

GIG INSURANCE- EGYPT S.A.E
FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023

GIG INSURANCE- EGYPT S.A.E

Financial statements

For the year ended 30 June 2023

Table of Contents	Pages
Auditor's Report on the Financial Statements	2-3
Statement of Financial position	4
Statement of Profit or Loss	5
Statement of Comprehensive income	6
Combined Statement of Revenues, Property Insurance Expenses and Responsibilities (All line of business)	7
Statement of Revenues, Property Insurance Expenses and Responsibilities (Fire insurance)	8
Statement of Revenues, Property Insurance Expenses and Responsibilities (Marine cargo insurance)	9
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Inland insurance)	10
Statement of Revenues, Property Insurance Expenses, and Responsibilities (hulls insurance)	11
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Aviation insurance)	12
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Motor complementary insurance)	13
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Motor compulsory insurance)	14
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Engineering insurance)	15
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Accidents insurance)	16
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Medical insurance)	17
Statement of Revenues, Property Insurance Expenses, and Responsibilities (Oil and gas insurance)	19
Statement of Changes in Shareholders' Equity	20
Statement of Cash Flows	21 - 22
Notes to the Financial Statements	23 - 56

AUDITOR'S REPORT TO THE SHAREHOLDERS OF GIG INSURANCE- EGYPT (S.A.E)

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of **GIG Insurance- Egypt (S.A.E)** represented in the statement of financial position as at 30 June 2023, and the related statements of Income, Comprehensive Income, Revenues & Expenses, Changes in Shareholders' Equity and Cash flows for the year then ended, and summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

These financial statements are the responsibility of the company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with the manual of application of the Egyptian Accounting Standards to the insurance sector in light of the Egyptian Accounting Standards issued under the Minister of Investment's Resolution No. 110 of 2015 and as per the Financial Regulatory Authority's Circular issued on 9 May 2021 and in light of the applicable Egyptian laws, Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from any material misstatement whether to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GIG Insurance – Egypt (S.A.E)**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of 30 June 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the manual of application of the Egyptian Accounting Standards to the insurance sector in light of the Egyptian Accounting Standards issued under the Minister of Investment's Resolution No. 110 of 2015 and as per the Financial Regulatory Authority's Circular issued on 9 May 2021 and in light of the Egyptian laws and regulations relevant to the preparation of these financial statements.

Report on Other legal and Regulatory Requirements

The company keeps proper financial records, which include all that is required by law and the statutes of the company, and the accompanying financial statements are in agreement therewith.

The financial information contained in the Board of Directors' report prepared in conformity with Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the Company's accounting records within the limits that such information is recorded therein.



Cairo at: 5 November 2023

GIG Insurance- Egypt (S.A.E.)

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2023

	Note	30/6/2023 L.E	30/6/2022 L.E
Assets			
Cash on hand and at banks	(5)	262 579 337	104 004 548
Deposits at banks	(6)	80 749 102	167 732 240
Treasury bills and other deductible government securities/ financial assets at amortized cost	(7)	1 879 956 725	1 285 354 149
Financial assets at fair value through profit or loss	(8)	195 512 096	125 289 952
Financial assets at fair value through other comprehensive income	(9)	13 856 580	7 646 900
Investment property	(10)	103 107 530	21 195 778
Total investments		2 535 761 370	1 711 223 567
Receivables from policyholders	(11)	764 262 668	541 517 061
Insurance and reinsurance companies- debit balances	(12)	71 364 418	61 722 253
Debtors and other debit balances	(13)	125 973 816	103 973 693
Fixed assets	(15)	503 707 036	162 102 711
Intangible assets	(16)	7 092 492	6 918 235
Right of use assets		8 859 250	7 526 186
Non-current available for sale assets			4 730 000
Deferred tax assets	(32)	60 620 712	19 848 600
Total Assets		4 077 641 762	2 619 562 306
Liabilities and shareholders' equity			
Policyholders' rights:			
Technical provisions for property insurance and responsibilities	(17)	888 319 273	700 197 781
Other Liabilities:			
Insurance and reinsurance companies- credit balances	(18)	1 210 885 553	614 134 731
Creditors and other credit balances	(19)	556 424 615	377 266 419
Lease liabilities		10 925 804	9 792 545
Income tax payable		75 420 537	59 419 951
Provisions	(20)	13 882 500	29 559 000
Total other liabilities		1 867 539 009	1 090 172 646
Total liabilities		2 755 858 282	1 790 370 427
Shareholders' Equity:			
Paid-up capital		380 953 100	380 953 100
Reserves	(21)	178 326 536	169 726 806
Retained earnings		(49 206 003)	102 458 179
Net profits for the year		373 412 280	171 994 594
Shareholders' equity including profits for the year		883 485 913	825 132 679
Fair value reserve for financial assets available for sale		10 268 880	4 059 200
Fixed assets' reevaluation surplus		346 116 935	-
Fair value reserve for investment property		81 911 752	-
Total shareholders' equity		1 321 783 480	829 191 879
Total liabilities and shareholders' equity		4 077 641 762	2 619 562 306

CFO

Managing director

Chairman

GIG Insurance- Egypt (S.A.E.)

STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	<i>2023</i>	<i>2022</i>
		<i>L.E</i>	<i>L.E</i>
Surplus of insurance activities			
Net income from unallocated investments	(22)	364 546 555	266 585 463
Other operating revenues	(23)	124 338 626	(27 661 030)
Profits from sale of fixed assets	(24)	365 192	2 250
Impairment losses of receivables (no longer required)		350 324	460 566
Impairment losses of reinsurance companies (no longer required)		61 024	13 402 570
		-	410 601
Total revenues		489 661 721	253 200 420
Depreciation of fixed assets	(15)	(13 604 656)	(11 581 463)
Amortization of intangible assets	(16)	(2 641 967)	(2 482 426)
Depreciation of ROU assets		(2 862 318)	(2 804 418)
Depreciation of undesignated investment property		-	(451 224)
Impairment losses of reinsurance companies' balances	(14)	(7 937 531)	-
Other provisions	(20)	(2 646 528)	(1 637 990)
Other operating expenses		(1 371 090)	(1 156 912)
Total expenses		(31 064 090)	(20 114 433)
Net profit for the year before tax		458 597 631	233 085 987
Income tax for the year	(31)	(75 420 537)	(59 419 951)
Share coupon's tax		(2 854 436)	(181 962)
Real estate taxes paid and tax inspection differences paid		(11 426 997)	-
Deferred tax revenues		4 516 619	(1 489 480)
Net profit for the year		373 412 280	171 994 594
Earnings per share	(30)	88.46	41.04

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	2023	2022
		L.E	L.E
Net profit after income tax (1)		373 412 280	171 994 594
Other comprehensive income items:			
Fair value reserve for financial assets at fair value through OCI		6 209 680	(749 300)
Differences resulting from reevaluation of fixed assets		346 116 935	-
Differences resulting from fair value of real estate investments		81 911 752	-
Amortization of the differences between nominal value and present value of subordinated loan		-	(23 061)
Evaluation differences of asset balances and monetary liabilities in foreign currencies		(187 919 675)	(26 784 150)
Deferred income tax on evaluation differences of balances in foreign currencies		36 255 493	6 026 434
Evaluation differences of monetary assets and liabilities in foreign currencies transferred to retained earnings		151 664 181	20 757 716
Total elements of other comprehensive income after tax deduction (2)		434 238 366	(772 361)
Total comprehensive income (1+2)		807 650 646	171 222 233

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES (ALL LINE OF BUSINESS) INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Note</i>	<i>2023</i> <i>LE</i>	<i>2022</i> <i>LE</i>
Revenues			
Direct premiums		2 582 032 396	1 974 779 404
Inward reinsurance premiums		32 675 477	28 110 716
Gross premiums		<u>2 614 707 873</u>	<u>2 002 890 120</u>
Outward reinsurance premiums		(1 602 486 698)	(1 188 087 168)
Net premiums	(25)	<u>1 012 221 175</u>	814 802 952
Change in the value of provision for unearned premiums			
Provision for unearned premiums at beginning of the year	(17)	432 780 388	332 478 698
Provision for unearned premiums at end of the year	(17)	(575 662 592)	(432 780 388)
Earned premiums		<u>869 338 971</u>	<u>714 501 262</u>
Outward reinsurance commissions	(27)	365 714 909	275 152 521
Other operating income	(24)	46 355 131	41 224 318
Total revenues		<u>1 281 409 011</u>	<u>1 030 878 101</u>
Expenses			
Direct claims paid		615 794 054	607 768 514
Inward reinsurance claims paid		-	-
Total claims	(26)	<u>615 794 054</u>	<u>607 768 514</u>
Outward reinsurance claims recovered		(214 053 168)	(207 547 499)
Net claims	(26)	<u>401 740 886</u>	400 221 015
Change in the value of provision for outstanding claims			
Provisions for outstanding claims at end of the year	(17)	211 681 599	179 572 353
Provisions for outstanding claims at beginning of the year	(17)	(179 572 353)	(165 324 796)
Incurred claims		<u>433 850 132</u>	<u>414 468 572</u>
Change in the value of provision for retrograde fluctuations			
Provision for retrograde fluctuations at end of the year	(17)	100 975 085	87 845 040
Provision for retrograde fluctuations at beginning of the year	(17)	(87 845 040)	(80 412 985)
		<u>13 130 045</u>	<u>7 432 055</u>
Direct commissions		162 215 703	138 686 124
Inward reinsurance commissions	(27)	1 975 602	1 453 484
Production costs	(28)	314 889 357	221 855 175
Total commissions and production costs		<u>479 080 662</u>	<u>361 994 783</u>
General & administrative expenses	(29)	179 975 599	141 431 844
Other operating expenses		4 107 275	7 890 698
Total expenses		<u>1 110 143 713</u>	<u>933 217 952</u>
Surplus of underwriting activities		<u>171 265 298</u>	<u>97 660 149</u>
Net income from designated investments	(23)	218 618 999	166 469 116
Depreciation of designated investment properties		-	(30 564)
Impairment losses of policy holders' receivables	(14)	(25 337 742)	2 486 762
Surplus of insurance activity (carried forward to income statement)	(22)	<u>364 546 555</u>	<u>266 585 463</u>

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF FIRE INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	742 424 495	481 108 813
Inward reinsurance premiums	54 492	
Gross premiums	<u>742 478 987</u>	481 108 813
Outward reinsurance premiums	<u>(653 469 936)</u>	(409 787 186)
Net premiums	89 009 051	71 321 627
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at beginning of the year	47 499 949	39 311 539
Provision for unearned premiums at end of the year	<u>(60 642 062)</u>	(47 499 949)
Earned premiums	75 866 938	63 133 217
Outward reinsurance commissions	124 467 421	75 980 823
Other operating income	3 522 224	2 574 809
Total revenues	<u>203 856 583</u>	141 688 849
<u>Expenses</u>		
Direct claims paid	41 552 608	91 998 508
Inward reinsurance claims paid	-	-
Gross claims	41 552 608	91 998 508
Outward reinsurance claims recovered	<u>(32 189 881)</u>	(77 052 302)
Net claims	9 362 727	14 946 206
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	41 043 717	28 156 772
Provision for outstanding claims at beginning of the year	<u>(28 156 772)</u>	(31 208 802)
Incurred claims	22 249 672	11 894 176
<u>Change in the value of provision for retrograde fluctuations</u>		
Provisions for retrograde fluctuations at end of the year	13 903 799	13 903 799
Provisions for retrograde fluctuations at beginning of the year	<u>(13 903 799)</u>	(12 469 755)
	-	1 434 044
Direct commissions	38 257 851	39 852 811
Inward reinsurance commissions		
Production costs	67 083 143	42 366 893
Total commissions and production costs	<u>105 340 994</u>	82 219 704
General & administrative expenses	36 430 363	23 965 178
Other operating expenses	651 519	2 274 056
Total expenses	<u>164 672 548</u>	121 787 158
Surplus of underwriting activities	39 184 035	19 901 691
Net income from designated investments	43 608 852	31 325 801
Depreciation of designated investment property	-	(5 546)
Impairment losses of policy holders' receivables	<u>(8 362 845)</u>	4 800 093
Surplus of insurance activity- fire insurance	<u>74 430 042</u>	56 022 039

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF MARINE CARGO INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	84 437 220	51 876 644
Inward reinsurance premiums		
Gross premiums	84 437 220	51 876 644
Outward reinsurance premiums	(69 069 748)	(40 230 625)
Net premiums	15 367 472	11 646 019
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at the beginning of the year	3 933 971	2 849 650
Provision for unearned premiums at the end of the year	(6 044 437)	(3 933 971)
Earned premiums	13 257 006	10 561 698
Outward reinsurance commissions	29 864 974	20 691 903
Other operating income	3 531 901	1 223 485
Total revenues	46 653 881	32 477 086
<u>Expenses</u>		
Direct claims paid	3 985 526	7 567 389
Inward reinsurance claims paid	-	-
Gross claims	3 985 526	7 567 389
Outward reinsurance claims recovered	(2 746 709)	(5 522 578)
Net claims	1 238 817	2 044 811
<u>Change in the value of provision for outstanding claims</u>		
Provisions for outstanding claims at end of the year	4 382 921	1 023 880
Provisions for outstanding claims at beginning of the year	(1 023 880)	(2 117 771)
Incurred claims	4 597 858	950 920
<u>Change in the value of provision for retrograde fluctuations</u>		
Provision for retrograde fluctuations at end of the year	3 284 533	3 284 533
Provision for retrograde fluctuations at beginning of the year	(3 284 533)	(3 284 533)
	-	-
Direct commissions	5 103 584	6 282 677
Inward reinsurance commissions		
Production costs	12 120 275	9 972 994
Total commissions and production costs	17 223 859	16 255 671
General & administrative expenses	9 476 972	6 554 572
Other operating expenses	133 775	364 062
Total expenses	31 432 464	24 125 225
Surplus from underwriting activities	15 221 417	8 351 861
Net income from designated investments	4 745 848	3 509 004
Depreciation of designated real estate investments	-	(666)
Impairment losses of receivables from policy holders	(151 001)	219 028
Surplus of insurance activity- marine cargo insurance	19 816 264	12 079 227

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

STATEMENT OF REVENUES AND EXPENSES OF INLAND INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023

	2023 LE	2022 LE
Direct premiums	31 861 666	25 844 495
Inward reinsurance premiums	-	-
Gross premiums	31 861 666	25 844 495
Outward reinsurance premiums	(15 795 154)	(13 709 833)
Net premiums	16 066 512	12 134 662
<u>Change in the value of provision for unearned premiums</u>		
Provisions of unearned premiums at beginning of the year	4 853 865	4 257 868
Provisions of unearned premiums at end of the year	(6 791 629)	(4 853 865)
Earned premiums	14 128 748	11 538 665
Outward reinsurance commissions	7 123 491	5 860 321
Other operating income	559 936	432 566
Total revenues	21 812 175	17 831 552
<u>Expenses</u>		
Direct claims paid	1 844 273	3 970 397
Inward reinsurance claims paid	-	-
Gross claims	1 844 273	3 970 397
Outward reinsurance claims recovered	(1 357 231)	(2 090 261)
Net claims	487 042	1 880 136
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	2 024 276	1 239 695
Provision for outstanding claims at beginning of the year	(1 239 695)	(2 021 810)
Incurred claims	1 271 623	1 098 021
<u>Change in the value of provision for retrograde fluctuations</u>		
Provision for retrograde fluctuations at end of the year	2 726 025	2 726 025
Provision for retrograde fluctuations at beginning of the year	(2 726 025)	(2 726 025)
	-	-
Direct commissions	2 692 658	3 135 417
Inward reinsurance commissions		
Production costs	5 258 745	4 914 681
Total commissions and production costs	7 951 403	8 050 098
General & administrative expenses	3 262 996	3 016 225
Other operating expenses	67 966	201 514
Total expenses	12 553 988	12 365 858
Surplus from underwriting activities	9 258 187	5 465 694
Net income from designated investments	3 436 443	2 899 388
Depreciation of designated investment property	-	(547)
Impairment losses of policy holders' receivables	(552 495)	189 514
Surplus of insurance activity- inland insurance	12 142 135	8 554 049

