

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS REVIEW REPORT
FOR THE THREE-MONTHS PERIOD ENDED
MARCH 31, 2024**

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL STATEMENTS
For the three-month period ended March 31, 2024

INDEX	Page
Independent auditors' report on the review of condensed interim financial statements	
Condensed interim statement of financial position	1
Condensed interim statement of profit or loss	2
Condensed interim statement of comprehensive income	3
Condensed interim statement of changes in equity	4
Condensed interim statement of cashflows	5
Notes to the condensed interim financial statements	6 – 27



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 Rivadh



PKF
Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants

P. O. Box 15651 Jeddah 21454
 Kingdom of Saudi Arabia

Independent auditors' report on review of condensed interim financial statements

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Gulf General Cooperative Insurance Company (the "Company") as at March 31, 2024, and the related condensed interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-months period then ended, and other explanatory notes (collectively referred to as 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 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
 License No. 454



Jeddah, Kingdom of Saudi Arabia
 Date: May 16, 2024
 Corresponding to Dhul Qidah 8,
 1445H

For Al Bassam & Co
 Certified Public Accountants

Ahmed AbdulMajeed Mohandis
 Certified Public Accountant
 License No. 477



GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
For the period ended March 31, 2024
(All amounts are in thousand Saudi Riyal unless otherwise stated)

	Note	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	20,781	14,462
Murabaha deposits	5	212,412	152,926
Financial assets at fair value through profit or loss ("FVTPL")	6	55,279	53,572
Financial assets at fair value through other comprehensive income ("FVOCI")	6	43,462	43,462
Prepaid expenses and other assets	7	33,122	35,661
Reinsurance contract assets	9	41,820	44,583
Property and equipment		12,985	13,532
Intangible assets		11,743	12,113
Goodwill		36,260	36,260
Right of use asset		5,110	5,407
Statutory deposit		74,986	74,986
Accrued income on statutory deposit		4,327	3,233
TOTAL ASSETS		552,287	490,197
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		13,562	14,123
Insurance contract liabilities	9	226,716	160,763
Employees' defined benefit obligations		4,485	4,194
Zakat payable	12	4,173	2,973
Lease liabilities		4,370	4,518
Accrued income on statutory deposit		4,327	3,233
TOTAL LIABILITIES		257,633	189,804
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	13	300,000	500,000
Statutory reserve	8	2,165	2,165
Accumulated losses		(49,868)	(244,129)
Fair value reserve for investment		41,539	41,539
Re-measurement reserve of defined benefit obligations		818	818
TOTAL EQUITY		294,654	300,393
TOTAL LIABILITIES AND EQUITY		552,287	490,197
COMMITMENTS AND CONTINGENCIES	21	300	300


Director


Chief Executive Officer

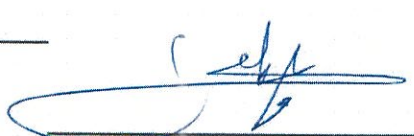

Chief Financial Officer

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in thousand Saudi Riyal unless otherwise stated)

	Note	March 31, 2024	March 31, 2023
Insurance revenue	14	87,768	87,682
Insurance service expenses	14	(88,542)	(73,217)
Net expenses from reinsurance contracts	14	(5,663)	(11,628)
Insurance service result from Company's directly written business		(6,437)	2,837
Share of surplus from insurance pools		1,236	3,492
Total insurance service results		(5,201)	6,329
Net gains on investments measured at FVTPL		1,707	2,015
Commission income on financial asset not measured at FVTPL and Murabaha		2,510	1,779
Dividend income		42	3
Investment return		4,259	3,797
Net finance expenses from insurance contracts	15	(658)	(2,274)
Net finance income from reinsurance contracts	15	203	903
Net insurance finance expense		(455)	(1,371)
Net insurance and investment result		(1,397)	8,755
Operating expense		(2,525)	(3,782)
Net (Loss) / income for the period before zakat		(3,922)	4,973
Zakat	12	(1,817)	(900)
NET (LOSS) / INCOME FOR THE PERIOD		(5,739)	4,073
(Loss) / earnings per share (expressed in SAR per share) – Restated	17	(0.19)	0.14


 Director


 Chief Financial Officer


 Chief Executive Officer

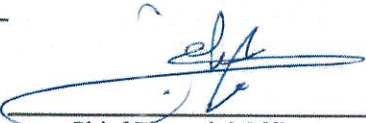
The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

