 16	<i>Lease liability in a sale or leaseback – Amendment to IFRS 16</i>
IAS 7 and IFRS 7	<i>Supplier finance arrangements – Amendment to IAS 7 and IFRS 7</i>

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

<u>Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 21	<i>Lack of exchangeability</i>	1 January 2025
Amendments to IFRS 10 and IAS 28	<i>Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)</i>	Available for optional adoption / effective date deferred indefinitely
New standard "IFRS 18"	<i>IFRS 18, 'Presentation and Disclosure in Financial Statements'</i>	01 January 2027
New standard "IFRS 19"	<i>IFRS 19, 'Reducing subsidiaries disclosures'</i>	01 January 2027

3.2 Critical accounting judgments, estimates and assumptions.

The preparation of condensed interim financial statements requires 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 disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2023.

4 Cash and cash equivalents

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Insurance operations		
Cash in hand	10	17
Cash at bank	8,563	14,456
Expected credit loss ("ECL")	(11)	(11)
	8,562	14,462

The bank balances and deposits are with banks, registered in Saudi Arabia and are denominated in Saudi Riyals.

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Global ratings' of AAA to BBB, whereas non-investment grade represents un-rated exposures. The Company's exposures to credit risk are not collateralized.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

5 Murabaha deposit

Murabaha deposits comprises the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Murabaha deposits	200,449	149,449
Accrued income	6,260	3,498
Expected credit loss ("ECL")	(36)	(21)
	<u>206,673</u>	<u>152,926</u>

5.1 Murabaha deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 5.52% to 6.10% per annum (31 December 2023: 5.4% to 6.1% per annum). The gross carrying amount of Murabaha deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Global ratings of A to BBB. The Company's exposures to credit risk are not collateralized.

6 Financial assets at fair value through profit or loss ("FVTPL")**6.1 Investments held as fair value through profit or loss**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Equity securities	17,555	16,800
Mutual funds	33,866	31,772
Sukuks (6.1.1)	5,000	5,000
	<u>56,421</u>	<u>53,572</u>

6.1.1 Investment in Tier-1 sukuks:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Saudi Fransi Bank Sukuks	2,000	2,000
Al Rajhi Bank – Sukuks	3,000	3,000
	<u>5,000</u>	<u>5,000</u>

These represents the Company's investment in Banque Saudi Fransi and AlRajhi Tier 1 Sukuks. These represent 2 Sukuks at a face value of SR 5 million with a coupon rate of 4.50% and 5.5% per annum. Al Rajhi Bank sukuk has a maturity duration of 5 years commencing from 3 November 2020, whereas Saudi Fransi Bank sukuk is perpetual in nature. The Company has earned commission income of SR 0.19 million during the period (30 September 2023: SR 0.19 million). The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks classified as FVTPL.

The investments are denominated in Saudi Arabian Riyals and US Dollars. All investments held at fair value through profit or loss are quoted. The portfolio is invested in securities, mutual funds and Sukuks issued by corporates and financial institutions in the Kingdom of Saudi Arabia.

6.1.2 Movement of investments held at through profit or loss

	30 September 2024 (Unaudited)	31 December 2023 (Unaudited)
Balance at beginning of the period	53,572	44,867
Addition during the period	841	--
Unrealised gain during the period	2,008	8,705
Balance at end of the period	<u>56,421</u>	<u>53,572</u>

6.2 Investments held at FVOCI

This represents the Company's 3.45% (31 December 2023: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value. The Company's management believe the fair value does not significantly changed than December 31, 2023.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

7 Prepaid expenses and other assets

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Prepayment	9,202	16,802
Due from Tawuniya for pool deals	1,236	12,165
Due from travel and covid-19 products	472	4,294
Staff receivables	522	462
Bank guarantee	300	300
Other	2,411	1,919
	14,143	35,942
Expected credit loss ("ECL")	(42)	(281)
	14,101	35,661

8 Statutory Deposit

During the period, the Company has obtained a no objection certificate ("NOC") from SAMA dated 9 May 2024 with regards to release of SR 30 million of the statutory deposit, from the bank designated by SAMA. The release was done on account of reduction in the share capital of the Company by SR 500 million to SR 300 million based on extra ordinary meeting dated 19 March 2024. The statutory deposit as at 30 September 2024 amounted to SR 45 million which is equivalent to 15% of the share capital of the Company which is in compliance with Article 58 of the "Executive Regulations of the Cooperative Insurance Companies Control Law".

9 Insurance and reinsurance contracts**9.1 Composition of statement of financial position**

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

	Medical	Motor- TPL	Motor- Comp	Property	Engineering	Marine	Accident & liability	Total
As at 30 September 2024 (Unaudited)								
Insurance Contracts								
Insurance contract assets	--	--	(12,906)	--	--	--	--	(12,906)
Insurance contract liabilities	12,777	148,857	--	1,529	2,992	2,871	11,453	180,479
	12,777	148,857	(12,906)	1,529	2,992	2,871	11,453	167,573
Reinsurance contracts								
Reinsurance contract assets	214	9,382	8,314	8,834	1,368	1,293	6,123	35,528
Reinsurance contract liabilities	--	--	--	--	--	--	--	--
	214	9,382	8,314	8,834	1,368	1,293	6,123	35,528
As at 31 December 2023 (Audited)								
Insurance Contracts								
Insurance contract assets	--	--	--	--	--	--	--	--
Insurance contract liabilities	32,427	66,957	27,715	14,740	3,030	3,382	12,512	160,763
	32,427	66,957	27,715	14,740	3,030	3,382	12,512	160,763
Reinsurance contracts								
Reinsurance contract assets	2,488	12,041	7,087	12,388	2,886	2,331	5,362	44,583
Reinsurance contract liabilities	--	--	--	--	--	--	--	--
	2,488	12,041	7,087	12,388	2,886	2,331	5,362	44,583

