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THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

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2023 FINANCIAL STATEMENTS

ANNUAL REPORT VOLUME - 2

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2023
(18 JUMAD AL THANI 1445H)

INDEX	**PAGE**

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INDEPENDENT AUDITOR'S REPORT

Your Excellencies, The Chairman and Members of the Board of Governors
The Islamic Corporation for the Insurance of Investment and Export Credit
Jeddah, Kingdom of Saudi Arabia

Opinion

We have audited the financial statements of The Islamic Corporation for the Insurance of Investment and Export Credit ("the Corporation"), which comprise the statement of financial position as of December 31, 2023 (18 Jumada-II 1445H), and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and supplementary financial information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information included in the Corporation's 2023 Annual Report

Other information consists of the information included in the Corporation's 2023 annual report, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information. The Corporation's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.t

INDEPENDENT AUDITOR'S REPORT (Continued)

Your Excellencies, The Chairman and Members of the Board of Governors
The Islamic Corporation for the Insurance of Investment and Export Credit
Jeddah, Kingdom of Saudi Arabia

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs, and the Corporation's Articles of Agreement and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

Deloitte.

Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT (Continued)

Your Excellencies, The Chairman and Members of the Board of Governors
The Islamic Corporation for the Insurance of Investment and Export Credit
Jeddah, Kingdom of Saudi Arabia

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

Deloitte and Touche & Co.
Chartered Accountants

Waleed Bin Moha'd. Sobahi
Certified Public Accountant
License No. 378

17 Ramadan 1445
March 27, 2024

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	**December 31, 2023**	December 31, 2022 (Restated)	January 1, 2022 (Restated)
ASSETS				
Cash and cash equivalents	5	**21,800**	83,633	58,583
Investments held at amortized cost	6	**251,313**	160,090	162,036
Investments held at fair value	7	**17,677**	24,808	26,241
Reinsurance contract assets	8	**81,470**	73,551	52,975
Advances, prepaid expenses and other assets	9	**5,330**	4,975	4,070
Due from related parties	10	**199**	436	238
Property and equipment	11	**1,795**	1,605	1,511
TOTAL ASSETS		**379,584**	349,098	305,654
LIABILITIES AND EQUITY				
Equity				
Share capital	14	**147,567**	147,442	147,519
General reserve	15	**90,380**	81,736	76,885
Fair value reserve		**(1,055)**	(1,371)	1,386
Foreign exchange reserve of shareholders' fund		**4,995**	6,934	(4,701)
		241,887	234,741	221,089
Accumulated deficit in policyholders' fund		**(26,482)**	(35,762)	(38,676)
Foreign exchange reserve of policyholders' fund		**(1,085)**	(1,295)	1,129
Actuarial losses on employee benefits liabilities		**(792)**	(167)	(8,196)
		(28,359)	(37,224)	(45,743)
Total equity		**213,528**	197,517	175,346
Liabilities				
Insurance contract liabilities	8	**149,907**	136,013	107,087
Accrued expenses and other liabilities	12	**10,022**	9,667	8,891
Due to related parties	10	**514**	1,152	2,056
Employee benefits liabilities	13	**5,613**	4,749	12,274
Total liabilities		**166,056**	151,581	130,308
TOTAL LIABILITIES AND EQUITY		**379,584**	349,098	305,654

The accompanying notes 1 to 20 and supplementary financial information form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS
YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	2023	2022 (Restated)
Insurance revenue	8.1	**57,064**	53,226
Insurance service expenses	8.1	**(10,178)**	(42,629)
Net expenses from reinsurance contracts held	8.2	**(36,165)**	(4,800)
Insurance service result		**10,721**	5,797
Investment income on investment at amortised cost	7	**11,560**	5,764
Investment income on investment at fair value	7	**634**	559
Reversal of / (allowance) for expected credit losses	6.4	**164**	(179)
Net investment income		**12,358**	6,144
Finance (expenses)/income from insurance contracts issued	8.1	**(2,378)**	3,740
Finance income/(expenses) from reinsurance contracts held	8.2	**1,357**	(2,340)
Net insurance finance (expenses) / income		**(1,021)**	1,400
Net insurance and investment result		**22,058**	13,341
Investment management fees	10	**(612)**	(306)
Other operating expenses		**(4,635)**	(3,804)
Income/(loss) on foreign exchange translation		**1,113**	(1,466)
NET CORPORATE GAIN		**17,924**	7,765

The accompanying notes 1 to 20 and supplementary financial information form an integral part of these financial statements

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

STATEMENT OF OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	**2023**	2022 (Restated)
NET CORPORATE GAIN		**17,924**	7,765
Other comprehensive income to be reclassified to statement of profit or loss in subsequent periods:			
Net changes in fair value of investments held at FVOCI – debt instruments	7	**244**	(2,191)
Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods:			
Remeasurement (loss) / gain on employee benefits liabilities related to policyholders		**(625)**	8,029
Net changes in fair value of investments held at FVOCI – equity instruments	7	**72**	(566)
Changes in foreign exchange reserves relating to:			
Shareholders' funds		**(1,939)**	11,626
Policyholders' funds		**210**	(2,415)
TOTAL COMPREHENSIVE INCOME		**15,886**	22,248

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Share capital	General reserves	Fair value reserve	Foreign exchange reserve of shareholders' fund	Total equity for Shareholders' fund	Accumulated deficit in policyholders' fund	Foreign exchange reserve of policyholders' fund	Actuarial loss on employee benefits liabilities	Total equity for Policyholders' fund	Total Equity
Restated balance as of January 1 , 2022 (note 5)	147,519	76,885	1,386	(4,701)	221,089	(38,676)	1,129	(8,196)	(45,743)	175,346
Adjustment	(77)	-	-	-	(77)	-	-	-	-	(77)
Net underwriting gain	-	-	-	-	-	2,914	-	-	2,914	2,914
Net investment gain	-	4,851	-	-	4,851	-	-	-	-	4,851
Other comprehensive (loss) / income for the year	-	-	(2,757)	11,626	8,869	-	(2,415)	8,029	5,614	14,483
	-	4,851	(2,757)	11,626	13,720	2,914	(2,415)	8,029	8,528	22,248
Reclassification	-	-	-	9	9	-	(9)	-	(9)	-
Restated balance as of December 31, 2022	**147,442**	**81,736**	**(1,371)**	**6,934**	**234,741**	**(35,762)**	**(1,295)**	**(167)**	**(37,224)**	**197,517**
Subscriptions received	**125**	**-**	**-**	**-**	**125**	**-**	**-**	**-**	**-**	**125**
Net underwriting gain	**-**	**-**	**-**	**-**	**-**	**9,280**	**-**	**-**	**9,280**	**9,280**
Net investment gain	**-**	**8,644**	**-**	**-**	**8,644**	**-**	**-**	**-**	**-**	**8,644**
Other comprehensive (loss) / income for the year	**-**	**-**	**316**	**(1,939)**	**(1,623)**	**-**	**210**	**(625)**	**(415)**	**(2,038)**
	-	**8,644**	**316**	**(1,939)**	**7,021**	**9,280**	**210**	**(625)**	**8,865**	**15,886**
Balance as of December 31, 2023	**147,567**	**90,380**	**(1,055)**	**4,995**	**241,887**	**(26,482)**	**(1,085)**	**(792)**	**(28,359)**	**213,528**

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	December 31, 2023	December 31, 2022 (Restated)
OPERATING ACTIVITIES		
Net corporate gain for the year	**17,924**	7,765
Adjustments for:		
Depreciation	**85**	74
Gain on disposal of property and equipment	**(41)**	-
Cost of employee benefits liability	**1,557**	1,117
Investment income on investment at amortised cost	**(11,560)**	(5,764)
Investment income on investment at fair value	**(634)**	(559)
(Reversal of) / allowance for expected credit losses on financial assets	**(164)**	179
	7,167	2,812
Changes in operating assets and liabilities:		
Reinsurance contract assets	**(7,919)**	(20,576)
Advances, prepaid expenses and other assets	**45**	(411)
Due from related parties	**237**	(198)
Insurance contract liabilities	**13,894**	28,926
Accrued expenses and other liabilities	**355**	699
Due to related parties	**(638)**	(904)
Net foreign currency translation adjustment on assets and liabilities in operating assets and liabilities	**(1,636)**	8,505
Cash generated from operations	**11,505**	18,853
Employer contribution	**(1,271)**	(1,247)
Net cash from operating activities	**10,234**	17,606
INVESTING ACTIVITIES		
Investment carried at amortized cost	**(91,060)**	1,767
Additions in investment carried at fair value	**(699)**	(269)
Proceeds from sale of Investment carried at fair value	**8,007**	285
Total investment income received	**11,794**	5,829
Purchase of property and equipment-net	**(283)**	(168)
Sales proceeds of property and equipment-net	**49**	-
Net cash used in investing activities	**(72,192)**	7,444
FINANCING ACTIVITY		
Share subscriptions received	**125**	-
Net cash from financing activity	**125**	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(61,833)**	25,050
Cash and cash equivalents at beginning of the year	**83,633**	58,583
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**21,800**	83,633
NON-CASH TRANSACTION		
Fair value adjustment on investment carried at fair value	**316**	(2,757)
Share capital adjustments	**-**	(77)

The accompanying notes 1 to 20 and supplementary financial information form an integral part of these financial statements

1. ACTIVITIES

The Islamic Corporation for the Insurance of Investment and Export Credit ("the Corporation") was formed as an autonomous affiliate of Islamic Development Bank ("IsDB" or the "Bank") with full juristic personality under the terms of its Articles of Agreement, signed by IsDB and Member countries (refer note 1(a)). The principal office of the Corporation is in Jeddah, Saudi Arabia.

The objectives of the Corporation are to expand the scope of trade transactions and flow of investments among member countries by providing export credit Islamic insurance and Islamic reinsurance; as well as Islamic insurance and Islamic reinsurance of investments in accordance with Shari'ah Principles. The Corporation carries out its activities in accordance with its Articles of Agreement, Operating Regulations and the principles of Islamic Shari'ah as supervised by the IsDB Group Shari'ah Board whose functions are set out in Note 2.

As a supranational institution, the Corporation is not subject to any national regulation, is neither supervised by any external regulatory authority and is not subject to any taxes or tariffs.

The Articles of Agreement of the Corporation came into effect on August 2nd, 1994 (corresponding to 24 Safar 1415H) and the Corporation commenced operations on July 1st,1995 (corresponding to 4 Safar 1416H). In accordance with the Articles of Agreement, the Corporation is required to maintain and administer two separate funds:

i. A Policyholders' fund
ii. A Shareholders' fund

As an Islamic Insurance entity, the Corporation manages the Policyholders' fund according to the Islamic model of Wakala, whereby the Corporation acts as an agent for managing the technical insurance accounts on behalf of the Policyholders' and invests income from insurance operations according to Mudaraba model. No wakala fee is charged to the Policyholders' fund by the Shareholders' fund.

All expenses to run the Islamic insurance business are charged to the Policyholders' fund at cost, without any administration fee levied by the Shareholders' fund. The Shareholders' fund is not entitled to a share in any surplus accruing to the Policyholders' fund; any deficit in the Policyholders' fund is covered from the Shareholders' fund capital by way of a qard (loan) without any cost or charges. The qard (loan) is akin to a revolving current account to be repaid from cash sweeps of cash surplus accruing to the Policyholders' fund on a periodic basis.

In accordance with clause 13(3) of the Articles of Agreement, the net deficit in the Policyholders' fund should be covered by a qard from the Shareholders' fund. The qard is recoverable from future cash surplus accruing to the Policyholders' fund. The net deficit is interpreted as the shortfall of assets to meet any liabilities of the Policyholders' fund.

The accompanying financial statements are presented in Islamic Dinars (ID). The value of one Islamic Dinar, which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund, was equal to USD 1.34167 as of December 31, 2023 (2022: USD 1.33084).

(Expressed in thousands of Islamic Dinars unless otherwise stated)

a) The following are the Shareholders of the Corporation as of December 31, 2023 (2022: 49 shareholders):

No.	*Name of Shareholder*	*No.*	*Name of Shareholder*
1	IsDB -Special Account Resources Waqf Fund	26	Malaysia
2	Albania	27	Maldives
3	Algeria	28	Mali
4	Bahrain	29	Mauritania
5	Bangladesh	30	Morocco
6	Benin	31	Mozambique
7	Brunei	32	Niger
8	Burkina Faso	33	Nigeria
9	Cameroon	34	Oman
10	Chad	35	Pakistan
11	Comoros	36	Palestine
12	Cote d'Ivoire	37	Qatar
13	Djibouti	38	Republic of Azerbaijan
14	Egypt	39	Saudi Arabia
15	Gabon	40	Senegal
16	Gambia	41	Sudan
17	Guinea	42	Suriname
18	Indonesia	43	Syria
19	Iran	44	Tunisia
20	Iraq	45	Turkey
21	Jordan	46	Turkmenistan
22	Kazakhstan	47	Uganda
23	Kuwait	48	United Arab Emirates
24	Lebanon	49	Uzbekistan
25	Libya	50	Yemen

2. IsDB GROUP SHARI'AH BOARD

The Corporation's business activities are subject to the supervision of the IsDB Group Shari'ah Board consisting of members appointed by the Chairman of the IsDB Group in consultation with the Board of Executive Directors of IsDB. The IsDB Group's Shari'ah Board was established pursuant to a Resolution of the Board of Executive Directors of IsDB. The members of the Board are appointed for 3 years and may be reappointed.

The functions of the Board include the following:

i. To consider transactions and products introduced for the first time by the Corporation and rule on their conformity with principles of Shari'ah, and to lay down principles for drafting of related contracts and other documents.
ii. To give its opinion on Shari'ah alternatives to conventional products which the Corporation intends to use, and to lay down principles for drafting of related contracts and other documents, and to contribute to its development with a view to enhancing the Corporation's experience in this regard.
iii. To respond to questions, enquiries and explications referred to it by the Board of Directors or Management.
iv. To contribute to the Corporation's program for enhancing awareness of its Staff Members of Islamic Banking and to deepen their understanding of fundamental principles, rules and values relative to Islamic financial transactions.

v. To submit an annual report to the Board of Directors showing the measure of the Corporation's commitment to principles of Shari'ah in light of the opinions and directions given and transactions reviewed.

3. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the Corporation's Articles of Agreement. This is the first set of financial statements in which IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" have been applied and the resultant changes to the material accounting policy information are described in Note 3 (c).

In preparing the Corporations financial statements in accordance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances and transactions, if any, are eliminated in full. The results of operations of policyholders are presented as a separate component within equity in the statement of financial position.

b. Basis of preparation and reporting and functional currency

The financial statements are prepared under the historical cost convention using accrual basis of accounting, except for the following:

Items	**Measurement bases**
Employee Benefit liabilities	Present value of the defined benefit obligation, using actuarial present value calculations based on projected unit credit method as explained in note 13.
Investment classified as fair value through other comprehensive income' (FVOCI) and fair value through profit and loss (FVTPL)	Fair value

Presentation currency

These financial statements are presented in Islamic Dinars which is the presentation currency of the Corporation.

The Corporation adopted the United States Dollars as its functional currency and the results and financial position are translated from the functional currency into the presentation currency as follows:

i. Monetary assets and liabilities are translated at the closing rate at year end;
ii. Non-monetary assets and equity items are translated at historical rates at each transaction date;
iii. Income and expenses are translated at average rates during the year; and
iv. All resulting exchange differences are recognized in other comprehensive income and foreign exchange reserve in the equity section of the statement of financial position.

c. Summary of material accounting policy information

The accounting policies are consistent with those used in the previous year, except for new standards and interpretations disclosed in note 4. The material accounting policies adopted are as follows:

Cash and cash equivalents

Cash and cash equivalents comprise of Bank balances and Commodity Murabaha placements having an original maturity of three months or less at the date of acquisition.

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

Financial instruments

Financial assets and financial liabilities are recognised in the Corporation's statement of financial position when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets include cash and cash equivalent, investments at amortised cost, investments at fair value and due from related parties. Financial liabilities include due to related parties.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ('SPPP') on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).
Despite the foregoing, the Corporation may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Corporation may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Corporation may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective profit method

The effective profit method is a method of calculating the amortised cost of a debt instrument and of allocating profit over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Profit is recognised using the effective profit method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, profit is calculated by applying the effective profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, profit is recognised by applying the effective profit rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, profit is recognised by applying the effective profit rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Corporation recognises profit by applying the credit-adjusted effective profit rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Income is recognised in profit or loss and is included in the " Investment income on investment at amortised cost" and “Investment income on investment at fair value” line item.

Debt instruments classified as at FVTOCI

A Sukuk held by the Corporation is classified as at FVTOCI. Fair value is determined in the manner described in note 16. The Sukuk is initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of the Sukuk as a result of foreign exchange gains and losses, impairment gains or losses, and profit calculated using the effective profit method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the Sukuk had been measured at amortised cost. All other changes in the carrying amount of Sukuk is recognised in other comprehensive income and accumulated under the heading of fair value reserve. When the Sukuk is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified to profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Corporation may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Investment income on investment at fair value' line item in profit or loss.

The Corporation designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if either:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Corporation designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Corporation has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (the Corporation does not have any hedge relationship). The net gain or loss recognised in profit or loss includes any dividend or profit earned on the financial asset and is included in the 'Investment income on investment at fair value' line item in profit or loss. Fair value is determined in the manner described in note 16.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Corporation. No offsetting has been made in these financial statements.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Income/(loss) on foreign exchange translation';
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Income/(loss) on foreign exchange translation' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the fair value reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Income/(loss) on foreign exchange translation' line item as part of the fair value gain or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value reserve.

Impairment of financial assets / Expected credit losses

Overview of Expected Credit Loss ("ECL") principles

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

The Corporation recognizes loss allowances for ECL on the following financial instruments that are not measured at fair value:
- Financial assets that are debt instruments
- Cash and cash equivalents and Murabaha investments

No impairment loss is recognized on equity instruments.

The Corporation measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:
- debt instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Corporation considers debt securities to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Staging of financial assets

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

Stage 1 – Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;
Stage 2 – Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition, but which are not credit-impaired; and
Stage 3 – Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Corporation compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Corporation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Corporation’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Corporation’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Corporation presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Corporation has reasonable and supportable information that demonstrates otherwise.

Credit impaired financial asset

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event (more than 90 days);
- it is becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

In assessing whether an investment in sovereign debt is credit-impaired, the Corporation considers the following factors.

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

Definition of default

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

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

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

ECL methodology and measurement

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

For the investment portfolio, a generalized approach is used, where assets are classified under 3 different stages based on the SICR criteria: Stage 1, Stage 2, and Stage 3 where 12-month ECL is computed for Stage 1 and lifetime ECL for Stage 2 and Stage 3. For other receivable portfolio, a simplified approach is used, for which staging is not required, based on a lifetime ECL computation.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:
- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Corporation expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Probability of Default ('PD')

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

Loss Given Default ('LGD')

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

Exposure at Default ('EAD')

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

Forward looking estimate

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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:
- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve. No such allowance is recognized as of December 31, 2023 and 2022.

Financial liabilities

Classification and derecognition of financial liabilities
The Corporation classifies its financial liabilities, other than financial guarantees if any, as measured at amortized cost.

A liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any cost on liability, are recognized in statement of profit or loss. The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Corporation has no financial liability recognized at FVTPL.

IFRS 17 - Insurance and reinsurance contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features (“DPF”). The Corporation has applied the full retrospective approach to each group of insurance contracts.

The Corporation issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims (“LIC”) and Liability for Remaining Coverage (“LRC”).
The Corporation issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Premium Allocation Approach (PAA). All the reinsurance contracts are also accounted for under PAA.

- BMP Bank Master Policy
- CSTP Comprehensive Short-Term policy
- DCIP Documentary Credit Insurance Policy
- FIPE Foreign Investment policy for Equity
- FIPF Foreign Investment policy for Financing
- FIPL Foreign Investment policy for Loan Guarantee
- GAP Global Alliance policy
- IFRP Facultative Reinsurance policy
- IQTP Quota Treaty Policy
- STP Specific Transaction Policy

Products sold by the Corporation are classified as insurance contracts when the Corporation accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Corporation considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Corporation determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Corporation to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Level of aggregation

The Corporation identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Corporation considers the similarity of risks rather than the specific labelling of product lines. The Corporation has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Corporation segregates insurance contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- any contracts that are onerous on initial recognition
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the portfolio.

The reinsurance contracts are disaggregated into three group of contracts:

- those that on initial recognition have a net gain, if any;
- those that on initial recognition have no significant possibility of resulting in a net gain; and
- other remaining reinsurance contracts held in that portfolio.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Corporation's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

The composition of groups established at initial recognition is not subsequently reassessed.

The Corporation determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise.

None of the insurance contracts groups recognized are onerous. Similarly, none of the reinsurance contracts groups recognized are expected to have a net gain.

Recognition

The Corporation recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous. There are no onerous group of contracts as of December 31, 2023 and 2022 and the transition date of January 1, 2022

The Corporation recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

The Corporation adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

The Corporation recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Corporation delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Corporation recognises an onerous group of underlying insurance contracts if the Corporation entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Measurement model

The Corporation applies the Premium Allocation Approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds. The Corporation applies the PAA as the coverage period of these contracts is one year or less. In case of contracts with more than one-year of coverage period, the Corporation had carried out the PAA eligibility test (refer below section "Insurance Contracts – initial measurement") to confirm that PAA may be applied. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Corporation 's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Corporation now includes an explicit risk adjustment for non-financial risk as well as provision for Incurred But Not Reported (IBNR) claims.

Contract boundary

The Corporation includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Corporation can compel the policyholder to pay the premiums, or in which the Corporation has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Corporation has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- The Corporation has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

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

The carrying amount of a group of insurance and reinsurance contracts issued at the end of each reporting period is the sum of:
a. the liability / asset for remaining coverage; and
b. the liability / asset for incurred claims, comprising the fulfillment cash flows ("FCF") related to past service allocated to the Corporation at the reporting date.

Liability for remaining coverage - Insurance Contracts – initial measurement

The Corporation applies the premium allocation approach (PAA) to all the insurance contracts that it issues, as:
- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Corporation has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the General Measurement Model ("GMM").

For a group of contracts that is not onerous at initial recognition, the Corporation measures the liability for remaining coverage (LRC) as:
- The premiums received in cash, if any, received at initial recognition,
- Minus any insurance acquisition cash flows at that date,
- plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts

For all insurance contracts, there is no allowance for time value of money in the calculation of LRC. The Corporation expects that the time between providing each part of the services and the related premium due date is no more than a year or is considered as immaterial where over one year.

Premiums due to the Corporation for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC.

Asset for remaining coverage - Reinsurance contracts held – initial measurement

The Corporation measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

For reinsurance contracts longer than one year, the Corporation has modelled possible future scenarios and reasonably expects that the measurement of the asset for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the General Measurement Model ("GMM").

Liability for remaining coverage - Insurance contracts – subsequent measurement

The Corporation measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:
- Plus premiums received in the period,
- Minus insurance acquisition cash flows,
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group,
- Minus the amount recognised as insurance revenue for the services provided in the period, and

The Corporation estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Corporation and include an explicit adjustment for non-financial risk (the risk adjustment).

Asset for remaining coverage - Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Liability for Incurred Claims "LIC"

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. The Corporation estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfills its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Corporation presents the entire change in risk adjustment as part of insurance service results.

The Corporation establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at of the statement of financial position date, including claims incurred but not yet reported ("IBNR") and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Corporation. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

The main assumption underlying these techniques is that the Corporation's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by event year, geographical area, as well as claim type. Loss ratio is the ratio of total claims incurred to total premiums earned for the portfolio.

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

The Corporation has decided not to discount the LIC for the time value of money as most of the claims incurred are expected to be settled within a 12-month period. An insignificant portion of the LIC is expected to be carried over beyond 12 months, with an immaterial impact on LIC and statement of profit or loss. The Corporation will regularly monitor the time it takes in settling claims from the date they are incurred. The Corporation has elected the accounting policy choice to present entire insurance finance income or expense for the period in the statement of profit or loss.

Presentation

The Corporation presents separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.
The Corporation disaggregates the total amount recognised in the statement of profit or loss into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Corporation separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

The Corporation has chosen not to disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. Hence, the total charge for both financial and insurance portions are included as part of the insurance service result in the statement of profit or loss.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Corporation requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Corporation fulfils insurance contracts. The Corporation has chosen a confidence level based on the 99th percentile of the distribution of the claim reserves, considering the confidence level is adequate to cover sources of uncertainty about the amount and timing of the cash flows.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period (excluding any investment component). The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Corporation changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.
Fee income from insurance is calculated in accordance with the terms of agreement and is accounted for on an accrual basis and are recognised in insurance revenue.

Insurance revenue is adjusted to allow for policyholders' default on future premiums. The default probability is derived from the expected credit loss model prescribed under IFRS 9 using simplified approach which involves estimating future loss rate using historical trend and incorporating macroeconomic factors. The impact of expected credit loss method is immaterial as of the reporting date.

Insurance service expense

Insurance service expenses arising from a group of insurance contracts issued comprises:
- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Acquisition costs fall under the insurance service expense. The Corporation amortizes the insurance acquisition costs over the contract period.

Directly attributable expenses

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Corporate allocates the attributable costs based on a number of drivers. Attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

Insurance finance income and expense / reinsurance finance income and expenses

The insurance / reinsurance finance income or expenses of the Corporation represent the foreign exchange gains or losses. The Corporation presents insurance / reinsurance finance income or expenses on group of insurance contracts issued / reinsurance contracts held in the statement of profit or loss.

Net income or expense from reinsurance contracts held

The Corporation presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Corporation treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss.

Investment components

The Corporation identifies the investment component of a contract by determining the amount that it would receive from the reinsurer in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from allocation of reinsurance premiums and amounts recoverable from reinsurers for incurred claims. The Corporation has not identified any investment component embedded in the insurance contracts issued.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Vehicles	5 years
Furniture and fixtures	5 years
Office equipment	5 years
Computer equipment	4 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditures are recognized in the statement of profit or loss as the expense is incurred.

Provisions

A provision is recognized when the Corporation has an obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits liabilities

The Corporation operates three defined post-employment benefit plans for its employees, the Staff Retirement Pension Plan (“SRPP”), the Staff Retirement Medical Plan (“SRMP”) and the Retirement Medical Solidarity Plan (“RMSP”). All of these plans require contributions to be made to separately administered funds. A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and percentage of final gross salary. Independent actuaries calculate the defined benefit obligation on an annual basis by using the Projected Unit Credit Method to determine the present value of the defined benefit plan and the related service costs. The underlying actuarial assumptions are used to determine the projected benefit obligations.

A full actuarial valuation is performed every three years by engaging independent actuaries. For intermediate years, the defined benefit obligation is estimated by the independent actuaries using approximate actuarial roll-forward techniques that allow for additional benefit accrual, actual cash flows and changes in the underlying actuarial assumptions, mainly the change in discount rate based on the market condition as of valuation date.
SPP and SRMP actuarial valuation results presented as of December 31, 2023 are based on a roll forward of the data as of 2021. Valuation results for RMSP are based on a roll forward data as of 2022 when a full valuation was performed.

The present value of the defined benefit obligation due until the retirement date is determined by discounting the estimated future cash outflows (relating to service accrued to the reporting date) using the yields available on US AA rated corporate bonds. The bonds have terms to maturity closely matching the terms of the actual defined benefit obligation.

