

**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2024**

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024

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INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Bupa Arabia for Cooperative Insurance Company
(A Saudi Joint Stock Company)
Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bupa Arabia for Cooperative Insurance Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes (collectively referred to as the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For PricewaterhouseCoopers
(Public Accountants)

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Corresponding to 7 November 2024



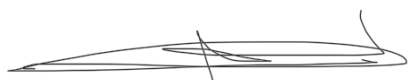
BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<u>Assets</u>			
Cash and cash equivalents	4	936,229	1,255,896
Reinsurance contract assets	5.2	123,198	74,090
Prepaid expenses and other assets		508,440	475,475
Term deposits	7	6,171,563	7,223,011
Financial assets at amortized cost – net	6	935,595	587,360
Financial assets at fair value	6	6,315,621	4,246,757
Fixtures, furniture and equipment – net		70,941	69,879
Deferred tax asset	14	36,438	38,609
Right-of-use assets – net		113,253	143,388
Intangible assets – net		73,204	67,236
Statutory deposit	8	149,960	149,960
Accrued income on statutory deposit	8	15,388	8,690
Goodwill		98,000	98,000
Total assets		15,547,830	14,438,351
<u>Liabilities</u>			
Accrued and other liabilities		711,224	734,859
Insurance contract liabilities	5.1	8,802,982	8,267,196
Lease liabilities		128,166	166,066
Due to related parties	13	34,486	40,935
Provision for end-of-service benefits		196,202	186,487
Provision for zakat and income tax	14	447,786	358,589
Accrued income payable to Insurance Authority	8	15,388	8,690
Total liabilities		10,336,234	9,762,822
<u>Equity</u>			
Share capital	15	1,500,000	1,500,000
Statutory reserve	16	1,352,757	1,352,757
Share based payments reserve		40,574	48,477
Shares held under employees share scheme		(145,476)	(65,115)
Retained earnings		2,409,159	1,853,721
Re-measurement reserve for end-of-service benefits		(13,698)	(13,698)
Investments fair value reserve		68,280	(613)
Total equity		5,211,596	4,675,529
Total liabilities and equity		15,547,830	14,438,351


Chairman
Loay Hisham Nazer


Chief Financial Officer
Hatim Tariq Jamal


Director and Chief Executive Officer
Tal Hisham Nazer

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.


BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (unaudited)


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

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
Insurance revenue	5.1	4,552,195	4,092,577	13,488,667	11,728,004
Insurance service expense	5.1	(4,193,499)	(3,828,209)	(12,400,908)	(10,908,221)
Net expenses from reinsurance contracts held	5.2	(14,911)	(7,319)	(45,046)	(22,228)
Net insurance service result		343,785	257,049	1,042,713	797,555
Commission and income on financial assets at amortized cost		100,119	89,351	308,870	256,716
Commission and income on financial assets at fair value		73,656	52,048	206,052	110,398
Net impairment loss on financial assets		(88)	(68)	(234)	(262)
Net investment return		173,687	141,331	514,688	366,852
Net insurance and investment results		517,472	398,380	1,557,401	1,164,407
Other operating expenses		(109,387)	(82,435)	(293,487)	(216,115)
Other revenue		22,438	22,813	67,743	69,218
Other cost		(9,137)	(10,664)	(29,342)	(26,976)
Income attributed to the shareholders before zakat and income tax		421,386	328,094	1,302,315	990,534
Zakat charge	14	(23,003)	(23,266)	(61,493)	(69,009)
Income tax charge	14	(42,101)	(29,478)	(120,513)	(86,229)
Net income attributed to the shareholders after zakat and income tax		356,282	275,350	1,120,309	835,296
Basic and diluted earnings per share (expressed in SR per share)	18	2.38	1.86	7.48	5.59


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)


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

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Net income attributed to the shareholders after zakat and income tax	356,282	275,350	1,120,309	835,296
Other comprehensive income / (loss)				
<i>A. Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods</i>				
Net changes in fair value of investments measured at fair value through other comprehensive income (FVOCI) – equity instruments	15,018	1,384	10,168	12,424
<i>B. Items that are or may be reclassified to interim condensed consolidated statement of income in subsequent periods</i>				
Net changes in fair value of investments measured at FVOCI – debt instruments	141,850	(51,682)	58,179	(69,105)
Net changes in allowance for expected credit losses of investments measured at FVOCI – debt instruments	281	(25)	546	105
Total other comprehensive income / (loss)	157,149	(50,323)	68,893	(56,576)
Total comprehensive income for the period	513,431	225,027	1,189,202	778,720



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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Share based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve for end-of-service benefits	Investments fair value reserve	Total equity
2024								
Balance at 31 December 2023 (audited)	1,500,000	1,352,757	48,477	(65,115)	1,853,721	(13,698)	(613)	4,675,529
Net income for the period attributed to the shareholders after zakat and income tax	-	-	-	-	1,120,309	-	-	1,120,309
Other comprehensive income	-	-	-	-	-	-	68,893	68,893
Total comprehensive income for the period	-	-	-	-	1,120,309	-	68,893	1,189,202
Provision for employees share scheme	-	-	28,823	-	-	-	-	28,823
Delivery of shares held under employees share scheme	-	-	(36,726)	36,726	-	-	-	-
Purchase of shares held under employees share scheme	-	-	-	(117,087)	-	-	-	(117,087)
Dividends (note 15)	-	-	-	-	(600,000)	-	-	(600,000)
Income tax refundable from non-Saudi shareholders	-	-	-	-	35,129	-	-	35,129
Balance at 30 September 2024 (unaudited)	1,500,000	1,352,757	40,574	(145,476)	2,409,159	(13,698)	68,280	5,211,596

