

**ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)  
AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022**

**ALINMA TOKIO MARINE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)**

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**Ibrahim Ahmed Al-Bassam & Co**  
Certified Public Accountants - Al-Bassam & Co.  
(member firm of PKF International)



**Crowe**

Al Azem, Al Sudairy, Al Shaikh & Partners  
For Professional Consulting  
Member Crowe Global

**INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL INFORMATION**  
**THE SHAREHOLDERS OF ALINMA TOKIO MARINE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTRODUCTION**

We have reviewed the accompanying interim condensed statement of financial position of Alinma Tokio Marine Company (the "Company") as at 31<sup>st</sup> March 2022 and the related interim condensed statements of income, comprehensive income for the three-month period then ended and interim condensed statement of changes in equity and cash flows for the three-month period then ended and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**SCOPE OF REVIEW**

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

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For Al-Bassam & Co.**  
**Certified Public Accountants**  
P.O. Box 69658  
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Kingdom of Saudi Arabia

**Ibrahim A. Al-Bassam**  
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Certified Public Accountant  
License No. 283



**23 May 2022**  
**22 Shawwal 1443 AH**

**ALINMA TOKIO MARINE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As at 31 March**

|                                                       | Note | 31-Mar-22<br>Unaudited<br>SAR' 000 | 31-Dec-21<br>Audited<br>SAR' 000 |
|-------------------------------------------------------|------|------------------------------------|----------------------------------|
| <b>ASSETS</b>                                         |      |                                    |                                  |
| Cash and cash equivalents                             | 4    | 209,327                            | 248,314                          |
| Investments                                           | 5    | 66,578                             | 42,814                           |
| Premiums and reinsurance receivables, net             | 6    | 125,321                            | 72,977                           |
| Reinsurers' share of unearned premiums                | 7.1  | 109,262                            | 103,695                          |
| Reinsurers' share of outstanding claims               | 7.2  | 20,858                             | 23,047                           |
| Reinsurers' share of incurred but not reported claims | 7.2  | 19,743                             | 21,875                           |
| Deferred policy acquisition costs                     |      | 13,938                             | 9,708                            |
| Prepayments and other assets                          |      | 13,041                             | 11,399                           |
| Statutory deposit                                     |      | 45,000                             | 45,000                           |
| Property and equipment                                |      | 2,571                              | 3,153                            |
| Right of use assets                                   |      | 3,507                              | 3,821                            |
| Intangible assets                                     |      | 5,221                              | 5,384                            |
| Unit linked investments                               |      | 101,998                            | 85,653                           |
| Due from a related party                              |      | 36                                 | 36                               |
| <b>TOTAL ASSETS</b>                                   |      | <b>736,401</b>                     | <b>676,876</b>                   |
| <b>LIABILITIES</b>                                    |      |                                    |                                  |
| Outstanding claims                                    | 7.2  | 50,468                             | 54,164                           |
| Incurred but not reported claims                      | 7.2  | 37,682                             | 42,981                           |
| Other reserves                                        | 7.2  | 2,903                              | 3,321                            |
| Premium deficiency reserves                           | 7.2  | 5,126                              | 5,510                            |
| Unearned premiums                                     | 7.1  | 187,260                            | 157,161                          |
| Reinsurance balances payable                          |      | 86,173                             | 66,593                           |
| Unearned reinsurance commission                       |      | 11,564                             | 10,483                           |
| Accrued expenses and other liabilities                |      | 47,431                             | 45,891                           |
| Lease liabilities                                     |      | 3,312                              | 3,889                            |
| Due to related party                                  | 8    | 243                                | -                                |
| Zakat and income tax payable                          | 9    | 7,153                              | 6,699                            |
| Unit linked liabilities                               |      | 101,998                            | 85,653                           |
| Mathematical reserves                                 |      | 1,467                              | 1,604                            |
| Retirement benefit obligation                         |      | 5,536                              | 6,018                            |
| <b>TOTAL LIABILITIES</b>                              |      | <b>548,316</b>                     | <b>489,967</b>                   |
| <b>EQUITY</b>                                         |      |                                    |                                  |
| Issued, authorised and paid up share capital          | 10   | 300,000                            | 300,000                          |
| Accumulated losses                                    |      | (112,199)                          | (112,830)                        |
| Remeasurement of retirement benefit obligation        |      | 284                                | (261)                            |
| <b>TOTAL EQUITY</b>                                   |      | <b>188,085</b>                     | <b>186,909</b>                   |
| <b>TOTAL LIABILITIES AND EQUITY</b>                   |      | <b>736,401</b>                     | <b>676,876</b>                   |
| <b>CONTINGENCIES AND COMMITMENTS</b>                  |      |                                    |                                  |
| 11                                                    |      |                                    |                                  |