The current service cost of the defined benefit plan recognized in the income statement reflects the increase in the defined benefit obligation resulting from employee service in the current year. The cost on defined benefit obligation represents increase in liability due to passage of time.

Retrospective modifications to benefits or curtailment gain or loss are accounted for as past service costs or income in the statement of income in the period of plan amendment.

Actuarial gains or losses, if material, are recognized immediately in the reserves under members' equity in the year they occur. The pension liability is recognized as part of other liabilities in the statement of financial position. The liability represents the present value of the Corporation's defined benefit obligations, net of the fair value of plan assets.

The pension committee, with advice from the Corporation's actuaries, determines the Corporation's contributions to the defined benefit scheme and the contributions are transferred to the scheme's independent custodians.

d. Summary accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRSs, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Corporation's accounting policies

i) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPP (solely payments of principal and profit) and the business model test (please see financial assets sections of note 3). The Corporation determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Corporation monitors financial assets and monitoring is part of the Management's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were made during the periods presented.

ii) Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 financial assets, or lifetime ECL for stage 2 or stage 3 financial assets. A financial asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Corporation takes into account qualitative and quantitative reasonable and supportable information.

iii) Going concern

The Corporation's management has made an assessment of the Corporation's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Corporation's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

iv) Insurance Contracts

The Corporation issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Corporation uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Corporation has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The measurement of these insurance contracts also requires significant judgement and estimates. These significant judgement and estimates include risk adjustment ("RA") and liability for incurred claims – estimate of future cash flows. Refer to note 3 above for further details.

v) Identification of portfolios:

The Corporation defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

vi) Level of aggregation

The Corporation applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts.

vii) Determination of the contract boundary

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Corporation considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Corporation has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Corporation applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

viii) Assessment of directly attributable cash flows

The Corporation uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Corporation also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

The Corporation identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling /maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to the aforementioned contracts (non-attributable expenses).

Acquisition costs, such as underwriting costs including other expenses except for initial commission paid, are no longer recognized in the statement of profit or loss when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts using an allocation mechanism considering the activity-based costing principles. The Corporation has determined costs directly identified to the groups of contracts, as well as, costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses, overheads and one-off exceptional expenses is recognized in the statement of profit or loss immediately when incurred. The proportion of directly attributable and non-attributable costs at inception will change the pattern at which expenses are recognized.

ix) PAA eligibility assessment

The Corporation has calculated a Liability for remaining coverage (LRC) and Asset for remaining coverage (ARC) for those groups of insurance contracts written and reinsurance contracts held respectively where the coverage period was more than one year. The calculation was performed under both simplified approach i.e. Premium Allocation Approach (PAA) and General Measurement Mode (GMM). Situations, which may cause the LRC and / or ARC under the PAA to differ from the LRC and / or ARC under the GMM:

- When the expectation of the profitability for the remaining coverage changes at a particular valuation date during the coverage period of a group of contracts;
- If yield curves change significantly from those in place at the Corporation's initial recognition;
- When the incidence of claims occurrence differs from the coverage units; and
- The effect of discounting under the GMM creates an inherent difference; this difference compounds over longer contract durations.

Upon analysis of the possible differences between LRC and / or ARC applying the PAA and GMM approach, respectively, the Corporation did not note any material difference for contracts with coverage period of more than one year. Hence, it has opted to report all such contracts using the PAA approach maintaining a consistent accounting treatment to the rest of the portfolio of insurance contracts issued and reinsurance contracts held that have a coverage period of up to one year. The Corporation assesses materiality at each respective group of contracts level (GoCs) and at an aggregate insurance contract liabilities / re-insurance contract assets level using pre-determined quantitative threshold for differences at the GoCs.

Key sources of estimation uncertainty

The Corporation has made various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as of the reporting date about future events that the Corporation believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these estimates. The underlying assumptions are also subject to uncertainties which are often outside the control of the Corporation. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

i) Allowance for expected credit loss and expected premium receipts

The measurement of ECL under IFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Corporation's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The selection of an estimation technique or modelling methodology, covering below key judgements and assumptions, and the interdependencies between those inputs such as macroeconomic scenarios and economic inputs

a) The Company's model, which assigns Probability of Default ("PD").
b) Loss Given Default ("LGD") determination considering recoveries and cure rate etc.
c) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances should be measured on a Lifetime ECL basis;
d) The segmentation of financial assets when their ECL is assessed;
e) Development of ECL models, including the various formulas; and
f) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

ii) Discounting rates

Insurance contract and reinsurance contract liabilities and assets respectively are calculated by discounting expected future cash flows at a discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts, where applicable. The Corporation applies a bottom-up approach to derive the applicable yield curve when determining the discount rate, whilst also considering the currency of the various cash flows. The Corporation primarily writes Euro and USD-denominated policies, and therefore the curves selected were based on the European Insurance and Occupational Pensions Authority (EIOPA) volatility adjusted risk-free curve and the United States swap curve whilst applying certain adjustments for factors under IFRS 17, where applicable. For the valuation period, the expected timing of future cash flows was considered to be settled materially within a year, and therefore the Corporation did not apply discounting to the expected future cash flows. The discount rates are therefore not disclosed.

iii) Risk adjustment methodology, including correlations, and confidence level selected

The risk adjustment for non-financial risk is the compensation that the Corporation requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value of claims.

The Corporation has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 99-percentile. That is, the Corporation has assessed its indifference to uncertainty for all product lines, as an indication of the compensation that it requires for bearing nonfinancial risk as being equivalent to the 99-percentile confidence level less the mean of an estimated probability distribution of the future cash flows.

The Company has appointed a qualified actuary who supports in reviewing and providing recommendation with regards to the expected ultimate claims and the associated claims reserves. The Company booked reserves following the recommendation of the appointed actuary who is currently external and independent from the Company. A range of methods were used by the appointed actuary to determine these claims. From the diverse methods available to estimate the volatility of future cash flows and, thus, the applicable confidence interval for each line of business, the Corporation relied on the VaR method making use of the Basel III approach.

iv) Fair value of financial instruments

The fair value for financial instruments in active markets at the reporting date is based on their quoted market price. Where the fair value of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair values. For investments where Level 1 inputs are not available , there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the investee's latest available financial statements or is based on the assessment by the Corporation of the value of future cash flows from the investment.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

The valuations of equity investments are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in note 16.

4 ADOPTION OF NEW AND REVISED STANDARDS

4.1 Amended and revised International Financial Reporting Standards ("IFRS") Standards that are effective for the current year

In the current year, the Corporation has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after January 1, 2023.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except for adoption of IFRS 17 and IFRS 9 explained in following pages.

New and revised IFRS	Summary
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.
IFRS 17 Insurance Contracts and its amendments	IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. Amendments require insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. These Amendments to IFRS 17 also address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017.
Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting Policies)	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Amendments to IAS 8 (Definition of Accounting Estimates)	The amendments replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in

	accounting estimate that results from new information or new developments is not the correction of an error.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction and temporary exception regarding deferred tax assets and liabilities related to pillar two income taxes (Amendments to IAS 12)	Amendments clarifies that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments also provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial period beginning on or after January 1, 2023 and relevant to the Corporation's operations.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

4.2 New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorization of these financial statements, the Corporation has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	January 1, 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1) The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	January 1, 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	January 1, 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	January 1, 2024
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	January 1, 2024
Amendments to the SASB standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics	January 1, 2025
Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	January 1, 2025

(Expressed in thousands of Islamic Dinars unless otherwise stated)

5. EXPLANATION TO TRANSITION TO IFRS 17 AND IFRS 9

As stated in note 3 (a), this is the Corporation's first financial statements prepared in accordance with the requirements of IFRS 17 and IFRS 9.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended December 31, 2023 and in the preparation of an opening statement of financial position at January 1, 2022 (the Corporation's date of transition) and December 31, 2022.

In preparing its opening statement of financial position, the Corporation has adjusted amounts reported previously in the financial statements under IFRS 4 and IAS 39 to comply with the requirements of IFRS 17 and IFRS 9.

Reclassification impact on the statement of financial position on adoption of IFRS 17

Presentation changes in the statement of financial position are introduced by IFRS 17. The previously reported line items: premium receivable – net, unearned premiums, outstanding claims reserves, claims payable are presented together by portfolio on a single line called insurance contract assets or liabilities. The previously reported line items: reinsurers' share of unearned premiums, reinsurers' share of outstanding claims reserves, unearned reinsurance commission, reinsurers' balances payable are presented together by portfolio on a single line called reinsurance contract assets or liabilities.

Presentation is driven by portfolios which are composed of groups of contracts covering similar risks and which are managed together. Portfolios of insurance and reinsurance contracts are presented separately between:

- Portfolios of insurance contracts that are assets;
- Portfolios of reinsurance contracts that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts that are liabilities.

Remeasurement impact on the statement of financial position on adoption of IFRS 17

Impact on Equity:

Drivers of change	Impact on equity on transition to IFRS 17 on January 1, 2022
Changes in measurement of insurance contract liabilities	(846)
Changes in measurement of reinsurance contract assets	665
Total impact	(181)

Impact on Insurance Contract Liabilities:

Drivers of change	Impact on equity on transition to IFRS 17 on January 1, 2022
Risk adjustment and credit loss	(846)

Impact on Reinsurance Contract Asset:

Drivers of change	Impact on equity on transition to IFRS 17 on January 1, 2022
Reinsurance risk adjustment	665

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reclassification impact on the statement of financial position on adoption of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Corporation's financial assets and financial liabilities, inclusive of the expected credit losses, as of January 1, 2022 and December 31, 2022:

	IAS 39			IFRS 9		
Particulars	**Classification**	**December 31, 2022**	**January 01, 2022**	**Classification**	**December 31, 2022**	**January 01, 2022**
Cash and cash equivalents	Amortized cost	83,647	58,602	Amortized cost	83,633	58,583
Investments:						
Sukuk	Held to maturity	130,347	111,465	Amortized cost	129,649	110,878
Sukuk	Available for sale	11,301	11,559	FVOCI	11,301	11,559
Real state funds	Available for sale	12,626	13,845	FVOCI	12,626	13,845
Equity securities	Available for sale	881	837	FVTPL	881	837
Commodity Murabaha placements	Held to maturity	24,711	41,535	Amortized cost	24,688	41,521
Murabaha Syndicated Investments	Held to maturity	5,937	9,720	Amortized cost	5,753	9,637
		269,450	**247,563**		**268,531**	**246,860**

The changes in the classification of financial assets are predominantly due to the mandatory classification of equity instruments (including real state funds) at FVTPL except for those which on transition the Corporation has elected to present the changes in fair value in OCI. Sukuks which meet the requirements of the IFRS 9 business models hold to collect and sell are classified as FVOCI. The remaining financial assets which have been classified as amortized cost meet the criteria of held to collect business model. There are no changes in the classification of financial liabilities in the transition from IAS 39 to IFRS 9.

Remeasurement impact on the statement of financial position on adoption of IFRS 9

Impairment / expected credit loss of financial assets

The following table reconciles the expected credit loss allowance and provision recorded as per the requirements of IAS 39 as of 31 December 2021 to opening ECL allowance determined in accordance with IFRS 9 as of 1 January 2022.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Particulars	December 31, 2021 (IAS 39)	Reclassification	Remeasurement	January 1, 2022 (IFRS 9)
Financial assets at amortized cost (IFRS 9)				
Expected credit loss on sukuk	-	-	587	587
Expected credit loss on cash and cash equivalents	-	-	19	19
Expected credit loss on commodity 36murabaha placements	-	-	14	14
Expected credit loss on m36urabaha syndicated investments	-	-	83	83
Total	-	-	**703**	**703**

Reconciliation of statement of financial position as of January 1, 2022

	January 1, 2022					
	Pre-adoption of IFRS 17 and IFRS 9	IFRS 17 Reclassification	IFRS 17 Remeasurement	IFRS 9 Reclassification	IFRS 9 Remeasurement	Post adoption of IFRS 17 and IFRS 9
ASSETS						
Cash and cash equivalents	58,602	-	-	-	(19)	58,583
Murabaha investments, net	51,255	-	-	(51,255)	-	-
Held to maturity investments	111,465	-	-	(111,465)	-	-
Available for sale investments	26,241	-	-	(26,241)	-	-
Investment held at amortized cost	-	-	-	162,720	(684)	162,036
Investment held at fair value	-	-	-	26,241	-	26,241
Premium receivable, net	6,982	(6,982)	-	-	-	-
Advances, prepaid expenses and other assets	4,070	-	-	-	-	4,070
Due from related parties	238	-	-	-	-	238
Reinsurance share of outstanding claims reserves	23,631	(23,631)	-	-	-	-
Reinsurance share of unearned premiums	59,916	(59,916)	-	-	-	-
Reinsurance contract assets	-	52,310	665	-	-	52,975
Property and equipment	1,511	-	-	-	-	1,511
TOTAL ASSETS	**343,911**	**(38,219)**	**665**	**-**	**(703)**	**305,654**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reconciliation of statement of financial position as of January 1, 2022 (continued)