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF HULL INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
Direct premiums	7 991 198	4 458 771
Inward reinsurance premiums	-	-
Gross premiums	7 991 198	4 458 771
Outward reinsurance premiums	(7 632 156)	(4 072 147)
Net premiums	359 042	386 624
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at beginning of the year	241 914	265 087
Provision for unearned premiums at end of the year	(369 286)	(241 914)
Earned premiums	231 670	409 797
Outward reinsurance commissions	1 433 961	762 090
Other operating income	82 628	87 602
Total revenues	1 748 259	1 259 489
<u>Expenses</u>		
Direct claims paid	-	459 410
Inward reinsurance claims paid	-	-
Gross claims	-	459 410
Outward reinsurance claims recovered	-	(278 502)
Net claims	-	180 908
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	4 070	322 753
Provision for outstanding claims at beginning of the year	(322 753)	(1 257 059)
Incurred claims	(318 683)	(753 398)
<u>Change in the value of provision for retrograde fluctuations</u>		
Provision for retrograde fluctuations at the end of the year	352 916	352 916
Provision for retrograde fluctuations at the beginning of the year	(352 916)	(352 916)
	-	-
Direct commissions	173 939	104 963
Production costs	657 368	482 516
Total commissions and production costs	831 307	587 479
General & administrative expenses	782 145	528 958
Other operating expenses	5 537	26 913
Total expenses	1 300 306	389 952
Surplus from underwriting activities	447 953	869 537
Net income from designated investments	338 975	428 816
Depreciation of designated investment property	-	(91)
Impairment losses of policy holders' receivables	(159 349)	1 815 191
Surplus of insurance activity- hull insurance	627 579	3 113 453

The accompanying notes from No. (1) to No. (57) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF AVIATION INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
Direct premiums	7 685 034	3 800 265
Inward reinsurance premiums		
Gross premiums	<u>7 685 034</u>	<u>3 800 265</u>
Outward reinsurance premiums	(7 684 266)	(3 799 885)
Net premiums	<u>768</u>	<u>380</u>
<u>Change in the value of provision for unearned premiums</u>		
Provision of unearned premiums at beginning of the year	222	714
Provision of unearned premiums at end of the year	(447)	(222)
Earned premiums	<u>543</u>	<u>872</u>
Outward reinsurance commissions	2 245 239	353 433
Other operating income	<u>8 937</u>	<u>4 380</u>
Total revenues	<u>2 254 719</u>	<u>358 685</u>
<u>Expenses</u>		
Direct claims paid	-	307 471
Inward reinsurance claims paid	-	
Gross claims	-	307 471
Outward reinsurance claims recovered	-	(299 784)
Net claims	<u>-</u>	<u>7 687</u>
<u>Change in the value of provision for outstanding claims</u>		
Provisions for outstanding claims at end of the year	204 047	203 865
Provisions for outstanding claims at beginning of the year	(203 865)	(235 122)
Incurred claims	<u>182</u>	<u>(23 570)</u>
<u>Change in the value of provision for retrograde fluctuations</u>		
Provisions for retrograde fluctuations at end of the year	68 779	68 708
Provisions for retrograde fluctuations at beginning of the year	(68 708)	(68 708)
	<u>71</u>	
Direct commissions	<u>138 134</u>	<u>120 870</u>
Production costs	<u>343 344</u>	<u>237 247</u>
Total commissions and production costs	<u>481 478</u>	<u>358 117</u>
General & administrative expenses	<u>888 810</u>	<u>400 816</u>
Other operating expenses	<u>5 781</u>	<u>1 039</u>
Total expenses	<u>1 376 322</u>	<u>736 402</u>
Surplus (deficit) from underwriting activities	<u>878 397</u>	<u>(377 717)</u>
Net income from designated investments	<u>57 371</u>	<u>57 421</u>
Depreciation of designated investment property	-	(11)
Impairment losses of policy holders' receivables	<u>456 498</u>	<u>4 440</u>
Surplus (deficit) of insurance activity- aviation insurance	<u>1 392 266</u>	<u>(315 867)</u>

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF MOTOR COMPLEMENTARY
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
Direct premiums	580 459 946	376 566 652
Inward reinsurance premiums		
Gross premiums	580 459 946	376 566 652
Outward reinsurance premiums	(46 629 464)	(26 677 952)
Net premiums	533 830 482	349 888 700
<u>Change in the value of provision for unearned premiums</u>		
Provision of unearned premiums at beginning of the year	155 860 311	131 201 072
Provision of unearned premiums at end of the year	(249 851 243)	(155 860 311)
Earned premiums	439 839 550	325 229 461
Outward reinsurance commissions income	28 791 032	18 468 035
Other operating income	7 574 344	5 879 775
Total revenues	476 204 926	349 577 271
<u>Expenses</u>		
Direct claims paid	247 856 380	213 803 253
Inward reinsurance claims paid	-	-
Gross claims	247 856 380	213 803 253
Outward reinsurance claims recovered	(4 171 824)	(2 009 839)
Net claims	243 684 556	211 793 414
<u>Change in the value of provision for outstanding claims</u>		
Provisions for outstanding claims at end of the year	64 363 028	64 759 111
Provisions for outstanding claims at beginning of the year	(64 759 111)	(56 091 772)
Incurred claims	243 288 473	220 460 753
<u>Change in the value of provision for retrograde fluctuations</u>		
Provision for retrograde fluctuations at end of the year	25 282 444	13 580 384
Provision for retrograde fluctuations at beginning of the year	(13 580 384)	(11 144 328)
	11 702 060	2 436 056
Direct commissions	73 823 262	43 072 470
Inward reinsurance commissions	-	-
Production costs	63 321 036	42 039 374
Total commissions and production costs	137 144 298	85 111 844
General & administrative expenses	52 858 224	38 370 431
Other operating expenses	1 576 175	1 043 165
Total expenses	446 569 230	347 422 249
Surplus of underwriting activities	29 635 696	2 155 022
Net income from designated investments	60 274 070	43 029 446
Depreciation of designated investment property	-	(8 141)
Impairment losses of policy holders' receivables	(2 789 193)	3 590 027
Surplus of insurance activity- motor complementary	87 120 573	48 766 354

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF MOTOR COMPULSORY
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	71 999 452	71 545 221
Inward reinsurance premiums	-	-
Gross premiums	<u>71 999 452</u>	<u>71 545 221</u>
Outward reinsurance premiums	<u>(38 837 473)</u>	<u>(38 286 763)</u>
Net premiums	33 161 979	33 258 458
<u>Change in the value of provision for unearned premiums</u>		
Provisions of unearned premiums at beginning of the year	39 273 049	35 961 561
Provisions of unearned premiums at end of the year	<u>(40 403 155)</u>	<u>(39 273 049)</u>
Earned premiums	<u>32 031 873</u>	<u>29 946 970</u>
Outward reinsurance commissions	<u>20 991 782</u>	<u>19 810 380</u>
Other operating income	<u>1 667 658</u>	<u>40 000</u>
Total revenues	<u>54 691 313</u>	<u>49 797 350</u>
<u>Expenses</u>		
Direct claims paid	21 852 495	26 580 416
Inward reinsurance claims paid	-	-
Gross claims	<u>21 852 495</u>	<u>26 580 416</u>
Outward reinsurance claims recovered	<u>(12 018 874)</u>	<u>(14 595 259)</u>
Net claims	9 833 621	11 985 157
<u>Change in the value of provision for outstanding claims</u>		
Provisions for outstanding claims at end of the year	14 363 731	13 896 702
Provisions for outstanding claims at beginning of the year	<u>(13 896 702)</u>	<u>(11 060 252)</u>
Incurred claims	<u>10 300 650</u>	<u>14 821 607</u>
<u>Change in the value of provision for retrograde fluctuations</u>		
Provision for retrograde fluctuations at end of the year	14 465 916	14 465 916
Provision for retrograde fluctuations at beginning of the year	<u>(14 465 916)</u>	<u>(14 465 916)</u>
Production costs	<u>18 674 742</u>	<u>17 621 174</u>
Total commissions and production costs	<u>18 674 742</u>	<u>17 621 174</u>
General & administrative expenses	<u>7 704 574</u>	<u>7 294 483</u>
Other operating expenses	<u>180 257</u>	<u>174 602</u>
Total expenses	<u>36 860 223</u>	<u>39 911 866</u>
Surplus from underwriting activities	<u>17 831 090</u>	<u>9 885 484</u>
Net income from designated investments	<u>16 281 284</u>	<u>16 731 815</u>
Depreciation of designated investment property	-	(2 583)
Impairment losses of policy holders' receivables	<u>100 000</u>	<u>28 350</u>
Surplus of insurance activity- motor compulsory	<u>34 212 374</u>	<u>26 643 066</u>

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF ENGINEERING INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	378 450 931	365 786 706
Inward reinsurance premiums	30 991 169	25 900 290
Gross premiums	409 442 100	391 686 996
Outward reinsurance premiums	(321 819 653)	(329 142 402)
Net premiums	87 622 447	62 544 594
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at beginning of the year	27 919 570	25 700 589
Provision for unearned premiums at end of the year	(41 937 200)	(27 919 570)
Earned premiums	73 604 817	60 325 613
Outward reinsurance commissions	83 621 349	74 924 124
Other operating income	4 352 449	2 960 261
Total revenues	161 578 615	138 209 998
<u>Expenses</u>		
Direct claims paid	54 347 722	39 357 865
Inward reinsurance claims paid	-	-
Gross claims	54 347 722	39 357 865
Outward reinsurance claims recovered	(30 929 099)	(22 660 815)
Net claims	23 418 623	16 697 050
<u>Change in the value of provision for outstanding claims</u>		
Provisions for outstanding claims at end of the year	41 347 413	35 998 384
Provisions for outstanding claims at beginning of the year	(35 998 384)	(26 936 392)
Incurred claims	28 767 652	25 759 042
<u>Change in the value of provision for retrograde fluctuations</u>		
Provisions for retrograde fluctuations at end of the year	12 468 164	11 730 773
Provisions for retrograde fluctuations at beginning of the year	(11 730 773)	(9 685 102)
	737 391	2 045 671
Direct commissions	19 143 973	14 989 980
Inward reinsurance commissions	1 697 961	1 302 168
Production costs	48 138 982	41 951 462
Total commissions and production costs	68 980 916	58 243 610
General & administrative expenses	21 959 792	22 932 643
Other operating expenses	537 046	2 626 771
Total expenses	120 982 797	111 607 737
Surplus from underwriting activities	40 595 818	26 602 261
Net income from designated investments	39 222 247	28 933 912
Depreciation of designated investment property	-	(5 679)
Impairment losses of policy holders' receivables	(12 154 945)	(7 825 616)
Surplus of insurance activity- engineering insurance	67 663 120	47 704 878

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF ACCIDENT INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	368 274 215	266 156 584
Inward reinsurance premiums	1 629 816	2 210 426
Gross premiums	369 904 031	268 367 010
Outward reinsurance premiums	(218 727 576)	(145 987 283)
Net premiums	151 176 455	122 379 727
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at beginning of the year	88 685 436	44 350 755
Provisions for unearned premiums at end of the year	(130 640 426)	(88 685 436)
Earned premiums	109 221 465	78 045 046
Outward reinsurance commissions income	45 199 555	37 118 070
Other operating income	6 480 777	5 275 660
Total revenues	160 901 797	120 438 776
<u>Expenses</u>		
Direct claims paid	6 170 205	3 543 258
Inward reinsurance claims paid	-	-
Gross claims	6 170 205	3 543 258
Outward reinsurance claims recovered	(1 143 548)	(338 261)
Net claims	5 026 657	3 204 997
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	27 828 527	20 914 274
Provision for outstanding claims at beginning of the year	(20 914 274)	(16 839 215)
Incurred claims	11 940 910	7 280 056
<u>Change in the value of retrograde fluctuations</u>		
Provisions for retrograde fluctuations at end of the year	27 828 527	27 138 004
Provisions for retrograde fluctuations at beginning of the year	(27 138 004)	(25 621 720)
	690 523	1 516 284
Direct commissions	13 436 958	21 174 971
Inward reinsurance commissions	277 641	151 316
Production costs	72 993 452	45 092 527
Total commissions and production costs	86 708 051	66 418 814
General & administrative expenses	24 977 358	18 772 276
Other operating expenses	598 575	651 732
Total expenses	124 915 417	94 639 162
Surplus from underwriting activities	35 986 380	25 799 614
Net income from designated investments	36 573 352	25 280 011
Depreciation of designated investment property	-	(4 674)
Impairment losses of policy holders' receivables	(1 847 201)	7 599 709
Surplus of insurance activity- accident insurance	70 712 531	58 674 660

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF GUARANTEE INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	21 631 022	10 690 610
Inward reinsurance premiums	-	-
Gross premiums	<u>21 631 022</u>	<u>10 690 610</u>
Outward reinsurance premiums	<u>(20 549 394)</u>	<u>(10 156 079)</u>
Net premiums	1 081 628	534 531
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at beginning of the year	219 158	608 592
Provisions for unearned premiums at end of the year	<u>(471 659)</u>	<u>(219 158)</u>
Earned premiums	829 127	923 965
Outward reinsurance commissions	2 567 575	1 268 494
Other operating income	<u>1 073 412</u>	<u>530 254</u>
Total revenues	<u>4 470 114</u>	<u>2 722 713</u>
<u>Expenses</u>		
Direct claims paid	19 855 123	19 789 243
Inward reinsurance claims paid	-	-
Gross claims	<u>19 855 123</u>	<u>19 789 243</u>
Outward reinsurance claims recovered	<u>(17 963 160)</u>	<u>(17 365 781)</u>
Net claims	1 891 963	2 423 462
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	4 536 764	6 223 730
Provision for outstanding claims at beginning of the year	<u>(6 223 730)</u>	<u>(8 782 505)</u>
Incurred claims	<u>204 997</u>	<u>(135 313)</u>
<u>Change in the value of retrograde fluctuations</u>		
Direct commissions	1 200 877	329 692
Production costs	<u>1 730 791</u>	<u>617 656</u>
Total commissions and production costs	<u>2 931 668</u>	<u>947 348</u>
General & administrative expenses	795 314	427 624
Other operating expenses	<u>14 814</u>	<u>11 354</u>
Total expenses	<u>3 946 793</u>	<u>1 251 013</u>
Surplus from underwriting activities	523 321	1 471 700
Net income from designated investments	1 203 105	915 580
Depreciation of designated investment property	-	(107)
Impairment losses of policy holders' receivables	<u>(986 232)</u>	<u>(453 237)</u>
Surplus of insurance activity- accident insurance	<u>740 194</u>	<u>1 933 936</u>

The accompanying notes from No. (1) to No. (97) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF MEDICAL INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	231 742 554	273 014 195
Inward reinsurance premiums	-	-
Gross premiums	<u>231 742 554</u>	<u>273 014 195</u>
Outward reinsurance premiums	<u>(147 498 156)</u>	<u>(122 786 019)</u>
Net premiums	84 244 398	150 228 176
<u>Change in the value of provision for unearned premiums</u>		
Provision for unearned premiums at beginning of the year	64 101 161	45 493 530
Provision for unearned premiums at end of the year	<u>(38 210 107)</u>	<u>(64 101 161)</u>
Earned premiums	110 135 452	131 620 545
Outward reinsurance commissions	16 168 300	15 658 122
Other operating income	<u>17 420 062</u>	<u>22 140 018</u>
Total revenues	<u>143 723 814</u>	<u>169 418 685</u>
<u>Expenses</u>		
Direct claims paid	218 329 722	179 517 267
Inward reinsurance claims paid	-	-
Gross claims	<u>218 329 722</u>	<u>179 517 267</u>
Outward reinsurance claims recovered	<u>(111 532 842)</u>	<u>(44 668 830)</u>
Net claims	106 796 880	134 848 437
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	10 778 689	6 617 702
Provision for outstanding claims at beginning of the year	<u>(6 617 702)</u>	<u>(8 273 691)</u>
Incurred claims	<u>110 957 867</u>	<u>133 192 448</u>
<u>Change in the value of provision for retrograde fluctuations</u>		
Provisions for retrograde fluctuations at end of the year	93 577	93 577
Provisions for retrograde fluctuations at beginning of the year	<u>(93 577)</u>	<u>(93 577)</u>
	-	-
Direct commissions	8 244 467	9 537 440
Production costs	<u>21 384 182</u>	<u>14 010 592</u>
Total commissions and production costs	<u>29 628 649</u>	<u>23 548 032</u>
General & administrative expenses	17 863 750	16 807 489
Other operating expenses	<u>326 115</u>	<u>502 370</u>
Total expenses	<u>158 776 381</u>	<u>174 050 339</u>
(deficit) from underwriting activities	<u>(15 052 567)</u>	<u>(4 631 654)</u>
Net income from designated investments	12 613 384	12 921 675
Depreciation of designated investment property	-	(2 436)
Impairment losses of policy holders' receivables	<u>1 062 573</u>	<u>(7 449 851)</u>
(deficit) surplus of insurance activity- medical insurance	<u>(1 376 610)</u>	<u>837 734</u>