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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the nine-month period ended 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Share based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve for end-of-service benefits	Investments fair value reserve	Total equity
2023								
Balance at 31 December 2022 (audited)	1,500,000	1,164,724	54,268	(78,235)	1,641,591	(7,043)	(74,416)	4,200,889
Net income for the period attributed to the shareholders after zakat and income tax	-	-	-	-	835,296	-	-	835,296
Other comprehensive loss	-	-	-	-	-	-	(56,576)	(56,576)
Total comprehensive income / (loss) for the period	-	-	-	-	835,296	-	(56,576)	778,720
Provision for employees share scheme	-	-	19,099	-	-	-	-	19,099
Delivery of shares held under employees share scheme	-	-	(31,955)	31,955	-	-	-	-
Purchase of shares held under employees share scheme	-	-	-	(18,834)	-	-	-	(18,834)
Dividends (note 15)	-	-	-	-	(540,000)	-	-	(540,000)
Income tax refundable from non-Saudi shareholders	-	-	-	-	33,636	-	-	33,636
Balance at 30 September 2023 (unaudited)	<u>1,500,000</u>	<u>1,164,724</u>	<u>41,412</u>	<u>(65,114)</u>	<u>1,970,523</u>	<u>(7,043)</u>	<u>(130,992)</u>	<u>4,473,510</u>

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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

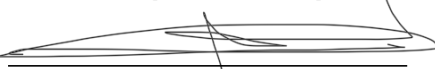
For the nine-month period ended 30 September 2024


(All amounts in Saudi Riyals thousands unless otherwise stated)

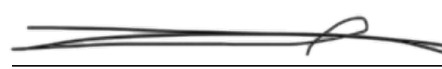
	Notes	Nine-month period ended 30 September	
		2024	2023
Cash flows from operating activities			
Net income attributed to shareholders before zakat and income tax		1,302,315	990,534
<u>Adjustments for non-cash items:</u>			
Depreciation of fixtures, furniture and equipment		11,985	11,925
Amortisation of right-of-use assets		15,386	16,866
Amortisation of intangible assets		13,771	12,625
Loss/(Gain) on disposal of fixtures, furniture and equipment		3,171	(152)
Gain on termination of a lease		(10,474)	-
Provision for employees share scheme		28,823	19,099
Net impairment loss on financial assets		355	246
Commission and income on financial assets at amortized cost		(308,870)	(256,716)
Commission and income on financial assets at fair value		(206,052)	(110,398)
Provision for end-of-service benefits		30,079	26,976
Finance cost		3,420	4,632
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liabilities		574,437	1,199,912
Reinsurance contract assets		(49,108)	(57,237)
Investment carried at FVTPL		107,424	-
Prepaid expenses and other assets		(33,162)	(10,883)
Due from related parties		-	32,923
Accrued and other liabilities		(23,635)	82,135
Due to related parties		28,680	-
		1,488,545	1,962,487
End-of-service benefits paid		(20,364)	(4,742)
Surplus paid to policyholders		(38,651)	(16,053)
Zakat and income tax paid		(90,638)	(97,410)
Net cash generated from operating activities		1,338,892	1,844,282
Cash flows from investing activities			
Placement in term deposits	7	(2,294,848)	(2,775,317)
Proceeds from maturity of term deposits	7	3,603,451	2,692,087
Additions to investments carried at fair value	6	(2,065,240)	(1,047,740)
Additions to investments carried at amortized cost	6	(900,173)	(573,938)
Disposals of investments carried at fair value	6	532,829	364,544
Disposal of investments carried at amortized cost	6	-	93,653
Proceeds from commissions and dividends*		234,366	139,652
Additions to fixtures, furniture and equipment		(16,218)	(18,894)
Proceeds from disposal of fixtures, furniture and equipment		-	152
Additions to intangible assets		(19,739)	(12,517)
Net cash used in investing activities		(925,572)	(1,138,318)
Cash flows from financing activities			
Dividends paid		(600,000)	(540,000)
Purchase of shares held under employees share scheme		(117,087)	(18,834)
Lease liabilities paid**		(15,900)	(19,358)
Net cash used in financing activities		(732,987)	(578,192)
Net change in cash and cash equivalents		(319,667)	127,772
Cash and cash equivalents at beginning of the period		1,255,896	1,287,961
Cash and cash equivalents at end of the period		936,229	1,415,733
<u>Non-cash transactions</u>			
Income tax refundable from non-Saudi shareholders		35,129	33,636

* This includes dividends amounting to SR 29.62 million (2023: SR 13.8 million)

** Lease liabilities paid includes interest portion of SR 3.4 million (2023: SR 4.6 million).


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The accompanying notes from 1 to 19 an integral part of these interim condensed consolidated financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Bupa Arabia for Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce’s resolution number 138/K dated 24 Rabi Thani 1429H (corresponding to 1 May 2008). The Commercial Registration number of the Company is 4030178881 dated 5 Jumad Awwal 1429H (corresponding to 11 May 2008). The Registered Office of the Company is situated at:

Al-Khalediyah District,
Prince Saud Al Faisal Street,
Front of Saudi Airlines Cargo Building,
P.O. Box 23807, Jeddah 21436,
Kingdom of Saudi Arabia.

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/74 dated 29 Shabaan 1428H (corresponding to 11 September 2007) pursuant to the Council of Ministers’ Resolution No 279 dated 28 Shabaan 1428H (corresponding to 10 September 2007).