	January 1, 2022					
	Pre-adoption of IFRS 17 and IFRS 9	IFRS 17 Reclassification	IFRS 17 Remeasurement	IFRS 9 Reclassification	IFRS 9 Remeasurement	Post adoption of IFRS 17 and IFRS 9
LIABILITIES AND EQUITY						
Equity						
Share capital	147,519	-	-	-	-	147,519
General reserve	78,380	(817)	-	-	(678)	76,885
Fair value reserve	1,386	-	-	-	-	1,386
Foreign exchange reserve	(4,689)	-	-	-	(12)	(4,701)
	222,596	(817)	-	-	(690)	221,089
Accumulated deficit in policyholder's fund	(39,302)	817	(178)	-	(13)	(38,676)
Foreign exchange reserve	1,132	-	(3)	-	-	1,129
Actuarial losses on employee benefits liabilities	(8,196)	-	-	-	-	(8,196)
	(46,366)	817	(181)	-	(13)	(45,743)
Total equity	**176,230**	**-**	**(181)**	**-**	**(703)**	**175,346**
Liabilities						
Unearned premiums	74,410	(74,410)	-	-	-	-
Unearned reinsurance commission	15,399	(15,399)	-	-	-	-
Outstanding claims reserves	38,364	(38,364)	-	-	-	-
Accrued expenses and other liabilities	24,921	(16,030)	-	-	-	8,891
Insurance contract liabilities	-	106,241	846	-	-	107,087
Due to related parties	2,056	-	-	-	-	2,056
Claims payable	257	(257)	-	-	-	-
Employee benefits liabilities	12,274	-	-	-	-	12,274
Total liabilities	**167,681**	**(38,219)**	**846**	**-**	**-**	**130,308**
TOTAL LIABILITIES AND EQUITY	**343,911**	**(38,219)**	**665**	**-**	**(703)**	**305,654**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reconciliation of statement of financial position as of December 31, 2022

	December 31, 2022					
	Pre-adoption of IFRS 17 and IFRS 9	**IFRS 17**		**IFRS 9**		**Post adoption of IFRS 17 and IFRS 9**
		Reclassification	**Remeasurement**	**Reclassification**	**Remeasurement**	
ASSETS						
Cash and cash equivalents	83,647	-	-	-	(14)	83,633
Murabaha investments, net	30,648	-	-	(30,648)	-	-
Held to maturity investments	130,347	-	-	(130,347)	-	-
Available for sale investments	24,808	-	-	(24,808)	-	-
Investment held at amortized cost	-	-	-	160,995	(905)	160,090
Investment held at fair value	-	-	-	24,808	-	24,808
Premium receivable, net	22,220	(22,220)	-	-	-	-
Advances, prepaid expenses and other assets	4,975	-	-	-	-	4,975
Due from related parties	436	-	-	-	-	436
Reinsurance share of outstanding claims reserves	41,930	(41,930)	-	-	-	-
Reinsurance share of unearned premiums	69,426	(69,426)	-	-	-	-
Reinsurance contract assets	-	65,649	7,902	-	-	73,551
Property and equipment	1,605	-	-	-	-	1,605
TOTAL ASSETS	**410,042**	**(67,927)**	**7,902**	**-**	**(919)**	**349,098**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reconciliation of statement of financial position as of December 31, 2022 (continued)

	December 31, 2022					
	Pre-adoption of IFRS 17 and IFRS 9	IFRS 17		IFRS 9		Post adoption of IFRS 17 and IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
LIABILITIES AND EQUITY						
Equity						
Share capital	147,442	-	-	-	-	147,442
General reserve	84,012	(1,617)	-	-	(659)	81,736
Fair value reserve	(1,371)	-	-	-	-	(1,371)
Foreign exchange reserve	6,974	-	-	-	(40)	6,934
	237,057	(1,617)	-	-	(699)	234,741
Accumulated deficit in policyholder's fund	(36,738)	1,617	(430)	-	(211)	(35,762)
Foreign exchange reserve	(1,323)	-	37	-	(9)	(1,295)
Actuarial losses on employee benefits liabilities	(167)	-	-	-	-	(167)
	(38,228)	1,617	(393)	-	(220)	(37,224)
Total equity	**198,829**	**-**	**(393)**	**-**	**(919)**	**197,517**
Liabilities						
Unearned premiums	87,918	(87,918)	-	-	-	-
Unearned reinsurance commission	17,956	(17,956)	-	-	-	-
Outstanding claims reserves	61,809	(61,809)	-	-	-	-
Accrued expenses and other liabilities	37,359	(27,692)	-	-	-	9,667
Insurance contract liabilities	-	127,718	8,295	-	-	136,013
Due to related parties	1,152	-	-	-	-	1,152
Claims payable	270	(270)	-	-	-	-
Employee benefits liabilities	4,749	-	-	-	-	4,749
Total liabilities	**211,213**	**(67,927)**	**8,295**	**-**	**-**	**151,581**
TOTAL LIABILITIES AND EQUITY	**410,042**	**(67,927)**	**7,902**	**-**	**(919)**	**349,098**

Reconciliation of statement of profit or loss for the year ended December 31, 2022

Reclassification impact on statement of profit or loss on adoption of IFRS 17

The line-item descriptions in the statement of profit or loss have been changed significantly compared with prior year. Previously, the Corporation reported the following line items:

- Gross premiums written
- Premium ceded to reinsurers
- Net movement in unearned premiums
- Outward reinsurance commission income, earned
- Recoveries of previously settled claims, net
- Policy fees earned & others
- Gross claims paid
- Reinsurance share of claims paid
- Change in net outstanding claims and other reserves
- Policy acquisition costs
- Employees' related costs
- Sales and marketing expenses
- General and administrative expenses
- Loss on foreign exchange translation

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Net expenses from reinsurance contracts held
- Finance income/(expenses) from insurance contracts issued
- Finance income/(expenses) from reinsurance contracts held
- Other operating expenses

Remeasurement impact on statement of profit or loss on adoption of IFRS 17

The remeasurement impact in the statement of profit or loss on adoption of IFRS 17 is on account of the following:

- Risk adjustment amounting to ID 378 thousand.
- Expected premium adjustment amounting to ID 630 thousand.

Reclassification impact on statement of profit or loss on adoption of IFRS 9

- Allowance for expected credit losses under IFRS 9 is disclosed separately on the statement of profit or loss. Under IAS 39, Allowance for doubtful debts was presented as part of general and administrative expenses.
- Investment income on financial assets at amortized costs and on financial assets at fair value are shown separately on the statement of profit or loss instead of presented previously as one line item.
- Under IAS 39, changes in the fair value of both investment in debt instruments and investment in equity instruments classified as available-for-sale were presented together on the statement of other comprehensive income for the year ended 31 December 2022. On transition to IFRS 9, the net fair value loss of ID 2,757 thousand was reclassified from "changes in available-for-sale investments" and presented separately as fair value loss of ID 566 thousands on equity instruments and a fair value loss of ID 2,191 thousands on debt instruments. Those instruments have been reclassified from available for sale to financial assets held at FVOCI on transition.

Remeasurement impact on statement of profit or loss on adoption of IFRS 9

The remeasurement impact in statement of profit or loss on adoption of IFRS 9 relates to recognition of expected credit loss on financial assets using expected credit loss method of ID 179 thousand.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reconciliation of statement of profit or loss for the year ended December 31, 2022

	December 31, 2022					
	Pre-adoption of IFRS 17 and IFRS 9	IFRS 17		IFRS 9		Post adoption of IFRS 17 and IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
REVENUES						
Insurance revenue	-	53,856	(630)	-	-	53,226
Insurance service expenses	-	(18,417)	(24,212)	-	-	(42,629)
Net expenses from reinsurance contracts held	-	(28,940)	24,140	-	-	(4,800)
Insurance service result	**-**	**6,499**	**(702)**	**-**	**-**	**5,797**
Gross written premiums	68,995	(68,995)	-	-	-	-
Premiums ceded to reinsurers	(47,955)	47,955	-	-	-	-
	21,040	(21,040)	-	-	-	-
Net movement in unearned premiums	(4,055)	4,055	-	-	-	-
Net earned premiums	16,985	(16,985)	-	-	-	-
Outward reinsurance commission income, earned	8,960	(8,960)	-	-	-	-
Recoveries of previously settled claims, net	89	(89)	-	-	-	-
Policy fees earned & Others	124	(124)	-	-	-	-
Total underwriting revenue	**26,158**	**(26,158)**	**-**	**-**	**-**	**-**
Gross claims paid	(2,952)	2,952	-	-	-	-
Reinsurance share of claims paid	1,065	(1,065)	-	-	-	-
Net claim paid	(1,887)	1,887	-	-	-	-
Change in net outstanding claims and other reserves	(4,506)	4,506	-	-	-	-
Net claim expense	(6,393)	6,393	-	-	-	-
Policy acquisition costs	(2,480)	2,480	-	-	-	-
Employees' related costs	(11,597)	11,597	-	-	-	-
Sales and marketing expenses	(731)	731	-	-	-	-
General and administrative expenses	(2,489)	2,489	-	-	-	-
Loss on foreign exchange translation	(63)	63	-	-	-	-
Total underwriting expenses	**(23,753)**	**23,753**	**-**	**-**	**-**	**-**
Total underwriting costs and expenses	**2,405**	**(2,405)**	**-**	**-**	**-**	**-**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reconciliation of statement of profit or loss for the year ended December 31, 2022 (continued)

	December 31, 2022					
	Pre-adoption of IFRS 17 and IFRS 9	IFRS 17 Reclassification	IFRS 17 Remeasurement	IFRS 9 Reclassification	IFRS 9 Remeasurement	Post adoption of IFRS 17 and IFRS 9
Investment income on investment at amortised cost	-	-	-	5,764	-	5,764
Investment income on investment at fair value	-	-	-	559	-	559
Allowance for expected credit losses	-	-	-	-	(179)	(179)
Net investment income	**-**	**-**	**-**	**6,323**	**(179)**	**6,144**
Finance income / (expenses) from insurance contracts issued	-	3,740		-	-	3,740
Finance income / (expenses) from reinsurance contracts held	-	(2,340)		-	-	(2,340)
Net insurance finance income / (expenses)	**-**	**1,400**		**-**	**-**	**1,400**
Investment income	6,323	-	-	(6,323)	-	-
Investment management fees	(306)	-	-	-	-	(306)
Other operating expenses	-	(4,254)	450	-	-	(3,804)
General and administrative expenses	(222)	222	-	-	-	-
Loss on foreign exchange translation	(4)	(1,462)	-	-	-	(1,466)
Net other operating expenses	**5,791**	**(5,494)**	**450**	**(6,323)**	**-**	**(5,576)**
NET CORPORATE GAIN	**8,196**	**-**	**(252)**	**-**	**(179)**	**7,765**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reconciliation of statement of comprehensive income for the year ended December 31, 2022

	December 31, 2022 (Unaudited)					
	Pre-adoption of IFRS 17 and IFRS 9	IFRS 17 Reclassification	IFRS 17 Remeasurement	IFRS 9 Reclassification	IFRS 9 Remeasurement	Post adoption of IFRS 17 and IFRS 9
NET CORPORATE GAIN	**8,196**	**-**	**(252)**	**-**	**(179)**	**7,765**
Other comprehensive income to be reclassified to statement of income in subsequent periods:						
Unrealized (loss)/gain on investments measured at fair value	(2,757)	-	-	2,757	-	-
Net changes in fair value of investments held at FVOCI – debt instruments	-	-	-	(2,191)	-	(2,191)
Other comprehensive income not to be reclassified to statement of income in subsequent periods:						
Remeasurement gain on employee benefits liabilities related to policyholders	8,029	-	-	-	-	8,029
Net changes in fair value of investments held at FVOCI – equity instruments	-	-	-	(566)	-	(566)
Changes in foreign exchange reserves relating to:						
Shareholders' funds	11,663	-	-	-	(37)	11,626
Policyholders' funds	(2,455)	-	40	-	-	(2,415)
TOTAL COMPREHENSIVE INCOME	**22,676**	**-**	**(212)**	**-**	**(216)**	**22,248**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

5. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022	January 1, 2022
Shareholders' fund			
Cash at banks	**974**	19,765	-
Commodity Murabaha placements (see note (a) and 6.2 below)	**1,464**	29,868	26,181
Less: Expected credit loss (see note 6.4)	**(1)**	(6)	(9)
Policyholders' fund			
Cash at banks	**2,594**	25,972	29,909
Commodity Murabaha placements (see note (a) and 6.2 below)	**16,781**	8,042	2,512
Less: Expected credit loss (see note 6.4)	**(12)**	(8)	(10)
	21,800	83,633	58,583

a) Commodity Murabaha placements are held with financial institutions having an original maturity not exceeding three months.

b) Certain bank balances are held in the name of IsDB for and on behalf of the Corporation and the Corporation's Euroclear custodian account is held in the name of International Islamic Trade Finance Corporation (ITFC), a related party. The Corporation is the beneficial owner of these cash and cash equivalents.

6. INVESTMENTS HELD AT AMORTIZED COST

Investments held by the Corporation at amortized cost consist of the following as of:

	December 31, 2023	December 31, 2022 (Restated)	January 1, 2022 (Restated)
Sukuk (see note 6.1)	**162,917**	129,649	110,878
Commodity Murabaha placements (see note 6.2)	**86,911**	24,688	41,521
Murabaha Syndicated Investments (see note 6.3)	**1,485**	5,753	9,637
	251,313	160,090	162,036

6.1 Sukuk

The movement in investments in Sukuk is as follows:

	2023	2022
At beginning of the year	**129,649**	111,465
Effect of IFRS 9	**-**	(587)
At beginning of the year – restated	**129,649**	110,878
Additions	**80,377**	39,968
Redemption	**(45,985)**	(26,793)
Expected credit loss allowance (see note 6.4)	**(5)**	(81)
Foreign currency translation adjustment	**(1,501)**	5,500
Accrued income, net	**348**	305
Amortization	**34**	(128)
At end of the year	**162,917**	129,649

All investments in Sukuk are held in the name of IsDB for and on behalf of the Corporation. The Corporation is the beneficial owner of these investments in Sukuk.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

6.2 Commodity Murabaha placements

	December 31, 2023	December 31, 2022 (Restated)	January 1, 2022 (Restated)
Shareholders' fund			
Gross Commodity Murabaha placements	**57,315**	50,419	61,905
Less: Commodity Murabaha placements with an original maturity of three months or less (see note 5)	**(1,464)**	(29,868)	(26,181)
Less: Expected credit loss (see note 6.4)	**(80)**	(12)	(13)
Policyholders' funds			
Gross Commodity Murabaha placements	**47,933**	12,202	8,323
Less: Commodity Murabaha placements with an original maturity of three months or less (see note 5)	**(16,781)**	(8,042)	(2,512)
Less: Expected credit loss (see note 6.4)	**(12)**	(11)	(1)
Commodity Murabaha placements with original maturity of more than three months	**86,911**	24,688	41,521

All Commodity Murabaha placements are held in the name of IsDB for and on behalf of the Corporation. The Corporation is the beneficial owner of these Commodity Murabaha placements.