	Note	March 31, 2024	March 31, 2023
NET (LOSS) / INCOME FOR THE PERIOD		(5,739)	4,073
Other comprehensive income		--	--
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(5,739)	4,073



Director



Chief Financial Officer




Chief Executive Officer


The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Fair value reserve on investments	Accumulated losses	Re-measurement reserve of defined benefit obligations	Total
Balance as at January 1, 2023		500,000	2,165	37,780	(245,632)	1,370	295,683
Total comprehensive income							
Profit for the period		--	--	--	4,073	--	4,073
Other comprehensive income for the period		--	--	--	--	--	--
Total comprehensive income for the period		--	--	--	4,073	--	4,073
Restated balance at March 31, 2023 (Unaudited)		<u>500,000</u>	<u>2,165</u>	<u>37,780</u>	<u>(241,559)</u>	<u>1,370</u>	<u>299,756</u>
Balance at January 1, 2024		500,000	2,165	41,539	(244,129)	818	300,393
Total comprehensive income:							
Loss for the period		--	--	--	(5,739)	--	(5,739)
Other comprehensive income for the period		--	--	--	--	--	--
Total comprehensive loss for the period		--	--	--	(5,739)	--	(5,739)
Transaction with owners of the Company							
Reduction in share capital to absorb losses (note 13)		(200,000)	--	--	200,000	--	--
Balance at March 31, 2024 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>41,539</u>	<u>(49,868)</u>	<u>818</u>	<u>294,654</u>


 Director


 Chief Financial Officer


 Chief Executive Officer

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENTS OF CASHFLOWS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

	Notes	March 31, 2024	March 31, 2023
CASHFLOWS FROM OPERATING ACTIVITIES			
Total (loss) / income for the period before zakat		(3,922)	4,973
<u>Adjustments for non-cash items:</u>			
Depreciation		572	577
Amortization of intangible assets		370	366
Amortization of right-of-use assets		297	272
Finance cost on lease liability		51	26
Net gain on financial assets at FVTPL		(1,707)	(2,015)
Employee defined benefit obligation		394	(248)
Commission income on FVTPL investments and Murabaha		(2,510)	(1,779)
Dividend income		(42)	(3)
		<u>(6,497)</u>	<u>2,169</u>
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liability		65,953	12,035
Reinsurance contract asset		2,762	9,910
Prepaid and other assets		2,539	(8,099)
Accrued expenses and other liabilities		(560)	(14,401)
Cash generated from operating activities		<u>64,197</u>	<u>1,614</u>
Zakat paid	12	(617)	--
End of service payments		(103)	--
Net cash generated from operating activities		<u><u>63,477</u></u>	<u><u>1,614</u></u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(25)	(64)
Commission income on FVTPL investments and Murabaha		2,510	1,779
Dividend income		42	3
Disposal of Murabaha deposits		(59,486)	10,000
Net cash (used in) generated from investing activities		<u>(56,959)</u>	<u>11,718</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(199)	(220)
Net cash (used in) financing activities		<u>(199)</u>	<u>(220)</u>
Net increase in cash and cash equivalents		6,319	13,112
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>20,781</u></u>	<u><u>18,264</u></u>



Director



Chief Financial Officer



Chief Executive Officer

The accompanying notes 1 to 22 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-months period ended March 31, 2024
(All amounts are 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 January 3, 2010) and registered under Commercial Registration number 4030196620 dated 9 Safar 1431H (corresponding to January 25, 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 February 6, 2020)
Riyadh	1010316823	29 Shawwal 1432H (corresponding to September 27, 2011)
Al Khobar	2051046836	19 Dhul Qa'dah 1432H (corresponding to October 17, 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 December 1, 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 March 6, 2010). The Company was listed on the Saudi Arabian Stock Exchange ("Tadawul") on 24 Safar 1431H (corresponding to 8 February 2010). From November 23, 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. Insurance Authority (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 September 30, 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to January 19, 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 January 19, 2023). The management is in process of assessing 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.

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 January 1, 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 approval, a sum of SR 18.13 million payable to the Sellers for goodwill was adjusted against amount receivable from them. Further, SAMA 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 December 31, 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 December 31, 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.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

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 December 31, 2023.

(c) Functional and presentation currency

These financial statements have been presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company. All financial information presented in SAR 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 December 31, 2023. In addition, results for the interim three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

(e) Seasonality of operations

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

(f) Going Concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Although the Company's has loss for the period of SR 5.7 million for the period ended March 31, 2024, however the Company had positive operating cash flows of 62 million, also as of that date, the accumulated losses amounted to SR 51 million which represents 17% of its share capital, further, the Company's liquidity reached to 135%.