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

9 Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims

9.2.1 Insurance contracts:

	As at 30 September 2024 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities - opening	109,546	6,981	41,709	2,527	160,763
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (audited)	109,546	6,981	41,709	2,527	160,763
Insurance revenue	(301,349)	--	--	--	(301,349)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	178,261	1,442	179,703
Onerous contracts recognized	--	--	--	--	--
Changes that relate to past service - adjustments to the LIC	--	--	71,121	(2,073)	69,048
Reversal of losses on onerous contracts	--	(5,217)	--	--	(5,217)
Insurance acquisition cash flows amortisation	48,149	--	--	--	48,149
Insurance service expenses	48,149	(5,217)	249,382	(631)	291,683
Finance expense from insurance contracts	--	--	867	--	867
Total changes in the statement of income	(253,200)	(5,217)	250,249	(631)	(8,799)
Cash flows					
Premiums received	315,163	--	--	--	315,163
Other charges	--	--	--	--	--
Claims and other directly attributable expenses paid	--	--	(250,362)	--	(250,362)
Insurance acquisition cash flows paid	(49,192)	--	--	--	(49,192)
Total cash inflows / (outflows)	265,971	--	(250,362)	--	15,609
Insurance contracts					
Insurance contract liabilities – closing	121,892	1,764	54,822	2,001	180,479
Insurance contract assets – closing	425	--	(13,226)	(105)	(12,906)
Closing balance – net (Unaudited)	122,317	1,764	41,596	1,896	167,573

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

9 Insurance and reinsurance contracts (continued)**9.2 Analysis by remaining coverage and incurred claims (continued)****9.2.2 Insurance contracts (continued):**

	As at 31 December 2023 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	32,873	22,408	101,346	4,148	160,775
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	32,873	22,408	101,346	4,148	160,775
Insurance revenue	(315,646)	--	--	--	(315,646)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	188,846	1,766	190,612
Onerous contracts recognized	--	--	--	--	--
Changes that relate to past service - adjustments to the LIC	--	--	68,788	(3,387)	65,401
Reversal of losses on onerous contracts	--	(15,427)	--	--	(15,427)
Insurance acquisition cash flows amortisation	44,761	--	--	--	44,761
Insurance service expenses	44,761	(15,427)	257,634	(1,621)	285,347
Finance expense from insurance contracts	--	--	7,886	--	7,886
Total changes in the statement of income	(270,885)	(15,427)	265,520	(1,621)	(22,413)
Cash flows					
Premiums received	395,970	--	--	--	395,970
Other charges	--	--	--	--	--
Claims and other directly attributable expenses paid	--	--	(325,157)	--	(325,157)
Insurance acquisition cash flows paid	(48,412)	--	--	--	(48,412)
Total cash inflows / (outflows)	347,558	--	(325,157)	--	22,401
Insurance contracts					
Insurance contract liabilities – closing	109,546	6,981	41,709	2,527	160,763
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	109,546	6,981	41,709	2,527	160,763

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

9.3 Analysis by remaining coverage and incurred claims (continued)

9.3.1 Reinsurance contracts held (continued):

	As at 30 September 2024				Total
	Asset for remaining coverage		Asset for incurred claims		
	Excluding recovery component	Recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	18,334	1,187	23,979	1,083	44,583
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	18,334	1,187	23,979	1,083	44,583
Reinsurance premium earned	(35,578)	--	--	--	(35,578)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	--	--	9,116	179	9,295
Changes that relate to past service - adjustments to the LIC	--	--	2,708	(729)	1,979
Effect of changes in the risk of reinsurers non-performance	--	--	--	--	--
Reversal of loss component	--	(1,055)	--	--	(1,055)
Reinsurance acquisition cash flows amortisation	--	--	--	--	--
Reinsurance service expenses - net	--	(1,055)	11,824	(550)	10,219
Finance income from reinsurance contracts	--	--	1,017	--	1,017
Total changes in the statement of income	(35,578)	(1,055)	12,841	(550)	(24,342)
Cash flows					
Premiums ceded and acquisition cash flows paid	22,635	--	--	--	22,635
Recoveries from reinsurance	(3,408)	--	(3,940)	--	(7,348)
Total cash (outflows) / inflows	19,227	--	(3,940)	--	15,287
Reinsurance contracts					
Reinsurance contract assets – closing	1,983	132	32,880	533	35,528
Reinsurance contract liabilities - closing	--	--	--	--	--
Closing balance – net (Unaudited)	1,983	132	32,880	533	35,528

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

9 Insurance and reinsurance contracts (continued)**9.3 Analysis by remaining coverage and incurred claims (continued)****9.3.2 Reinsurance contracts held (continued):**