6.3 Murabaha Syndicated Investments

	December 31, 2023	December 31, 2022 (Restated)	January 1, 2022 (Restated)
Shareholders' fund			
Murabaha Syndicated Investments	**69**	2,678	8,073
Less: Expected credit loss (see note 6.4)	**(6)**	(96)	(151)
Policyholders' funds			
Murabaha Syndicated Investments	**1,435**	3,332	1,717
Less: Expected credit loss (see note 6.4)	**(13)**	(161)	(2)
Total Murabaha Syndicated Investments	**1,485**	5,753	9,637

Murabaha Syndicated Investments are made through ITFC.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

6.4 The movement in expected credit losses on investments at amortised cost and cash and cash equivalent (see note 5) is as follows:

	2023	2022
Shareholders' fund		
Balance at beginning of the year	**812**	70
Effect of IFRS 9	**-**	690
Balance at beginning of the year – as restated	**812**	760
(Reversal) / charge for the year	**(22)**	15
Foreign currency translation adjustment	**(7)**	37
	783	812
Policyholders' funds		
Balance at beginning of the year	**180**	-
Effect of IFRS 9	**-**	13
Balance at beginning of the year – as restated	**180**	13
(Reversal) / charge for the year	**(142)**	164
Foreign currency translation adjustment	**(1)**	3
	37	180
Total	**820**	992

7. INVESTMENTS HELD AT FAIR VALUE

Details of the investments held at fair value consist of the following:

	December 31, 2023	December 31, 2022 (Restated)	January 1, 2022 (Restated)
Investments in debt instruments classified as at FVTOCI			
Sukuk (a)	**3,707**	11,301	11,559
Investments in equity instruments designated as at FVTOCI (b)			
Units in Real Estate Investment Fund (b)	**2,817**	2,808	3,239
Units in Sukuk Fund (b)	**10,204**	9,716	10,606
Units in Equity Fund (c)	**441**	102	-
Financial assets mandatorily measured at FVTPL			
Units in ICD - Unit Investment Fund (b)	**508**	881	837
	17,677	24,808	26,241

a) The investments in quoted Sukuk issued by Saudi Electricity Company are paying 4 per cent of profit per annum and the Sukuk will mature on April 8, 2024. At maturity, the Corporation will receive nominal amount of ID 3.7 million. The Sukuk is held by the Corporation within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and profit on the principal amount outstanding and to sell these financial assets. Hence the Sukuk is classified as at FVTOCI. No expected credit loss allowance is recognized since the impact is immaterial.

b) Fair values of unquoted investments in these entities are based on net asset value statements at year end of the respective entity.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

c) All the investments are held under the name of IsDB except for investment in equity fund designated at FVOCI. The Corporation is the beneficial owner of all these investments measured at fair value.

d) The investments in equity instruments designated as at FVTOCI are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Corporation have elected to designate these investments in equity instruments as at FVTOCI as it believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

e) Takaful Re is currently under liquidation and management has fully amortized this considering no further cash inflows are expected. The value of investment and impairment as of December 31, 2023 is ID 969k (2022: ID 969k)

The movement in investments held at fair value is as follows:

	Level 1	**Level 3**	**2023**	2022
Cost:				
At beginning of the year	**11,393**	**22,377**	**33,770**	32,151
Additions	**-**	**699**	**699**	269
Redemption	**(7,640)**	**(367)**	**(8,007)**	(285)
Foreign currency translation adjustment	**(26)**	**(184)**	**(210)**	1,635
At end of the year	**3,727**	**22,525**	**26,252**	33,770
Changes in fair value:				
At beginning of the year	**(92)**	**(1,168)**	**(1,260)**	1,386
Recognized in OCI	**72**	**244**	**316**	(2,757)
Foreign currency translation adjustment	**-**	**8**	**8**	111
At end of the year	**(20)**	**(916)**	**(936)**	(1,260)
Impairment movement:				
At beginning of the year	**-**	**(7,702)**	**(7,702)**	(7,296)
Foreign currency translation adjustment	**-**	**63**	**63**	(406)
At end of the year	**-**	**(7,639)**	**(7,639)**	(7,702)
Net carrying value	**3,707**	**13,970**	**17,677**	24,808

Investment income recognized in statement of profit or loss

	2023	2022
Financial instruments measured at amortised cost:		
Bank and Murabaha placements	**5,883**	1,668
Sukuk	**5,677**	4,096
	11,560	5,764
Investment in debt instruments measured at FVTOCI		
Sukuk	**30**	-
Dividends received from equity investments designated as at FVTOCI		
Relating to investments held at the end of the reporting period	**604**	559
	12,194	6,323

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Gain/ (loss) recognized in statement of other comprehensive income

	2023	2022
Gain / (loss) on investments in debt instruments measured at FVTOCI	**244**	(2,191)
Gain / (loss) on investments in equity instruments measured at FVTOCI	**72**	(566)
	316	(2,757)

8. INSURANCE AND REINSURANCE CONTRACTS

	December 31, 2023	**December 31, 2022 (restated)**	**January 1, 2022 (restated)**
Insurance contract liabilities (note 8.1)	**149,907**	136,013	107,087
Reinsurance contract assets (note 8.2)	**(81,470)**	(73,551)	(52,975)
	68,437	62,462	54,112

(Expressed in thousands of Islamic Dinars unless otherwise stated)

8.1 Analysis by remaining coverage and incurred claims for insurance contracts

	December 31, 2023				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Total
Insurance contract issued:					
Opening insurance contract liabilities	**65,900**	-	**32,269**	**37,844**	**136,013**
Opening insurance contract assets	-	-	-	-	-
Net opening balance	**65,900**	-	**32,269**	**37,844**	**136,013**
Insurance revenue	**(57,064)**	-	-	-	**(57,064)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	**21,336**	**24,534**	**45,870**
Changes that relate to past service adjustments to the LIC	-	-	**(13,037)**	**(27,466)**	**(40,503)**
Insurance acquisition cash flows amortization	**4,811**	-	-	-	**4,811**
Insurance service expenses	**4,811**	-	**8,299**	**(2,932)**	**10,178**
Insurance service result	**(52,253)**	-	**8,299**	**(2,932)**	**(46,886)**
Net finance expenses from insurance contracts	**2,378**	-	-	-	**2,378**
Total changes in statement of profit or loss	**(49,875)**	-	**8,299**	**(2,932)**	**(44,508)**
Foreign currency translation adjustment– recognised in OCI	**(655)**	-	**(249)**	**(289)**	**(1,193)**
Cash flows					
Premium received	**74,602**	-	-	-	**74,602**
Claims and other directly attributable expenses paid	-	-	**(10,180)**	-	**(10,180)**
Insurance acquisition cash flows paid	**(4,827)**	-	-	-	**(4,827)**
Total cashflows	**69,775**	-	**(10,180)**	-	**59,595**
Net closing balance	**85,145**	-	**30,139**	**34,623**	**149,907**
Closing insurance contract liabilities	**85,145**	-	**30,139**	**34,623**	**149,907**
Closing insurance contract assets	-	-	-	-	-

(Expressed in thousands of Islamic Dinars unless otherwise stated)

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

	December 31, 2022				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Total
Insurance contract issued:					
Opening insurance contract liabilities	67,880	-	18,455	20,752	107,087
Opening insurance contract assets	-	-	-	-	-
Net opening balance	67,880	-	18,455	20,752	107,087
Insurance revenue	(53,226)	-	-	-	(53,226)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	34,599	31,550	66,149
Changes that relate to past service adjustments to the LIC	-	-	(13,170)	(15,622)	(28,792)
Insurance acquisition cash flows amortization	5,272	-	-	-	5,272
Insurance service expenses	5,272	-	21,429	15,928	42,629
Insurance service result	(47,954)	-	21,429	15,928	(10,597)
Net finance income from insurance contracts	(3,740)	-	-	-	(3,740)
Total changes in statement of profit or loss	(51,694)	-	21,429	15,928	(14,337)
Foreign currency translation adjustment– recognised in OCI	3,478	-	1,028	1,164	5,670
Cash flows					
Premium received	51,723	-	-	-	51,723
Claims and other directly attributable expenses paid	-	-	(8,643)	-	(8,643)
Insurance acquisition cash flows paid	(5,487)	-	-	-	(5,487)
Total cashflows	46,236	-	(8,643)	-	37,593
Net closing balance	65,900	-	32,269	37,844	136,013
Closing insurance contract liabilities	65,900	-	32,269	37,844	136,013
Closing insurance contract assets	-	-	-	-	-

(Expressed in thousands of Islamic Dinars unless otherwise stated)

8.2 Analysis by remaining coverage and incurred claims for reinsurance contracts

	December 31, 2023				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimate of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract issued:					
Opening reinsurance contract liabilities	-	-	-	-	-
Opening reinsurance contract assets	(23,720)	-	(22,820)	(27,011)	(73,551)
Net opening balance	(23,720)	-	(22,820)	(27,011)	(73,551)
Reinsurance expense	30,589	-	-	-	30,589
Claims recovered and other directly attributable expenses	-	-	(7,874)	(15,917)	(23,791)
Changes that relate to past service adjustments to the asset for incurred claims	-	-	10,285	19,082	29,367
Net expense from the reinsurance service expenses	30,589	-	2,411	3,165	36,165
Net finance income from reinsurance contracts held	(1,357)	-	-	-	(1,357)
Total changes in statement of profit or loss	29,232	-	2,411	3,165	34,808
Foreign currency translation adjustment– recognised in OCI	280	-	165	199	644
Cash flows					
Premiums paid net of ceding commissions	(44,172)	-	-	-	(44,172)
Recoveries from reinsurance	-	-	1,503	-	1,503
Directly attributable expenses paid	-	-	(702)	-	(702)
Total cashflows	(44,172)	-	801	-	(43,371)
Net closing balance	(38,380)	-	(19,443)	(23,647)	(81,470)
Closing reinsurance contract liabilities	-	-	-	-	-
Closing reinsurance contract assets	(38,380)	-	(19,443)	(23,647)	(81,470)

(Expressed in thousands of Islamic Dinars unless otherwise stated)

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

	December 31, 2022				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimate of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract issued:					
Opening reinsurance contract liabilities	-	-	-	-	-
Opening reinsurance contract assets	(28,679)	-	(11,275)	(13,021)	(52,975)
Net opening balance	(28,679)	-	(11,275)	(13,021)	(52,975)
Reinsurance expense	28,963	-	-	-	28,963
Claims recovered and other directly attributable expenses	-	-	(20,237)	(22,954)	(43,191)
Changes that relate to past service adjustments to the asset for incurred claims	-	-	9,315	9,713	19,028
Net expense from the reinsurance service expenses	28,963	-	(10,922)	(13,241)	4,800
Net finance expense from reinsurance contracts held	2,340	-	-	-	2,340
Total changes in statement of profit or loss	31,303	-	(10,922)	(13,241)	7,140
Foreign currency translation adjustment- recognised in OCI	(1,445)	-	(646)	(749)	(2,840)
Cash flows					
Premiums paid net of ceding commissions	(24,899)	-	-	-	(24,899)
Recoveries from reinsurance	-	-	679	-	679
Directly attributable expenses paid	-	-	(656)	-	(656)
Total cashflows	(24,899)	-	23	-	(24,876)
Net closing balance	(23,720)	-	(22,820)	(27,011)	(73,551)
Closing reinsurance contract liabilities	-	-	-	-	-
Closing reinsurance contract assets	(23,720)	-	(22,820)	(27,011)	(73,551)

(Expressed in thousands of Islamic Dinars unless otherwise stated)

9. ADVANCES, PREPAID EXPENSES AND OTHER ASSETS

	2023	2022 (restated)
Shareholders' fund		
Accrued income from investments	**2,019**	1,635
Policyholders' fund		
Staff advances	**2,934**	2,852
Other receivables	**377**	488
	3,311	3,340
	5,330	4,975

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent member of the Board of Governors, member of the Board of Directors and key management personnel of the Corporation, and affiliate entities of IsDB Group. In the ordinary course of its activities, the Corporation transacts business with related parties. The terms of these transactions are approved by the Corporation's management.

In addition to investments held in the name of IsDB for and on behalf of the Corporation disclosed in note 6 and note 7, transactions with related parties included in the statement of profit or loss are as follows:

	2023	2022
Shareholders' fund		
Investment management fees paid to IsDB – Ordinary Capital Resources ('OCR')	**612**	306
Policyholders' fund		
Charges for office space paid to IsDB – OCR	**1,032**	1,332
Expenses paid by IsDB – OCR on behalf of the Corporation	**1,453**	1,263
Contributions to IsDB - Staff Retirement Medical and Pension Plans	**1,321**	1,279
	3,806	3,874

Related parties' balances included in the statement of financial position are as follows:

	2023	2022
Policyholders' fund		
Due from:		
Islamic Corporation for the Development of the Private Sector (ICD)	**188**	188
Islamic Solidarity Fund for Development (ISFD)	**11**	248
	199	436
Due to:		
Islamic Development Bank Ordinary Capital Resources - (IsDB - OCR)	**481**	820
The Saudi Project for Utilization of Sacrificial Animals (ADAHI)	**1**	1
Bunyan fund	**1**	-
IsDB – Staff Retirement Pension Plan	**31**	280
IsDB – Future Retirees Medical Fund	**-**	2
IsDB – Post-Employment Medical Scheme	**-**	49
	514	1,152

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Compensation for Key Management Personnel ("KMP")

KMP are those having authority and responsibility for planning, directing and controlling the activities of the Corporation. Accordingly, the Corporation's KMP includes the selected key employees who meet the above criteria.