The management of the Company has prepared and implemented a 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. The steps being taken by the management to improve performance included operational measures to enhance claims management and recoveries from salvage and subrogation; manage cost rationalization through expense control and reducing discretionary spending, and 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.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

(f) Going Concern (continued)

Moreover, and as part of the efforts to reduce the accumulated losses, the Company has obtained the approval from the Capital Market Authority on November 9, 2023 and Company's General Assembly in its extra ordinary meeting held on 19 March 2024 to reduce its share capital by SR 200 million to absorb part of the Company's accumulated losses with the same amount. Moreover, the Board of Directors approved in its meeting held on March 18, 2024 the capital increase of an amount of SR 300 million through right issue, and it is still in the process of getting the regulatory approvals. 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. Furthermore, the management does not have any intention to liquidate the Company or to cease the operations in the near future. 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 December 31, 2023, except for the adoption of new and revised standards disclosed below (note 3.1) which become effective as of January 1, 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 January 01, 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:

<u>Interpretation</u>	<u>Description</u>
IAS 1	<i>Classification of Liabilities as Current or Non-current – Amendments to IAS 1</i>
IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Narrow scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8	<i>The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.</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 is in the process of assessing the impact of such new interpretations on its financial statements. The Company intends to adopt these interpretations when they are effective.

<u>Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 16	<i>Lease liability in a sale and leaseback – Amendments to IFRS 16</i>	January 01, 2024
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

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 December 31, 2023.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

4 Cash and cash equivalents

	March 31, 2024 (Unaudited)	December 31,2023 (Audited)
Cash in hand	17	17
Cash in banks	20,775	14,456
Expected credit loss ("ECL")	(11)	(11)
	20,781	14,462

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

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of A to BBB. The Company's exposures to credit risk are not collateralized.

5 Murabaha Deposit

Murabaha deposits comprises the following:

	Note	March 31, 2024 (Unaudited)	December 31,2023 (Audited)
Murabaha deposits		210,449	149,449
Accrued income		1,997	3,498
Expected credit loss ("ECL")		(34)	(21)
		212,412	152,926

Murabaha deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 5.6% to 6.1% per annum (December 31, 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 Standard and Poor's rating of A to BBB. The Company's exposures to credit risk are not collateralized.

6 Investments

	Note	March 31, 2024 (Unaudited)	December 31,2023 (Audited)
Measured at fair value through profit or loss (6.1)		55,279	53,572
Financial assets at fair value through other comprehensive income (6.2)		43,462	43,462
		98,741	97,034

6.1 Investments measured at fair value through profit or loss

Movement in investments classified as fair value through profit or loss is as follows:

	March 31, 2024 (Unaudited)	December 31,2023 (Audited)
Balance at beginning of the period / year	53,572	44,867
Unrealised gain during the period / year	1,707	8,705
Balance at end of the period / year	55,279	53,572

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

6 Investments (continued)

6.1 Investments held as fair value through profit or loss (continued)

	March 31, 2024	December 31,2023
	(Unaudited)	(Audited)
Equity securities	16,430	16,800
Mutual funds	33,849	31,772
Sukuks (6.1.1)	5,000	5,000
	55,279	53,572

6.1.1 Investment in Tier-1 sukuks:

	March 31, 2024	December 31,2023
	(Unaudited)	(Audited)
Saudi Fransi Bank Sukuks	2,000	2,000
Al Rajhi Bank – Sukuks	3,000	3,000
	5,000	5,000

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. These Sukuks have a maturity duration of 5 years commencing from 3 November 2020. The Company has earned commission income of SR 0.06 million during the period (March 31 2023: SR 0.06 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 income statement are quoted. The portfolio is invested in securities, mutual funds and Sukuks issued by corporates and financial institutions in the Kingdom of Saudi Arabia.

6.2 Investments held at FVOCI

This represents the Company's 3.45% (December 31, 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.