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

  
 Director

  
 Chief Financial Officer

  
 Chief Executive Officer

ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)

For the three months period ended 31 March 2022

|                                                                  | Note | 2022<br>SAR' 000 | 2021<br>SAR' 000 |
|------------------------------------------------------------------|------|------------------|------------------|
| <b>REVENUES</b>                                                  |      |                  |                  |
| Gross premiums written                                           | 14   | 110,219          | 79,082           |
| Fee income from insurance contracts                              |      | 25               | 11               |
| Reinsurance premiums ceded                                       |      |                  |                  |
| - Local                                                          |      | (2,927)          | (1,579)          |
| - Foreign                                                        |      | (37,257)         | (29,897)         |
| Excess of loss expenses                                          |      | (1,814)          | (1,318)          |
| <b>Net premiums written</b>                                      |      | <b>68,246</b>    | <b>46,299</b>    |
| Changes in unearned premiums                                     | 7.1  | (30,099)         | (11,337)         |
| Changes in reinsurers' share of unearned premiums                | 7.1  | 5,567            | (2,915)          |
| <b>Net premiums earned</b>                                       |      | <b>43,714</b>    | <b>32,047</b>    |
| Reinsurance commission earned                                    |      | 4,849            | 5,739            |
| Other underwriting income                                        |      | 367              | 805              |
| <b>Total revenues</b>                                            |      | <b>48,930</b>    | <b>38,591</b>    |
| <b>UNDERWRITING COSTS AND EXPENSES</b>                           |      |                  |                  |
| Gross claims paid                                                |      | (26,225)         | (20,951)         |
| Surrenders                                                       |      | (3,531)          | (2,878)          |
| Reinsurers' share of claims paid                                 |      | 5,446            | 6,695            |
| <b>Net claims and other benefits paid</b>                        |      | <b>(24,310)</b>  | <b>(17,134)</b>  |
| Changes in outstanding claims                                    | 7.2  | 3,696            | 7,026            |
| Changes in reinsurers' share of outstanding claims               | 7.2  | (2,189)          | (8,278)          |
| Changes in incurred but not reported claims                      | 7.2  | 5,299            | 967              |
| Changes in reinsurers' share of incurred but not reported claims | 7.2  | (2,132)          | 936              |
| Changes in other reserves                                        | 7.2  | 418              | 21               |
| Changes in premium deficiency reserves                           | 7.2  | 384              | 1,355            |
| <b>Net claims and other benefits incurred</b>                    |      | <b>(18,834)</b>  | <b>(15,107)</b>  |
| Changes in unit linked reserves                                  |      | (16,345)         | (9,190)          |
| Changes in mathematical reserves                                 |      | 137              | 175              |
| Policy acquisition costs                                         |      | (9,025)          | (5,969)          |
| Other underwriting expenses                                      |      | (536)            | (388)            |
| <b>Total underwriting costs and expenses</b>                     |      | <b>(44,603)</b>  | <b>(30,479)</b>  |
| <b>NET UNDERWRITING INCOME</b>                                   |      | <b>4,327</b>     | <b>8,112</b>     |
| <b>OTHER OPERATING INCOME / (EXPENSES)</b>                       |      |                  |                  |
| General and administrative expenses                              |      | (19,822)         | (14,527)         |
| Provision for doubtful receivables                               |      | 3,344            | (2,150)          |
| Unrealized gain/(loss) on unit linked investments                |      | 10,775           | 5,599            |
| Unrealized gain/ (loss) on investments                           |      | 2,542            | 432              |
| Realized gain on investments                                     |      | 190              | 1,750            |
| <b>Total other operating expenses, net</b>                       |      | <b>(2,971)</b>   | <b>(8,896)</b>   |
| <b>Total income/(loss) for the period before Zakat</b>           |      | <b>1,356</b>     | <b>(784)</b>     |
| <b>Zakat for the period</b>                                      | 9    | <b>(725)</b>     | <b>(758)</b>     |
| <b>Net income/(loss) for the period</b>                          |      | <b>631</b>       | <b>(1,542)</b>   |
| <b>Earning/(loss) per share (SAR)</b>                            |      | <b>0.02</b>      | <b>(0.05)</b>    |