The objective of the Company is to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia in accordance with its bylaws, and applicable regulations in the Kingdom of Saudi Arabia. The Company underwrites medical insurance only.

The Board of Directors approves the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by the Saudi Central Bank (“SAMA”), whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full. During the year ended 31 December 2023, the Insurance Authority has been established by a royal decree as the insurance regulator. Previously issued regulations by SAMA will be upheld until the Insurance Authority issues updated regulations. Therefore, the accrued income liability is payable to the Insurance Authority.

The Company has the following subsidiaries:

Name of the subsidiary	Registration number	Country of incorporation	Ownership	Principal business activity
Bupa Arabia For Third Party Administration	4030605585	Kingdom of Saudi Arabia	100%	Claims management services
Horizon Medical Services Company	4030512306	Kingdom of Saudi Arabia	100%	Healthcare services

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). Bupa Arabia For Third Party Administration commenced operations in July 2022. During 2023, the Group established a subsidiary “Horizon Medical Services Company” with an authorised capital of SR 10 million.

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements of the Group 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 that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) and liabilities for defined benefit obligations [Employees’ end of service benefits (“EOSBs”)] recorded at the present value using the projected unit credit method. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cashflows that are expected to arise as the Group fulfils its contractual obligations in accordance with IFRS 17. The details relating to gross written premium under note 12 of these interim condensed consolidated financial statements are disclosed to comply with the requirements of Insurance Authority. The classification of gross written premium (amount of policy premium) is based on the number of lives covered in the policy as prescribed by regulation.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

2. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

The Group's interim condensed consolidated statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. Except for fixtures, furniture and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, deferred tax, accrued income on statutory deposit and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature. Moreover, the balances which are mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, lease liabilities, term deposits, financial assets at fair value, financial assets at amortized cost, reinsurance contract assets / liabilities and provision for end of service benefits.

As required by the Saudi Arabian Insurance Regulations (The Implementation Regulations), the Group maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations", Accordingly, assets, liabilities, revenues and expenses attributable to either operation are separately recorded and disclosed in these condensed consolidated interim financial statements.

The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2023. The risk management policies are consistent with those as disclosed in the annual consolidated financial statements for the year ended 31 December 2023 and there has been no material change in risk grading and credit quality of financial assets from December 31, 2023.

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

These condensed consolidated interim financial statements are presented in Saudi Riyal (SR) which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(b) Critical accounting judgments, estimates and assumptions

The preparation of interim condensed consolidated 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 notes disclosures including 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 interim condensed consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2023.

(c) Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and the financial statements of the subsidiaries, as stated in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Group, using consistent accounting policies. Adjustments have been made to the interim financial statements of the subsidiary, where necessary, to align with the Group's interim condensed consolidated financial statements.

A subsidiary is the investee that is controlled by the Group. The Group controls an investee only when it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect amount of its returns.

Intra-group balances and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

2. BASIS OF PREPARATION (continued)

(d) Seasonality of operations

Due to the seasonality of operations, operating profits are expected to fluctuate from one period to another.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023.

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

<u>Standards, amendments, interpretations</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with covenants and classification of Liabilities as Current or Non-current	01 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01 January 2024

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

b) Accounting standards issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

<u>Standards, amendments, interpretations</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 21	Lack of exchangeability – Amendments to IAS 21	01 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely
New standard “IFRS 18”	IFRS 18, ‘Presentation and Disclosure in Financial Statements’	01 January 2027
New standard “IFRS 19”	IFRS 19, ‘Reducing subsidiaries disclosures’	01 January 2027

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 30 September 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	30 September 2024 (unaudited)		
	Insurance operations	Shareholders' operations	Total
Bank balances	569,899	366,589	936,488
Less: Impairment allowance	(190)	(69)	(259)
	<u>569,709</u>	<u>366,520</u>	<u>936,229</u>
	31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total
Bank balances	897,625	358,651	1,256,276
Less: Impairment allowance	(300)	(80)	(380)
	<u>897,325</u>	<u>358,571</u>	<u>1,255,896</u>

The amount payable to/receivable from shareholders' operations is settled by transfer of cash at each reporting date. During the nine-month period ended 30 September 2024, cash transferred between insurance operations and shareholders' operations amounted to SR 647 million (31 December 2023: SR 261 million).

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5. INSURANCE AND REINSURANCE CONTRACTS

	Note	30 September 2024	31 December 2023
<u>Insurance contract liabilities</u>			
Corporate	5.1 a	7,546,513	7,097,020
SMEs and others	5.1 b	1,256,469	1,170,176
		8,802,982	8,267,196
<u>Reinsurance contract assets</u>	5.2	123,198	74,090

5.1 Analysis by remaining coverage and incurred claims for insurance contracts

a. Corporate

	Period ended 30 September 2024 (unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	3,793,448	-	3,182,948	120,624	7,097,020
Insurance revenue	(11,905,668)	-	-	-	(11,905,668)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	10,514,513	119,117	10,633,630
Losses on onerous contracts	-	110,310	-	-	110,310
Changes that relate to past service - adjustments to the LIC	-	-	(191,193)	(96,231)	(287,424)
Amortization / (reversal) of onerous contracts	-	23,787	-	-	23,787
Insurance acquisition cash flows amortization	593,533	-	-	-	593,533
Insurance service expenses	593,533	134,097	10,323,320	22,886	11,073,836
Insurance service result	(11,312,135)	134,097	10,323,320	22,886	(831,832)
Cash flows					
Premiums received	11,461,220	-	-	-	11,461,220
Claims and other directly attributable expenses paid	-	-	(9,726,549)	-	(9,726,549)
Insurance acquisition cash flows paid	(453,346)	-	-	-	(453,346)
Total cash flows	11,007,874	-	(9,726,549)	-	1,281,325
Closing insurance contract liabilities	3,489,187	134,097	3,779,719	143,510	7,546,513