7 Prepaid expenses and other assets

	Note	31 March 2024	31 December 2023
		(Unaudited)	(Unaudited)
<i>Insurance operations</i>			
Prepayment		10,999	16,802
Due from Tawuniya for pool deals		13,401	12,165
Due from travel and covid products		4,294	4,294
Staff receivables		477	462
Bank guarantee		300	300
Other		3,868	1,919
		33,339	35,942
Expected credit loss (ECL)		(217)	(281)
		33,122	35,661

8 Statutory reserve

As required by the Implementing Regulations issued by SAMA, 20% of the net income for the year after adjusting accumulated losses, has to be set aside from net income for the year as a statutory reserve until this amounts to 100% of the paid -up share capital. During the year no transfer has been made to the statutory reserve This reserve is not available for distribution to the shareholders until the liquidation of the Company.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

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- Comp	Motor- TPL	Property	Engineering	Marine	Accident liability	Total
As at March 31, 2024								
Insurance Contracts								
Insurance contract assets	--	--	--	--	--	--	--	--
Insurance contract liabilities	30,174	1,494	163,180	9,763	3,054	3,851	15,200	226,716
	30,174	1,494	163,180	9,763	3,054	3,851	15,200	226,716
Reinsurance contracts								
Reinsurance contract assets	1,656	6,683	11,657	10,892	2,029	1,681	7,222	41,820
Reinsurance contract liabilities	--	--	--	--	--	--	--	--
	1,656	6,683	11,657	10,892	2,029	1,681	7,222	41,820
As at December 31, 2023								
Insurance Contracts								
Insurance contract assets	--	--	--	--	--	--	--	-
Insurance contract liabilities	32,427	27,715	66,957	14,740	3,030	3,382	12,512	160,763
	32,427	27,715	66,957	14,740	3,030	3,382	12,512	160,763
Reinsurance contracts								
Reinsurance contract assets	2,488	7,087	12,041	12,388	2,886	2,331	5,362	44,583
Reinsurance contract liabilities	--	--	--	--	--	--	--	--
	2,488	7,087	12,041	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-months period ended March 31, 2024
(All amounts are 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 March 31, 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	109,546	6,981	41,709	2,527	160,763
Insurance revenue	(87,768)	--	--	--	(87,768)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	28,242	384	28,626
Onerous contracts recognized	--	--	--	--	--
Changes that relate to past service - adjustments to the LIC	--	--	48,338	(809)	47,529
Reversal of losses on onerous contracts	--	(829)	--	--	(829)
Insurance acquisition cashflows amortisation	13,216	--	--	--	13,216
Insurance service expenses	13,216	(829)	76,580	(425)	88,542
Finance expense from insurance contracts	--	--	658	--	658
Total changes in the statement of income	(74,552)	(829)	77,238	(425)	1,432
Cashflows					
Premiums received	152,576	--	--	--	152,576
Other charges	--	--	--	--	--
Claims and other directly attributable expenses paid	--	--	(71,504)	--	(71,504)
Insurance acquisition cashflows paid	(16,551)	--	--	--	(16,551)
Total cash inflows / (outflows)	136,025	--	(71,504)	--	64,521
Insurance contracts					
Insurance contract liabilities – closing	171,019	6,152	47,443	2,102	226,716
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	171,019	6,152	47,443	2,102	226,716

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

9 Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.1 Insurance contracts (continued):

	As at December 31, 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	<u>32,873</u>	<u>22,408</u>	<u>101,346</u>	<u>4,148</u>	<u>160,775</u>
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 cashflows amortisation	44,761	--	--	--	44,761
Insurance service expenses	<u>44,761</u>	<u>(15,427)</u>	<u>257,634</u>	<u>(1,621)</u>	<u>285,347</u>
Finance expense from insurance contracts	--	--	7,886	--	7,886
Total changes in the statement of income	<u>(270,885)</u>	<u>(15,427)</u>	<u>265,520</u>	<u>(1,621)</u>	<u>(22,413)</u>
Cashflows					
Premiums received	395,970	--	--	--	395,970
Other charges	--	--	--	--	--
Claims and other directly attributable expenses paid	--	--	(325,157)	--	(325,157)
Insurance acquisition cashflows paid	<u>(48,412)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(48,412)</u>
Total cash inflows / (outflows)	<u>347,558</u>	<u>--</u>	<u>(325,157)</u>	<u>--</u>	<u>22,401</u>
Insurance contracts					
Insurance contract liabilities – closing	109,546	6,981	41,709	2,527	160,763
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	<u>109,546</u>	<u>6,981</u>	<u>41,709</u>	<u>2,527</u>	<u>160,763</u>

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are 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 Reinsurance contracts held:

	As at March 31, 2024 (Unaudited)				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	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	(10,603)	--	--	--	(10,603)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	--	--	437	28	465
Changes that relate to past service - adjustments to the LIC	--	--	5,571	(401)	5,170
Reversal of recovery component	--	(695)	--	--	(695)
Effect of changes in the risk of reinsurers non-performance	--	--	--	--	--
Reinsurance acquisition cashflows amortisation	--	--	--	--	--
Reinsurance service expenses – net	--	(695)	6,008	(373)	4,940
Finance income from reinsurance contracts	--	--	203	--	203
Total changes in the statement of income	(10,603)	(695)	6,211	(373)	(5,460)
Cashflows					
Premiums ceded and acquisition cashflows paid	3,567	--	--	--	3,567
Recoveries from reinsurance	--	--	(870)	--	(870)
Total cash (outflows) / inflows	3,567	--	(870)	--	2,697
Reinsurance contracts					
Reinsurance contract assets – closing	11,298	492	29,320	710	41,820
Reinsurance contract liabilities - closing	--	--	--	--	--
Closing balance – net	11,298	492	29,320	710	41,820

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are 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 Reinsurance contracts held (continued):

	As at December 31, 2023 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	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 cashflows 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 income	(64,012)	(1,670)	30,503	(270)	(35,449)
Cashflows					
Premiums ceded and acquisition cashflows 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

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

10 Financial Risk Management

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

Fair Value

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.

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.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

10 Fair values of financial instruments (continued)

The following table shows the carrying value and fair value of financial assets measured at fair value at March 31, 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
March 31, 2024 (Unaudited)					
Financial assets measured at fair value					
Equity	16,430	43,462	16,430	--	43,462
Mutual funds	33,849	--	--	33,849	--
Sukuks	5,000	--	--	5,000	--
	55,279	43,462	16,430	38,849	43,462
December 31, 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 three-months period ended March 31, 2024 and the year ended December 31, 2023. Further, there were no changes in the valuation techniques during the period from previous periods.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-months period ended March 31, 2024

(All amounts are in Saudi Riyal thousands unless otherwise stated)

11 Related party transactions and balances

11.1 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and Companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the year and the related balances which offset from liabilities for remaining 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 three months</u>		<u>Balance receivable / (payable) as at</u>	
			<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>December 31,</u>
			<u>2024 (Unaudited)</u>	<u>2023 (Unaudited)</u>	<u>2024 (Unaudited)</u>	<u>2023 (Audited)</u>
Insurance operations						
Saudi General Insurance Company Ltd. E.C.	Shareholder	Expenses paid	--	--	(309)	(309)
Rolaco Group	Related to Shareholders	Premiums underwritten.	26	37	34	7
		Claims paid	--	(2)	(576)	(5)
Dabbagh Group	Related to Shareholders	Premiums underwritten.	642	2,849	1,566	1,734
		Claims paid	(241)	(1,803)	(1,949)	(1,790)
Raghaf Establishment	Related to Shareholders	Premiums underwritten.	75	--	--	--
		Claims paid	(15)	--	(27)	(12)
Key Management Personnel		Short-term benefits	1,556	1,322	--	--
		Long-term benefits	65	54	(331)	(216)
Shareholders' operations						
Board of Directors		Board of Directors remuneration and related expenses	450	(150)	2,250	1,800

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

12 Zakat payable

12.1 Zakat Provision

Movements in the Zakat provision during the three-months period ended March 31, 2024 and year ended December 31, 2023 are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance as at beginning of the period / year	2,973	4,236
Provided during the period / year	1,817	2,787
Paid during the period / year	(617)	(4,050)
Balance as at end of the period / year	4,173	2,973

12.3 Status of assessments

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

Year ended December 31, 2010 to 2015

The Company has finalized its Zakat and WHT status for the period/years from December 31, 2010 to 2015.

Year ended December 31, 2016 to 2018

ZATCA issued the Zakat and WHT assessment for the years ended December 31, 2016 to 2018 and claimed additional Zakat and withholding tax liabilities (excluding delay fines) of SR 15.39 million. The Company settled the amount of SR 1.8 million related to the Zakat differences and objected against the remaining WHT differences.

ZATCA issued the revised assessment claiming the same WHT differences of SR 13.57 million. The Company escalated the said objection to the Committee for Resolution of Tax Violations and Disputes "CRTVD" through the General Secretariat of Zakat Tax and Custom Committees ("GSTC"). Accordingly, the hearing session was held on August 29, 2022. However, the committee rejected the objection in full. Accordingly, the company has escalated the case to the Appellate Committee for Resolution of Tax Violations and Disputes "ACRTVD". During November 2022, the company settled the principal WHT amount of SR 13.57 million to benefit from ZATCA's initiative. Hence, all the delay fines have been waived by ZATCA in relation to FY16 to FY18. The Company successfully convinced the "ACTVDR" to accept its point of view regarding the items mentioned in the appeal. On October 31, 2023, the ACTVDR has issued its final decision fully in the favour of the company, as such, the company will be entitled to refund the principle WHT paid amounting to SR 13.57 million.