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

**ALINMA TOKIO MARINE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**

For the three months period ended 31 March 2022

|                                                                                                | <u>2022</u>         | <u>2021</u>           |
|------------------------------------------------------------------------------------------------|---------------------|-----------------------|
|                                                                                                | <u>SAR' 000</u>     | <u>SAR' 000</u>       |
| Net income/(loss) for the period                                                               | 631                 | (1,542)               |
| <b>Other comprehensive loss:</b>                                                               |                     |                       |
| Items that will not be reclassified to statement of income<br>in subsequent period             |                     |                       |
| - Actuarial gain/(loss) on remeasurement of retirement benefit obligations                     | 545                 | (247)                 |
| <b>Total comprehensive income/(loss) for the period</b>                                        | <u><u>1,176</u></u> | <u><u>(1,789)</u></u> |
| <b>Total comprehensive income/(loss) for the period<br/>attributed to insurance operations</b> | <u><u>545</u></u>   | <u><u>(247)</u></u>   |
| <b>Total comprehensive income/(loss) for the period<br/>attributed to shareholders</b>         | <u><u>631</u></u>   | <u><u>(1,542)</u></u> |

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.



Director



Chief Financial Officer



Chief Executive Officer

**ALINMA TOKIO MARINE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)**

For the three months period ended 31 March

|                                                                   | Note | Share capital  | Accumulated losses | Remeasurement of retirement benefit obligation | Total          |
|-------------------------------------------------------------------|------|----------------|--------------------|------------------------------------------------|----------------|
|                                                                   |      | SAR'000        | SAR'000            | SAR'000                                        | SAR'000        |
| <b>2022</b>                                                       |      |                |                    |                                                |                |
| Balance as at 31 December 2021 (audited)                          | 10   | 300,000        | (112,830)          | (261)                                          | 186,909        |
| Total comprehensive income for the period                         |      | -              | 631                | -                                              | 631            |
| Actuarial gain on remeasurement of retirement benefit obligations |      | -              | -                  | 545                                            | 545            |
| <b>Balance as at 31 March 2022 (unaudited)</b>                    |      | <b>300,000</b> | <b>(112,199)</b>   | <b>284</b>                                     | <b>188,085</b> |
| <b>2021</b>                                                       |      |                |                    |                                                |                |
| Balance as at 31 December 2020 (audited)                          | 10   | 300,000        | (98,427)           | 190                                            | 201,763        |
| Total comprehensive loss for the period                           |      | -              | (1,542)            | -                                              | (1,542)        |
| Actuarial loss on remeasurement of retirement benefit obligations |      | -              | -                  | (247)                                          | (247)          |
| <b>Balance as at 31 March 2021 (unaudited)</b>                    |      | <b>300,000</b> | <b>(99,969)</b>    | <b>(57)</b>                                    | <b>199,974</b> |