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

**STATEMENT OF REVENUES AND EXPENSES OF OIL & GAS INSURANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>2023</i>	<i>2022</i>
	<i>LE</i>	<i>LE</i>
<u>Revenues</u>		
Direct premiums	55 074 663	43 930 448
Inward reinsurance premiums	-	-
Gross premiums	55 074 663	43 930 448
Outward reinsurance premiums	(54 773 722)	(43 450 994)
Net premiums	300 941	479 454
<u>Change in the value of provision for unearned premiums</u>		
Provisions of unearned premiums at beginning of the year	191 782	2 477 741
Provisions of unearned premiums at end of the year	(300 941)	(191 782)
Earned premiums	191 782	2 765 413
Outward reinsurance commissions	3 240 230	4 256 726
Other operating income	80 803	75 508
Total revenues	3 512 815	7 097 647
<u>Expenses</u>		
Direct claims paid	-	20 874 037
Gross claims	-	20 874 037
Outward reinsurance claims recovered	-	(20 665 287)
Net claims	-	208 750
<u>Change in the value of provision for outstanding claims</u>		
Provision for outstanding claims at end of the year	804 416	215 485
Provision for outstanding claims at beginning of the year	(215 485)	(500 405)
Incurred claims	588 931	(76 170)
<u>Change in the value of provision for retrograde fluctuations</u>		
Provisions for retrograde fluctuations at end of the year	500 405	500 405
Provisions for retrograde fluctuations at beginning of the year	(500 405)	(500 405)
	-	-
Direct commissions		84 833
Production costs	3 183 297	2 548 059
Total commissions and production costs	3 183 297	2 632 892
General & administrative expenses	2 975 301	2 361 149
Other operating expenses	9 715	13 120
Total expenses	6 757 244	4 930 991
Surplus from underwriting activities	(3 244 429)	2 166 656
Net income from designated investments	264 068	436 247
Depreciation of designated investment property	-	(83)
Impairment losses of policy holders' receivables	46 448	(30 886)
Surplus of insurance activity- oil & gas insurance	(2 933 913)	2 571 934

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 L.E.	2022 L.E.
Cash flows from operating activities			
Net profit for the year before tax		458 597 631	233 085 987
Adjustments to reconcile net profit for the year before tax to net cash flows resulting from operating activities			
Depreciation of fixed assets	(15)	13 604 655	11 581 463
Depreciation of right of use assets		2 862 318	2 804 418
Amortization of intangible assets	(16)	2 641 967	2 482 426
Depreciation of real estate investments	(10)		481 788
Technical provisions	(17)	188 121 492	121 981 297
Impairment losses of policy holders' receivables (provision)	(14)	25 337 742	
Impairment losses of policy holders' receivables no longer required		(20 000)	(2 486 761)
Used from provision for policy holders' receivables		7 323 500	(913 819)
Other provisions	(20)		5 933 813
Impairment losses of debtors and other debit balances no longer required	(14)	(61 024)	(13 402 570)
Impairment losses of financial instruments		67 384	3 898 214
Impairment losses of financial instruments no longer required		(3 008 221)	
Impairment losses of insurance and reinsurance companies	(12)	7 937 531	
Impairment losses of reinsurance companies no longer required			(410 601)
Profits from sale of fixed assets		(350 324)	(468 358)
Losses from sale of fixed assets			7 792
Evaluation differences of financial assets at fair value through profit or loss	(23)	(50 793 528)	33 757 798
Profits from sale of financial assets at fair value through profit or loss	(23)	(67 521 423)	(69 564)
Amortization of premium (held to maturity financial investments)		3 788 175	4 578 509
Amortization of discount (held to maturity financial investments)		(1 278 633)	(2 583 739)
Finance interests			23 061
Evaluation differences of financial assets and liabilities in foreign currencies		(187 919 675)	(26 784 150)
Net operating profits before change in other assets and liabilities		399 329 567	373 497 004
Increase in financial assets at fair value through profit or loss	(8)	48 092 807	(48 116 433)
Increase in policy holders' receivables	(11)	(248 063 350)	(208 862 773)
Increase in insurance & reinsurance companies- debit balances	(12)	(17 579 696)	38 668 878
Increase in debtors & other debit balances	(13)	(53 260 404)	(29 345 735)
Increase in insurance & reinsurance companies- credit balances	(19)	596 750 819	201 268 696
Increase in creditors and other credit balances	(20)	173 125 841	39 894 218
Increase in lease liabilities		1 133 259	(1 910 345)
Income tax paid		(22 139 814)	(23 446 714)
Taxes paid on shares' coupons		(2 854 436)	(181 962)
Real estate taxes paid and tax inspection differences paid		(11 426 997)	
Net cash flows from operating activities (A)		863 107 596	341 464 834
Cash flows from investing activities			
Increase in deposits (maturity more than 3 months)	(6)	87 496 822	(120 003 070)
Increase in treasury bills (maturity more than 3 months)	(7)	(92 661 428)	(419 688 679)
Payments to acquire financial investments at amortized cost	(7)	(413 835 051)	(93 481 695)
Proceeds from accrual of financial investments at amortized cost	(7)	59 000 000	286 000 000
Payments to acquire financial assets at fair value through other comprehensive income		-	(1 000 000)
Payments to acquire real estate investments	(10)		(3 188 206)
Payments to purchase fixed assets	(15)	(9 104 490)	(9 709 294)
Payments to purchase intangible assets- computer software	(16)	(2 816 235)	(3 360 412)
Payments for right of use assets		(4 245 624)	(1 084 011)
Payments to purchase non-current assets available for sale			(4 730 000)
Proceeds from non-current assets available for sale		4 730 000	
Disposal of right of use assets		50 241	69 265
Proceeds from sale of fixed assets		362 777	485 285
Net cash flows from investment activities (B)		(371 022 988)	(366 690 817)
Cash flows from financing activities			
Payment for subordinated Loan		-	(1 500 000)
Payment for tax provision		(23 000 000)	-
Dividends paid		(163 321 336)	(88 468 556)
Net cash flows (used in) financing activities (C)		(186 321 336)	(89 968 556)
Net increase in cash during the year (A)+(B)+(C)		305 763 272	(115 194 540)
Cash and cash equivalent at the beginning of the year		225 879 369	341 073 909
Cash and cash equivalents at the end of the year		531 642 641	225 879 369
Represented as follows:			
Cash on hand and at banks	(5)	262 579 337	104 004 549
Fixed deposits at banks	(6)	80 943 211	169 178 033
Deposits at banks (maturity more than 3 months)	(6)	(50 093 211)	(137 590 033)
Treasury bills (maturity within 3 months)	(7)	238 213 304	90 286 820
Cash and cash equivalents at the end of the year		531 642 641	225 879 369

The accompanying notes from No. (1) to No. (37) from an integral part of these financial statements.

GIG Insurance- Egypt (S.A.E.)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Paid-up Capital	Statutory Reserve	Risk Reserve Application of Standard 47	General Reserve	Differences Between Nominal Value and Current Value of Subordinated Loan	Fair Value Reserve For Financial assets at FVTOCI	Fixed assets' revaluation surplus	Investments' fair value surplus	Retained Earnings	Net profit for the year	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at 1/7/2022	380 953 100	55 785 944	18 240 862	95 700 000	-	4 059 200	-	-	102 458 179	171 994 594	829 191 879
Transferred to retained earnings	-	-	-	-	-	-	-	-	171 994 594	(171 994 594)	-
Transferred to statutory reserve	-	8 599 730	-	-	-	-	-	-	(8 599 730)	-	-
Previous year dividends	-	-	-	-	-	-	-	-	(163 394 864)	-	(163 394 864)
Paid for capital increase- bonus shares (Note 23-2)	-	-	-	-	-	-	-	-	-	-	-
Evaluation differences of balances of monetary assets & liabilities in foreign currencies	-	-	-	-	-	-	-	-	(151 664 182)	-	(151 664 182)
Fair value reserve of financial assets at FVTOCI	-	-	-	-	-	6 209 680	-	-	-	-	6 209 680
Fixed assets revaluation surplus	-	-	-	-	-	-	346 116 935	81 911 752	-	-	346 116 935
Real estate investments' fair value surplus	-	-	-	-	-	-	-	-	-	-	81 911 752
Net profit for the year	-	-	-	-	-	-	-	-	-	373 412 280	373 412 280
Balance at 30/6/2023	380 953 100	64 385 674	18 240 862	95 700 000	-	10 268 880	346 116 935	81 911 752	(49 206 003)	373 412 280	1 321 783 480
Balance at 1/7/2021	338 625 000	46 283 687	18 240 862	95 700 000	23 061	4 808 500	-	-	95 750 759	190 045 131	789 477 000
Transferred to retained earnings	-	-	-	-	-	-	-	-	190 045 131	(190 045 131)	-
Transferred to statutory reserves	-	9 502 257	-	-	-	-	-	-	(9 502 257)	-	-
Previous year dividends	-	-	-	-	-	-	-	-	(88 479 513)	-	(88 479 513)
Paid for capital increase- bonus shares (Note 23-2)	42 328 100	-	-	-	-	-	-	-	(42 328 100)	-	-
Evaluation differences of balances of monetary assets & liabilities in foreign currencies	-	-	-	-	-	-	-	-	(20 757 716)	-	(20 757 716)
Amortization of differences between nominal value and present value for subordinated loan	-	-	-	-	(23 061)	-	-	-	23 061	-	-
Fair value reserve for financial assets at FVTOCI	-	-	-	-	-	(749 300)	-	-	-	-	(749 300)
Effect of application of standard 47 on retained earnings	-	-	-	-	-	-	-	-	(20 495 621)	-	(20 495 621)
Effect of application of standard 49 on retained earnings	-	-	-	-	-	-	-	-	(1 797 565)	-	(1 797 565)
Net profit for the year	-	-	-	-	-	-	-	-	-	171 994 594	171 994 594
Balance at 30/6/2022	380 953 100	55 785 944	18 240 862	95 700 000	-	4 059 200	-	-	102 458 179	171 994 594	829 191 879

The accompanying notes from No. (1) to No. (37) form an integral part of these financial statements.

1. Introduction

GIG Insurance Egypt was established under the name of United Investors Insurance Company (S.A.E.) in accordance with the provisions of Law No. 159 of 1981 by virtue of the decision of the Minister of Economy No. 437 of 1993 published in the Official Gazette No. 291 dated 25 December 1993 and the company was registered in the Commercial Register under number 280614 Cairo Governorate on 25 December 1993.

The Extraordinary General Assembly held on 29 June 2000 decided to amend the name of the company to be "Arab Misr Insurance Group".

The Extraordinary General Assembly held on 16 January 2013 decided to amend the name of the company from "Arab Misr Insurance Group (AMIG)" to "Arab Misr Insurance Group (GIG)".

On 19th January 2019, the company's name was amended to GIG INSURANCE- EGYPT according to the decree published in the Al-Waqa'i' newspaper.

The company's purpose is to undertake all property and casualty insurance operations against the following risks:

- Fire risk and its related liabilities.
- Inland, marine and aviation risk and its related liabilities.
- Aircraft parts engines and its related liabilities.
- Accident and its related liabilities.
- Motor and its related liabilities.
- Other insurance activities.

The fiscal year of the company starts at the first of July and ends at the end of June each year.

The company's board of directors approved the issuance of the financial statements for the financial ended 30 June 2023 on 31 October 2023.

2. Significant Accounting Policies**2.1 Basics of preparation**

The financial statements are prepared in accordance with the manual of applying the Egyptian accounting standards to the insurance sector in light of the Egyptian accounting standards issued under the Minister of Investment's Resolution No. 110 of 2015, considering the requirements of Law No. 10. of 1981 and its amendments and its Executive Regulation, as well as the bases and rules issued by the Financial Regulatory Authority on the insurance sector and according to the Circular issued by the Financial Regulatory Authority on May 9, 2021.

The company's management has included the consolidated accounting effect for the full year starting from 1 July 2021 (the beginning of the financial year for insurance companies which starts on 1 July of each calendar year and ends on 30 June of the following calendar year).

In light of the application of Egyptian Accounting Standard No. (47), amended, 2019 Financial Instruments- (paragraph 1 and 2 e), the rights and obligations arising under an insurance contract as defined in the Egyptian Accounting Standard No. (37) "Insurance Contracts" are excluded from the application of the standard, other than the rights and obligations of the issuer arising under the insurance contract that meets the definition of a financial guarantee contract.

2.2 Changes in accounting policies**Amended Egyptian Accounting Standard 10: Fixed assets**

The amended Egyptian accounting standard 10 allows using the revaluation model for the subsequent measurement of fixed assets. The gains and losses resulting from the revaluation of fixed assets are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account.

Amended Egyptian Accounting Standard 23: Intangible assets

Egyptian accounting standard 23 has been amended and reissued in 2023 and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information.

The amended Egyptian Accounting Standard 23 allows using the revaluation model for the subsequent measurement of intangible assets. The gains and losses resulting from the revaluation of intangible assets are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account. There is no impact on the company's financial statements, as the company chose not to change the current accounting policy and did not apply the alternative accounting treatment.

2. Significant Accounting Policies (Continued)**2.2 Changes in accounting policies (Continued)****Amended Egyptian Accounting Standard 34: Investment properties**

Egyptian accounting standard 34 has been amended and reissued in 2023 and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information.

The amendments allow entities to use the fair value model option for subsequent measurement of their real estate investments, with REITs required only to use the fair value model for subsequent measurement of all their real estate assets.

The increase in fair value is recognized for the subsequent measurement of real estate investment within items within other comprehensive income, rather than profits or losses, and accumulated within equity in the account of "surplus of valuation of real estate investment at fair value".

STANDARDS ISSUED BUT NOT YET EFFECTIVE

Set out below are standards and interpretations that have been issued, but remain not effective, as at the date of issuance of these financial statements. The Company intends to adopt these standards, if applicable, when they become effective.

Egyptian Accounting Standard 50: Insurance contracts

Egyptian accounting standard 50 "Insurance Contracts" which replaced the Egyptian Accounting Standard 37 "Insurance Contracts". EAS 50 was issued in 2023, and effective beginning on or after 1 July 2024 in Egypt. Early application of the standard is allowed.

This standard defines the proof principles of insurance contracts falling within the scope of this standard, and determines their measurement, presentation and disclosure. The objective of the standard is to ensure that the entity provides appropriate information that truthfully reflects those contracts. This information provides the users of the financial statements with basis for assessing the impact of such insurance contracts on the entity's financial position, financial performance and cash flows.

3. Significant Accounting Policies**3.1 Transactions in foreign currencies**

The company maintains its books of accounts in Egyptian pounds. Transactions in currencies other than Egyptian pounds are transferred using the exchange rates prevailing at the transaction date. Monetary assets and liabilities in currencies other than Egyptian pounds at the date of the financial statements are evaluated at the exchange rates prevailing on that date. Exchange differences are recorded in the statement income or revenues and expenses, as the case may be, under other operating income/ expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date on which the fair values were determined. Differences arising from translation are recognized within the fair value change.

Considering the issuance of the Prime Minister's decision No. (1568) for the year 2022 to amend some provisions of the Egyptian accounting standards, in particular the Egyptian Accounting Standard No. (13) regarding "the effects of changes in foreign exchange rates" contained in the Egyptian accounting standards accompanying the decision of the Minister of Investment No. (110) for the year 2015 and the Prime Minister's Resolution No. 4706 of 2022 and Resolution No. 1847 of 2023.

The decision of the President of the Authority No. (843) for the year 2022 was issued on 8/5/2022 regarding the accounting treatment of the change in foreign exchange rates against the Egyptian pound.