	As at 31 December 2023 (Audited)				Total
	Asset for remaining coverage		Asset for incurred Claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets - opening	19,560	2,857	33,023	1,353	56,793
Reinsurance contract liabilities - opening	--	--	--	--	--
Opening balance – net	19,560	2,857	33,023	1,353	56,793
Reinsurance premium earned	(64,012)	--	--	--	(64,012)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	--	--	37,672	(270)	37,402
Changes that relate to past service - adjustments to the LIC	--	--	(10,548)	--	(10,548)
Reversal of recovery component	--	(1,670)	--	--	(1,670)
Effect of changes in the risk of reinsurers non-performance	--	--	--	--	--
Reinsurance acquisition cash flows amortisation	--	--	--	--	--
Reinsurance service expenses - net	--	(1,670)	27,124	(270)	25,184
Finance income from reinsurance contracts	--	--	3,379	--	3,379
Total changes in the statement of profit or loss	(64,012)	(1,670)	30,503	(270)	(35,449)
Cash flows					
Premiums ceded and acquisition cash flows paid	62,786	--	--	--	62,786
Recoveries from reinsurance	--	--	(39,547)	--	(39,547)
Total cash (outflows) / inflows	62,786	--	(39,547)	--	23,239
Reinsurance contracts					
Reinsurance contract assets – closing	18,334	1,187	23,979	1,083	44,583
Reinsurance contract liabilities - closing	--	--	--	--	--
Closing balance – net	18,334	1,187	23,979	1,083	44,583

10 Financial Risk Management

The Company generally has exposure to the financial risks, credit risk, liquidity risk, market risk and capital management. Generally, the Company's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements for the year ended 31 December 2023.

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 these financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

10 Financial Risk Management (continued)

Fair values of financial instruments (continued)

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. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the year end. There are no transfers between Level 1, Level 2 and Level 3 during the year.

The following table shows the carrying value and fair value of financial assets measured at fair value at 30 September 2024 and 31 December 2023:

	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Fair value		
			Level 1	Level 2	Level 3
30 September 2024 (Unaudited)					
Financial assets measured at fair value					
Equity	17,555	43,462	17,555	--	43,462
Mutual funds	33,866	--	--	33,866	--
Sukuks	5,000	--	--	5,000	--
	56,421	43,462	17,555	38,866	43,462
31 December 2023 (Audited)					
Financial assets measured at fair value					
Equity	16,800	43,462	16,800	--	43,462
Mutual funds	31,772	--	--	31,772	--
Sukuks	5,000	--	--	5,000	--
	53,572	43,462	16,800	36,772	43,462

The fair value of investments in mutual funds and sukuks at level 2 is based on the net asset values and value of similar quoted sukuks communicated by the fund manager. The fair value of investments in equity securities at level 1 is based on quoted prices that are available on Tadawul.

There were no transfers between levels during the nine-months period ended 30 September 2024 and the year ended 31 December 2023. Further, there were no changes in the valuation techniques during the period from previous periods.

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the year	43,462	39,703
Fair value gain	--	3,759
Balance at the end of the year	43,462	43,462

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

10 Financial Risk Management (continued)**Fair values of financial instruments (continued)****Determination of fair value and fair value hierarchy (continued)****Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy (continued)**

The below table shows significant unobservable inputs used in the valuation of level 3 investments and their respective sensitivities.

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	30	31	30	31	30	31	
	September 2024 (Unaudited)	December 2023 (Audited)	September 2024 (Unaudited)	December 2023 (Audited)	September 2024 (Unaudited)	December 2023 (Audited)	
Unquoted equity investment in Najm	43,462	43,462	Earnings growth factor	Earnings growth factor	6.9%	6.9%	Reducing the Earnings growth factor to 5%, would decrease the fair value by SR 0.8 million. (2023: Reducing the Earnings growth factor to 10%, would decrease the fair value by SR 0.8 million)
			WACC	WACC	16.5%	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by SR 1.2 million. (2023: SR 1.2 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by SR 0.7 million. (2023: SR 0.7 million)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

11 Related party transactions and balances**11.1 Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and it includes shareholder, directors, and key management personnels. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of all the related party transactions during the year and the related balances which offset from liabilities for remining claims as part of the IFRS 17 requirements:

The significant transactions with related parties and the related amounts are as follows:

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Transaction for the nine -months period ended</u>		<u>Transaction for the nine- months period ended</u>		<u>Balance receivable / (payable) as at</u>	
			<u>30 September 2024</u> <u>(Unaudited)</u>	<u>30 September 2023</u> <u>(Unaudited)</u>	<u>30 September 2024</u> <u>(Unaudited)</u>	<u>30 September 2023</u> <u>(Unaudited)</u>	<u>30 September 2024</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>(Audited)</u>
Insurance operations								
Saudi General Insurance Company Ltd. E.C.	Shareholder	Expenses paid	--	--	--	--	(309)	(309)
Rolaco Group	Related to Shareholders	Premiums underwritten.	25	18	546	67	12	7
		Claims paid		(3)	--	(11)	(60)	(5)
Dabbagh Group	Related to Shareholders	Premiums underwritten	(135)	40	1,027	3,360	1,499	1,734
		Claims paid	(317)	(747)	(779)	(4,161)	(2,007)	(1,790)
Raghaf Establishment	Related to Shareholders	Premiums underwritten.	(2)	--	72	85	--	--
		Claims paid	(22)	(15)	(67)	(16)	(21)	(12)
Key Management Personnel		Short-term benefits	1,556	1,136	4,667	3,247	--	--
		Long-term benefits	65	48	195	140	(461)	(219)
Shareholders' operations								
Board of Directors		Board of Directors remuneration and related expenses	450	450	1,350	750	1,350	1,800

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

12 Zakat

12.1 Zakat Provision

Movements in the Zakat provision during the period ended 30 September 2024 and year ended 31 December 2023 are as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at beginning of the period / year	2,973	4,236
Provided during the period / year	4,415	2,787
Paid during the period / year	(4,919)	(4,050)
Balance as at end of the period / year	2,469	2,973

12.3 Status of assessments

The Company has filled its Zakat assessment returns for the years ended 31 December 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 and has obtained the related zakat certificates.