Year ended December 31, 2019, to 2020

ZATCA issued the Zakat assessment for the years ended December 31, 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 November 23, 2023, the ACTVDR has ruled its final decision in favour of ZATCA and rejected the Deferred Policy Acquisition Cost. Therefore, the company is required to settle the Zakat due as per the decision amounting to SR 0.62 million for the year 2019. For the year ended December 31, 2020 the case is still under study by the ACRTVD where the zakat exposure liability amounts to SR 0.34 million.

13 Share capital

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

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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-months period ended March 31, 2024

(All amounts are in Saudi Riyal thousands unless otherwise stated)

13 Share capital (continued)

13.1 During the period, the Company has announced the results of the Extraordinary General meeting held on March 19, 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 would be set off against the accumulated losses of the Company.

14 Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for March 31, 2024 and March 31, 2023 is included in following tables. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
March 31, 2024 -								
Insurance revenue from contracts measured under PAA	9,773	27,767	39,578	5,883	670	1,590	2,507	87,768
Insurance revenue – total	9,773	27,767	39,578	5,883	670	1,590	2,507	87,768
Incurred claims and other directly attributable expenses	(3,795)	(6,558)	(15,191)	(1,035)	(477)	(849)	(721)	(28,626)
Changes that relate to past service - adjustments to the LIC	(8,981)	(18,319)	(20,879)	669	445	120	(584)	(47,529)
(Losses) on onerous contracts and reversal of the losses	829	--	--	--	--	--	--	829
Insurance acquisition cash flows amortisation	(988)	(3,927)	(6,424)	(976)	(146)	(311)	(444)	(13,216)
Insurance service expenses – total	(12,935)	(28,804)	(42,494)	(1,342)	(178)	(1,040)	(1,749)	(88,542)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	192	34	44	--	62	133	--	465
Reinsurance acquisition cash flows amortisation	--	--	--	--	--	--	--	--
Reinsurance premium ceded	(1,094)	(2,621)	(2,829)	(3,185)	(684)	(1,254)	1,064	(10,603)
Movement in Loss Recovery Component adjustment to reinsurance	(695)	--	--	--	--	--	--	(695)
Changes that relate to past service - adjustments to incurred claims	676	2,155	2,521	(69)	(219)	84	22	5,170
Net income / (expenses) from reinsurance contracts held - total	(921)	(432)	(264)	(3,254)	(841)	(1,037)	1,086	(5,663)
Insurance service result – total	(4,083)	(1,469)	(3,180)	1,287	(349)	(487)	1,844	(6,437)

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

14 Insurance revenue and expenses (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
March 31, 2023								
Insurance revenue from contracts measured under PAA	10,696	55,806	6,044	5,787	2,659	3,785	2,905	87,682
Insurance revenue – total	10,696	55,806	6,044	5,787	2,659	3,785	2,905	87,682
Incurring claims and other directly attributable expenses	(10,468)	(33,374)	(31,624)	(7,005)	1,623	(227)	(449)	(81,524)
Changes that relate to past service - adjustments to the LIC	(2,089)	(20,163)	29,721	1,106	(1,115)	(198)	1,895	9,157
(Losses) on onerous contracts and reversal of the losses	1,273	7,605	2,567	--	--	--	--	11,445
Insurance acquisition cash flows amortisation	(648)	(8,844)	(1,111)	(842)	(284)	(171)	(395)	(12,295)
Insurance service expenses – total	(11,932)	(54,776)	(447)	(6,741)	224	(596)	1,051	(73,217)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	1,608	1,576	(583)	2,723	2,922	370	2,545	11,161
Reinsurance acquisition cash flows amortisation	--	--	--	--	--	--	--	--
Reinsurance premium ceded	(914)	(6,081)	(707)	(4,347)	(2,657)	(2,212)	(1,141)	(18,059)
Movement in Loss Recovery Component adjustment to reinsurance	(178)	(988)	(331)	--	--	--	--	(1,497)
Changes that relate to past service - adjustments to incurred claims	(1,651)	3,123	1,343	624	(3,940)	(321)	(2,411)	(3,233)
Net income / (expenses) from reinsurance contracts held – total	(1,135)	(2,370)	(278)	(1,000)	(3,675)	(2,163)	(1,007)	(11,628)
Insurance service result – total	(2,371)	(1,340)	5,319	(1,954)	(792)	1,026	2,949	2,837