The decision includes if the results of the insurance companies' business are affected by the net losses of the valuation differences for the balances of assets and liabilities of a monetary nature in foreign currencies as a result of the change in the exchange rate, they are recognized within the items of other comprehensive income, provided that they are included in the retained profits and losses in the same financial period.

The company has calculated the resulting losses, the differences in the evaluation of balances and obligations of a monetary nature in foreign currency, and the differences after deduction of tax are included in the comprehensive income statement and included in the retained profits and losses.

3. Significant Accounting Policies**3.2 Cash and Cash equivalents**

For the purpose of preparing the cash flows statement, cash and cash equivalents include cash on hand, current account and deposits at banks, which mature within 3 months or less and treasury bills and other discounted government securities which mature within 3 months from the date of issuance.

Non-cash transactions

Investment and financing transactions that do not require the use of cash or cash equivalents should be excluded from the statement of cash flows.

Such transactions should be disclosed elsewhere in the financial statements in a manner that provides all relevant information about such investing and financing activities.

The process of excluding non-cash transactions from the cash flow statement is consistent with the objective of the cash flow statement, as these items involve cash flows in the current period. Examples of non-cash transactions include the following:

- Acquisition of assets, whether by incurring obligations directly related to them
- Acquisition of an entity by issuing equity instruments
- Converting a debt instrument into an equity instrument

3.3 Financial assets and liabilities**1) Initial recognition and measurement**

The company initially recognizes financial assets and liabilities on the date on which the company becomes a party to the contractual terms of the financial instrument.

The financial asset or financial liability is initially measured at fair value. As for those that are not subsequently measured at fair value through profit and loss, they are measured at fair value plus the transaction cost that is directly related to the acquisition or issuance.

2) Classification

- Upon initial recognition, the company classifies financial assets into financial assets at amortized cost, financial assets at fair value through the statement of other comprehensive income or at fair value through profit and loss.
- A financial asset is measured at amortized cost if both of the following conditions are met and has not been allocated by the company's management upon initial recognition of fair value through profit and loss:
 - The financial asset is held within a business model whose sole objective is to hold the financial asset to collect contractual cash flows.
 - The contractual terms of the financial asset give rise, on specified dates, to the contractual cash flows of the asset that are solely the principal amount of the financial instrument and the return.
- The debt instrument is measured at fair value through other comprehensive income and was not allocated upon initial recognition at fair value through profit and loss if each of the following two conditions are met:
 - The financial asset is held within a business model whose objective is to collect contractual cash flows and sell the financial asset.
 - The contractual terms of the financial asset give rise, on specified dates, to contractual cash flows that are not only principal and interest.
- Upon initial recognition of an equity instrument that is not held for trading, the company can make an irreversible choice to present subsequent changes in fair value through the statement of other comprehensive income. This choice is made for each investment separately.
- The rest of the other financial assets are classified as financial investments at fair value through profits and losses.
- In addition, the company may, upon initial recognition, irrevocably designate a financial asset as being measured at fair value through profit or loss, even though it meets the conditions for classification as a financial asset at amortized cost or at fair value through the statement of other comprehensive income, if Doing so would substantially prevent or reduce the inconsistency that might arise in the accounting measurement.

3. Significant Accounting Policies (Continued)

Business Model Evaluation

1) Debt and equity instruments are classified and measured as follows:

Financial Instrument	Methods of measurement as per the business models		
	Amortization cost	Fair Value	
		Through comprehensive income	Through profit or loss
Equity Instruments	-	One-time irrevocable option upon first recognition.	Normal treatment of equity instruments
Debt instruments	Business model for assets held to collect contractual cash flows	Business model for assets held to collect contractual cash flows and to sell	Business model for assets held for trading

2) The company prepares, documents, and approves the Business Models in accordance with the requirements of the Egyptian Accounting Standard No. (47) and in a manner that reflects the company's strategy set for managing financial assets and its cash flows according to the following:

Financial asset	Business model	Basic Properties
Financial assets at amortized cost	The business model for financial assets held to collect contractual cash flows	<ul style="list-style-type: none"> The objective of the business model is to hold financial assets to collect the contractual cash flows represented in the principal investment amount and returns. The sale is an exceptional accidental event in relation to the objective of this model and the conditions mentioned in the standard represented in the presence of a deterioration in the credit capacity of the issuer of the financial instrument. Least sales in terms of periodicity and value. The company undertakes a clear and approved documentation process for the justifications of each sale and its compliance with the requirements of the standard.
Financial assets at fair value through comprehensive income	Business model for financial assets held to collect contractual cash flows and to sell	<ul style="list-style-type: none"> Both contractual cash flow collection and selling are complementary to the goal of the model. High sales (in terms of periodicity and value) compared to a business model held to collect contract cash flows
Financial assets at fair value through profit or loss	Other business models include (trading - managing financial assets based on fair value - maximizing cash flows by selling)	<ul style="list-style-type: none"> The objective of the business model is not to hold the financial asset to collect contractual cash flows or held to collect contractual cash flows and to sell. The collection of contractual cash flows is an incidental event in relation to the objective of the model. Management of financial assets knowledgeably on the basis of fair value through profits and losses in order to avoid inconsistencies in the accounting measurement.

- The company evaluates the objective of the business model at the level of the portfolio in which the financial asset is kept, considering that this reflects the way the business is managed and the way the administration is provided with information. The information that is taken into account when evaluating the objective of the business model includes the following:
 - Documented approved policies, portfolio objectives, and implementation of these policies in practice. Whether management's strategy focuses solely on collecting the contractual cash flows of the asset and maintaining a certain rate of return, to match the maturities of financial assets with the maturities of the obligations that finance these assets or to generate cash flows through the sale of these assets.

3. Significant Accounting Policies (Continued)**3.4 Financial assets and liability****Business Model Evaluation (Continued)**

- How to evaluate and report on the performance of the portfolio to senior management.
- The risks that affect the performance of the business model, including the nature of the financial assets held within that model and the way those risks are managed.
- How to determine the performance evaluation of business managers (fair value, return on portfolio, or both).
- The periodicity, value, and timing of sales operations in previous periods, the reasons for these operations, and expectations regarding future selling activities. However, information about selling activities is not considered in isolation, but as part of a comprehensive assessment of how to achieve the company's objective of managing financial assets and how to generate cash flows.
- Financial assets that are held for trading or that are managed and whose performance is evaluated on the basis of fair value, are measured at fair value through profit and loss, as they are not held to collect contractual cash flows or to collect contractual cash flows and to sell financial assets together.
- **Assessing whether the contractual cash flows of the asset represent payments that are limited only to the principal amount of the instrument and the return**

For the purpose of this evaluation, the company defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The yield is defined as the time value of money, the credit risk associated with the principal amount over a specified period, other basic lending risks and costs (such as liquidity risk and administrative costs), as well as the profit margin.

In assessing whether the contractual cash flows of an asset are payments that are limited only to the financial instrument and the return, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that may change the timing or amount of contractual cash flows so that they do not meet that condition. In making this assessment, the company takes into consideration the following:

- Potential events that may change the amount and timing of cash flows.
- Leverage characteristics (return rate, term, currency type...).
- Expedited payment terms and term extension.
- Conditions that may limit the company's ability to demand cash flows from certain assets.
- Features that may be adjusted against the time value of money (redetermining the rate of return periodically).
- Upon initial recognition, the company classifies financial obligations into financial obligations at amortized cost, and financial obligations at fair value through profits and losses, based on the objective of the company's business model.
- All financial liabilities are initially recognized at fair value on the date that the company becomes a party to the contractual terms of the financial instrument.
- Financial obligations classified at amortized cost are subsequently measured based on amortized cost and using the effective return method.
- Financial obligations at fair value through profit and loss are subsequently measured at fair value, and the change in fair value related to the change in the company's credit rating is recognized in the statement of other comprehensive income, while the remaining amount of the change in fair value is presented in profit and loss.

Reclassification

- Financial assets are not reclassified after initial recognition unless- and only when- the company changes the business model for managing these assets.
- In all cases, the items of financial obligations at fair value through profits and losses and financial obligations at amortized cost are not reclassified.

3. Significant Accounting Policies (Continued)**3.3 Financial assets and liability****Disposals****3- Financial assets**

- A financial asset is derecognized when the contractual right to receive cash flows from the financial asset expires or when the company transfers the right to receive the contractual cash flows in a transaction in which the risks and rewards of ownership are substantially transferred to another party.
- When a financial asset is disposed of, the difference between the carrying amount of the asset (or the carrying amount assigned to the part of the asset disposed) and the sum of the consideration received (including any new asset acquired less any new liability incurred) is recognized in the statement of profit and loss. Aggregate gains or losses previously recognized in the fair value reserve for financial investments at fair value through the statement of other comprehensive income.
- Any cumulative gain or loss recognized in the statement of other comprehensive income related to investment in equity instruments designated as investments at fair value through the statement of other comprehensive income, is not recognized in profit and loss upon disposal of that asset. Any interest arising or retained from an asset that qualifies for derecognition (which qualifies for derecognition) is recognized as a separate asset or liability.
- When the company enters transactions whereby it transfers assets previously recognized in the statement of financial position, but,
 - It retains all or substantially most of the risks and rewards associated with the transferred asset or part of it. In these cases, the transferred asset is not disposed.
 - For transactions in which the company neither retains nor transfers substantially all the risks and benefits associated with ownership of the asset and retains control over the asset, the company continues to recognize the asset within the limits of its continuing association with the financial asset, and the company's continued association with the financial asset is determined by the company's exposure to changes in the value of the transferred asset.
 - In some transactions, the company retains the obligation to service the transferred asset in return for a commission, then the transferred asset is excluded if it meets the conditions of exclusion. An asset or liability for a service contract is recognized if the service commission is greater than the appropriate amount (asset) or less than the appropriate amount (obligation) to perform the service.

4. Financial obligations

- The company excludes financial obligations when the contract is disposed of, cancelled, or expired.

Adjustments to financial assets and financial liabilities**1- Financial assets**

- If the terms of a financial asset are modified, the company assesses whether the cash flows of the modified asset are materially different. If the cash flows are fundamentally different, then the contractual rights to the cash flows from the original financial asset are considered expired, and then the original financial asset is excluded and a new financial asset is recognized at fair value and the value resulting from adjusting the total book value is recognized as profits or losses within profits and losses. But if this adjustment occurred due to financial difficulties of the borrower, the profits are postponed and presented with the accumulated impairment losses, while the losses are recognized in the statement of profit and loss.

If the cash flows of the modified asset recognized at amortized cost are not significantly different, the modification does not result in the derecognition of the financial asset.

3-4 Investment properties

Egyptian Accounting Standard 34 was amended and reissued in 2023, and these amendments were applied to financial periods beginning on or after 1 January 2023.

The company assigned one of the appraisal bodies registered at the Financial Regulatory Authority to evaluate real estate investments, and the fair value model option was used on subsequent measurement for its real estate investments.

The increase in the fair value on subsequent measurement of the real estate investment is recognized within other comprehensive income items, instead of profits or losses, and accumulated within equity in the "real estate investment valuation surplus at fair value" account.

3. Significant Accounting Policies (Continued)**3.4 Investment properties**

As for the reason for classifying the real estate item from fixed assets to real estate investments, it is that these buildings are owned by the company and were occupied and moved from it, and as a result of the lack of a short-term sales plan, they are classified as free real estate investments.

3-5 Accumulated Impairment of Debts

The accumulated impairment losses of doubtful debts are provided in case there is a doubt regarding the recovery of all or part of the value of these balances which is calculated for the impaired balances based on the difference between the book value of the debtor and the present value of the future expected cash flows from these balances with respect to each debtor separately. As for the unimpaired balances, their accumulated impairment losses are calculated on the basis of percentages of the total outstanding amount on the date of the financial position for each category of debt balances that is similar in terms of its credit risks. This percentage is calculated on the basis of the historical loss rate for each similar group of debt balances and the accumulated impairment is also calculated based on the percentages indicated in the manual and the value of the formed impairment losses shall be charged to the statement of income/ statement of revenues and expenses, as the case may be, for the value computed based on the percentages of the total outstanding amount on the date of the financial position for each category of debt balances that is similar in terms of its credit risks or the percentages stipulated in the manual, whichever is higher. The debit balances of insurance and reinsurance companies as well as the debtors and other debit balances are presented in the statement of financial position net of accumulated impairment losses.

Accumulated impairment of debts**- Impairment of financial assets**

- Impairment losses are recognized for the expected credit losses for the following financial instruments that are not measured at fair value through profit or loss, which are:
 - 1) Financial assets that represent debt instruments.
 - 2) Outstanding debts.
 - 3) Contracts of financial guarantees- if any.

- No impairment losses are recognized in the value of investments in equity instruments.

Debt instruments related to insurance and micro-insurance products

- The company aggregates debt instruments related to insurance and micro-insurance products on the basis of groups with similar credit risks based on the type of insurance product.
- The company classifies debt instruments within the insurance product group and micro-insurance into three stages based on the following quantitative and qualitative criteria:

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. Significant Accounting Policies (Continued) 3-5 Accumulated Impairment of Debts (Continued)

Financial instrument classification	Phase 1		Phase 2		Phase 3	
	Basic determinant (Quantitative criteria)	Additional determinant (Qualitative standard)	Basic determinant (Quantitative criteria)	Additional determinant (Qualitative standards)	Basic determinant (Quantitative criteria)	Additional determinant (Qualitative standards)
Low Credit Risk Financial Instruments	No delays	Falls within the scope of acceptable risks				
Financial instruments which have been a substantial increase in credit risk	-		Delay within 30 days from the date of maturity of contractual insurance premiums.	If the policyholder or beneficiary faced one or more of the following events: -The policyholder has applied for the conversion of short-term to long-term repayment as a result of negative effects related to the cash flows of the policyholder or beneficiary. -The cancellation of the company of the coverage of the policy due to the high credit risk of the policyholder. -Extension of the deadline granted for payment at the request of the policyholder. -Repeated prior arrears during the previous 12 months. -Negative future economic changes affecting the policyholder's future cash flows.		
Impaired financial instrument					When the borrower is late more than 90 days for paying the premiums of contractual insurance.	N/A

- The financial assets created or acquired by the company are classified and include a high rate of credit risk than the company's rates for low-risk financial assets when the first is recognized directly in the second stage.

Measurement of expected credit losses

- The Company evaluates the portfolios of debt instruments on a quarterly basis at the portfolio level for all financial assets including insurance and investment portfolios and on a periodic basis in relation to the financial assets of the institutions classified in the follow-up list with a view to monitoring the credit risk related to them, and this assessment is carried out at the level of the counterparty on a periodic basis, and the criteria used to determine the substantial increase in credit risk are reviewed and monitored periodically by the Credit Risk Department.