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Director



Chief Financial Officer



Chief Executive Officer

ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

For the three months ended 31 March 2022

|                                                           | Note | 2022            | 2021            |
|-----------------------------------------------------------|------|-----------------|-----------------|
|                                                           |      | SAR' 000        |                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |      |                 |                 |
| Net income/(loss) for the period                          |      | 631             | (1,542)         |
| Adjustments for non cash items:                           |      |                 |                 |
| Depreciation and amortisation                             |      | 765             | 1,050           |
| Depreciation of right to use assets                       |      | 314             | 314             |
| Financing cost on lease liabilities                       |      | 35              | 48              |
| Provision for doubtful receivables                        |      | (3,344)         | 2,150           |
| Realized gain on investments held at FVSI                 |      | (53)            | (229)           |
| Unrealized (gain) / loss on investments held at FVSI      | 5.2  | (2,211)         | (1,220)         |
| Provision for retirement benefit obligations              |      | 394             | 343             |
| Provision for zakat                                       |      | 725             | 758             |
|                                                           |      | (2,744)         | 1,672           |
| Changes in operating assets and liabilities:              |      |                 |                 |
| Premiums and reinsurance receivables                      |      | (49,000)        | (31,076)        |
| Reinsurers' share of unearned premiums                    |      | (5,567)         | 2,915           |
| Reinsurers' share of outstanding claims                   |      | 2,189           | 8,278           |
| Reinsurers' share of incurred but not reported claims     |      | 2,132           | (936)           |
| Deferred policy acquisition costs                         |      | (4,230)         | (1,238)         |
| Prepayments and other assets                              |      | (1,642)         | 1,159           |
| Unit linked investments                                   |      | (16,345)        | (9,190)         |
| Outstanding claims                                        |      | (3,696)         | (7,026)         |
| Incurred but not reported claims                          |      | (5,299)         | (967)           |
| Other reserves                                            |      | (418)           | (21)            |
| Premium deficiency reserves                               |      | (384)           | (1,355)         |
| Mathematical reserves                                     |      | (137)           | (175)           |
| Unearned premiums                                         |      | 30,099          | 11,337          |
| Reinsurance balances payable                              |      | 19,580          | 6,623           |
| Unearned reinsurance commission                           |      | 1,081           | (1,626)         |
| Accrued expenses and other liabilities                    |      | 1,540           | (2,353)         |
| Lease liabilities                                         |      | 261             | 346             |
| Due to related party                                      |      | 243             | (50)            |
| Unit linked liabilities                                   |      | 16,345          | 9,190           |
| Cash used in operations                                   |      | (15,992)        | (14,493)        |
| Retirement benefit obligations paid                       |      | (331)           | (266)           |
| Zakat and income tax paid                                 |      | (271)           | -               |
| <b>Net cash used in operating activities</b>              |      | <b>(16,594)</b> | <b>(14,759)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |      |                 |                 |
| Purchase of investments                                   | 5.2  | (41,500)        | (50,000)        |
| Proceeds from disposal of investments                     | 5.2  | 30,000          | 50,000          |
| Purchase of property and equipment                        |      | (20)            | (124)           |
| Right to use assets                                       |      | -               | (606)           |
| Purchase of murabaha deposits                             |      | (10,000)        | -               |
| Lease Payment                                             |      | (873)           | -               |
| <b>Net cash used in investing activities</b>              |      | <b>(22,393)</b> | <b>(730)</b>    |
| <b>Net cash used in all activities</b>                    |      | <b>(38,987)</b> | <b>(15,489)</b> |
| Cash and cash equivalents at the beginning of the period  |      | 248,314         | 235,480         |
| <b>Cash and cash equivalents at the end of the period</b> | 4    | <b>209,327</b>  | <b>219,991</b>  |
| <b>Non cash transactions</b>                              |      |                 |                 |
| Actuarial loss on retirement benefit obligations          |      | 545             | (247)           |

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive Officer



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**1 GENERAL**

Alinma Tokio Marine Company ("the Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per Ministry of Commerce and Industry's Resolution number 309/Q dated 19 Rajab 1433H (corresponding to 9 June 2012). The Commercial Registration number of the Company is 7001727200, dated 28 Rajab 1433H (corresponding to 18 June 2012). The Company is listed on the Saudi Arabian Stock Exchange ("Tadawul") since 24 June 2012. The Registered address of the Company's head office is as follows:

King Fahad Road  
P.O. Box 643  
Riyadh 11421  
Kingdom of Saudi Arabia.

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. 25/M, dated 3 Jumada-Al Thani 1430H (corresponding to 27 June 2009), pursuant to the Council of Ministers' Resolution No. 140 dated 2 Jumada-Al Thani 1430H (corresponding to 26 June 2009).

The objectives of the Company is to transact in cooperative insurance operations and all related activities in accordance with its By Laws and applicable regulations in the Kingdom of Saudi Arabia.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

The interim condensed financial statements of the Company as at and for the period ended March 31, 2022 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia (KSA) by Saudi Organization for Certified Public Accountants (SOCPA), other standards and pronouncements issued by SOCPA, regulations for Companies and Company's by laws.

In accordance with Article 70 of the SAMA Implementing Regulations, as per the Articles of Association of the Company, the Company maintains separate accounts for both insurance operations and shareholders' operations. It distributes the net annual insurance surplus as set forth in the Company's Articles of Association and the insurance policy in terms of cooperative insurance. The customer (insurance policy) is valid and paid to date at the time of payment of the cooperative distribution amount.