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are 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 year ended March 31, 2024								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(99)	(151)	(214)	(98)	(17)	(26)	(53)	(658)
Effects of changes in interest rates and other financial assumptions	--	--	--	--	--	--	--	--
Foreign exchange differences	--	--	--	--	--	--	--	--
Finance income / (expense) from insurance contracts issued	(99)	(151)	(214)	(98)	(17)	(26)	(53)	(658)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	9	34	16	74	14	19	37	203
Effects of changes in interest rates and other financial assumptions	--	--	--	--	--	--	--	--
Foreign exchange differences	--	--	--	--	--	--	--	--
Finance income / (expense) from reinsurance contracts held	9	34	16	74	14	19	37	203
Insurance finance expense - net	(90)	(117)	(198)	(24)	(3)	(7)	(16)	(455)
	Marine	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & Liability	Total
For the year ended March 31, 2023								
Finance expense from insurance contracts issued								
Interest accreted	(735)	(807)	(26)	(295)	(24)	(140)	(247)	(2,274)
Effects of changes in interest rates and other financial assumptions	--	--	--	--	--	--	--	--
Finance income / (expense) from insurance contracts issued	(735)	(807)	(26)	(295)	(24)	(140)	(247)	(2,274)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	88	107	(13)	345	21	156	199	903
Effects of changes in interest rates and other financial assumptions	--	--	--	--	--	--	--	--
Finance income / (expense) from reinsurance contracts held	88	107	(13)	345	21	156	199	903
Insurance finance expense - net	(647)	(700)	(39)	50	(3)	16	(48)	(1,371)

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

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) / earnings 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 March 31,	
	2024	2023
	(Unaudited)	(Unaudited) (Restated)
(Loss) / Profit for the period	(5,739)	4,073
Weighted average number of ordinary shares for basic and diluted EPS	30,000	30,000
Earnings per share - basic and diluted	(0.19)	0.14

As disclosed in Note 13 of these interim condensed financial statements 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 December 31, 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 organized into business units on the basis of products and services offered by the Company.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

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

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	Marine	Accident & liability	Total
For the period ended March 31, 2024								
Insurance revenue	9,773	27,767	39,578	5,883	670	1,590	2,507	87,768
Insurance service expense	(12,935)	(28,804)	(42,494)	(1,342)	(178)	(1,040)	(1,749)	(88,542)
Net expense from reinsurance contracts held	(921)	(432)	(264)	(3,254)	(841)	(1,037)	1,086	(5,663)
Insurance service result from Company's directly written business	(4,083)	(1,469)	(3,180)	1,287	(349)	(487)	1,844	(6,437)
Share of surplus from insurance pools								1,236
Total insurance service results								(5,201)
Net gains on investments measured at FVTPL								1,707
Commission income on financial asset not measured at FVTPL and Murabaha								2,510
Dividend income								42
Net investment income								4,259
Finance expense from insurance contracts issued	(99)	(151)	(214)	(98)	(17)	(26)	(53)	(658)
Finance income from reinsurance contracts held	9	34	16	74	14	19	37	203
Net insurance finance expense	(90)	(117)	(198)	(24)	(3)	(7)	(16)	(455)
Other operating expenses								(2,525)
Net loss for the period before zakat								(3,922)
Zakat								(1,817)
Net loss for the period								(5,739)

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-months period ended March 31, 2024
(All amounts are in Saudi Riyal thousands unless otherwise stated)

18 Operating segments (continued)

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	Marine	Accident & liability	Total
For the year ended March 31, 2023								
Insurance revenue	10,696	55,806	6,044	5,787	2,659	3,785	2,905	87,682
Insurance service expense	(11,932)	(54,776)	(447)	(6,741)	224	(596)	1,051	(73,217)
Net expense from reinsurance contracts held	(1,135)	(2,370)	(278)	(1,000)	(3,675)	(2,163)	(1,007)	(11,628)
Insurance service result	(2,371)	(1,340)	5,319	(1,954)	(792)	1,026	2,949	2,837
Share of surplus from insurance pools								3,492
Total insurance service results								6,329
Commission income on deposits								2,015
Commission income on short term deposits								1,779
Unrealized gain on investments								3
Net investment income								3,797
Finance expense from insurance contracts issued	(735)	(807)	(26)	(295)	(24)	(140)	(247)	(2,274)
Finance income/(expense) from reinsurance contracts held	88	107	(13)	345	21	156	199	903
Net insurance finance expense	(647)	(700)	(39)	50	(3)	16	(48)	(1,371)
Other operating expenses								(3,782)
Net income for the period before zakat								4,973
Zakat								(900)
Net income for the period								4,073
As at March 31, 2024								
Assets								
Reinsurance contract assets	1,656	6,683	11,657	10,892	2,029	1,681	7,222	41,820
Unallocated assets								510,467
Total assets								552,287
Liabilities								
Insurance contract liabilities	30,174	1,494	163,180	9,763	3,054	3,851	15,200	226,716
Unallocated liabilities								30,917
Total liabilities								257,633
As at December 31, 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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-months period ended March 31, 2024