3. Significant Accounting Policies (Continued)**3-5 Accumulated Impairment of Debts (Continued)****Measurement of expected credit losses (Continued)**

- The Company shall, at the date of the financial statements, estimate the provision for impairment losses for the financial instrument at a value equal to the expected credit losses over the life of the financial instrument, except in the following cases, in which the provision for impairment losses is estimated at a value equal to the expected credit losses over twelve months:
 1. A debt instrument identified as having low credit risk at the date of the financial statements (initial stage debt instruments).
 2. Other financial instruments Credit risk at the date of the report has not increased substantially since the first recognition (debt instruments of the first stage).
- The Company considers expected credit losses to be a weighted probability estimate of expected credit losses, which are measured as follows:
 - Expected credit losses of financial assets in the first phase are measured on the basis of the present value of the total cash deficit calculated on the basis of historical default probability rates adjusted by forecasts of average scenarios of macroeconomic indicators for a period of twelve future months multiplied by value upon failure taking into account the weighting of the expected recovery rates when calculating the loss rate for each group of debt instruments with similar credit risks. Since the anticipated credit losses consider the amount and timing of payments, credit losses arise even if the Company expects to be repaid in full but later after the debt becomes payable under contractual terms. Expected credit losses over twelve months are considered part of the expected credit losses over the life of the asset resulting from events of default in payment of a financial instrument and potential within twelve months after the date of the financial statements.
 - The expected credit losses of financial assets in the second phase are measured on the basis of the present value of the total cash deficit calculated on the basis of historical default probability rates adjusted by the forecast of the average scenarios of macroeconomic indicators for the life of the financial asset multiplied by the value at failure, taking into account the weighting of the expected recovery rates when calculating the loss rate for each group of debt instruments with similar credit risks.
 - Credit- impairment financial assets at the date of the financial statements are measured by the difference between the total book amount of the asset and the present value of the expected future cash flows.
 - When calculating loss rates, the Company shall consider the expected recovery rates from the present value of the expected cash flows, whether from cash and in-kind guarantees or expected historical or future repayment rates, as follows:
 - For debt instruments classified within the first stage, only the value of cash guarantees and the like represented in cash and other financial instruments that can be converted into cash easily in a short period of time (3 months or less) and without a change (loss) in their value as a result of credit risk is considered.
 - For debt instruments classified under both the second or third stage, only 50% of the value of real estate guarantees and 30% of the value of commercial guarantees respectively - if any, are counted.
 - For debt instruments held by banks operating outside Egypt, the rates of probability of failure are determined based on the credit rating of the head office of the bank operating outside Egypt and not more than the credit rating of the head office country and considering the instructions issued by the Central Bank on the risks of countries, and the loss rate is calculated at 45%.
 - For instruments held by banks operating inside Egypt, the rates of probability of failure are calculated based on the classification of the bank by external international rating institutions and the branches of Egyptian banks abroad are treated as the main center, as well as branches of foreign banks operating inside Egypt as their main center, and the loss rate is calculated by 45%.
 - For debt instruments issued by entities other than banks, the rates of probability of failure are calculated on the basis of the rating of the issuer of the financial instrument by the external international rating institutions and not more than the credit rating of the country of the issuer in the case of external entities, and the loss rate is calculated at 45%.
 - The provision for impairment for financial assets recognized in financial position is deducted from the value of the same financial assets when the statement of financial position is prepared, while the provision for impairment related to financial guarantee contracts and incidental obligations - if any is included under the provision of other provisions of financial position obligations.
 - For financial guarantee contracts, the company estimates the expected credit loss based on the difference between the expected payments to be made to the holder of the guarantee less any other amounts that the company expects to recover.

3. Significant Accounting Policies (Continued)**Upgrade from the second stage to the first stage**

- The company does not transfer the financial asset from the second stage to the first stage except, after all the quantitative and qualitative elements of the first phase have been met.

Upgrade from the third stage to the second stage

- The company does not transfer the financial asset from the third stage to the second stage except, after all the quantitative and qualitative elements of the second phase have been met.

Restructured financial assets:

If the terms of a financial asset are re-negotiated, modified, or replaced by a new financial asset due to the borrower's financial difficulties, an assessment is made as to whether the financial asset should be excluded from the books and the expected credit losses are measured as follows:

- If restructuring does not exclude the current asset, the expected cash flows resulting from the adjusted financial asset are used when calculating the cash deficit in the current asset. Expected credit losses are calculated on the life of the instrument.
- If restructuring will result in the disposal of the existing asset, the expected fair value of the new asset will be treated as final cash flows from the current financial asset when excluded. This value is used to calculate the cash deficit of the current financial asset which has been deducted from the expected date of the disposal of the asset until the date of the financial statements using the original effective interest rate of the current financial asset.

Presentation of provisions for expected credit losses in the statement of financial position

- The provision for expected credit losses is classified in the list of financial position as follows:
 - Financial assets that are measured by the amortized cost as a deduction from the total book value of the assets.
 - Financial Guarantee Contracts: In general, as a provision.
 - Debt instruments at fair value through other comprehensive income, the impairment provision is not recorded in the statement of financial position because the book value of those assets is their fair value. However, the impairment provision is disclosed and recognized in the fair value reserve.

Write off of Debts

- Debts are written off (either partially or completely) when there is no realistic probability of recovering those debts. In a general capacity when a company determines that the borrower does not have assets, resources or sources of income that can generate sufficient cash flows to repay debts that will be executed however, the bad financial assets may remain subject to follow-up considering the procedures taken by the company to recover the amounts due. The deduction is made on the account of the impairment with the debts that are executed, whether it is included in the provision or not, and the impairment provision is added to any proceeds of debts previously written off.

Receivables from policyholders

Receivables from policyholder whether in the form of premiums under collection or current accounts for the insured are reported at amortized cost that represent the book value of these accounts net of the total amount of impairment losses.

On initial recognition of insurance receivables, measurement is carried out at fair value which represents the transaction price; and subsequent measurement is carried out at amortized cost.

The accumulated impairment losses of unimpaired balances have been calculated based on historical analysis and with the following ratios:

- First year premiums 10%
- The premiums of the previous year over the current year 50%
- Premiums for the years before that 100%
- Returned checks and notes receivable 100%
- Current accounts for policy holders' balances on which transactions occurred during the last year 10%
- Current accounts for policy holders' balances with no transactions for more than one year 100%

The accounts of insurance and reinsurance companies are recorded at the amortized cost represented in the book value of those accounts, minus the total impairment losses.

Re-insurance companies' debts are measured at initial recognition at the fair value represented in the transaction price, and the subsequent measurement is at amortized cost.

3. Significant Accounting Policies (Continued)
Receivables from policyholders (Continued)

The accumulated impairment losses for unimpaired balances are calculated based on the periods of delay in payment as follows:

- Debts that include balances over a year past due (below the level) 60%
- Debts that include balances more than one year past due 80%
- And less than two years (doubtful)
- Debts that include balances more than two years past due (bad) 100%

Debts are written off by deduction at the expense of the accumulated impairment losses of insurance and reinsurance companies, to which the cash proceeds from debts previously written off are added.

3.6 Debtors and Other Debit Balances

Debtors and other debit balances are reported at amortized cost represented by the book value of these accounts net of the total amount of impairment losses

3.7 Fixed Assets

Fixed assets are reported at cost except properties and presented at historical cost net of accumulated depreciation. These assets are depreciated on the straight-line method over the estimated useful life of each asset as follows:

Asset description	Estimated useful Life
Buildings	50 years
Furniture and office equipment	5-10 years
Computers	5 years
Transportation	5 years
Other assets	3 years

In case of reconsidering the useful lives of fixed assets at the end of each fiscal year, the related accumulated depreciation of the previous years will not be affected. The net book value is depreciated at the beginning of the year in which the change in the expected useful life is approved over the remaining new useful life of the asset.

The company applied the amended Egyptian Accounting Standard 10 by assigning one of the evaluation bodies registered at the Financial Regulatory Authority to evaluate fixed assets (buildings). The revaluation model was applied when subsequently measuring fixed assets (real estate). The profits and losses resulting from the revaluation of fixed assets- real estate are recognized within other comprehensive income and accumulated under Equity in the "Revaluation Surplus" account

As for the rules of using estimates, personal judgment and assumptions on which accounting estimates are based in accordance with the requirements of the Egyptian Accounting Standard No. (5). The company adheres to the policies and instructions stated in the manual of application of Egyptian accounting standards to the insurance sector and no changes have occurred in the estimates of the useful life of depreciable fixed assets.

Regarding the values and size of restricted or encumbered assets based on liabilities, whether actual or incidental, in accordance with the requirements of paragraph (B/36/7) of the Manual of application of Egyptian Accounting standards to the insurance sector, we explain that there are no assets restricted or encumbered based on liabilities, whether actual or incidental.

3.8 Intangible Assets

Intangible assets as computer software, licenses, etc. are measured initially at cost including all the necessary expenses to acquire the asset provided that such cost doesn't not exceed the fair value of these assets or (similar Assets) at the date of acquisition. Intangible assets with definite useful lives are measured at subsequent measurement at cost net of accumulated depreciation as well as accumulated impairment losses. These assets are amortized using the straight-line method over the estimated useful life of each asset as follows:

The asset statement	Estimated useful life
Computer software	5 years

3. Significant Accounting Policies (Continued)

3-9 Non-current assets held for sale

Non-current assets held for sale (or the group of assets intended to be disposed of) which are classified under the item of assets held for sale purposes are presented at the lower of the book value or the fair value less the costs of sale for each separate asset. The losses resulting from impairment of assets are recorded for each preliminary decrease or subsequent decrease in the fair value of the asset (or the group of assets to be disposed of) less the cost of sale in the statement of income.

3-10 Impairment of non-financial assets

Assets which have no useful life are not amortized and tested for impairment annually. The impairment test is made whenever there are events or changes in the circumstances that indicate that their book value may not be recovered.

3-11 Project under construction

Projects under construction represent the amounts spent to establish or acquire new fixed assets until being ready for use in the operation and then carried to the fixed assets item and are measured at cost net of impairment losses.

3-12 Subordinated Loans

Subordinated loans are reported under the Liabilities in the statement of financial position at present value as calculated based on a discount rate equivalent to the return rate on government bonds with a term approximately equivalent to the term of the loan as at its effective start date.

The difference between the loan nominal value and present value is recognized in a separate account in the statement of comprehensive income under the name "differences between nominal value and present value of subordinated loan".

The loan is increased by the return at the end of each reporting period and charged to the statement of income under the item of finance cost; where the value thereof reaches the nominal value at maturity date while amortizing the correspondent account recognized in the statement of comprehensive income with the same amount charged to the retained profits (losses).

3-13 Technical Provisions for property insurance and responsibilities

A. Provision for unearned premiums

A provision for unearned premiums is provided to meet the company's liabilities resulting from insurance contracts written before the year end and still valid after that date in one of the methods stated in the insurance sector manual of implementing Egyptian Accounting Standards and at minimum the percentages stated in Law No. 10 of 1981, as amended.

B. Provisions for outstanding claims

A provision for outstanding claims is provided for the claims incurred and reported before the year end and for claims that may be incurred but are not reported till the financial position date.

C. Provisions for retrograde fluctuations

A provision for retrograde fluctuations is provided to meet the contingent losses and is calculated in conformity with the assessment basis stipulated by the executive regulation of Law No. 10 of 1981.

3. Significant Accounting Policies (CONTINUE).**3-14 Insurance and reinsurance companies (Credit Balances)**

Credit balances for insurance and reinsurance companies are recognized at fair value. Such balances are represented in the current accounts with insurance and reinsurance companies credit balances of the reinsurance treaties and provisions retained from reinsurers as of the date of the financial statements.

3-15 Other Provisions

Other provisions are recognized when the company has a legal or constructive obligation from the surrounding circumstances as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation amount can be made. If the effect of the time value of money is material, the value of provisions is determined by discounting the future cash flows relevant to settling the obligation using an appropriate discount rate to take such effect into consideration. Provisions are reviewed at each reporting date and adjusted if required to reflect the best current estimate.

3-16 Revenue recognition

The revenue is recognized according to the accrual basis and premiums for long term insurance policies is recorded in the statement of revenues and expenses and provision for unearned premium is provided for at the value of the premiums pertinent to the following financial years.

Revenues from cash dividends and investment funds certificates are recorded when declared by the General Assembly of the investee companies and interest is recorded according to the period related to this interest.

3-17 Net income from investments

Net income from designated and undesignated investments is allocated after deducting the investment expenses as follows:

Net income from designated investments is reported in the statements of revenues and expenses for different insurance sectors. The share of each insurance line of business is allocated based on the weighted average of the technical provisions of each line of business to the total technical provisions.

Net income related to undesignated investments is recorded in the income statement.

3-18 Allocation of General and Administrative Expenses

Property revenue and expenses are charged at the value of direct general and administrative expenses per each line of business whether being wages and salaries or equivalents or direct expenses. As for indirect expenses, they are distributed at a percentage of 90% as indirect general and administrative expenses and a percentage of 10% as indirect investment expenses. Then the 90% is distributed to the property insurance line of businesses at one-third of these expenses based on the percentage of the direct wages while two thirds are distributed based on the percentage of the direct premiums after deducting 50% of the indirect expenses related to the geographical branches and charging them to production costs.

3-19 Production Costs

Indirect production costs are allocated between the insurance different lines of business in accordance with the ratio of the direct commissions per line of business to the total direct commissions of the insurance branches after adding 50% of indirect expenses of geographic branches and charging them on production costs.

3-20 Segment Reports

The activity segment refers to a group of assets and operations connected to products or services with a risk and benefit attributes that are different from those connected with other segments of activities. The geographical segment is connected to products or services within economic environment that has specific risk & benefit attributes that are different from those connected with geographical segments in a different geographical environment.

3. Significant Accounting Policies (CONTINUED)**3-21 Basis of fair value measurement**

The financial instruments are initially measured at fair value. In case of any difference between the instrument's fair value and the consideration paid or received, this difference is deemed the first day profits or losses that should be recognized only at the disposal or exclusion or sale of the financial instrument or at its maturity date. The financial assets valued at the amortized cost are charged at the transaction costs. Then such assets shall be amortized over the instrument life using the effective interest rate in the income statement/ statements of revenues and expenses, as the case may be, under the item of net income from investments.

Determination of Fair Value and Fair Value Hierarchy:

The Company uses the following hierarchy in the financial instruments' fair value measurement and presentation.

First Level: The quoted prices in the active markets of the assets and liabilities for identical financial instrument (unadjusted).

Second Level: The quoted prices in the markets for similar financial assets and liabilities or other pricing methods where all significant data are based on information observed from the market; directly (e.g. prices) or indirectly (e.g. derived from the prices).

Third Level: Fair value measurements using assets or liabilities' inputs that are not based on observable market data (unobservable inputs).

The following table shows the analysis of the registered items at fair value according to the level of the fair value hierarchy measurement:

30 June 2023	<i>Level 1</i> <i>L.E.</i>	<i>Level 2</i> <i>L.E.</i>	<i>Level 3</i> <i>L.E.</i>	<i>Total</i> <i>L.E.</i>
Financial assets at fair value through profit or loss	178 167 700	17 344 396	-	195 512 096
Financial assets at fair value through OCI	-	13 768 880	87 700	13 856 580
	178 167 700	31,113,276	87,700	209,368,676
30 June 2022	<i>Level 1</i> <i>L.E.</i>	<i>Level 2</i> <i>L.E.</i>	<i>Level 3</i> <i>L.E.</i>	<i>Total</i> <i>L.E.</i>
Financial assets at fair value through profit or loss	115.639.982	9.649.970	-	125.289.952
Financial assets at fair value through OCI	-	7.559.200	87.700	7.646.900
	115.639.982	17,209,170	87.700	132,936,852

Capital management

The company's objective regarding capital management is to maintain the company's continuity by maintaining strong financial ratios to support the company's activities and maximize the value of shareholders' equity. Therefore, the management's policy is to maintain strong capital and conduct capital studies to face changes in market conditions.

3-22 Employees' benefits

The company's management pays its share in the social insurance systems affiliated to the Social Insurance Organization for the interest of the personnel in accordance with the provisions of the law No. 79 of 1975, as amended, of the Social Insurance Organization. The company incurs the amount of this contribution which is recorded in the statement of revenues and expenses in accordance with accrual basis.

3-23 Income taxes

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the statement of income except for the income tax pertinent to the equity items recognized directly in equity.

Income tax is recognized on the basis of the net taxable income using the tax rates applicable at the balance sheet preparation date.

Deferred taxes arising from temporary time differences between the book value of the assets and liabilities are recognized according to the accounting basis and their value in accordance with the tax basis. Deferred tax value is determined based on the expected method of realizing or adjusting the values of assets and liabilities using tax rates applicable on the balance sheet preparation date.

3. Significant Accounting Policies (CONTINUED)**3-23 Income taxes (CONTINUED)**

Deferred tax assets of the company are recognized when there is a high probability to achieve taxable profits in the future that turn this asset eligible to be used. The deferred tax assets are reduced by the value of the part which will not achieve the predictable tax benefit through the upcoming years. However, if the predictable tax benefit increases the deferred tax assets will be increased within the limits of what was previously decreased.

3-24 Contingent liabilities and commitments

Contingent liabilities where the company is a party therein in addition to other commitments shall be recognized off the financial position as deemed not to be actual assets or liabilities on the reporting date.

3-25 Cash flows statement

The cash flows statement is prepared according to the indirect method in preparing the cash flows statement for the purpose of preparing the cash flows statement, the cash item and its equivalent include the cash balances, the current account balances and bank deposits as well as the treasury bills, deductible government bonds and other securities that mature within three months of the issuing date (if any).