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

b. SMEs and others

	Period ended 30 September 2024 (unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	718,782	-	437,251	14,143	1,170,176
Insurance revenue	(1,582,999)	-	-	-	(1,582,999)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,256,258	13,950	1,270,208
Losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(30,279)	(11,317)	(41,596)
Amortization / (reversal) of onerous contracts	-	-	-	-	-
Insurance acquisition cash flows amortization	98,460	-	-	-	98,460
Insurance service expenses	98,460	-	1,225,979	2,633	1,327,072
Insurance service result	(1,484,539)	-	1,225,979	2,633	(255,927)
Cash flows					
Premiums received	1,546,558	-	-	-	1,546,558
Claims and other directly attributable expenses paid	-	-	(1,137,476)	-	(1,137,476)
Insurance acquisition cash flows paid	(66,862)	-	-	-	(66,862)
Total cash flows	1,479,696	-	(1,137,476)	-	342,220
Closing insurance contract liabilities	713,939	-	525,754	16,776	1,256,469

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

a. Corporate

	Year ended 31 December 2023 (audited)				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	3,083,652	61,561	2,486,425	97,512	5,729,150
Insurance revenue	(13,917,361)	-	-	-	(13,917,361)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	13,001,338	111,151	13,112,489
Losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(268,952)	(88,039)	(356,991)
Amortization / (reversal) of onerous contracts	-	(61,561)	-	-	(61,561)
Insurance acquisition cash flows amortization	638,054	-	-	-	638,054
Insurance service expenses	638,054	(61,561)	12,732,386	23,112	13,331,991
Insurance service result	(13,279,307)	(61,561)	12,732,386	23,112	(585,370)
Cash flows					
Premiums received	14,710,090	-	-	-	14,710,090
Claims and other directly attributable expenses paid	-	-	(12,035,863)	-	(12,035,863)
Insurance acquisition cash flows paid	(720,987)	-	-	-	(720,987)
Total cash flows	13,989,103	-	(12,035,863)	-	1,953,240
Closing insurance contract liabilities	3,793,448	-	3,182,948	120,624	7,097,020

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

b. SMEs and others

	Year ended 31 December 2023 (audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	602,662	-	354,862	12,511	970,035
Insurance revenue	(1,970,354)	-	-	-	(1,970,354)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,612,229	13,111	1,625,340
Losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(60,042)	(11,479)	(71,521)
Amortization / (reversal) of onerous contracts	-	-	-	-	-
Insurance acquisition cash flows amortization	108,622	-	-	-	108,622
Insurance service expenses	108,622	-	1,552,187	1,632	1,662,441
Insurance service result	(1,861,732)	-	1,552,187	1,632	(307,913)
Cash flows					
Premiums received	2,103,653	-	-	-	2,103,653
Claims and other directly attributable expenses paid	-	-	(1,469,798)	-	(1,469,798)
Insurance acquisition cash flows paid	(125,801)	-	-	-	(125,801)
Total cash flows	1,977,852	-	(1,469,798)	-	508,054
Closing insurance contract liabilities	718,782	-	437,251	14,143	1,170,176

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.2 Analysis by remaining coverage and incurred claims for reinsurance contracts

	Period ended 30 September 2024 (unaudited)				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	(21,385)	-	(50,484)	(2,221)	(74,090)
Reinsurance expense	166,886	-	-	-	166,886
Claims recovered and other directly attributable expenses	-	-	(166,997)	(2,086)	(169,083)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	45,251	1,992	47,243
Net expense from reinsurance contracts held	166,886	-	(121,746)	(94)	45,046
Cash flows					
Premiums ceded	(213,408)	-	-	-	(213,408)
Recoveries from reinsurance	-	-	119,254	-	119,254
Total cash flows	(213,408)	-	119,254	-	(94,154)
Closing reinsurance contract assets	(67,907)	-	(52,976)	(2,315)	(123,198)

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.2 Analysis by remaining coverage and incurred claims for reinsurance contracts (continued)

	Year ended 31 December 2023 (audited)				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	(2,669)	-	(24,585)	(901)	(28,155)
Opening reinsurance contract liabilities	2,605	-	-	-	2,605
Net opening balance	(64)	-	(24,585)	(901)	(25,550)
Reinsurance expense	151,740	-	-	-	151,740
Claims recovered and other directly attributable expenses	-	-	(131,077)	(1,740)	(132,817)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	8,903	420	9,323
Net expense from reinsurance contracts held	151,740	-	(122,174)	(1,320)	28,246
Cash flows					
Premiums ceded	(173,061)	-	-	-	(173,061)
Recoveries from reinsurance	-	-	96,275	-	96,275
Total cash flows	(173,061)	-	96,275	-	(76,786)
Closing reinsurance contract assets	(21,385)	-	(50,484)	(2,221)	(74,090)

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6. INVESTMENTS

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Financial assets at amortized cost - net	609,830	325,765	935,595	294,764	292,596	587,360
Financial assets at fair value	3,015,014	3,300,607	6,315,621	1,947,087	2,299,670	4,246,757
	3,624,844	3,626,372	7,251,216	2,241,851	2,592,266	4,834,117

Details of investments classified as financial assets at fair value are as follows:

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Investments at FVTPL	35,796	420,497	456,293	46,361	422,328	468,689
Investments at FVOCI – Debt	2,979,218	1,688,045	4,667,263	1,900,726	1,354,937	3,255,663
Investments at FVOCI – Equity	-	1,192,065	1,192,065	-	522,405	522,405
	3,015,014	3,300,607	6,315,621	1,947,087	2,299,670	4,246,757

(i) Investments measured at amortized cost – net comprise of the following:

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Sukuks	609,994	325,856	935,850	294,843	292,678	587,521
Less: Impairment allowance on investments at amortized cost	(164)	(91)	(255)	(79)	(82)	(161)
	609,830	325,765	935,595	294,764	292,596	587,360

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6. INVESTMENTS (continued)

(ii) Investments measured at FVTPL comprise of the following:

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Sukuks	-	-	-	11,014	36,044	47,058
Funds	35,796	411,269	447,065	35,347	376,298	411,645
Equity	-	9,228	9,228	-	9,986	9,986
	35,796	420,497	456,293	46,361	422,328	468,689

(iii) Investments measured at FVOCI – Debt comprise of the following:

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Sukuks	2,979,218	1,688,045	4,667,263	1,900,726	1,354,937	3,255,663
	2,979,218	1,688,045	4,667,263	1,900,726	1,354,937	3,255,663

(iv) Investments measured at FVOCI – Equity comprise of the following:

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Equity	-	108,721	108,721	-	58,774	58,774
Sukuks	-	1,020,034	1,020,034	-	410,444	410,444
Investments in discretionary portfolios	-	63,310	63,310	-	53,187	53,187
	-	1,192,065	1,192,065	-	522,405	522,405

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6. INVESTMENTS (continued)

The movements in the investments balance, excluding loss allowance, are as follows:

	30 September 2024 (unaudited)			31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the period / year	2,241,930	2,592,348	4,834,278	1,285,445	2,093,115	3,378,560
Purchased during the period / year	1,570,438	1,394,975	2,965,413	1,669,634	753,008	2,422,642
Disposed during the period / year	(241,665)	(398,588)	(640,253)	(765,380)	(295,242)	(1,060,622)
Unrealized gains during the period / year, net	49,913	33,416	83,329	49,361	39,303	88,664
Accrued interest	4,392	4,312	8,704	2,870	2,164	5,034
	3,625,008	3,626,463	7,251,471	2,241,930	2,592,348	4,834,278

Movement in loss allowance for investments at amortized cost and FVOCI debt instruments for the period is as follows:

	30 September 2024 (unaudited)			
	Stage 1 12-month ECL	Stage 2 ECL not Credit impaired	Stage 3 Lifetime ECL credit impaired	Total
Balance at the beginning of the period*	(161)	-	-	(161)
Charge for the period	(94)	-	-	(94)
Balance at the ending of the period	(255)	-	-	(255)

*Balance as of December 31, 2023 is SR 0.16 million inclusive of charge amounted to SR 0.02 million.

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7. TERM DEPOSITS

The term deposits are held with reputable commercial banks and financial institutions. These deposits are predominately in Murabaha structure with a small allocation in Mudaraba structure. They are mostly denominated in Saudi Arabian Riyals and have an original maturity from more than three-months to more than one year and yield financial income at rates ranging from 1.55% to 6.40% per annum (2023: 1.55% to 6.40% per annum). The movements in term deposits during the period ended 30 September 2024 as follows:

	30 September 2024 (unaudited)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the period			
before loss allowance	5,358,428	1,866,544	7,224,972
Placed during the period	1,723,220	571,628	2,294,848
Matured during the period	(2,461,139)	(1,142,312)	(3,603,451)
Commission income earned during the period	196,395	60,475	256,870
Less: loss allowance	(1,312)	(364)	(1,676)
	4,815,592	1,355,971	6,171,563

	31 December 2023 (audited)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year			
before loss allowance	4,753,100	1,655,389	6,408,489
Placed during the year	3,534,871	800,000	4,334,871
Matured during the year	(3,127,255)	(677,545)	(3,804,800)
Commission income earned during the year	197,712	88,700	286,412
Less: loss allowance	(1,460)	(501)	(1,961)
	5,356,968	1,866,043	7,223,011

Movement in loss allowance for term deposits for the period is as follows:

	30 September 2024 (unaudited)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the period	(1,460)	(501)	(1,961)
Reversal made during the period	148	137	285
Balance at end of the period	(1,312)	(364)	(1,676)

	31 December 2023 (unaudited)		
	Insurance operations	Shareholders' operations	Total
Balance at the beginning of the year	(1,217)	(424)	(1,641)
Provision made during the year	(243)	(77)	(320)
Balance at end of the year	(1,460)	(501)	(1,961)

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8. STATUTORY DEPOSIT

As required by Insurance Regulations, the Group deposited an amount equivalent to 10% of its paid-up share capital, amounting to SR 150 million, in a bank designated by regulator. Accrued income on this deposit is payable to Insurance Authority amounting to SR 15.39 million (31 December 2023: SR 8.69 million) and this deposit cannot be withdrawn without approval from Insurance Authority. As requested by SAMA during 2023, the Group has released the accrued income on statutory deposit to SAMA up to 31 December 2022 amounting to SR 16.24 million. The statutory deposit is shown on the statement of financial position net of impairment allowance.

9. FIDUCIARY ASSETS

During the year ended 31 December 2018, after obtaining SAMA's approvals, the Group entered into a Third-Party Administration agreement (TPA) with a customer under which the Group facilitates healthcare services to Customer's employees with specific terms and conditions. The agreement is effective from 1 March 2018. The services are remunerated against administration fees.