(All amounts are in Saudi Riyal thousands unless otherwise stated)

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 three-months period ended
31 March 2024
(Unaudited)**

Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	--	113,552	30	113,584
Small	26	1,407	1,570	3,002
Medium	410	4,179	4,895	9,484
Corporate	9,753	25,166	13,989	48,909
Total	10,189	144,305	20,485	174,978

**For the three-months period ended
31 March 2023
(Unaudited)**

Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	--	47,416	14	47,430
Small	638	2,808	870	4,316
Medium	1,860	4,675	3,048	9,583
Corporate	6,955	15,465	15,617	38,037
Total	9,453	70,364	19,549	99,366

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 three-month period ended
31 March 2024
(Unaudited)**

Item	Medical	Motor	Property & casualty	Total
Gross written premium	10,189	144,305	20,485	174,978
Reinsurance premium ceded – globally (including excess of loss)	(918)	(461)	(12,240)	(13,619)
Reinsurance premium ceded – locally (including excess of loss)	(176)	(174)	(2,012)	(2,362)
Net written premium – total	9,095	143,670	6,233	158,997

**For the three-months period ended
31 March 2023
(Unaudited)**

Item	Medical	Motor	Property & casualty	Total
Gross written premium	9,453	70,364	19,549	99,366
Reinsurance premium ceded – globally (including excess of loss)	(832)	(8,053)	(13,236)	(22,121)
Reinsurance premium ceded – locally (including excess of loss)	(82)	(177)	(1,761)	(2,020)
Net written premium – total	8,539	62,134	4,552	75,225

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-months period ended March 31, 2024

(All amounts are in Saudi Riyal thousands unless otherwise stated)

21 COMMITMENT AND CONTINGENCIES

- 21.1 The Company's bankers have issued payment guarantees of SR 0.3 million as at March 31, 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 For the financial years 2018 and 2019 ZATCA has issued VAT final assessments dated 23 July 2020 for the periods of December 2018, November 2019 and December 2019, along with the additional VAT liability amounting to SAR 15.2 million on account of difference of total external reinsurance between trial balance and reverse charge mechanism in the VAT return and zero-rated sales not disclosed in the VAT return. The Company objected the matter through an appeal to ZATCA which was rejected on November 24, 2020. The Company filled appeal petition to "GSZTCC" against the objections. On 16 December 2021, the committee has rejected the appeal case for both 2019 and 2020 with the confirmation that Company has the right to deduct the input tax in subsequent period. However, accepted the appeal item related to zero rated sales. On 10 January 2022, the Company filed an appeal request to "ACTVRD" for the rejected matter. On January 7, 2024, ACTVDR has issued their final decision regarding the dispute cases of December 2018, November 2019 and December 2019. In their decision, the Committee rejected the Company's appeal in substance. Furthermore, the Committee rejected ZATCA's appeal on the Company's right of deduction and reinforced TVDRC's decision. As ACTVDR's decision is considered final and unappealable, and with the recovery of input VAT by the Company, this case is closed.
- 21.4 ZATCA issued a VAT Initial assessment dated May 12, 2022 for the period of 2018, 2019 and 2020 by imposing additional VAT liability amounting to SR 11.9 million by imposing output VAT on reinsurance share of claim paid, VAT on collected third party recoveries and other VAT amounts claimed by the Company. On January 6, 2023, the Company filed an objection to ZATCA with regards to the final assessment. On the 4th of May 2023, the Company has received ZATCA's decision. Based on the decision, ZATCA has accepted VAT amount of SR 2.5 million in favour of the Company while rejected amount of SR 0.06 million.
- 21.5 There have been no significant subsequent events since the period-end, that would require disclosures or adjustments in these condensed interim financial statements.

22 APPROVALS OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved by the Board of Directors on May 12, 2024, corresponding to Dhul Qidah 4, 1445H.