4. The financial instruments and the management of the relative risks**4.1 The financial instruments**

The financial instruments of the company consist of financial assets and liabilities. The financial assets include cash balances, current accounts, bank deposits, financial investments, outstanding premiums balances under collection and reinsurers. The financial liabilities include both policyholders' entitlements and loans from third parties. The financial instruments include the rights and obligations to third parties that are recorded off the financial position.

Previous Note No. (3) of the notes accompanying the financial statements include the applicable accounting policies concerning the basis of recognizing and measuring the significant financial instruments and their revenues and expenses.

4.2 The management of the financial instrument's risks**A) Credit risk**

It is represented in the inability or unwillingness of external parties to comply with the provisions of the contractual relation with the company and accordingly the inability or unwillingness to pay part of or all the dues from such parties on due dates.

Credit risk arises from financial investments and other activities carried out by the company.

The management of the company is deemed responsible for the quality of investment portfolio as well as for the development and authorization of investing operations implementation; in order to assess the credit risks with a high quality.

The company has a system to assure quality of investment processes or increase such investment along with continuously conducting review and follow up processes.

Diversifying the investment portfolio and distributing it over different sectors to avoid risk concentration.

Following up and periodically examining the clients and banks; in order to assess the financial positions and credit ratings thereof and estimating the allowances required for debts and balances that may be doubtful.

The company is working on reducing such risks by dealing with highly reputable creditworthy institutions including banks, financial institutions, insurance and reinsurance companies while avoiding concentrating the assets thereof in one institution.

Risks of credit concentration as part of the assets of the company that are considered subject to credit risks are listed below:

	<i>30/6/2023</i>	<i>30/6/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Cash at the banks	262 579 337	104.004.549
Deposits at banks	80 943 211	169.178.033
Receivables from policyholders	837 444 172	589.380.822
Insurance and re-insurance companies	83 254 633	65.674.937
Debtors and other debit balances*	79 321 833	68.090.406

* This item includes the debtors and other debit balances after excluding the prepaid expenses.

4. The financial instruments and the management of the relative risks (Continued)
4.2 The management of the financial instrument's risks
B) The market risk management

Market risks are those risks resulting from the fluctuation of fair value or future cash flows due to changes in market prices. Market risks include the following:

Interest Rate Risk

The revenues and cash flows of the company are subject to change in interest rate prevailing in the market. The company's interest rate risk management mainly aims at reducing the expected adverse effects of the change in the interest rate on the realized net revenues of the company.

The company generally tries to reduce the interest rate risk by closely monitoring the interest rate in the market and investing in the financial assets whose risk is expected to be at its minimum level.

The following table illustrates the classification of all financial assets and liabilities at fair value:

30/06/2023	Average interest rates	Total book value	Fair Value
Cash and bank balances		262 579 337	262 579 337
Deposits at banks	%9.5	80 749 102	80 749 102
Financial investments at fair value through profit or loss		195 512 096	195 512 096
Financial investments assessed at amortized cost	%15.50	1 879 956 725	1 740 531 655
Financial investments at fair value through other comprehensive income		13 856 580	13 856 580
Receivables from policy holders		755 908 685	755 908 685
Debit balances of insurance and re-insurance companies		71 364 418	71 364 418
Debtors and other debit balances		79 321 833	79 321 833
Total Financial assets		3 339 248 776	3 199 823 706
Outstanding claims		211 681 599	211 681 599
Credit balances of insurance and reinsurance companies		1 210 885 556	1 210 885 556
Creditors and other credit balances		206 769 082	206 769 082
Total financial liabilities		1 629 336 237	1 629 336 237

30/06/2022	Average interest rates	Total book value	Fair Value
Cash and banks balances		104.004.549	104.004.549
Deposits at banks	8%	167.732.240	167.732.240
Financial assets at fair value through profit or loss		125.289.952	125.289.952
Financial investments at amortized cost	%15.50	1.285.354.149	1.235.953.174
Financial investments at fair value through other comprehensive income		7.646.900	7.646.900
Receivables from policy holders		541.517.060	541.517.060
Debit balances of insurance and re-insurance companies		61.722.253	61.722.253
Debtors and other debit balances		59.903.805	59.903.805
Total financial assets		2.353.170.908	2.303.769.933
Outstanding claims		179.572.353	179.572.353
Credit balances of insurance and reinsurance companies		614.134.731	614.134.731
Creditors and other credit balances		137.135.399	137.135.399
Total financial liabilities		930.842.483	930.842.483

GIG Insurance- Egypt (S.A.E)NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**4. The financial instruments and the management of the relative risks (CONTINUED)**

Fair value sensitivity analysis for financial assets classified at fair value through profit or loss

	The variation %10+	The impact on profits
Egyptian pound	-	17 816 792 -+

Foreign currency rate risk

The company is exposed to foreign currency rate risk mainly on US Dollar and EURO. For the purpose of reducing this risk to its minimum level, the company takes into consideration the balance in foreign exchange centres to the extent necessary for carrying out the businesses thereof.

- The monetary assets and liabilities denominated in foreign currencies on the date of the financial position are as follows:

	Egyptian Pound	US Dollar	Euro	Other currencies denominated in EGP	Total
Cash and bank balances	152 593 077	97 018 787	11 496 905	1 470 568	262 579 337
Deposits at banks	49 899 102	30 850 000	-	-	80 749 102
Financial investments at fair value through profit or loss	195 512 096	-	-	-	195 512 096
Financial investments at amortized cost	1 796 870 895	31 364 700	51 721 130	-	1 879 956 725
Financial investments at fair value through other comprehensive income	13 856 580	-	-	-	13 856 580
Receivables from policy holders	357 974 447	345 638 630	51 208 877	1 086 731	755 908 685
Debit balances of insurance and reinsurance companies	20 130 329	48 418 943	2 815 146	-	71 364 418
Debtors & other debit balances	79 321 833	-	-	-	79 321 833
Total financial assets	<u>2 666 158 359</u>	<u>553 291 060</u>	<u>242 058 117</u>	<u>2 557 299</u>	<u>3 339 248 776</u>

	Egyptian Pound	US Dollar	Euro	Other currencies denominated in EGP	The total in Egyptian Pound
Outstanding claims	197 809 772	11 070 822	2 410 776	390 229	211 681 599
Credit balances of insurance and reinsurance companies	153 175 655	1 020 364 055	37 345 842	-	1 210 885 552
Creditors & other credit balances	148 243 102	55 272 236	3 055 640	198 104	206 769 082
Total financial liabilities	<u>499 228 529</u>	<u>1 086 707 113</u>	<u>42 812 258</u>	<u>588 333</u>	<u>1 629 336 233</u>

Other rates risk

Refers to risks of the change in the value of the financial instruments due to the fluctuations of the market prices (excluding those arising from interest rate risks or foreign currency risks) whether such changes are connected with a certain security, its issuing entity or factors affecting the securities trading in the market in general. The company limits the other rates risks through maintaining a diversified investment portfolio and active follow up system of the main factors affecting stock exchange movement.

The geographical concentration of the financial assets in fair value through profit or loss

	30/6/2023 L.E.	30/6/2022 L.E.
Arab Republic of Egypt	<u>195 512 096</u>	<u>125.289.952</u>
	<u>195 512 096</u>	<u>125.289.952</u>

4. The financial instruments and the management of the relative risks (CONTINUED)**C. Liquidity risk management**

In order to manage the liquidity risk, the management maintains an adequate level of cash and securities traded in the market while taking into account the provisions of Law No. 10 of 1981 and its amendments and executive regulations in respect of funds allocated to fulfil the entitlements of policyholders.

Maturity dates are monitored by the management to ensure adequate liquidity is available. The following table shows the maturity profile of the financial assets and liabilities of the company:

	1 Year	1-5 years	More than 5 years	Total
Financial assets				
Cash and bank balances	262 579 337	-	-	262 579 337
Deposits at banks	80 749 102	-	-	80 749 102
Financial assets at fair value through profit or loss	195 512 096	-	-	195 512 096
Financial assets at amortized cost	924 226 950	251 552 153	704 177 622	1 879 956 725
Financial investments at fair value through other comprehensive income	-	-	13 856 580	13 856 580
Receivables from policy holders	744 504 880	11 403 805	-	755 908 685
Debit balances of insurance and reinsurance companies	71 364 418	-	-	71 364 418
Other debit balances (except advance payments)	79 321 833	-	-	79 321 833
Total financial assets	2 358 258 616	262 955 958	718 034 202	3 339 248 776
Financial liabilities				
Outstanding claims	190 513 440	21 168 159	-	211 681 599
Credit balances of insurance and reinsurance companies	726 531 331	484 354 221	-	1 210 885 552
Creditors & other credit balances	186 092 174	20 676 908	-	206 769 082
Total financial liabilities	1 103 136 945	526 199 288	-	1 629 336 233

4.3 Insurance activities risk:**The control framework for risk management**

The objective of the company's risks and financial management is to protect the company's shareholders from the events that impede the continuation of achievement of the financial performance objectives including the failure to seize opportunities. The risk management also protects the policyholders' rights by ascertaining that all the policyholders' liabilities are duly fulfilled based on the methods in practice.

The top management recognizes the importance of developing effective and competent systems to manage the risks.

Insurance risks

Insurance contracts risks refers to the possibility of the occurrence of the insured incident that results in a financial claim based on the insurance contracts. Such risks occur in a randomly unpredictable way. The risks facing the company is represented in the occurrence of the insured risk and the amount of the claim recorded.

As for the liabilities and property insurance, the company practices all different insurance branches (fire, marine, motor, vehicles, engineering, petroleum, medical care, risks ...) and examines the entire risks including the duplication risks or concentration in the claims of big compensations as well as geographical concentration within each insurance branch separately taking into consideration the relative weight of the branch operations against the company's overall activities while ensuring balance inside the company subscription portfolio.

4. The financial instruments and the management of the relative risks (CONTINUED)**4.3 Insurance activities risk (Continued)**

In order to limit the insurance risks, the company develops underwriting and retention policies and limits of authorities in addition to the subscription authorities determining the authorized and responsible persons in charge of concluding insurance and reinsurance contracts. Implementation of such instructions are periodically reviewed, and market developments are strictly observed and necessary actions are taken to be reflected in the subscription instructions if required.

The company uses the reinsurance contracts to manage the insurance risks by concluding relative and non-relative agreements with third parties for the purpose of reinsurance.

Compensation progress

The increase in the total insurance compensations provides a standard to measure the capacity of the company to estimate the ultimate value of such compensations. The following table shows the estimations of the company for the total of compensations under settlement for the years from 2018 to 2023.

	2023	2022	2021	2020	2019	2018	Total
Estimation of the final claims at the end of each annual report:							
Annual	132 352 075	-	-	-	-	-	132 352 075
1 year later	33 321 490	117.969.736	-	-	-	-	151 291 226
2 years later	17 268 467	23.404.652	106.149.842	-	-	-	146 822 961
3 years later	14 135 170	21.535.184	28.503.533	97.071.681	-	-	161 245 568
4 years later	4 289 305	5.570.274	12.813.386	21.858.314	86.148.950	-	130 680 229
5 years later	10 315 092	4.806.659	8.430.726	15.872.585	23.588.616	82.271.037	145 284 715
	<u>211 681 599</u>	<u>173 286 505</u>	<u>155 897 487</u>	<u>134 802 580</u>	<u>109 737 566</u>	<u>82 271 037</u>	<u>867 676 774</u>

The risks of the reinsurance activity

As applicable in other insurance companies and in order to minimize the possibility of being subjected to the risk of losses resulting from big insurance claims, the company concludes reinsurance agreements with third parties. Such reinsurance arrangements provide bigger diversification in the business and secures the management a controlling system on the possibility of being subjected to losses due to the big risks. These arrangements also provide the company with an additional capability to grow. However, this procedure does not relieve the company of its obligations towards its insurers. The company remains liable before its policyholders to the reinsured part of the compensations under settlement in case the reinsurers do not fulfil their obligations under the reinsurance contract. Therefore, the credit risks of the reinsurance remain to the extent that any reinsurer fails to fulfil the obligations thereon.

In order to reduce the risks that subject the company to significant losses due to the reinsurers' delinquency, the company assesses the current situation of reinsurance companies that deal therewith and periodically monitors the insurance risks concentration.

The Company re-insures only with parties enjoying good credit rating where such credit ratings are periodically reviewed. The geographical analysis of reinsurance risks facing the Company as of 30 June 2022 are as follows:

Geographical area	30/6/2023 L.E.	30/6/2022 L.E.
Local	33 025 476	14.512.669
Middle East	14 101 005	14.733.708
India	8 716 619	8.111.256
Asia	92 895	-
USA	1 576 923	-
Europe	3 661 580	6.143.322
	<u>61 174 498</u>	<u>43.500.955</u>

GIG Insurance- Egypt (S.A.E)NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**4. The financial instruments and the management of the relative risks (CONTINUED)****The claims under settlement recoverable from re-insurers for all sectors**

	<i>30/6/2023</i>	<i>30/6/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Fire	192 766 585	107.563.200
Marine cargo	21 364 072	4.912.899
Inland	2 042 899	1.973.248
Hull	15 930	444.992
Aviation	12 567 108	10.750.641
Accidents	21 030 505	16 158 311
Credit	47 427 164	48 811 802
Engineering	81 847 770	73.477.738
Motor compulsory	16 089 631	18.380.779
Motor complementary	4 385 045	1.018.385
Oil	39 419 554	21.333.015
Medical	13 282 591	10.731.959
	<u>452 238 854</u>	<u>315.556.969</u>

5. Cash on hand and at banks

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Current accounts at banks		
Local currency	152 593 077	49.515.583
Foreign currency	109 986 260	54.488.965
	<u>262 579 337</u>	<u>104.004.548</u>

6. Time deposits at banks

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Deposits at local banks (designated)	50 000 000	138.000.000
Impairment losses of designated deposits at banks	(169 667)	(1.356.865)
Deposits at local banks (undesignated)	30 943 211	31.178.033
Impairment losses of undesignated deposits at banks	(24 442)	(88.928)
	<u>80 749 102</u>	<u>167.732.240</u>

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Deposits at banks (maturing within 3 months)	30 850 000	31.588.000
Deposits at banks (maturing within more than 3 months)	50 093 211	137.590.033
Impairment losses of deposits at banks	(194 109)	(1.445.793)
	<u>80 749 102</u>	<u>167.732.240</u>

7. Financial assets at amortized cost

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Treasury bills (a)	879 774 556	639.144.170
Treasury bonds (b)	1 000 182 169	646.209.979
	<u>1,879,956,725</u>	<u>1,285,354,149</u>

GIG Insurance- Egypt (S.A.E)NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**7. Financial assets at amortized cost (Continued)****(a) Treasury bills**

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Designated treasury bills (maturing within less than 90 days*)	242 625 000	51.000.000
Designated treasury bills (maturing within more than 90 days*)	704 600 000	<u>586.300.000</u>
	947 225 000	637.300.000
Less:		
Unearned interests	(64 311 334)	(34.976.943)
Impairment losses of designated treasury bills	(3 139 110)	<u>(3.080.240)</u>
All treasury bills inside Arab Republic of Egypt*	879 774 556	<u>599.242.817</u>
Undesignated treasury bills maturing within less than 90 days*	-	41.525.000
Undesignated treasury bills maturing within more than 90 days*	-	-
Less:		
Unearned interests	-	(1.522.305)
Impairment losses of undesignated treasury bills	-	<u>(101.342)</u>
All treasury bills inside Arab Republic of Egypt*	-	<u>39.901.353</u>
Total	879 774 556	<u>639.144.170</u>

(b) Treasury bonds

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Egyptian treasury bonds maturity August 2022	-	45.296.466
Egyptian treasury bonds maturity February 2023	-	14.025.574
Egyptian treasury bonds maturity January 2024	13 087 694	-
Egyptian treasury bonds maturity May 2024	31 364 700	18.515.120
Egyptian treasury bonds maturity April 2025	51 721 130	-
Egyptian treasury bonds maturity January 2027	33 847 755	-
Egyptian treasury bonds maturity July 2027	58 610 769	-
Egyptian treasury bonds maturity October 2027	107 372 499	-
Egyptian treasury bonds maturity May 2029	529 435 566	397 675 273
Egyptian treasury bonds maturity December 2029	8 451 339	8 226 464
Egyptian treasury bonds maturity October 2030	107 537 457	108.138.914
Egyptian treasury bonds maturity January 2031	65 217 871	62.628.720
Housing bonds	1 105 790	920.530
Impairment losses on housing bonds	(8 513)	-
Impairment losses on government bonds	(7 561 888)	<u>(9.217.082)</u>
	1 000 182 169	<u>646.209.979</u>

GIG Insurance- Egypt (S.A.E)NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**8. Financial assets at fair value through profit or loss**

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Local shares (listed)	178 167 700	115.639.982
Portfolios managed by others	17 344 396	9.649.970
	<u>195 512 096</u>	<u>125.289.952</u>

9. Financial assets at fair value through other comprehensive income

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Arab Insurance Institute- not listed	87 700	87.700
GIG Investment Fund policies- Egypt for shares	12 636 750	6.549.500
GIG Insurance Company policies- Egypt for cash solvency	1 132 130	1.009.700
	<u>13 856 580</u>	<u>7.646.900</u>

- According to Capital Market Law No. 95 of 1992, the policies of GIG Investment Fund- Egypt for shares represent the policies that the company should retain till the expiry of the fund as it is the incorporating entity.