In order to fulfil the commitment relating to this agreement, the Group receives funds in advance from the customer to settle anticipated claims from medical service providers. As the Group acts as an agent, the relevant bank balance and related payables at the reporting date, are excluded from the condensed interim consolidated statement of financial position. The assets and liabilities held in fiduciary capacity amounted to SR 492 million as of 30 September 2024 (31 December 2023: SR 424 million).

10. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

- i) There was no material change in the status of legal proceedings as at 30 September 2024 since the last annual consolidated audited financial statements.
- ii) As of 30 September 2024, total letters of guarantee issued by banks amounted to SR 259 million (31 December 2023: SR 161 million).

11. FAIR VALUE 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 advantageous accessible market for the asset or liability.

a) Determination of fair value and fair value hierarchy

The Group 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.

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11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

b) Carrying amounts and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. The following table does not include fair value information for financial asset and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates

	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
30 September 2024 (unaudited)					
Financial assets measured at fair value:					
- Investment at FVTPL	14,179	375,135	66,979	456,293	456,293
- Investment at FVOCI – Debt	4,517,263	150,000	-	4,667,263	4,667,263
- Investment at FVOCI – Equity*	744,065	448,000	-	1,192,065	1,192,065
	<u>5,275,507</u>	<u>973,135</u>	<u>66,979</u>	<u>6,315,621</u>	<u>6,315,621</u>
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
31 December 2023 (audited)					
Financial assets measured at fair value:					
- Investment at FVTPL	17,194	392,780	58,715	468,689	468,689
- Investment at FVOCI – Debt	2,733,619	522,044	-	3,255,663	3,255,663
- Investment at FVOCI – Equity*	274,405	248,000	-	522,405	522,405
	<u>3,025,218</u>	<u>1,162,824</u>	<u>58,715</u>	<u>4,246,757</u>	<u>4,246,757</u>

*These include Tier-1 sukuks classified under equity due to the perpetual nature of the assets and discretion of profit distribution with the issuer.

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11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

c) Measurement of fair value

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair value at 30 September 2024 and 31 December 2023, as well as the significant unobservable inputs used. The fair value used for valuation of Level 2 Sukuks and mutual funds are based on prices quoted on reliable third-party sources.

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Mutual funds	Mutual funds classified as Level 3 are fair valued based on the latest available NAV	Fair value of underlying assets	The estimated fair value will increase / decrease directly in line with the change in fair value of underlying assets.

Sensitivity analysis:

The impact of change in net assets value reported in level 3 on net income and total equity is as follows:

	<u>Period-ended 30 September 2024 (unaudited)</u>	<u>Year-ended 31 December 2023 (audited)</u>
+/- 5% change in net assets value	+/- 3,349	+/- 2,936

12. OPERATING SEGMENTS

The Group only issues short-term insurance contracts for providing health care services ('medical insurance'). The Group operates as a mono-line insurer, operating in the Private Medical Insurance (PMI) business. All the insurance operations of the Group are carried out in the Kingdom of Saudi Arabia. For management reporting purposes, the operations are monitored in two groups that are Corporate and Small and Medium Enterprises & Others (SMEs & Others). Corporate segment/customer represents members of large corporations, and all others are considered as SMEs & Others. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments in line with the strategic decisions.

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12. OPERATING SEGMENTS (continued)

Operating segments do not include shareholders' operations of the Group. Segment results do not include investment, other operating expenses, other revenues and other costs. Segment assets and liabilities only include the insurance and reinsurance contract liabilities and assets while the other accounts are not allocated. Consistent with the Group's internal reporting, operating segments have been approved by the management in respect of the Group's activities, assets and liabilities as stated below:

	30 September 2024 (unaudited)		
	Corporate	SMEs & Others	Total
Operating segments			
<u>Assets</u>			
Asset of incurred claims	55,291	-	55,291
Asset of remaining coverage	67,907	-	67,907
Reinsurance contract assets	123,198	-	123,198
Unallocated assets			15,424,632
Total assets			15,547,830
<u>Liabilities</u>			
Liability of incurred claims	3,923,229	542,530	4,465,759
Liability of remaining coverage	3,623,284	713,939	4,337,223
Insurance contract liabilities	7,546,513	1,256,469	8,802,982
Unallocated liabilities			1,533,252
Total liabilities			10,336,234
	31 December 2023 (audited)		
	Corporate	SMEs & Others	Total
Operating segments			
<u>Assets</u>			
Asset of incurred claims	52,705	-	52,705
Asset of remaining coverage	21,385	-	21,385
Reinsurance contract assets	74,090	-	74,090
Unallocated assets			14,364,261
Total assets			14,438,351
<u>Liabilities</u>			
Liability of incurred claims	3,303,572	451,394	3,754,966
Liability of remaining coverage	3,793,448	718,782	4,512,230
Insurance contract liabilities	7,097,020	1,170,176	8,267,196
Unallocated liabilities			1,495,626
Total liabilities			9,762,822

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12. OPERATING SEGMENTS (continued)