Year ended 31 December 2010 to 2018

The Company has finalized its Zakat and WHT status for the period/years from 31 December 2010 to 2018.

Year ended 31 December 2019 to 2020

ZATCA issued the Zakat assessment for the years ended 31 December 2019 and 2020 and claimed additional Zakat liability of SR 1.39 million. The Company objected against the full assessment. ZATCA issued the revised assessment claiming the same Zakat differences. The Company escalated the said objection to the Committee for Resolution of Tax Violations and Disputes "CRTVD" through the General Secretariat of Tax Committees ("GSTC") and the committee has accepted only the deferred policy acquisition cost and the revised zakat liability is SR 0.92 million. Accordingly, the company has escalated the case to the Appellate Committee for Resolution of Tax Violations and Disputes "ACRTVD". On 23 November 2023, the ACTVDR has ruled its final decision in favour of ZATCA and rejected the Deferred Policy Acquisition Cost. Therefore, the Company has settled the Zakat due as per the decision amounting to SR 0.62 million for the year 2019. The amount was adjusted against the credit balance with ZATCA.

With regards to tax year 2020, ACTVDR has ruled its final decision almost in favor of ZATCA with partial investment acceptance and rejecting Surplus Distribution Payable, Deferred Policy Acquisition Cost and Accumulated Losses. The company has settled the Zakat due as per the decision amounting to SR 0.2 million.

Year ended 31 December 2021 to 2022

ZATCA has issued the Zakat assessments for the years ended 31 December 2021 and 2022 and claimed additional Zakat liability of SR 0.58 million and SR 0.91 million respectively. The Company is under an objection process at ZATCA level.

13 Share capital

The share capital of the Company is SR 300 million divided into 30 million shares of SR 10 each (31 December 2023: 50 million shares of SR 10 each). The shareholding structure of the Company is as below.

	30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Percentage of Holding	Amount SR '000	Percentage of Holding	Percentage of Holding
Founding shareholders	12%	36,000	12%	60,000
General public	88%	264,000	88%	440,000
	100%	300,000	100%	500,000

During the period, the Company has announced the results of the Extraordinary General meeting held on 19 March 2024 corresponding to 9 Ramadan 1445H which approved the Board recommendation for decrease in the share capital of the Company by SR 200 million. The reduction in the share capital set off against the accumulated losses of the Company.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

14 Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for 30 September 2024 and 30 September 2023 is included in following tables. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

for the nine-months period ended	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
30 September 2024 (Unaudited)								
Insurance revenue from contracts measured under PAA	27,960	79,399	161,070	16,895	2,407	7,143	6,475	301,349
Insurance revenue – total	27,960	79,399	161,070	16,895	2,407	7,143	6,475	301,349
Incurring claims and other directly attributable expenses	(28,995)	(30,652)	(110,465)	(2,971)	(1,317)	(3,184)	(2,119)	(179,703)
Changes that relate to past service - adjustments to the LIC	(7,213)	(34,693)	(31,579)	3,005	390	93	949	(69,048)
(Losses) on onerous contracts and reversal of the losses	5,217	--	--	--	--	--	--	5,217
Insurance acquisition cash flows amortisation	(2,617)	(15,034)	(25,316)	(2,718)	(479)	(870)	(1,115)	(48,149)
Insurance service expenses – total	(33,608)	(80,379)	(167,360)	(2,684)	(1,406)	(3,961)	(2,285)	(291,683)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	649	2,083	371	3,072	251	1,607	1,262	9,295
Reinsurance acquisition cash flows amortisation	--	--	--	--	--	--	--	--
Reinsurance premium ceded	(2,801)	(5,376)	(7,964)	(11,193)	(2,300)	(5,418)	(526)	(35,578)
Movement in Loss Recovery Component adjustment to reinsurance	(1,055)	-	-	-	-	-	-	(1,055)
Changes that relate to past service - adjustments to incurred claims	87	4,248	6,007	(5,024)	(351)	(303)	(2,685)	1,979
Net income / (expenses) from reinsurance contracts held - total	(3,120)	955	(1,586)	(13,145)	(2,400)	(4,114)	(1,949)	(25,359)
Insurance service result – total	(8,768)	(25)	(7,876)	1,066	(1,399)	(932)	2,241	(15,693)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