- The total number of policies owned by the company is 25 thousand policies, and the value per policy is EGP 505.47 on the date of the financial position.

- In accordance with the provisions of Capital Market Law No. 95 of 1992, the policies of GIG Investment Fund-Egypt for cash solvency represent the policies that the company should retain till the expiry of the fund as it is the incorporating entity.

- The total number of policies owned by the company is one hundred thousand policies and the value per policy is EGP 11.32 on the date of the financial position.

10. Real estate investments

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Designated		<i>Retrospective application</i>
Book value before valuation at fair value	34 125 000	1 089 605
Excess valuation according to the fair value model	2 625 000	<u>33 035 395</u>
Book value according to the fair value model	<u>36 750 000</u>	<u>34 125 000</u>
Undesignated		<i>Retrospective application</i>
Book value before valuation at fair value	65 595 065	20 106 173
Excess valuation according to the fair value model	762 465	45 488 892
Book value according to the fair value model	66 357 530	65 595 065
	<u>103 107 530</u>	<u>99 720 065</u>

GIG Insurance- Egypt (S.A.E)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****11. Receivables from policyholders**

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Premiums under collection	664 278 287	491.681.204
Post-dated checks	107 333 706	90.604.215
Returned checks	11 003 136	6.992.937
Current accounts of policy holders (debts)	54 829 043	102.466
	<u>837 444 172</u>	<u>589.380.822</u>
Less:		
Impairment losses of policy holders' receivables (note 15)	<u>(73 181 504)</u>	<u>(47,863,761)</u>
	<u>764 262 668</u>	<u>541,517,061</u>

12. Insurance and reinsurance companies- debit balances

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Local companies	33 025 476	14.512.669
Foreign companies	28 149 022	28.988.286
Provisions retained by re-insurance companies	22 080 135	22.173.982
	<u>83 254 633</u>	<u>65.674.937</u>
Less:		
Impairment losses (Note 15)	<u>(11 890 215)</u>	<u>(3,952,684)</u>
	<u>71 364 418</u>	<u>61,722,253</u>

13. Debtors and other debit balances

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Egyptian life Takaful Company	1 221 513	1,569,425
Shareholders' current account	3 311 088	1.233.881
Investment income and accrued interests	43 809 472	34,457,263
Current account for agents and producers	2 335 686	1,459,687
Deposits with third parties	16 314 688	14,203,909
Rental insurance	790 111	746.302
Advance payments	22 726 389	12,835,403
Advance to employees	1 421 536	609,084
Withholding tax on treasury bills	14 030 129	6,250,782
Withholding tax on treasury bonds	18 021 042	24,983,702
Other debtors	10 117 739	13.810.859
	<u>134 099 393</u>	<u>112.160.297</u>
Less:		
Impermanent losses (note 15)	<u>(8 125 577)</u>	<u>(8.186.604)</u>
	<u>125 973 816</u>	<u>103.973.693</u>

	<i>30/06/2023</i>	<i>30/06/2022</i>
	<i>L.E.</i>	<i>L.E.</i>
Hermes Holding Company	-	1 752 563
GMC current account	1 654 609	1 654 609
Investment fund current account	474 656	474 656
Prime Securities Trading Company	49 487	261 972
Car wrecks sold and recovered during the subsequent period	-	1 848 851
Debt owed by Sun Misr Company	6 589 092	6 589 092
Miscellaneous debtors	1 349 895	1 229 116
	<u>10 117 739</u>	<u>13.810.859</u>

GIG Insurance- Egypt (S.A.E)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. Fixed assets

	Balance on	Balance on
	30/06/2023	30/06/2022
Fixed assets at fair value (a)	472 975 336	-
Fixed assets at cost (b)	<u>30 731 700</u>	<u>162 102 711</u>
	<u>503 707 036</u>	<u>162 102 711</u>

(a) Fixed assets at fair value

<i>Item</i>	<i>Lands</i>		<i>Buildings</i>		<i>Total</i>
	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>
Cost on 1/7/2022	15 010 000	115 735 903	130 745 903		
Revaluation difference on 1/7/2022	132 775 220	85 958 678	218 733 898		
Cost on 1/7/2022 after revaluation	147 785 220	201 694 581	349 479 801		
Additions	-	149 377	149 377		
Accumulated depreciation	-	(4 036 879)	(4 036 879)		
Revaluation difference on 30/6/2023	(13 435 020)	140 818 057	127 383 037		
Net on 30/6/2023 at market value after revaluation	<u>134 350 200</u>	<u>338 625 136</u>	<u>472 975 336</u>		

GIG Insurance- Egypt (S.A.E)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****15. Fixed assets (continued)****(b) Fixed assets at cost**

	<i>Furniture and office equipment</i>	<i>Computers</i>	<i>Transportation</i>	<i>Other assets</i>	<i>Total</i>
	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>
Cost as of 1/7/2022	25,073,343	23,628,063	12,652,200	4,642,275	65,995,881
Additions	363,950	3,954,172	3,740,000	896,998	8,955,120
Disposals	(172,112)	(153,007)	(141,750)	(1,096,302)	(1,563,171)
Balance as of 30/06/2023	25,265,181	27,429,228	16,250,450	4,442,971	73,387,830
Accumulated depreciation as of 1/7/2022	(10,060,765)	(11,735,927)	(9,147,445)	(3,694,936)	(34,639,073)
Depreciation for the year	(2,406,433)	(4,216,534)	(2,267,216)	(677,592)	(9,567,775)
Disposals	172,112	140,554	141,750	1,096,302	1,550,718
Accumulated depreciation as of 30/6/2023	(12,295,086)	(15,811,907)	(11,272,911)	(3,276,226)	(42,656,130)
Net book value as of 30/06/2023	12,970,095	11,617,321	4,977,539	1,166,745	30,731,700
Net book value as of 30/06/2022	15,012,578	11,892,136	3,504,755	947,339	31,356,808

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16. Intangible assets

	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	L.E.	L.E.	L.E.	L.E.
	Computer software	Computer software	Right of use assets	Right of use assets
Cost as of 1/7/2022	15,324,299	14,963,887	10,306,329	-
Additions	2 816 235	360.412	4 245 624	10,399,869
Disposals	-	-	(208 608)	(93,540)
Balance as of 30/06/2023	<u>18 140 534</u>	<u>15,324,299</u>	<u>14 343 345</u>	<u>10,306,329</u>
Accumulated amortization as of 1/7/2022	(8,406,064)	(5,923,638)	(2,780,143)	-
Amortization for the year	(2 641 967)	(2,482,426)	(2 862 318)	(2,804,418)
Disposals	-	-	158 366	24,275
Accumulated amortization as of 30/6/2023	<u>(11 048 031)</u>	<u>(8,406,064)</u>	<u>(5 484 095)</u>	<u>(2,780,143)</u>
Balance as of 30/06/2023	<u>7 092 503</u>	<u>6,918,235</u>	<u>8 859 250</u>	<u>7,526,186</u>

17. Rights of policy holders

	Balance at the beginning of the year	Provision during the year	Balance at the end of the year
	L.E.	L.E.	L.E.
Provision for unearned premiums	432,780,389	142 882 203	575 662 592
Provision for outstanding claims	179,572,352	32 109 244	211 681 596
Provision for retrograde fluctuations	87,845,040	13 130 045	100 975 085
Total policyholders' rights	<u>700,197,781</u>	<u>188 121 492</u>	<u>888 319 273</u>

18. Insurance and reinsurance companies-- (Credit balances)

	30/06/2023	30/06/2022
	L.E.	L.E.
Local companies	6 894 570	4,113,350
Foreign companies	889 484 014	413,958,897
Provisions retained from reinsurers	314 506 969	196,062,484
	<u>1 210 885 553</u>	<u>614,134,731</u>

The balance of insurance and reinsurance companies (credit balances) includes an amount of LE 358 222 294 from Gulf Insurance Group.

19. Creditors and other credit balances

	30/06/2023	30/06/2022
	L.E.	L.E.
Accrued expenses and commissions	39 990 265	30,006,063
Deposits to third parties	157 080	142,180
Deposits retained from contractors	2 933 648	2,886,059
Current accounts of agents and producers	76 539 473	63,174,162
Stamp duty tax	356 402 231	229,449,816
Salary tax	1 138 754	3,854,596
Other taxes	10 170 935	12,732,336
Current account of policy holders-credit balance	39 545 571	12,728,108
Current account of Financial Regulatory Authority- supervision and control fees	15 434 322	11,353,054
Current account of health Insurance Authority- contribution	5 025 997	3,885,747
Miscellaneous creditors	9 037 078	7,014,062
Dividends payable	49 261	40,234
Total	<u>556 424 615</u>	<u>377,266,417</u>

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19. Creditors and other credit balances (Continued)

The contribution is calculated in accordance with the Comprehensive Health Insurance System Law No. 2 of 2018 and in accordance with Circular No. 4 of 2019 issued by the head of the Tax Authority, where the contribution is calculated at a rate of 2.5 per thousand on the total revenues as stated in the tax return for the profits of legal persons for the activity of property insurance companies and responsibilities.

20 Provisions

	<i>Balance at the beginning of the Year</i>	<i>Paid</i>	<i>Used</i>	<i>Provision during the Year</i>	<i>Foreign currencies exchange differences</i>	<i>Balance at the end of the year</i>
	<i>LE</i>	<i>LE</i>	<i>LE</i>	<i>LE</i>	<i>LE</i>	<i>LE</i>
Provision for tax claims	23.000.000	(23 000 000)	-	-	-	-
Provision for loyalty	6.559.000	-	-	2 646 528	4 676 972	13 882 500
	<u>29.559.000</u>	<u>(23 000 000)</u>		<u>2 646 528</u>	<u>4 676 972</u>	<u>13 882 500</u>

The contribution to the Health Insurance Authority has been reclassified from other allocations to other credit balances.

The nature of the loyalty provision item, the balance of which amounts to 13.8 million pounds, is a provision that was formed based on the instructions of the parent company and based on the approval of the general assembly of the company. It is considered as an incentive for the members of the Board of Directors assigned in the companies affiliated to the parent company.

Position of cases filed by and against the company

All cases are related to insurance activity, according to the company's legal department, and are included as a liability within the provision for compensation under settlement for the various branches of insurance according to the compensation management method.

21. Shareholders' equity

21.1 Authorized Capital

The authorized capital amounts to EGP 500 million.

21.2 Paid-up capital

The issued and paid-up capital on 1/7/2021 amount to EGP 338.625.000 distributed over 33.386.250 shares with nominal value of EGP 100 per share. According to the approval of the General Assembly on 7/11/2021, 423.281 bonus shares with nominal value of LE 100 per share were distributed, so the issued and paid-up capital become LE 380.953.100 shares distributed over 3.809.531 shares that are approved in the commercial registration on 10/2/2022.

The shareholders' structure is as follows:

Shareholders	Shareholding percentage
Gulf Insurance Group	99%
Suez Canal Bank	0.85%
Small group of individuals	0.15%

21.3 The legal reserve

According to the Company's Articles of Association, the legal reserve is 5% deducted from the annual net profit. The deduction is discontinued when the total legal reserve reaches 50% of the issued capital.

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

21.4 The General Reserve

The General Reserve on 30/6/2021 amounts to EGP 95.700.000

21.5 Risks of applying Standard (47) Reserve

According to the circular No. (16) for the year 2020 issued by the Chairman of the Financial Regulatory Authority, the General Assembly has approved to set aside a reserve for the risks of applying Standard 47 an amount of EGP 18,240,862 representing 1% of total assets of the company on 30/6/2020.

24 Surplus (deficit) of the insurance activity

	30/06/2023	30/06/2022
	L.E.	L.E.
Properties and liabilities insurance		
Fire	74 430 042	56 022 039
Marine cargo	19 816 264	12 079 227
Inland	12 142 135	8 554 049
Hull	627 579	3 113 453
Aviation	1 392 266	(315 867)
Motor comprehensive	87 120 573	48 766 354
Motor compulsory	34 212 374	26 643 066
Engineering	67 663 120	47 704 878
General accidents	70 712 531	58 674 660
Guarantee	740 194	1 933 936
Medical	(1 376 610)	837 734
Oil and gas	(2 933 913)	2 571 934
Surplus	<u>364 546 555</u>	<u>266 585 463</u>

25 Net investment income

	<i>Undesignated investments</i>		<i>Designated investments</i>	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	L.E.	L.E.	L.E.	L.E.
Financial Investments				
Interest on deposits at banks	393 567	1 082 065	13 998 607	17 624 067
Impairment losses of deposits at banks	64 486	(88 928)	1 187 199	(1 204 266)
Interests on current accounts	6 709 650	1 216 068		
Treasury bills income	1 522 307		106 606 476	45 996 516
Treasury bills impairment losses	101 342	(101 342)	(58 871)	(1 644 344)
Gain on sale of financial securities at fair value through profit or loss	65 912 436	69 564	-	-
Distribution of share coupons	2 854 436	3 639 238	-	-
Differences in valuation of financial assets at fair value through profit or loss	50 407 395	(33 757 798)	-	-
Profits of investment fund of GIG for cash solvency	400 695	-	-	-
Net profits of investment portfolios	1 594 424	866 988	-	-
Investment fund management fees	115 765	151 763	-	-
Government treasury bonds coupon interest	-	-	110 376 869	114 766 843
Impairment losses of bonds	-	-	1 655 194	(859 334)
Housing bond coupon interest	-	23 691	-	-
Impairment losses of housing bonds	(8 513)	-	-	-
Premium amortization	-	-	(3 788 175)	(4 578 509)
Discount amortization	-	-	1 278 633	2 583 739
Financial investment direct expenses	(5 128 338)	(234 335)	-	-
Real estate investment returns	1 541 000	1 160 358	2 960 000	2 780 000
Credit interest on reserves retained at institutions	-	-	1 952 694	4 175 215
Interests paid on reserves retained by reinsurers	-	-	(3 869 262)	(2 796 409)
Net income from financial investments before indirect investment expenses	<u>126 480 652</u>	<u>(25 972 668)</u>	<u>232 299 364</u>	<u>176 843 518</u>
10% indirect investment expenses	(2 142 026)	(1 688 362)	(13 680 364)	(10 374 401)
Net income from investments	<u>124 338 626</u>	<u>(27 661 030)</u>	<u>218 619 000</u>	<u>166 469 117</u>

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. Other operating income

	Designated		Undesignated	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	L.E.	L.E.	L.E.	L.E.
Issuing fees	40 231 059	39 559 885	-	-
Income of insurance consulting	-	187 933	-	-
Revenue from winning recourse cases	2 316 582	69 162	-	-
Revenues from complexes	3 807 491	1 407 338	-	-
Gain on sale fixed assets	-	-	350 324	460 566
Miscellaneous income	-	-	365 192	2 250
	<u>46 355 132</u>	<u>41 224 318</u>	<u>715 516</u>	<u>462 816</u>