Compensation paid or payable to key management personnel are shown below:

	2023	2022
Salaries and other short-term benefits	**509**	489
Post-employment benefits	**604**	515

The amounts disclosed above are the amounts recognized as an expense during the reporting period related to key management personnel. Remuneration and compensation to key management personnel includes salaries and allowances, bonuses, in-kind benefits and contributions to post-employment defined benefit plan.

11. PROPERTY AND EQUIPMENT RELATED TO POLICYHOLDERS' FUND

	Vehicles	**Furniture and fixtures**	**Office equipment**	**Computer equipment**	**Capital work in progress**	**Total**
Policyholders' fund						
Cost:						
As of January 1, 2022	176	275	175	663	1,390	2,679
Additions	-	-	-	21	147	168
Disposals	-	-	-	-	-	-
As of January 1, 2023	**176**	**275**	**175**	**684**	**1,537**	**2,847**
Additions	**129**	**8**	**1**	**62**	**83**	**283**
Disposals	**(61)**	**(77)**	**-**	**-**		**(138)**
As of December 31, 2023	**244**	**206**	**176**	**746**	**1,620**	**2,992**
Accumulated depreciation:						
As of January 1, 2022	150	229	168	621	-	1,168
Charge for the year	12	28	4	30	-	74
As of January 1, 2023	**162**	**257**	**172**	**651**	**-**	**1,242**
Charge for the year	**39**	**17**	**2**	**27**	**-**	**85**
Disposals	**(54)**	**(76)**	**-**	**-**		**(130)**
As of December 31, 2023	**147**	**198**	**174**	**678**	**-**	**1,197**
Net book value:						
As of December 31, 2023	**97**	**8**	**2**	**68**	**1,620**	**1,795**
As of December 31, 2022	14	18	3	33	1,537	1,605

During 2019, the Corporation embarked on a multi-year information technology implementation project and all costs incurred during the implementation period shall be classified as capital work in progress until completion. Amortization will commence after commissioning of the system.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2023	December 31, 2022 (restated)	January 1, 2022 (restated)
Shareholders' liabilities			
Earning not approved by Shari'ah board (see note (a) below)	**257**	342	325
Other payables	**1,616**	1,388	1,069
	1,873	1,730	1,394
Policyholders' liabilities			
Accrued administrative expenses	**6,872**	6,328	5,172
Other payables	**1,277**	1,609	2,325
	8,149	7,937	7,497
	10,022	9,667	8,891

a) This represents net accumulated income up to December 31, 2023 which were not considered in compliance with the Shari'ah principles. As per the recommendation of the Shari'ah Board of IsDB, this income needs to be utilized for charitable purposes and, therefore, has been classified as a liability. The sources and uses of Shari'ah non-compliant income during the year ended are as follows:

	December 31, 2023	December 31, 2022
Legacy interest from placements with conventional banks	**256**	245
Premium not utilized by policyholder	**86**	80
Balance at beginning of the year	**342**	325
Income during the year	**-**	-
Payments made during the year		
Technical Advisory Sponsorship expenses	**-**	-
Adjustment of premium not utilized by policyholder	**(82)**	-
Forex valuations on accumulated balance	**(3)**	17
Balance at end of the year	**257**	342

13. EMPLOYEE BENEFITS LIABILITIES

IsDB Group staff retirement plan comprises of defined benefit and hybrid plan, staff pension plan ("SPP"), staff retirement medical plan (SRMP) and Retirement Medical Solidarity Fund (RMSF) (collectively referred to as staff retirement plans ("SRPs")). Every person employed by the Bank and its Affiliates on a full-time basis, as defined in the Bank and Affiliates employment policies, is eligible to participate in the SRP from the date joining the Bank.

IsDB Group has a multi-employer plan and includes the Corporation, Islamic Development Bank - Ordinary Capital Resources (IsDB-OCR), Special Account Resources Waqf Fund (WAQF), Islamic Corporation for Development of the Private Sector (ICD), International Islamic Trade Finance Corporation (ITFC) and Islamic Solidarity Fund for Development (ISFD).

Staff Pension Plan (SPP)

SPP is a combination of both old defined benefit plan (Pillar I) and new hybrid pension plan (Pillar II) became effective on 1st Rajab 1399H (corresponding to May 27, 1979) and 17/05/1442H (01/01/2022G) respectively. Every person employed by the Bank and its Affiliates on a full-time basis except for fixed term employees, as defined in the employment policies of the Bank and its Affiliates, is eligible to participate in the SPP, from the date joining the Bank and its affiliates. Participation in the hybrid pension plan is limited to those who have less than five years of service as of December 31, 2021 on optional basis however, those who joined the Bank from January 1, 2021 are enrolled automatically.

In both Pillars, the employee contributes at a rate of 11.1% (2022-11.1%) of the basic annual salary while the Bank and its Affiliates contribute 25.9% (2022-25.9%).

The main features of the SPP are:

(i) Normal retirement age is the 62nd anniversary of the participant's birth.
(ii) On retirement, the eligible retired employee is entitled to 2.5% under the old staff retirement plan or 1% under the hybrid plan in the Define Benefit ("DB") component, of the Weighted Highest Average Remuneration ("WHAR")(as defined by the pension committee)(for each year of pensionable service and limited to a maximum of 30 hijri years.
(iii) 10% of Bank and its Affiliates contribution of 25.9%, and 5% of employees contribution of 11.1%, are used to fund the Define Cost ("DC") component of the hybrid plan. The accumulated fund and its investment returns will be paid as retirement lump sum benefits to the participants in the hybrid plan.
(iv) Benefits payment upon early retirement, disability benefits, termination benefits, pre-retirement death or post-retirement death benefits are also paid as determined by the Pension Committee.

Staff Retirement Medical Plan (SRMP)
Effective 1st Muharram 1421H (corresponding to April 6, 2000), the Bank established the medical benefit scheme for retired employee via the BED resolution dated 18 Shawwal 1418H (corresponding to February 15, 1998). This was extended to eligible staff members of the Bank's Affiliates i.e. for SPP. The Bank and its Affiliates at rate 1% and the staff at a rate 0.5% of the basic salaries respectively fund the SRMP. The purpose of the SRMP is to pay a monthly amount to eligible retired employee towards their medical expenses.

The entitlements payable for each retired employee under the medical plan is computed according to the following formula:

WHAR (as defined by the pension committee) X contributory period (limited to a maximum of 30 hijri years) X 0.18%

Benefits payment upon early retirement, disability benefits, termination benefits, pre-retirement death or post-retirement death benefits are also paid as determined by the pension committee.

Retirees Medical Solidarity Fund (RMSF)
In February 2019, the BED approved, establishment of the Retirees Medical Solidarity Plan (RMSP) which would provide new medical coverage benefits for IsDB Group staff future retirees. Under the proposal, active staff members who have at least 10 years of service period before their normal retirement age as of January 1, 2019 will automatically fall under RMSF. Those staff members who do not meet the minimum service period threshold will be offered the option to join the new Fund.

Under RMSP, retirees will have their actual medical costs covered as per the minimum guaranteed benefit schedule. This mainly covers hospitalization and emergency care, repatriation and ambulance transport. Overseas specialist hospitalization and outpatient care is also covered but only in specified countries.

Members of RMSP started to receive benefits as from April 1, 2022 (the start date of the Plan).

RMSP contributions are funded on 4/4/4 % basis. Employees contribute 4% of their pensionable salaries and the employer matches it with 4%. Retirees also contribute 4% of their pension (before commutation withdrawals). Both Employer and Employee contributions started to accrue on January

(Expressed in thousands of Islamic Dinars unless otherwise stated)

1, 2019 and at August 1, 2021, employees started cash contributions to RMSP. These contributions cumulated before April 1, 2022 have been recognized as part of plan assets during the year.

Retirees didn't contribute up until April 1, 2022 and received benefits under the SRMP up until that point.

Administration of SRPs
The Pension Committee appointed by the President of IsDB Group, administers SRPs as separate funds on behalf of its employees. The Pension Committee is responsible for the oversight of investment and actuarial activities of the SRPs. The SRP's assets are invested in accordance with the policies set out by the Pension Committee. The Bank and its affiliates underwrite the investment and actuarial risk of the SRPs and share the administrative expenses.

Risks

Investment risk
The present value of the SRPs' liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on SRPs' asset is below this rate, it will create a plan deficit. Currently the SRPs' have a relatively balanced investment in equity securities, debt instruments and real estate. Due to the long-term nature of the SRPs' liabilities, the administrator of SRPs' consider it appropriate that a reasonable portion of the SRPs' assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Discount rate
A decrease in the bond return rate will increase the SRPs' liability but this will be partially offset by an increase in the return on the SRPs' debt investments.

Longevity risk
The present value of the SRPs' liability is calculated by reference to the best estimate of the mortality of SRPs' participants both during and after their employment. An increase in the life expectancy of the SRPs' participants will increase the SRPs' liability.

Salary risk
The present value of the SRPs' liability is calculated by reference to the future salaries of SRPs' participants. As such, an increase in the salary of the SRPs' participants will increase the SRPS' liability.

(a) The movement on plan assets and liabilities as follows:

	SRPP 2023	**SRMP 2023**	**RMSF 2023**	**Total 2023**	Total 2022
Fair value of plan assets as of January 1	**18,216**	**216**	**1,692**	**20,124**	18,570
Adjustment of fair value at beginning of the year	**(182)**	**2**	**(318)**	**(498)**	(478)
Income on Plan Assets	**838**	**16**	**70**	**924**	499
Return on Plan Assets less than discount rate	**400**	**26**	**-**	**426**	(2,189)
Plan participants contribution	**452**	**3**	**205**	**660**	609
Employer contribution	**1,065**	**8**	**198**	**1,271**	1,247
Disbursements from Plan Assets	**(1,078)**	**(29)**	**(1)**	**(1,108)**	(699)
Currency translation adjustment	**(2,016)**	**(8)**	**(217)**	**(2,241)**	2,565
Fair value of plan assets as of December 31	**17,695**	**234**	**1,629**	**19,558**	20,124

(Expressed in thousands of Islamic Dinars unless otherwise stated)

	SRPP 2023	SRMP 2023	RMSF 2023	Total 2023	Total 2022
Benefit obligation as of January 1	**23,805**	**654**	**414**	**24,873**	30,844
Current Service costs	**1,233**	**17**	**84**	**1,334**	1,683
Past service cost	**-**	**-**	**-**	**-**	(967)
Cost on Defined Benefit Obligation ("DBO")	**1,094**	**31**	**22**	**1,147**	900
Plan participants contributions	**452**	**3**	**205**	**660**	609
Disbursements from Plan Assets	**(1,078)**	**(29)**	**(1)**	**(1,108)**	(699)
Net actuarial gain	**733**	**9**	**(189)**	**553**	(10,737)
Currency translation adjustment	**(2,201)**	**(33)**	**(54)**	**(2,288)**	3,240
Benefit obligation as of December 31	**24,038**	**652**	**481**	**25,171**	24,873
Funded status - net liability recognized in the statement of financial position representing excess of benefit obligation over fair value of plan assets	**(6,343)**	**(418)**	**1,148**	**(5,613)**	(4,749)

The above net liability mainly represents the cumulative actuarial losses resulting from the difference between the actual experience and the assumptions used in estimating the liability, which is recognized by the Corporation in the equity immediately in the year, it arises, if material.

(b) Based on the actuarial valuations, the pension and medical benefit expenses for the year 2023 comprised the following:

	SRPP 2023	SRMP 2023	RMSF 2023	Total 2023	Total 2022
Gross current service costs	**(1,233)**	**(17)**	**(84)**	**(1,334)**	(1,683)
Cost on DBO	**(1,094)**	**(31)**	**(22)**	**(1,147)**	(900)
Past service cost	**-**	**-**	**-**	**-**	(967)
Income on plan assets	**838**	**16**	**70**	**924**	499
Cost recognized in statement of profit or loss	**(1,489)**	**(32)**	**(36)**	**(1,557)**	(3,051)
Effect of changes in financial assumptions	**(361)**	**(7)**	**(2)**	**(370)**	10,944
Effect of experience adjustments	**(372)**	**(2)**	**191**	**(183)**	(248)
Return on plan assets greater than discount rate	**400**	**26**	**-**	**426**	(2,189)
Other adjustments	**(182)**	**2**	**(318)**	**(498)**	(478)
Gain recognized in statement of other comprehensive income	**(515)**	**19**	**(129)**	**(625)**	8,029

(c) Principal assumptions used in the actuarial valuations dated 31 December 2023 and extended as of end of the reporting period are as follows:

	SRPP 2023	SRMP 2023	RMSF 2023	SRPP 2022	SRMP 2022	RMSF 2022
Discount rate	**5.00%**	**5.00%**	**5.00%**	5.10%	5.10%	5.10%
Rate of expected salary increase	**6.5% - 4.5%**	**6.5% - 4.5%**	**6.5% - 4.5%**	6.5% - 4.5%	6.5% - 4.5%	6.5% - 4.5%

The discount rate used in determining the benefit obligations is selected by reference to the long-term rates on AA rated Corporate Bonds. Rate of expected salaries increase for 2023 and 2022 was based on age i.e., 20-35 years – 6.5%, 35-50 years – 5.0% and above 50 years – 4.5%.