	Three-month period ended 30 September 2024 (unaudited)			Three-month period ended 30 September 2023 (unaudited)		
	Corporate	SMEs & Others	Total	Corporate	SMEs & Others	Total
Insurance revenue	4,003,909	548,286	4,552,195	3,584,231	508,346	4,092,577
Insurance service expense	(3,728,712)	(464,787)	(4,193,499)	(3,400,137)	(428,072)	(3,828,209)
Net expenses from reinsurance contracts held	(14,911)	-	(14,911)	(7,319)	-	(7,319)
Net insurance service result	260,286	83,499	343,785	176,775	80,274	257,049
Commission and income on financial assets at amortized cost		100,119				89,351
Commission and income on financial assets at fair value		73,656				52,048
Net impairment loss on financial assets		(88)				(68)
Net investment return		173,687				141,331
Net insurance and investment results		517,472				398,380
Other operating expenses		(109,387)				(82,435)
Other revenue		22,438				22,813
Other cost		(9,137)				(10,664)
Income attributed to the shareholders before zakat and income tax		421,386				328,094
Zakat charge		(23,003)				(23,266)
Income tax charge		(42,101)				(29,478)
Net income attributed to the shareholders after zakat and income tax		356,282				275,350

The details of gross written premium are as follows:

	Three-month period ended 30 September 2024 (unaudited)	Three-month period ended 30 September 2023 (unaudited)
Corporates	3,256,994	3,785,230
Medium enterprises	607,295	548,486
Small enterprises	268,598	238,510
Micro enterprises	41,406	35,186
Individuals	7,156	8,842
	4,181,449	4,616,254

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12. OPERATING SEGMENTS (continued)

	Nine-month period ended 30 September 2024 (unaudited)			Nine-month period ended 30 September 2023 (unaudited)		
	Corporate	SME & Others	Total	Corporate	SME & Others	Total
Insurance revenue	11,905,668	1,582,999	13,488,667	10,277,929	1,450,075	11,728,004
Insurance service expense	(11,073,836)	(1,327,072)	(12,400,908)	(9,694,628)	(1,213,593)	(10,908,221)
Net expenses from reinsurance contracts held	(45,046)	-	(45,046)	(22,228)	-	(22,228)
Net insurance service result	786,786	255,927	1,042,713	561,073	236,482	797,555
Commission and income on financial assets at amortized cost			308,870			256,716
Commission and income on financial assets at fair value			206,052			110,398
Net impairment loss on financial assets			(234)			(262)
Net investment return			514,688			366,852
Net insurance and investment results			1,557,401			1,164,407
Other operating expenses			(293,487)			(216,115)
Other revenue			67,743			69,218
Other cost			(29,342)			(26,976)
Income attributed to the shareholders before zakat and income tax			1,302,315			990,534
Zakat charge			(61,493)			(69,009)
Income tax charge			(120,513)			(86,229)
Net income attributed to the shareholders after zakat and income tax			1,120,309			835,296

The details of gross written premium are as follows:

	Nine-month period ended 30 September 2024 (unaudited)	Nine-month period ended 30 September 2023 (unaudited)
Corporates	11,664,813	10,594,232
Medium enterprises	2,350,690	2,372,158
Small enterprises	881,210	811,426
Micro enterprises	119,885	98,177
Individuals	30,995	29,817
	15,047,593	13,905,810

13. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board members and key management personnel of the Group, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Contract pricing policies and terms are conducted on an arm's length basis and transactions are approved by the Group's management or where required and applicable the Group's Board of Directors. The following are the details of the major related party transactions during the period and their related balances:

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

<u>Related party</u>	<u>Nature of transaction</u>	<u>Amount of transactions during the period ended</u>		<u>Receivable/(payable) balance as at</u>	
		<u>income / (expense)</u>			
		30 September 2024	30 September 2023	30 September 2024	31 December 2023
		(unaudited)	(unaudited)	(unaudited)	(audited)
<u>Balances included in insurance contract liabilities</u>					
Shareholders and entities with common directorship*	Premium issued	425,582	503,812	11,001	13,882
Shareholders and entities with common directorship*	Claims incurred	(382,594)	(406,282)	(18,828)	(21,055)
Shareholders*	Medical costs charged by providers	(268,116)	(213,312)	(24,555)	(20,418)
				(32,382)	(27,591)
<u>Balances included in reinsurance contract assets</u>					
Shareholders	Reinsurance Premium ceded	(194,682)	(118,734)	(31,949)	(50,674)
<u>Balances included in due (to)/from related parties</u>					
Shareholders	Expenses recharged from a related party-net	(1,343)	(947)	(386)	(788)
Shareholders	Tax equalization – net	35,129	33,636	-	-
Shareholders	Board and committee member remuneration fees	(923)	(673)	(923)	(920)
Bupa Middle East Holdings Two W.L.L.	Trademark fee	(33,177)	(28,931)	(33,177)	(39,227)
				(34,486)	(40,935)

*During the period ended 30 September 2024, premium issued related to shareholders amounts to SR 0.93 million (2023: SR 0.87 million), claims paid related to shareholders amounts to SR 0.46 million (2023: SR 0.54 million) and medical cost charged by shareholders amounts to SR 268 million (2023: SR 213 million). The remaining represents the other transactions and balances against the major shareholders and entities with common directorship or common key management personnel, which have been presented in accordance with the local laws and regulations.

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

The remuneration of the key management personnel during the period ended 30 September is as follows:

	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Short-term benefits	20,654	22,863
Long-term benefits	2,038	1,340
Share based payment transactions	20,827	10,902
	43,519	35,105

Short-term benefits include salaries, allowances, annual bonuses and incentives whilst long-term benefits include employees' end of service benefits.