25. Premiums of property insurance & responsibilities:

Insurance line of business	30/06/2023							Net premiums L.E.
	Direct	Inward Reinsurance premiums		Gross	Outward Reinsurance			
	Premiums	Received	Premiums	Premiums	Premiums			
	L.E.	Local	Foreign	L.E.	Local	Foreign		
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.		
Fire	742 424 495	-	54 492	742 478 987	5 206 678	648 263 258	89 009 051	
Marine cargo	84 437 220	-	-	84 437 220	425 364	68 644 383	15 367 473	
Inland	31 861 666	-	-	31 861 666	-	15 795 154	16 066 512	
Hull	7 991 198	-	-	7 991 198	95 288	7 536 868	359 042	
Aviation	7 685 034	-	-	7 685 034	-	7 684 266	768	
Motor comprehensive	580 459 946	-	-	580 459 946	-	46 629 464	533 830 482	
Motor Compulsory	71 999 452	-	-	71 999 452	-	38 837 473	33 161 979	
Engineering	378 450 931	-	30 991 169	409 442 100	49 950 171	271 869 482	87 622 447	
Oil and Gas	55 074 663	-	-	55 074 663	-	54 773 722	300 941	
Accidents & responsibilities	368 274 215	-	1 629 816	369 904 031	2 542 261	216 185 315	151 176 455	
Guarantee	21 631 022	-	-	21 631 022	-	20 549 395	1 081 627	
Medical	231 742 554	-	-	231 742 554	2 028 625	145 469 530	84 244 398	
Total	<u>2 582 032 396</u>	<u>-</u>	<u>32 675 477</u>	<u>2 614 707 874</u>	<u>60 248 388</u>	<u>1 542 238 310</u>	<u>1 012 221 175</u>	

Insurance line of business	30/06/2022							Net Premiums L.E.
	Direct	Inward Reinsurance Premiums		Gross	Outward Reinsurance			
	Premiums	Received	Premiums	Premiums	Premiums			
	L.E.	Local	Foreign	L.E.	Local	Foreign		
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.		
Fire	481 108 813	-	-	481 108 813	2 572 381	407 214 805	71 321 627	
Marine cargo	51 876 644	-	-	51 876 644	-	40 230 625	11 646 019	
Inland	25 844 495	-	-	25 844 495	-	13 709 833	12 134 662	
Hull	4 458 771	-	-	4 458 771	37 405	4 034 742	386 624	
Aviation	3 800 265	-	-	3 800 265	-	3 799 885	380	
Motor comprehensive	376 566 652	-	-	376 566 652	-	26 677 952	349 888 700	
Motor Compulsory	71 545 221	-	-	71 545 221	-	38 286 763	33 258 458	
Engineering	365 786 706	-	25 900 290	391 686 996	51 701 430	277 440 972	62 544 594	
Oil and Gas	43 930 448	-	-	43 930 448	-	43 450 994	479 454	
Accidents	276 847 194	-	2 210 426	279 057 620	3 161 978	152 981 384	122 914 258	
Medical	273 014 195	-	-	273 014 195	-	122 786 019	150 228 176	
Total	<u>1 974 779 404</u>	<u>-</u>	<u>28 110 716</u>	<u>2 002 890 120</u>	<u>57 473 194</u>	<u>1 130 613 974</u>	<u>814 802 952</u>	

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

26 Claims of property insurance & responsibilities

Insurance line of business	30/06/2023						
	Direct Claims paid	Inward reinsurance		Total Claims	Outward reinsurance		Net Claims
	L.E.	Local L.E.	Foreign L.E.	L.E.	Local L.E.	Foreign L.E.	L.E.
Fire	41 552 608	-	-	41 552 608	80 985	32 108 896	9 362 727
Marine cargo	3 985 526	-	-	3 985 526	-	2 746 709	1 238 817
Inland	1 844 273	-	-	1 844 273	-	1 357 231	487 042
Hull	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Motor comprehensive	247 856 380	-	-	247 856 380	-	4 171 824	243 684 556
Motor Compulsory	21 852 495	-	-	21 852 495	-	12 018 874	9 833 621
Engineering	54 347 722	-	-	54 347 722	-	30 929 099	23 418 623
Oil and Gas	-	-	-	-	-	-	-
Accidents & responsibilities	6 170 205	-	-	6 170 205	-	1 143 548	5 026 657
Guarantee	19 855 123	-	-	19 855 123	-	17 963 160	1 891 963
Medical	218 329 722	-	-	218 329 722	-	111 532 842	106 796 880
Total	615 794 054	-	-	615 794 054	80 985	213 972 183	401 740 886

Insurance line of business	30/06/2022						
	Direct Claims paid	Inward reinsurance		Total Claims	Outward reinsurance		Net Claims
	L.E.	Local L.E.	Foreign L.E.	L.E.	Local L.E.	Foreign L.E.	L.E.
Fire	91 998 508	-	-	91 998 508	4 905	77 047 397	14 946 206
Cargo	7 567 389	-	-	7 567 389	-	5 522 578	2 044 811
Inland	3 970 397	-	-	3 970 397	-	2 090 261	1 880 136
Hull	459 410	-	-	459 410	-	278 502	180 908
Aviation	307 471	-	-	307 471	-	299 784	7 687
Motor comprehensive	213 803 253	-	-	213 803 253	-	2 009 839	211 793 414
Motor Compulsory	26 580 416	-	-	26 580 416	-	14 595 259	11 985 157
Engineering	39 357 865	-	-	39 357 865	-	22 660 815	16 697 050
Oil and Gas	20 874 037	-	-	20 874 037	-	20 665 287	208 750
Accidents & responsibilities	23 332 501	-	-	23 332 501	-	17 704 042	5 628 459
Medical	179 517 267	-	-	179 517 267	-	44 668 830	134 848 437
Total	607 768 514	-	-	607 768 514	4 905	207 542 594	400 221 015

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

27 Reinsurance commissions

Insurance line of business	30/06/2023					
	Inward reinsurance commissions expense			Outward reinsurance commissions income		
	Local L.E.	Foreign L.E.	Total L.E.	Local L.E.	Foreign L.E.	Total L.E.
Fire	-	-	-	407 764	124 059 657	124 467 421
Marine cargo	-	-	-	72 409	29 792 565	29 864 974
Inland	-	-	-	-	7 123 491	7 123 491
Hull	-	-	-	20 942	1 413 019	1 433 961
Aviation	-	-	-	-	2 245 239	2 245 239
Motor comprehensive	-	-	-	-	28 791 032	28 791 032
Motor Compulsory	-	-	-	-	20 991 782	20 991 782
Engineering	-	1 697 961	1 697 961	11 189 045	72 432 304	83 621 349
Oil and Gas	-	-	-	-	3 240 230	3 240 230
Various accidents	-	277 641	277 641	136 556	45 062 999	45 199 555
Guarantee	-	-	-	-	2 567 575	2 567 575
Medical	-	-	-	153 423	16 014 877	16 168 300
Total	-	<u>1 975 602</u>	<u>1 975 602</u>	<u>11 980 139</u>	<u>353 734 770</u>	<u>365 714 909</u>

Insurance line of business	30/06/2022					
	Inward reinsurance commissions expense			Outward reinsurance commissions income		
	Local L.E.	Foreign L.E.	Total L.E.	Local L.E.	Foreign L.E.	Total L.E.
Fire	-	-	-	298 566	75 682 257	75 980 823
Marine cargo	-	-	-	-	20 691 903	20 691 903
Inland	-	-	-	-	5 860 321	5 860 321
Hull	-	-	-	-	762 090	762 090
Aviation	-	-	-	-	353 433	353 433
Motor comprehensive	-	-	-	-	18 468 035	18 468 035
Motor Compulsory	-	-	-	-	19 810 380	19 810 380
Engineering	-	1 302 168	1 302 168	6 212 739	68 711 385	74 924 124
Oil and Gas	-	-	-	-	4 256 726	4 256 726
Accidents	-	151 316	151 316	289 934	38 096 630	38 386 564
Medical	-	-	-	-	15 658 122	15 658 122
Total	-	<u>1 453 484</u>	<u>1 453 484</u>	<u>6 801 239</u>	<u>268 351 282</u>	<u>275 152 521</u>

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

28 Production costs

	30/06/2023 L.E.	30/06/2022 L.E.
Wages and salaries	527 115	463 344
The company's share in the proportional stamp tax	120 617 575	87 698 505
Survey fees	907 427	723 335
Advertising	9 849 095	6 146 077
Production service expenses	14 764 896	22 270 357
Annual incentive	26 470 954	21 566 412
Collection expenses	62 322 110	55 378 319
Bonus	14 182 478	9 696 542
Medical service companies' fees	17 358 590	10 744 100
Roadside assistance company fees	676 229	695 269
Consideration for electronic distribution of standard policies	44 980 368	5 736 379
Production costs of bank documents	2 014 151	885 511
The company's share in compulsory assembly production of cars	1 540 785	592 003
Company's share in travel assembly production	2 765 402	2 204 999
Government stamps expenses	62 789	
Miscellaneous expenses	8491 556	605 391
	<u>320 596 813</u>	<u>225 406 543</u>
Less		
50% of indirect production costs (transferred to general and administrative expenses)	(5 707 456)	(3 551 368)
	<u>314 889 357</u>	<u>221 855 175</u>

29 General and administrative expenses

	30/06/2023 L.E.	30/06/2022 L.E.
Wages and salaries	114 945 944	95 007 182
Miscellaneous expenses	75 144 591	54 936 057
	<u>190 090 535</u>	<u>149 943 239</u>
Add:		
50% of indirect production costs (transferred from production costs)	5 707 456	3 551 368
Less:		
10% of indirect overhead expenses (transferred to investment expenses)	(15 822 392)	(12 062 763)
	<u>179 975 599</u>	<u>141 431 844</u>

30 Earnings Per Share

	30/06/2023 L.E.	30/06/2022 L.E.
Net profit for the year	373 412 280	171 994 594
Less		
Employees' share of profits (proposed)	(32 420 628)	(20 000 000)
Board of directors' remuneration (proposed)	(4 000 000)	(1 750 000)
Shareholders' percentage of net profits for the year	<u>336 991 652</u>	<u>150 244 594</u>
Weighted average of the number of shares	3 809 531	3 660 206
Earnings per share	<u>88.46</u>	<u>41.04</u>

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

31 Adjustment of the effective income tax rate

	30/06/2023 L.E.	30/06/2022 L.E.
Net profit before income tax	458 597 631	233 085 987
	<u>%22.5</u>	<u>%22.5</u>
Income tax according to applicable rate	103 184 467	52 444 347
Difference between accounting and tax depreciation for the year	520 383	(591 506)
Impairment losses and loyalty provision	8 139 052	1 253 676
Miscellaneous expenses	9 115 127	13 865 109
Other deductions	(13 401 789)	(3 978 474)
Deduction of share coupons interest	(642 248)	(818 829)
Profits and returns exempted from taxes	(14 946 501)	(29 790)
Treasury bills & bonds return acquired after February 2019	(48 599 125)	(24 521 239)
Tax due	43 369 366	37 623 294
Tax due on the treasury bills return 20%	32 051 171	21 796 657
Total	<u>75 420 537</u>	<u>59 419 951</u>

32 Deferred tax assets

	30/06/2023 L.E.	30/06/2022 L.E.
Depreciation differences of fixed assets and investment properties	(6 926 562)	(5,094,203)
Provision differences	25 265 347	17,870,891
Unrealized income resulting from foreign currencies exchange rates	42 281 927	6,026,434
Differences related to revaluation of the monetary assets and liabilities in foreign currencies	-	1,045,478
	<u>60 620 712</u>	<u>19,848,600</u>

33- Movements of deferred tax assets

	30/06/2023 L.E.	30/06/2022 L.E.
Balance at the beginning of the year	19,848,600	8,771,837
Effect of implementation of EASs (47-49) on the beginning balance	-	6,539,809
Additions during the current period	4 516 619	(1,489,480)
Differences related to foreign currencies revaluation of the monetary assets and liabilities in foreign currencies	36 255 493	6,026,434
Balance at the end of the year	<u>60 620 712</u>	<u>19,848,600</u>

34 The tax position

First: The Corporates tax

From 1994 till 2012

- The final inspection, the assessment, and the payment of the tax due in full have been carried out.

From 2013 till 2014

- The company's books have been inspected on a deemed profit basis due to ageing circumstances. They were referred to the Appeal Committee, and the general daily books and inventory were made and recorded until June 2022. The appeal sessions were attended, and a defense memorandum was submitted. The books were reviewed by the members of the Appeal Committee and were reserved for the decision to repeat the inspection based on the books. The Appeal Committee's decision is to be issued so that the inspection could begin by the large taxpayer centre.

From 2015 till 2020

- The tax returns were filed on legal dates and the taxes due had been paid as per the declarations and inspection is requested and data and analysis are being prepared to begin the inspection process.

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

34 The tax position

Second: Salary taxes

From 2005 till 2012

The period from 2005 to 2012 was inspected, the form was appealed, and an appointment is being set for the internal committee of the large taxpayer centre.

From 2013 till 2019

Those years have been inspected and the final agreement has been reached and the tax has been paid according to the agreement and the 35% of the delay fee was paid and became permanently terminated. As for the remaining years, the tax is paid monthly and has not yet been requested for inspection. It has been submitted to the tax system on the legal dates and the tax has been paid based on the settlements.

Third: Stamp tax

The company's books were inspected for the relative and qualitative stamp tax, declaration and additional stamp till 2016 and the final assessment is done. But for the years from 2016 till 2020, the company's books were inspected for that period and the company was notified with form 19 taxes, the legal deadlines were appealed, an internal committee was formed, with a partial agreement, and the amount of 30 million EGP stamp for the contributions received was referred to the appeal committee and the sessions were attended, and the defense memorandums were submitted and were reserved for the decision. Indeed, the decision was issued to return the file to the centre to re-study the dispute, and the review is underway with the large taxpayer centre and the years after 2020. The company makes regular monthly payments, and the company will not incur any additional amounts for the component of the credit balances of the stamp balance.

Fourth: Real Estate Tax:

The real estate tax has been paid for the head office till 2022 and the rest of the branches till 2023.

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

36 Related parties' transactions

Transactions with related parties represent the transactions with shareholders, senior management members of the Company and companies in which they are major shareholders. These transactions are approved by the Company's management. Transactions with related parties are represented in the financial statements are as follows:

	Nature of relationship	Nature of transaction	30/6/2023	30/6/2023	30/6/2022	30/6/2022
			L.E.	L.E.	L.E.	L.E.
			Transactions	Balance	Balance	Transactions
Insurance and reinsurance companies - Credit balances						
Gulf Insurance Group	Parent Company	Premiums Compensations	347.40 Million 52.62 Million	358 222 294	113.636.314	210.30 Million 76.74 Million
GIG Jordan	Associates	Premiums Compensations	54.5 thousand -	256 585	358.602	
GIG Turkey	Associates	Premiums Compensations	1.57 Million -	1 884 679	449.572	1.58 Million -
GIG Iraq	Associates	Premiums Compensations	1.63 Million -	925 754	69.863	2.14 Million -
GIG Bahrain	Associates	Premiums Compensations	231.5 Thousand -	332 139		
Insurance and reinsurance companies - Debit balances						
GIG- Egypt life takaful	Associates	Premiums Compensations	10.05 Million -	8 024 748		
Other credit balances						
Parent company						
Insurance and reinsurance companies - Debit balances						
Other debit balances						
Egyptian life takaful	Associates	Expenses		1 221 513	1.569.425	
Parent company						
Gulf Insurance Group	Parent company	Debit balance Credit balance	7.47 Million 4.16 Million	3 311 088	1.233.881	1.55 Million 32 Thousand

GIG Insurance- Egypt (S.A.E)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

37 Subsequent Events

- During the subsequent period, standard poor's (credit rating) reduced Egypt's sovereign rating in foreign and local currencies from b to b-, with a stable outlook. Moody's (credit rating) also reduced Egypt's sovereign rating from B3 to Caa1, with a stable outlook.

- On 18 October 2023, the Financial Regulatory Authority issued a decree that starting from 1 January 2023, licensed companies may now practice... non-banking financial services, exclusion of financial instruments and assets following from the recognition and measurement of expected credit losses:

- Debt instruments issued by the state in local currency.

- Current accounts and deposits in local currency at local banks registered with the Central Bank of Egypt and due within one month later than the date of the financial statements.

The companies that wish to exclude the financial instruments and assets referred to in the previous paragraph shall disclose this in its financial statements.