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is as follows:

(Expressed in thousands of Islamic Dinars unless otherwise stated)

2023:	**SRPP**		**SRMP**		**RMSF**	
	+0.5%	**-0.5%**	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**
Discount rate	**(1,711)**	**1,930**	**(32)**	**38**	**(88)**	**(107)**
Rate of expected salary increase	**828**	**(779)**	**2**	**(2)**	**-**	**-**

2022:	SRPP		SRMP		RMSF	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
Discount rate	(1,585)	1,790	(34)	37	(74)	91
Rate of expected salary increase	868	(813)	3	(2)	-	-

The following table presents the plan assets by major category:

	SRPP	**SRMP**	**RMSF**	**Total**	Total
	2023	**2023**	**2023**	**2023**	2022
Cash and cash equivalent and commodity placements	**9,696**	**192**	**1,078**	**10,966**	6,863
Syndicated Murabaha	**-**	**-**	**-**	**-**	578
Managed funds and instalment sales	**4,470**	**-**	**-**	**4,470**	3,878
Investments in Sukuk	**3,301**	**37**	**383**	**3,721**	4,902
Land	**226**	**-**	**-**	**226**	1,458
Other (net)	**2**	**5**	**168**	**175**	356
Plan assets	**17,695**	**234**	**1,629**	**19,558**	18,035

The following table summarizes the expected funding status for the next year:

	SRPP	**SRMP**	**RMSF**	**Total**
Present value of defined benefit obligation	**(25,568)**	**(669)**	**(765)**	**(27,002)**
Fair value of plan assets	**18,690**	**351**	**2,045**	**21,086**
Plan deficit	**(6,878)**	**(318)**	**1,280**	**(5,916)**

SRPP

The expected employer contribution for year ended 31 December 2024 is ID 1.14 million and expected costs to be recognized in profit or loss is ID 1.57 million.

SRMP

The expected employer contribution for year ended 31 December 2024 is ID 7,000 and expected costs to be recognized in profit or loss is ID 29,000.

RMSF

The expected employer contribution for year ended 31 December 2024 is ID 162,000 and expected costs to be recognized in profit or loss is ID 30,000.

The expected maturity analysis is below:

	SRPP	**SRMP**	**RMSF**
	2023	**2023**	**2023**
Year 1	**1,404**	**32**	**(5)**
Year 2	**541**	**35**	**(4)**
Year 3	**904**	**41**	**(4)**
Year 4	**403**	**41**	**(3)**
Year 5	**402**	**41**	**(2)**
Next five years	**6,965**	**200**	**180**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

14. SHARE CAPITAL RELATED TO SHAREHOLDERS' FUND

	2023	2022
Authorized capital		
1,000,000 shares (2022: 1,000,000) of ID 1,000 each	**1,000,000**	1,000,000
IsDB ("Special Account Resources Waqf Fund")		
Issued and subscribed capital		
150,004 shares of ID 1,000 each:		
50,000 shares of ID 1,000 each fully paid	**50,000**	50,000
50,004 shares of ID 1,000 each, of which ID 500 has been called	**25,002**	25,002
Member countries		
147,160 shares (2022: 146,910) of ID 1,000 each, of which		
ID 500 has been called	**73,580**	73,455
Less: Subscriptions receivable/adjustments	**(1,015)**	(1,015)
	147,567	147,442

Uncalled issued capital subscriptions are subject to call by the Corporation as and when required to meet its obligations. These may be refunded in whole or in part and amounts refunded shall form part of callable capital obligation of shareholders.

Shareholders may withdraw from the Corporation after the expiry of a period of five years from the date of their membership. In such an event, the Corporation shall arrange to repurchase shares of a withdrawing shareholder at a price equal to the net book value of such shares on the date shareholder ceases to be a member (adjusted for its share of liabilities). No member state has withdrawn since inception and Management believes that the likelihood of any member state withdrawing their capital is remote.

a) Subscriptions received during the year from Member countries are as follows:

Shareholder	**2023**	2022
Azerbaijan	**125**	-

b) Ageing of Subscriptions receivable

	2023	2022
Overdue	**1,015**	1,015

15. GENERAL RESERVE

In accordance with Article 29 of Chapter IV of the Corporation's Articles of Agreement, profits accumulating in the Shareholders' fund as well as any surplus accumulating in the Policyholders' fund shall be allocated to reserves, until such reserve equals five times the subscribed capital of the Corporation.

After the reserves of the Corporation have reached this level, the Board of Governors will decide to what extent the surplus accruing to the Policyholders' fund and the net income accruing to the Shareholders' fund may be distributed or allocated to special reserves.

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(Expressed in thousands of Islamic Dinars unless otherwise stated)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Corporation.

The fair value of an asset or liability is measured using he assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on degree to which the fair value is observable:

	Level 1	Level 2	Level 3
2023			
Investments in debt instruments classified as at FVTOCI - Sukuk	**3,707**	**-**	**-**
Investments in equity instruments designated as at FVTOCI – Units in different funds	**-**	**-**	**13,462**
Financial assets mandatorily measured at FVTPL – Units in a fund	**-**	**-**	**508**
2022			
Investments in debt instruments classified as at FVTOCI - Sukuk	11,301	-	-
Investments in equity instruments designated as at FVTOCI – Units in different funds	**-**	**-**	12,626
Investments in debt instruments classified as at FVTOCI - Sukuk	**-**	-	881

There were no transfers between levels during the years ended December 31, 2023 and December 31, 2022. Reconciliation of Level 3 fair value measurements is presented in note 7. b) Fair values of Level 1 investment is based on quoted price and Level 3 investments are based on net asset value statements at year end of the respective entity.

17. RISK MANAGEMENT

Risk management lies at the heart of the Corporation's operations. Insuring political and credit risk requires a sound risk management infrastructure and an effective risk culture. The Corporation considers the importance of risk management at all levels of its operations; from the Corporation's Board of Directors to the underwriting officer level. The Corporation manages its risk in line with the guidelines and policies which have been approved by the Board of Executive Directors. The Corporation shares the same Board of Executive Directors, Shari'ah Board and Audit Committee as that of IsDB.

The nature of activities and management policies with respect to risk management are provided under the various categories of risks faced by the Corporation:

Insurance Risk

As a multilateral institution, the Corporation provides two distinct services; credit insurance and Investment risk insurance to its policyholders, as well as reinsurance services for both. Both of these products require the Corporation to carry out buyer/project and country risk assessment in a way to minimize the payment of claims as the Corporation's net earnings would depend upon the incidence of claims payment. The risk of paying out claims to its policyholders, though contingent in nature, is the major risk which the Corporation faces. The management of insurance risk is done effectively by employing various risk management techniques including risk diversification, risk transfer (reinsurance) and monitoring of technical provisions. The Corporation closely monitors its claim and recovery activities and provisions for outstanding claims. Cognizant of the importance of risk diversification the Corporation sets exposure limits per country, per buyer and per transaction. The Corporation has established well-functioning reinsurance programs which include treaty and facultative reinsurance that are helpful in managing its portfolio risk profile.

Reinsurance risk

In order to minimize its financial exposure arising from large claims, whether in its overall Short-Term portfolio, or in large Medium-Term transactions, and as per the industry practice, the Corporation enters into exposure ceding agreements (Quota Share Treaty or Facultative Agreement) with internationally operating and reputable reinsurance companies. Accordingly, the Corporation carefully evaluates the financial strength of the reinsurers, and monitors their concentration risk in geographic regions, economic sectors or in specific activities, in order to minimize its exposure to significant losses which may be due to reinsurers' insolvency.

Reinsurers are selected using stringent parameters and guidelines set by the management of the Corporation, focusing mainly on the following criteria:

- Minimum acceptable credit rating by recognized rating agencies (S&P, Moody's, A.M. Best, or Fitch)
- Financial strength, managerial and technical expertise, and historical performance
- Market reputation; and
- Existing or past business relationship/experience with the reinsurer.

Although the Corporation has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements.

The ultimate liability arising from claims made under insurance contracts

Risk adjustment to liability for incurred claims is a key components of the Corporation's ultimate liability are estimated amounts of the liability for incurred claims as of the reporting date. These reserves do not represent exact calculations but rather expectations based on historical claims' trend (frequency and severity), payments' pattern, geo-political risks and other factors. In addition, the external actuary runs independent valuation models after due reconciliation with financial statements to validate reserve adequacy.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Process used to decide on assumptions

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

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

The estimation of liability for incurred claims is generally subject to a greater degree of uncertainty than the estimation of the outstanding claims which are received but not yet settled with the providers. For the case of outstanding claims, the Corporation uses payment information of settled batches with providers to estimate the expected settlement amounts of recently submitted batches, while it uses mainly pre-authorization data to estimate incurred but not reported claims. The Corporation seeks to avoid inadequate reserve levels by adopting established processes in determining liability for incurred claims and using updated information from both claims received and pre-authorization data.

The insurance contract liabilities have been determined as such that the total liability (liability for remaining coverage and liability for incurred claims) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies. The expected future liability is determined using the Corporation's loss ratio adjusted for seasonality and portfolio mix for the remaining unearned period.

Sensitivity analysis

The Corporation believes that the liabilities for incurred claims under insurance contracts outstanding at year-end are adequate. However, these amounts are not certain and actual payments may differ from the liabilities provided in the financial statements. The insurance liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

An assumed 5% change in the claims' ratio, net of reinsurance, would impact net underwriting income as follows:

	Change in assumption	Impact on liabilities	Impact on net profit
December 31, 2023			
Claim ratio	**+5%**	**212**	**202**
Claim ratio	**-5%**	**(212)**	**(202)**
December 31, 2022			
Claim ratio	+5%	**148**	**320**
Claim ratio	-5%	**(148)**	**(320)**

Credit risk

Credit risk is a risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

For all classes of financial assets held by the Corporation, other than those relating to reinsurance contracts as described in reinsurance risk above, the maximum credit risk exposure to the Corporation is the carrying value as disclosed in the financial statements at the statement of financial position date.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the Board of Directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowances for impairment.

The Corporation seeks to limit its credit risk with respect to customers by following its credit control policy and monitoring outstanding receivables on an on-going basis in order to reduce the Corporation's exposure to bad debts. Management estimates specific credit loss provision on a case by case basis. In addition to specific provisions, the Corporation also makes an additional provision against expected premium receipts, estimated on a collective basis, based on the IFRS 9 expected credit loss method. Further, the Corporation's investment portfolio is primarily managed by IsDB and therefore, it is of the opinion that no credit loss is likely to occur.

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

	December 31, 2023	December 31, 2022 (restated)	January 1, 2022 (restated)
Cash and cash equivalents	**21,800**	83,633	58,583
Investments in debt instruments held at FVOCI – cost	**3,727**	11,393	11,228
Investment carried at amortized cost	**251,313**	160,090	162,036
	276,840	255,116	231,847

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

The Corporation is exposed to limited market risk due to majority of its investments being denominated in its functional currency and on a held-to-maturity basis. While the Corporation does not trade in equity instruments or speculate in foreign currencies or derivatives, a limited amount of its investments in Sukuk are and measured at fair value.

	2023		2022	
	+5%	**-5%**	+5%	-5%
Impact on statement of profit or loss of change in fair value of investments at FVTPL	25	(25)	44	(44)
Impact on statement of other comprehensive income of change in fair value of investments at FVOCI	858	(858)	1,196	(1,196)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
With the change of functional currency in October 2019 to United States Dollars (USD), the Corporation's investment portfolio of the Shareholders fund is entirely held in US Dollars. The Corporation continues to offer Euro denominated insurance policies and has a policy to minimize the net open position in Euro through undertaking spot conversion transactions to align Euro insurance assets and liabilities.

(Expressed in thousands of Islamic Dinars unless otherwise stated)

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2023	2022
Euro	**3,281**	4,801

The 5% movement in the exchange rate for the following currencies against the US Dollar functional currency would impact the statement of income as follows:

	2023		2022	
	+5%	**-5%**	+5%	-5%
Euro	**(129)**	**142**	(148)	164

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its commitments associated with financial liabilities when they fall due.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The following table summarizes the maturities of the Corporation's undiscounted financial assets and financial liabilities at the end of:

2023	**No contractual maturity**	**Within 3 months**	**3-12 months**	**1-5 years**	**Total**
Financial assets					
Cash and cash equivalents	**-**	**21,800**	**-**	**-**	**21,800**
Investment carried at amortized cost	**-**	**-**	**119,978**	**131,335**	**251,313**
Investments at fair value	**13,970**	**-**	**3,707**	**-**	**17,677**
Due from related parties	**-**	**199**	**-**	**-**	**199**
Total assets	**13,970**	**21,999**	**123,685**	**131,335**	**290,989**

2023	**No contractual maturity**	**Within 3 months**	**3-12 months**	**1-5 years**	**Total**
Financial liabilities					
Due to related parties	**-**	**514**	**-**	**-**	**514**

2022	**No contractual maturity**	**Within 3 months**	**3-12 months**	**1-5 years**	**Total**
Financial assets					
Cash and cash equivalents	-	83,633	-	-	83,633
Investment carried at amortized cost	-	-	40,229	119,861	160,090
Investments at fair value	13,507	-	11,301	-	24,808
Due from related parties	-	436	-	-	436
Total assets	13,507	84,069	51,530	119,861	268,967

2022	**No contractual maturity**	**Within 3 months**	**3-12 months**	**1-5 years**	**Total**
Financial liabilities					
Due to related parties	-	1,152	-	-	1,152

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Mark-up risk

Mark-up risk arises from the possibility that changes in mark-up rates will affect the value of the financial instruments. The Corporation is exposed to mark-up risk on its investments in all Murabaha placements and investments in Sukuk. In respect of the financial assets, the Corporation's returns are based on a benchmark and hence vary according to the market conditions.

The sensitivity analysis has been determined based on the exposure to mark-up rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point change is used when reporting mark-up rate risk internally to key management personnel and represents management's assessment of the possible change in mark-up rates.

The 50 basis point movement in the average mark-up rate on investments on investments held at amortised cost the statement of profit or loss is as follows:

	2023		2022	
	+0.5%	**-0.5%**	+0.5%	-0.5%
Investments held at amortised cost	1,015	(1,015)	893	(893)

Operational risk

The operational risk is defined as the risk of loss faced by a financial institution arising from failed processes, people and/or systems.

The Corporation has a full-fledged Risk Management function in place, which regularly monitors all operational risk aspects related to insurance as well as investment operations. In addition, it coordinates with IsDB Risk Management Department (RMD) to ensure presence of an effective internal control system through which it attempts to manage its operational risk. Furthermore, the Corporation has an internal audit function that audits internal controls and recommends improvements under a risk-based internal audit approach and also coordinates with IsDB Internal Audit Department ('IAD').