14. ZAKAT AND INCOME TAX

Breakup of zakat and income tax charge for the three-month and nine-month periods ended 30 September 2024 and 2023 are as follows:

	Nine-month period ended 30 September 2024 (unaudited)	Nine-month period ended 30 September 2023 (unaudited)
Current zakat charge	61,493	69,009
Current tax charge	118,342	84,071
Deferred tax charge (note 14.a)	2,171	2,158
	120,513	86,229
	182,006	155,238

a) The reconciliation of deferred tax assets is as follows:

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Opening deferred tax asset	38,609	40,511	40,511
Deferred tax (charge) / income	(2,171)	(1,902)	(2,158)
	36,438	38,609	38,353

b) Movements in the Zakat and income tax accrued during the period ended 30 September 2024 and year ended 31 December 2023 respectively are as follows:

	Zakat payable	Income tax Payable	Total 30 September 2024 (unaudited)	Total 31 December 2023 (audited)
Balance at beginning of the period/year	329,078	29,511	358,589	326,566
Provided during the period/year	61,493	118,342	179,835	174,614
Payments during the period/year	(16,814)	(73,824)	(90,638)	(142,591)
Balance at end of the period/year	373,757	74,029	447,786	358,589

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14. ZAKAT AND INCOME TAX (continued)

c) Status of assessments

Bupa Arabia For Cooperative Insurance Company

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2023 with Zakat, Tax and Customs Authority ("ZATCA").

The Company has finalized its zakat and income tax returns with ZATCA for the fiscal periods 2008 through 2016 and 2018. For the year 2017, the Company received an assessment amounting to SR 35.8 million in as additional zakat and tax liability, the Company has escalated the matter to the General Secretariat of Tax Committees ("GSTC") with the Appeal Committee for Tax Violations and Disputes and awaits for the decision. Also, the Company has received the final assessment for the years 2019 and 2020 amounting to SR 36.7 million and SR 41 million, respectively. The Company has filed an appeal to the GSTC with the Appeal Committee for Tax Violations and Disputes and their review and the outcome of the appeal is awaited. The management believes that these assessments are appropriately provisioned.

The Company is yet to receive the final assessment for the years ended 31 December 2021, 2022 and 2023.

Bupa Arabia For Third Party Administration

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2023 with ZATCA. The due zakat and tax under these years and these returns are still under ZATCA's review.

Horizon Medical Services Company

The Company has filed its zakat and income tax return for the financial year of 2023 with ZATCA. The return for this year is still under ZATCA's review.

15. SHARE CAPITAL

The authorised, issued and paid-up capital of the Group is SR 1,500 million at 30 September 2024 (31 December 2023: SR 1,500 million) consisting of 150 million shares (31 December 2023: 150 million shares) of SR 10 each. Shareholding structure of the Group is as below:

	30 September 2024 (unaudited)		31 December 2023 (audited)	
	Holding percentage	Amount	Holding percentage	Amount
Major shareholders	48.3%	723,825	48.3%	723,825
General Public	51.7%	776,175	51.7%	776,175
	100%	1,500,000	100%	1,500,000

The total shareholders' equity as of 30 September 2024 for Saudi shareholders is SR 3,306 million (31 December 2023: SR 2,663 million) and foreign shareholder is SR 1,845 million (31 December 2023: SR 1,994 million) after incorporating their respective shareholding percentage and impact of zakat, income tax, reimbursement and other adjustments.

On 28 May 2024, the Board of Directors of the Group has recommended dividend amounting to SR 600 million at SR 4 per share for the year ended 31 December 2023 (SR 540 million at SR 3.6 per share for the year ended 31 December 2022). The dividends declared relating to the shares held under employees share option scheme amounted to SR 0.83 million (2023: SR 1.45 million). The dividends were approved by the shareholders in the Extraordinary General Assembly meeting held on 30 June 2024 and paid subsequently in July 2024.

16. STATUTORY RESERVE

As required by the Insurance Regulations, 20% of the shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of the paid-up share capital. The Group carries out this transfer on an annual basis at 31 December. As at 30 September 2024, 1,353 million (31 December 2023: SR 1,353 million) had been set aside as a statutory reserve, representing 90.2% (31 December 2023: 90.2%) of the paid-up share capital.

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17. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk is inherent in the Group's activities but is managed through a process of on-going identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability, and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group's policy is to monitor business risk through strategic planning process. The strategy considers the impact of market conditions and available expertise on inherent risks to which the Group is exposed. The Group is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk. The risk is managed through a comprehensive risk management structure comprising of the Board, senior management, audit committee, risk committee and internal audit.

Capital management

Objectives are set by the Board of Directors of the Group to maintain healthy capital ratios to support its business objectives and maximise shareholders' value.

The Group 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 the risk characteristics of the Group's activities. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue shares.

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

- a) Minimum Capital Requirement.
- b) Premium Solvency Margin.
- c) Claims Solvency Margin

The Group has complied with above requirement at each reporting date presented.

18. EARNINGS PER SHARE

The basic earnings per share have been calculated by dividing 'net income attributed to the shareholders after zakat and income tax' amounting to SR 1,120,309 thousand (30 September 2023: SR 835,296 thousand) for the period by the weighted average number of ordinary shares issued and outstanding shares amounting to 150 million shares (30 September 2023: 150 million shares).

The diluted earnings per share have been calculated by dividing 'net income attributed to the shareholders after zakat and income tax' amounting to SR 1,120,309 thousand (30 September 2023: SR 835,296 thousand) for the period by the weighted average number of ordinary shares issued and outstanding shares amounting to 150 million shares (30 September 2023: 150 million shares) adjusted for the effects of all dilutive potential ordinary shares (effect of treasury shares/shares held under employee share option) amounting to 516 thousand shares (30 September 2023: 495 thousand shares) at period end.

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors, on 3 November 2024.