14 Insurance revenue and expenses (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
for the nine-months period ended 30 September 2023 (Unaudited)								
Insurance revenue from contracts measured under PAA	32,755	139,407	23,419	17,165	3,930	10,236	7,775	234,687
Insurance revenue – total	32,755	139,407	23,419	17,165	3,930	10,236	7,775	234,687
Incurring claims and other directly attributable expenses	(21,034)	(77,258)	(12,266)	(6,648)	(2,211)	(12,011)	3,689	(127,739)
Changes that relate to past service - adjustments to the LIC (Losses) on onerous contracts and reversal of the losses	(14,068)	(61,874)	(10,561)	(725)	148	589	3,567	(82,924)
Insurance acquisition cash flows amortisation	2,065	16,395	247	--	--	--	--	18,707
Insurance service expenses – total	(2,211)	(21,723)	(4,695)	(2,349)	(489)	(1,021)	(987)	(33,475)
Reinsurance income (expenses) - contracts measured under the PAA	(35,248)	(144,460)	(27,275)	(9,722)	(2,552)	(12,443)	6,269	(225,431)
Claims recovered	4,594	8,966	383	7,887	757	2,807	4,071	29,465
Reinsurance acquisition cash flows amortisation	--	1,621	166	3,148	625	2,141	1,045	8,746
Reinsurance premium ceded	(3,521)	(17,502)	(2,629)	(15,804)	(3,744)	(9,450)	(4,033)	(56,683)
Movement in Loss Recovery Component adjustment to reinsurance	(119)	(2,131)	(28)	--	--	--	--	(2,278)
Changes that relate to past service - adjustments to incurred claims	(3,220)	5,944	3,308	(4,589)	(199)	(2,476)	(4,815)	(6,047)
Net income / (expenses) from reinsurance contracts held – total	(2,266)	(3,102)	1,200	(9,358)	(2,561)	(6,978)	(3,732)	(26,797)
Insurance service result – total	(4,759)	(8,155)	(2,656)	(1,915)	(1,183)	(9,185)	10,312	(17,541)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

14 Insurance revenue and expenses (continued)

for the three-months period ended 30 September 2024 (Unaudited)	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Insurance revenue from contracts measured under PAA	6,636	27,285	63,793	5,377	1,010	2,487	1,866	108,454
Insurance revenue – total	6,636	27,285	63,793	5,377	1,010	2,487	1,866	108,454
Incurred claims and other directly attributable expenses	(6,122)	(20,436)	(41,705)	(1,005)	(511)	(1,163)	(724)	(71,666)
Changes that relate to past service - adjustments to the LIC	(4,453)	(39)	(14,862)	(27)	92	(144)	1,193	(18,240)
(Losses) on onerous contracts and reversal of the losses	2,939	-	-	-	-	-	-	2,939
Insurance acquisition cash flows amortisation	(622)	(5,157)	(9,226)	(844)	(177)	(255)	(315)	(16,596)
Insurance service expenses – total	(8,258)	(25,632)	(65,793)	(1,876)	(596)	(1,562)	154	(103,563)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	153	1,907	538	3,072	239	999	1,262	8,170
Reinsurance acquisition cash flows amortisation	-	-	-	-	-	-	-	-
Reinsurance premium ceded	(464)	(1,153)	(2,477)	(4,240)	(893)	(1,950)	(832)	(12,009)
Movement in Loss Recovery Component adjustment to reinsurance	(221)	-	-	-	-	-	-	(221)
Changes that relate to past service - adjustments to incurred claims	(444)	1,059	1,896	(3,092)	(252)	(557)	(2,423)	(3,813)
Net income / (expenses) from reinsurance contracts held - total	(976)	1,813	(43)	(4,260)	(906)	(1,508)	(1,993)	(7,873)
Insurance service result – total	(2,598)	3,466	(2,043)	(759)	(492)	(583)	27	(2,982)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

14 Insurance revenue and expenses (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
for the three-months period ended 30 September 2023 (Unaudited)								
Insurance revenue from contracts measured under PAA	11,205	34,874	10,631	5,860	1,391	2,922	2,525	69,408
Insurance revenue – total	11,205	34,874	10,631	5,860	1,391	2,922	2,525	69,408
Incurred claims and other directly attributable expenses	12,897	(14,540)	3,708	4,499	(1,064)	(1,361)	5,663	9,802
Changes that relate to past service - adjustments to the LIC	(28,280)	(12,936)	(11,736)	(4,946)	398	1,115	(5,917)	(62,302)
(Losses) on onerous contracts and reversal of the losses	(475)	6,458	195	--	--	--	--	6,178
Insurance acquisition cash flows amortisation	(859)	(5,555)	(2,444)	(755)	(163)	(363)	(293)	(10,432)
Insurance service expenses – total	(16,717)	(26,573)	(10,277)	(1,202)	(829)	(609)	(547)	(56,754)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	1,553	3,560	1,433	5,406	545	597	400	13,494
Reinsurance acquisition cash flows amortisation	--	460	40	1,049	216	679	271	2,715
Reinsurance premium ceded	(1,694)	(4,582)	(1,009)	(5,182)	(1,268)	(2,878)	(1,167)	(17,780)
Movement in Loss Recovery Component adjustment to reinsurance	122	(765)	(28)	--	--	--	--	(671)
Changes that relate to past service - adjustments to incurred claims	604	1,638	(1,898)	(5,900)	(315)	(403)	(1,280)	(7,554)
Net income / (expenses) from reinsurance contracts held – total	585	311	(1,462)	(4,627)	(822)	(2,005)	(1,776)	(9,796)
Insurance service result – total	(4,927)	8,612	(1,108)	31	(260)	308	202	2,858

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

15 Insurance finance expense - net

An analysis of the net insurance finance expenses by product line is presented below:

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the nine-month period ended 30 September 2024 (Unaudited)								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(11)	272	(618)	(172)	(41)	(65)	(232)	(867)
Finance expense from insurance contracts issued	(11)	272	(618)	(172)	(41)	(65)	(232)	(867)
Finance income from reinsurance contracts held								
Interest accreted	50	246	168	282	42	74	155	1,017
Finance income from reinsurance contracts held	50	246	168	282	42	74	155	1,017
Insurance finance expense – net	39	518	(450)	110	1	9	(77)	150

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the nine-months period ended 30 September 2023								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(2,517)	775	(1,723)	(2,217)	(182)	(475)	(1,275)	(7,614)
Finance income / (expense) from insurance contracts issued	(2,517)	775	(1,723)	(2,217)	(182)	(475)	(1,275)	(7,614)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	226	10	227	1748	120	345	540	3,216
Finance income / (expense) from reinsurance contracts held	226	10	227	1748	120	345	540	3,216
Insurance finance expense - net	(2,291)	785	(1,496)	(469)	(62)	(130)	(735)	(4,398)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the three-months period ended 30 September 2024								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(68)	236	(48)	(32)	(14)	(22)	(110)	(58)
Finance income / (expense) from insurance contracts issued	(68)	236	(48)	(32)	(14)	(22)	(110)	(58)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	22	149	114	105	17	33	65	505
Finance income / (expense) from reinsurance contracts held	22	149	114	105	17	33	65	505
Insurance finance expense - net	(46)	385	66	73	3	11	(45)	447

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

15 Insurance finance expense – net (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the three-months period ended 30 September 2023								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(227)	(84)	(102)	(170)	(15)	(40)	(80)	(718)
Finance income / (expense) from insurance contracts issued	(227)	(84)	(102)	(170)	(15)	(40)	(80)	(718)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	6	(5)	23	113	7	20	28	192
Finance income / (expense) from reinsurance contracts held	6	(5)	23	113	7	20	28	192
Insurance finance expense - net	(221)	(89)	(79)	(57)	(8)	(20)	(52)	(526)

16 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.

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

17 Loss per share

The calculation of basic and diluted earnings per share has been based on the distributable earnings attributable to shareholder of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the interim condensed financial statements, after adjustment for the effects of all dilutive potential ordinary shares, if any.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited) (Restated)	2024 (Unaudited)	2023 (Unaudited) (Restated)
Loss for the period	(1,799)	1,494	(15,210)	(1,423)
Weighted average number of ordinary shares for basic and diluted EPS	30,000	30,000	30,000	30,000
Earnings per share - basic and diluted	(0.06)	0.05	(0.51)	(0.05)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

17 Loss per share (continued)

As disclosed in note 13 the shareholder approved the reduction of share capital by 20 million shares. Accordingly, the number of the total shares of the Company has decreased from 50 million shares to 30 million shares without any impact on the effective shareholding interest. The per share calculations for both basic and diluted EPS reflects the retrospective adjustment for this decrease in the total number of shares as the reduction in the share capital was done without any corresponding change in the resource of the Company.

During the period, there are no other transactions that might impact the diluted earnings per share and therefore, the earnings per diluted share are not different from the basic earnings per share.

18 Operating segments

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker (CODM) 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 CODM is measured in a manner consistent with that in the statement of income. Segment assets and liabilities comprise operating assets and liabilities. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2023.

Segment assets do not include cash and cash equivalents, short-term deposits, premiums receivables, investments, due from reinsurers, prepaid expenses and other assets, property and equipment, intangible assets, statutory deposit and accrued income on statutory deposit. Accordingly, they are included in unallocated assets. Segment liabilities do not include policyholders payable, accrued expenses and other liabilities, due to reinsurers, agents, brokers and third-party administrators, surplus distribution payable, zakat and income tax payable, and accrued income on statutory deposit payable to SAMA. Accordingly, they are included in unallocated liabilities. These unallocated assets and liabilities are not reported to CODM under related segments and are monitored on a centralized basis. For management reporting purposes, the Company is organised into business units on the basis of products and services offered by the Company.

The segment information provided to the CODM for the reportable segments for the Company's total assets and liabilities at 30 September 2024 and 31 December 2023, its total revenues, expenses, and net income for the period ended 30 September 2024 and 30 September 2023, are as follows:

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

	Medica l	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the nine- months period ended 30 September 2024 (Unaudited)								
Insurance revenue	27,960	79,399	161,070	16,895	2,407	7,143	6,475	301,349
Insurance service expense	(33,608)	(80,379)	(167,360)	(2,684)	(1,406)	(3,961)	(2,285)	(291,683)
Net expense from reinsurance contracts held	(3,120)	955	(1,586)	(13,145)	(2,400)	(4,114)	(1,949)	(25,359)
Insurance service result from Company's directly written business	(8,768)	(25)	(7,876)	1,066	(1,399)	(932)	2,241	(15,693)
Share of surplus from insurance pools								1,363
Total insurance service results								(14,330)
Net gains on investments measured at FVTPL								2,008
Commission income on financial asset not measured at FVTPL and Murabaha								8,991
Dividend income								401
Net investment income								11,400
Finance income from insurance contracts issued	(11)	272	(618)	(172)	(41)	(65)	(232)	(867)
Finance expenses from reinsurance contracts held	50	246	168	282	42	74	155	1,017
Net insurance finance expense	39	518	(450)	110	1	9	(77)	150
Other operating expenses								(8,015)
Net loss before Zakat								(10,795)
Zakat								(4,415)
Net loss								(15,210)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the nine- months period ended 30 September 2023 (Unaudited)								
Insurance revenue	32,755	139,407	23,419	17,165	3,930	10,236	7,775	234,687
Insurance service expense	(35,248)	(144,460)	(27,275)	(9,722)	(2,552)	(12,443)	6,269	(225,431)
Net expense from reinsurance contracts held	<u>(2,266)</u>	<u>(3,102)</u>	<u>1,200</u>	<u>(9,358)</u>	<u>(2,561)</u>	<u>(6,978)</u>	<u>(3,732)</u>	<u>(26,797)</u>
Insurance service result from Company's directly written business	(4,759)	(8,155)	(2,656)	(1,915)	(1,183)	(9,185)	10,312	(17,541)
Share of surplus from insurance pools								<u>23,226</u>
Total insurance service results								5,685
Net gains on investments measured at FVTPL								3,541
Commission income on financial asset not measured at FVTPL and Murabaha								5,057
Dividend income								<u>472</u>
Net investment income								<u>9,070</u>
Finance expense from insurance contracts issued	(2,517)	775	(1,723)	(2,217)	(182)	(475)	(1,275)	(7,614)
Finance expenses from reinsurance contracts held	<u>226</u>	<u>10</u>	<u>227</u>	<u>1,748</u>	<u>120</u>	<u>345</u>	<u>540</u>	<u>3,216</u>
Net insurance finance expense	<u>(2,291)</u>	<u>785</u>	<u>(1,496)</u>	<u>(469)</u>	<u>(62)</u>	<u>(130)</u>	<u>(735)</u>	<u>(4,398)</u>
Other operating expenses								(9,080)
Net loss before Zakat								1,277
Zakat								<u>(2,700)</u>
Net loss for the period								<u>(1,423)</u>

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

	<u>Medical</u>	<u>Motor- Comp</u>	<u>Motor- TPL</u>	<u>Property</u>	<u>Engineering</u>	<u>Marine</u>	<u>Accident & liability</u>	<u>Total</u>
For the three- months period ended 30 September 2024 (Unaudited)								
Insurance revenue	6,636	27,285	63,793	5,377	1,010	2,487	1,866	108,454
Insurance service expense	(8,258)	(25,632)	(65,793)	(1,876)	(596)	(1,562)	154	(103,563)
Net expense from reinsurance contracts held	<u>(976)</u>	<u>1,813</u>	<u>(43)</u>	<u>(4,260)</u>	<u>(906)</u>	<u>(1,508)</u>	<u>(1,993)</u>	<u>(7,873)</u>
Insurance service result from Company's directly written business	(2,598)	3,466	(2,043)	(759)	(492)	(583)	27	(2,982)
Share of surplus from insurance pools								<u>--</u>
Total insurance service results								(2,982)
Net gains on investments measured at FVTPL								1,778
Commission income on financial asset not measured at FVTPL and Murabaha								3,169
Dividend income								198
Net investment income								<u>5,145</u>
Finance income from insurance contracts issued	(68)	236	(48)	(32)	(14)	(22)	(110)	(58)
Finance expenses from reinsurance contracts held	<u>22</u>	<u>149</u>	<u>114</u>	<u>105</u>	<u>17</u>	<u>33</u>	<u>65</u>	<u>505</u>
Net insurance finance expense	(46)	385	66	73	3	11	(45)	447
Other operating expenses								(3,011)
Net loss for the period before Zakat								(401)
Zakat								<u>(1,398)</u>
Net loss for the period								<u>(1,799)</u>

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the three- months period ended 30 September 2023 (Unaudited)								
Insurance revenue	11,205	34,874	10,631	5,860	1,391	2,922	2,525	69,408
Insurance service expense	(16,717)	(26,573)	(10,277)	(1,202)	(829)	(609)	(547)	(56,754)
Net expenses from reinsurance contracts	585	311	(1,462)	(4,627)	(822)	(2,005)	(1,776)	(9,796)
Insurance service result from Company's directly written business	(4,927)	8,612	(1,108)	31	(260)	308	202	2,858
Share of surplus from insurance pools								4,239
Total insurance service results								7,097
Net gains on investments measured at FVTPL								(1,261)
Commission income on financial asset not measured at FVTPL and Murabaha								1,373
Dividend income								175
Net investment income								287
Finance expense from insurance contracts issued	(227)	(84)	(102)	(170)	(15)	(40)	(80)	(718)
Finance income from reinsurance contracts held	6	(5)	23	113	7	20	28	192
Net insurance finance expense	(221)	(89)	(79)	(57)	(8)	(20)	(52)	(526)
Other operating expenses								(4,464)
Net loss for the period before Zakat								2,394
Zakat								(900)
Net loss for the period								1,494

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	Marine	Accident & liability	Total
As at 30 September 2024 (Unaudited)								
Assets								
Reinsurance contract assets	214	9,382	8,314	8,834	1,368	1,293	6,123	35,528
Insurance contract asset	--	12,906	--	--	--	--	--	12,906
Unallocated assets								443,598
Total assets								492,032
Liabilities								
Insurance contract liabilities	12,777	148,857	-	1,529	2,992	2,871	11,453	180,479
Unallocated liabilities								26,370
Total liabilities								206,849
As at 31 December 2023								
Assets								
Reinsurance contract assets	2,488	7,087	12,041	12,388	2,886	2,331	5,362	44,583
Unallocated assets								445,614
Total assets								490,197
Liabilities								
Insurance contract liabilities	32,427	27,715	66,957	14,740	3,030	3,382	12,512	160,763
Unallocated liabilities								29,041
Total liabilities								189,804