The Corporation's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks, and the adequacy of controls and procedures to address those risks;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

The Corporation continues to follow IsDB Group 'Best Practices and Customer Due Diligence Standards' and internal operational regulations when dealing with clients.

Shari'ah non-compliance risk (SNCR)

The Corporation defines Shari'ah non-compliance risk as the risk of losses resulting from non-adherence to Shari'ah rules and principles as determined by the IDB Group Shari'ah Board. The Corporation attaches value in safeguarding its operations from Shari'ah non-compliance risk (SNCR).

(Expressed in thousands of Islamic Dinars unless otherwise stated)

Shari'ah compliance forms an integral part of Corporation's purpose in line with its Articles of Agreement. Consequently, the Corporation effectively manage SNCRs through leveraging on the IsDB Group wide robust framework of procedures and policies. The business or risk-taking unit, as the 1st line of defence, embeds a culture of Shari'ah compliance, while the IsDB Group Shari'ah Compliance function serves as the 2nd line of defence to strategically manage and monitor SNCRs pre-execution of transactions/operations. The IsDB Group Internal Shari'ah Audit function provides independent reasonable assurance as the 3rd line of defence post-execution of transactions/operations adopting a Risk-based Internal Shari'ah Audit (RBISA) methodology.

Geographical risk

The following table summarizes the gross insurance exposure country wise:

Country	**2023**	2022
Senegal	**725,208**	586,291
Cote d'Ivoire	**586,586**	321,396
Republic of Turkiye	**377,106**	647,758
Egypt	**309,586**	303,975
Uzbekistan	**231,886**	330,614
Uganda	**206,070**	156,258
Bangladesh	**138,044**	108,574
Cameroon	**89,246**	105,371
Kingdom of Saudi Arabia	**69,050**	39,143
Kuwait	**66,890**	4,364
United Arab Emirates	**61,499**	236,519
United Kingdom	**56,284**	85,909
Germany	**53,994**	62,404
Luxembourg	**53,832**	-
United States of America	**53,000**	55,769
Other	**501,776**	952,654
Gross exposure	**3,580,057**	3,996,999
Ceded exposure to Reinsurers	**(2,572,896)**	(2,878,127)
Net exposure	**1,007,160**	1,118,872
Net exposure/total equity (times)	**4.72**	5.66

18. CAPITAL MANAGEMENT

The capital structure consists of equity of the Corporation (comprising issued capital and reserve).

As the Corporation is a multilateral organization, the capital is not subject to external regulations. However, the Corporation intends to follow best industry practices in terms of prudent capital management policies. In this regard, the Corporation will be following Articles of Agreement. In accordance with the Article 21, the Corporation may not exceed 800% of its unimpaired subscribed capital and its reserves, plus such portion of its reinsurance cover as the Board of Directors may determine.

19. ZAKAT AND TAX TREATMENT

Since the Corporation is part of Baitul Mal (public money), it is not subject to Zakat or tax.

20. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue in accordance with a resolution of the Corporation’s Board of Directors on March 17, 2024.

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION BY FUND IN PRESENTATION CURRENCY
FOR THE YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	December 31, 2023			December 31, 2022 (Restated)			January 1, 2022 (Restated)		
	Policyholders' Fund	**Shareholders' Fund**	**Total**	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
ASSETS									
Cash and cash equivalents	**19,362**	**2,438**	**21,800**	34,006	49,627	83,633	32,410	26,173	58,583
Investment carried at amortized cost	**39,130**	**212,183**	**251,313**	7,313	152,777	160,090	7,514	154,522	162,036
Investment carried at fair value	**-**	**17,677**	**17,677**	-	24,808	24,808	-	26,241	26,241
Reinsurance contract asset	**81,470**	**-**	**81,470**	73,551	-	73,551	52,975	-	52,975
Advances, prepaid expenses and other assets	**3,311**	**2,019**	**5,330**	3,340	1,635	4,975	2,987	1,083	4,070
Due from related parties	**199**	**-**	**199**	436	-	436	238	-	238
Property and equipment	**1,795**	**-**	**1,795**	1,605	-	1,605	1,511	-	1,511
TOTAL ASSETS	**145,267**	**234,317**	**379,584**	120,251	228,847	349,098	97,635	208,019	305,654
LIABILITIES AND EQUITY									
LIABILITIES									
Insurance contract liabilities	**149,907**	**-**	**149,907**	136,013	-	136,013	107,087	-	107,087
Accrued expenses and other liabilities	**8,147**	**1,875**	**10,022**	7,937	1,730	9,667	7,495	1,396	8,891
Due to related parties	**514**	**-**	**514**	1,069	83	1,152	2,116	(60)	2,056
Employee benefits liabilities	**5,613**	**-**	**5,613**	4,749	-	4,749	12,274	-	12,274
Qard (Loan) to Policyholders Fund	**-**	**(9,445)**	**(9,445)**	-	(7,707)	(7,707)	-	(14,406)	(14,406)
Qard from Shareholders' fund	**9,445**	**-**	**9,445**	7,707	-	7,707	14,406	-	14,406
TOTAL LIABILITIES	**173,626**	**(7,570)**	**166,056**	157,475	(5,894)	151,581	143,378	(13,070)	130,308

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION BY FUND IN PRESENTATION CURRENCY
FOR THE YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	December 31, 2023			December 31, 2022 (Restated)			January 1, 2022 (Restated)		
	Policyholders' Fund	**Shareholders' Fund**	**Total**	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
EQUITY									
Share capital	**-**	**147,567**	**147,567**	-	147,442	147,442	-	147,519	147,519
Reserves	**-**	**90,380**	**90,380**	-	81,736	81,736	-	76,885	76,885
Fair value reserve	**-**	**(1,055)**	**(1,055)**	-	(1,371)	(1,371)	-	1,386	1,386
Accumulated deficit	**(26,482)**	**-**	**(26,482)**	(35,762)	-	(35,762)	(38,676)	-	(38,676)
Actuarial losses on employee benefits	**(792)**	**-**	**(792)**	(167)	-	(167)	(8,196)	-	(8,196)
Foreign exchange reserve	**(1,085)**	**4,995**	**3,910**	(1,295)	6,934	5,639	1,129	(4,701)	(3,572)
TOTAL EQUITY	**(28,359)**	**241,887**	**213,528**	(37,224)	234,741	197,517	(45,743)	221,089	175,346
TOAL LIABILITIES AND EQUITY	**145,267**	**234,317**	**379,584**	120,251	228,847	349,098	97,635	208,019	305,654

STATEMENT OF PROFIT OR LOSS BY FUND IN PRESENTATION CURRENCY
FOR THE YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	December 31, 2023			December 31, 2022 (Restated)		
	Policyholders' Fund	**Shareholders' Fund**	**Total**	Policyholders' Fund	Shareholders' Fund	Total
Insurance revenue	**57,064**	**-**	**57,064**	53,226	-	53,226
Insurance service expenses	**(10,178)**	**-**	**(10,178)**	(42,629)	-	(42,629)
Net expenses from reinsurance contracts held	**(36,165)**	**-**	**(36,165)**	(4,800)	-	(4,800)
Insurance service result	**10,721**	**-**	**10,721**	5,797	-	5,797
Investment income on investment at amortised cost	**1,712**	**9,848**	**11,560**	159	5,605	5,764
Investment income on investment at fair value	**-**	**634**	**634**	-	559	559
Allowance for expected credit losses	**142**	**22**	**164**	(164)	(15)	(179)
Net investment income	**1,854**	**10,504**	**12,358**	(5)	6,149	6,144
Finance income/(expenses) from insurance contracts issued	**(2,378)**	**-**	**(2,378)**	3,740	-	3,740
Finance income/(expenses) from reinsurance contracts held	**1,357**	**-**	**1,357**	(2,340)	-	(2,340)
Net insurance finance income/(expenses)	**(1,021)**	**-**	**(1,021)**	1,400	-	1,400
Net insurance and investment result	**11,554**	**10,504**	**22,058**	7,192	6,149	13,341
Investment management fees	**-**	**(612)**	**(612)**	-	(306)	(306)
Other operating expenses	**(3,387)**	**(1,248)**	**(4,635)**	(2,782)	(1,022)	(3,804)
(Loss)/income on foreign exchange translation	**1,111**	**2**	**1,113**	(1,463)	(3)	(1,466)
NET CORPORATE GAIN	**9,278**	**8,646**	**17,924**	2,947	4,818	7,765

STATEMENT OF FINANCIAL POSITION BY FUND IN FUNCTIONAL CURRENCY (USD) FOR THE YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)

	December 31, 2023			December 31, 2022 (Restated)			January 1, 2022 (Restated)		
	Policyholders' Fund	**Shareholders' Fund**	**Total**	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
ASSETS									
Cash and cash equivalents	**25,978**	**3,270**	**29,248**	45,257	66,046	111,303	45,361	36,630	81,991
Investment carried at amortized cost	**52,500**	**284,678**	**337,178**	9,732	203,323	213,055	10,517	216,269	226,786
Investment carried at fair value	**-**	**23,716**	**23,716**	-	33,015	33,015	-	36,727	36,727
Reinsurance contract asset	**109,306**	**-**	**109,306**	97,884	-	97,884	74,144	-	74,144
Advances, prepaid expenses and other assets	**4,442**	**2,709**	**7,151**	4,445	2,176	6,621	4,181	1,516	5,697
Due from related parties	**267**	**-**	**267**	580	-	580	333	-	333
Property and equipment	**2,447**	**-**	**2,447**	2,207	-	2,207	2,089	-	2,089
TOTAL ASSETS	**194,940**	**314,373**	**509,313**	160,105	304,560	464,665	136,625	291,142	427,767
LIABILITIES AND EQUITY									
LIABILITIES									
Insurance contract liabilities	**201,127**	**-**	**201,127**	181,007	-	181,007	149,878	-	149,878
Accrued expenses and other liabilities	**10,932**	**2,543**	**13,475**	10,643	2,302	12,945	10,493	1,951	12,444
Due to related parties	**689**	**-**	**689**	1,423	110	1,533	2,962	(84)	2,878
Employee benefits liabilities	**7,531**	**-**	**7,531**	6,320	-	6,320	17,179	-	17,179
Qard (Loan) to Policyholders Fund	**-**	**(12,540)**	**(12,540)**	-	(10,135)	(10,135)	-	(20,163)	(20,163)
Qard from Shareholders' fund	**12,540**		**12,540**	10,135		10,135	20,163		20,163
TOTAL LIABILITIES	**232,819**	**(9,997)**	**222,822**	209,528	(7,723)	201,805	200,675	(18,296)	182,379

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION BY FUND IN FUNCTIONAL CURRENCY (USD)
FOR THE YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)

	December 31, 2023			December 31, 2022 (Restated)			January 1, 2022 (Restated)		
	Policyholders' Fund	**Shareholders' Fund**	**Total**	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
EQUITY									
Share capital	**-**	**201,176**	**201,176**	-	201,011	201,011	-	200,954	200,954
Reserves	**-**	**124,450**	**124,450**	-	112,948	112,948	-	106,472	106,472
Fair value reserve	**-**	**(1,256)**	**(1,256)**	-	(1,676)	(1,676)	-	2,012	2,012
Accumulated deficit	**(36,181)**	**-**	**(36,181)**	(48,559)	-	(48,559)	(52,501)	-	(52,501)
Actuarial losses on employee benefits	**(1,698)**	**-**	**(1,698)**	(864)	-	(864)	(11,549)	-	(11,549)
TOTAL EQUITY	**(37,879)**	**324,370**	**286,491**	(49,423)	312,283	262,860	(64,050)	309,438	245,388
TOAL LIABILITIES AND EQUITY	**194,940**	**314,373**	**509,313**	160,105	304,560	464,665	136,625	291,142	427,767

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS BY FUND IN FUNCTIONAL CURRENCY (USD)
FOR THE YEAR ENDED DECEMBER 31, 2023 (18 JUMAD AL THANI 1445H)

	December 31, 2023			December 31, 2022 (Restated)		
	Policyholders' Fund	**Shareholders' Fund**	**Total**	Policyholders' Fund	Shareholders' Fund	Total
Insurance revenue	**76,109**	**-**	**76,109**	71,246	-	71,246
Insurance service expenses	**(13,574)**	**-**	**(13,574)**	(57,061)	-	(57,061)
Net expenses from reinsurance contracts held	**(48,234)**	**-**	**(48,234)**	(6,425)	-	(6,425)
Insurance service result	**14,301**	**-**	**14,301**	7,760	-	7,760
Investment income on investment at amortised cost	**2,284**	**13,134**	**15,418**	213	7,503	7,716
Investment income on investment at fair value	**-**	**845**	**845**	-	748	748
Allowance for expected credit losses	**189**	**30**	**219**	(220)	(20)	(240)
Net investment income	**2,473**	**14,009**	**16,482**	(7)	8,231	8,224
Finance income/(expenses) from insurance contracts issued	**(3,171)**	**-**	**(3,171)**	5,006	-	5,006
Finance income/(expenses) from reinsurance contracts held	**1,810**	**-**	**1,810**	(3,133)	-	(3,133)
Net insurance finance income/(expenses)	**(1,361)**	**-**	**(1,361)**	1,873	-	1,873
Net insurance and investment result	**15,413**	**14,009**	**29,422**	9,626	8,231	17,857
Investment management fees	**-**	**(816)**	**(816)**	-	(410)	(410)
Other operating expenses	**(4,518)**	**(1,666)**	**(6,184)**	(3,724)	(1,368)	(5,092)
(Loss)/income on foreign exchange translation	**1,481**	**2**	**1,483**	(1,958)	(4)	(1,962)
NET CORPORATE GAIN	**12,376**	**11,529**	**23,905**	3,944	6,449	10,393

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