19 Gross Written Premium

Details relating to gross written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

For the nine-month period ended 30 September 2024 (Unaudited)

Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	228	212,800	536	213,564
Small	469	5,555	2,534	8,558
Medium	1,081	10,462	10,105	21,648
Corporate	18,041	52,826	24,925	95,792
Total	19,819	281,643	38,100	339,562

For the nine-month period ended 30 September 2023 (Unaudited)

Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	-	98,817	660	99,477
Small	685	4,155	2,626	7,466
Medium	2,281	7,501	6,108	15,890
Corporate	31,708	26,987	31,140	89,835
Total	34,674	137,460	40,534	212,668

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

19 Gross Written Premium (continued)

For the three-month period ended 30 September 2024 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	210	46,138	5	46,353
Small	-	1,518	601	2,119
Medium	2	2,270	2,144	4,416
Corporate	200	23,052	2,676	25,928
Total	412	72,978	5,426	78,816

For the three-month period ended 30 September 2023 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	-	31,168	21	31,189
Small	47	445	363	855
Medium	387	1,335	1,533	3,255
Corporate	22,751	6,936	7,352	37,039
Total	23,185	39,884	9,269	72,338

20 Net Written Premium

Details relating to net written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

For the nine-month period ended 30 September 2024 (Unaudited)				
Item	Medical	Motor	Property & casualty	Total
Gross written premium	19,819	281,643	38,100	339,562
Reinsurance premium ceded – globally (including excess of loss)	(2,339)	(1,604)	(23,570)	(27,513)
Reinsurance premium ceded – locally (including excess of loss)	(462)	(523)	(5,042)	(6,027)
Net written premium – total	17,018	279,516	9,488	306,022

For the nine-month period ended 30 September 2023 (Unaudited)				
Item	Medical	Motor	Property & casualty	Total
Gross written premium	34,674	137,460	40,534	212,668
Reinsurance premium ceded – globally (including excess of loss)	(3,159)	(16,363)	(29,472)	(48,994)
Reinsurance premium ceded – locally (including excess of loss)	(363)	(516)	(4,399)	(5,278)
Net written premium – total	31,152	120,581	6,663	158,396

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024

(All amounts in Saudi Riyal thousands unless otherwise stated)

20 Net Written Premium (continued)

Item	For the three-month period ended 30 September 2024 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	412	72,978	5,426	78,816
Reinsurance premium ceded – globally (including excess of loss)	(379)	(588)	(3,827)	(4,794)
Reinsurance premium ceded – locally (including excess of loss)	(85)	(175)	(1,152)	(1,412)
Net written premium – total	(52)	72,215	447	72,610

Item	For the three-month period ended 30 September 2023 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	23,185	39,884	9,269	72,338
Reinsurance premium ceded – globally (including excess of loss)	(1,495)	(4,846)	(7,305)	(13,646)
Reinsurance premium ceded – locally (including excess of loss)	(199)	(175)	(1,269)	(1,643)
Net written premium – total	21,491	34,863	695	57,049

21 COMMITMENT AND CONTINGENCIES

- 21.1 The Company's bankers have issued payment guarantees of SR 0.3 million as at 30 September 2024 (December 31, 2023: SR 0.3 million) to its suppliers on behalf of the Company.
- 21.2 The Company operates in the insurance industry and is subject to legal proceedings in the ordinary 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.
- 21.3 Please refer to note 12 with respect to Zakat contingencies.
- 21.4 Saudi General Insurance Company E.C. ("SGI") has raised a lawsuit against the Company requesting the Company to settle the Zakat and taxes on financial years 2005 to 2010. The Primary Committee ruled/decided to decline the case and obligate SGI to pay the Zakat and Tax amounts for 2005 to 2008, moreover, they ruled/decided to obligate GGI to pay the Zakat and tax amounts for 2009 and 2010. GGI will object and reject the decision before the GSTC Appealing Committee based on the decision of GSTC in 2018, and they believe that the Company does not have any financial impact as a result of this case.

22 SUBSEQUENT EVENTS

No subsequent events have been identified since the period-end, that would require disclosures or adjustments in these condensed interim financial statements.

23 CHANGES IN COMPARATIVE INFORMATION

The insurance pool arrangements, in which the Company is a participant, and shares the net surplus were presented for the year ended 31 December 2023 as part of the net insurance results as part of transition to IFRS 17 and not in insurance service expense, as previously presented in the condensed interim statement of income for the prior periods. Given that the rights and obligations from the arrangements are managed and settled on a net basis, the Company has accordingly presented the results on a net basis in the condensed statement of profit or loss account. Accordingly, the Company has presented the share of net surplus from insurance pools amounting to SAR 4.2 million for the three-month and SR 23.2 million for the nine-month period ended 30 September 2023 in the condensed interim statement of profit or loss. As a result, the "Total insurance service result" and "Net insurance and investment result" line items for comparative period have increased.

24 APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 29 October 2024, corresponding to 26 Rabi II 1446H.