The interim condensed financial statements have been prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of investment held as FVSI. The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as non-current: Property and Equipment, Intangible Assets, Unit linked Investments, Statutory Deposit, Murabaha Deposits maturing over one year, Available for sale investments, Held to maturity investments and Retirement benefit obligations. All other financial statement line items would generally be classified as current.

The Company presents its interim condensed statement of financial position in order of liquidity. As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and present same supplementary information in the financial statements (note 13). Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 13 of the financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations and is not required under IFRSs. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

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

The accumulated losses as at 31 March 2022 are 37.40% (31 December 2021: 37.61%) of the share capital. The reason for these losses is high expense ratio and deterioration in loss ratio. The Board of Directors has approved a business plan on 15 December 2021. The plan is based on improving the net premium written and control over expenses and loss ratios. The plan demonstrates that the Company will be able to continue as a going concern for foreseeable future.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**2 BASIS OF PREPARATION (Continued)**

**2.2 Critical accounting judgement, estimates and assumptions**

The preparation of interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements for the year ended 31 December 2021.

**2.3 Functional and presentation currency**

The interim condensed financial statements have been prepared in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company. All financial information presented in SAR has been rounded off to the nearest thousand, unless otherwise stated.

**3 SIGNIFICANT ACCOUNTING POLICIES**

**3.1**

The accounting policies, estimates and assumptions used in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021, except for the new standards and adoption of the amendments to existing standards which have had either insignificant effect or no financial impact on the interim condensed financial statements of the Company on the current period or prior periods and are expected to have a insignificant effect in future period.

**3.2 Deferred Tax**

Deferred tax asset is recognised only to the extent that it is probable that the future taxable profits will be available and credits can be utilized. Deferred tax asset has not been provided in these interim condensed financial statements for the period ended 31 March 2022 since the Company does not anticipate availability of future taxable profit to utilize any tax credits. The amount of deferred tax asset as at 31 March 2022 is estimated to be SAR 2.3 Million (31 December 2021: SAR 2.3 Million).

**3.3 Standards issued but not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows:

| IFRS    | Summary               | Effective date |
|---------|-----------------------|----------------|
| IFRS 9  | Financial Instruments | See note below |
| IFRS 17 | Insurance contracts   | See note below |

**IFRS 17 Insurance Contracts**

**Overview**

This standard has been published on May 18, 2017, it establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 – Insurance contracts.

The new standard applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features provided the entity also issues insurance contracts. It requires to separate the following components from insurance contracts:

- embedded derivatives, if they meet certain specified criteria;
- distinct investment components; and
- any promise to transfer distinct goods or non-insurance services.

These components should be accounted for separately in accordance with the related standards (IFRS 9 and IFRS 15).

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**3 SIGNIFICANT ACCOUNTING POLICIES (Continued)**  
**3.3 Standards issued but not yet effective (Continued)**  
**IFRS 17 Insurance Contracts (Continued)**

**Measurement**

In contrast to the requirements in IFRS 4, which permitted insurers to continue to use the accounting policies for measurement purposes that existed prior to January 2015, IFRS 17 provides the following different measurement models:

The General model is based on the following "building blocks":

a) the fulfilment cash flows (FCF), which comprise:

- i. probability-weighted estimates of future cash flows,
- ii. an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows,
- iii. and a risk adjustment for non-financial risk;

b) the Contractual Service Margin (CSM). The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately. At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:

- i. the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date;
- ii. and the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

The CSM is adjusted subsequently for changes in cash flows related to future services but the CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss. Interest is also accreted on the CSM at rates locked in at initial recognition of a contract (i.e. discount rate used at inception to determine the present value of the estimated cash flows). Moreover, the CSM will be released into profit or loss based on coverage units, reflecting the quantity of the benefits provided and the expected coverage duration of the remaining contracts in the group.

The Variable Fee Approach (VFA) is a mandatory model for measuring contracts with direct participation features (also referred to as 'direct participating contracts'). This assessment of whether the contract meets these criteria is made at inception of the contract and not reassessed subsequently. For these contracts, the CSM is also adjusted for in addition to adjustment under general model;

- i. changes in the entity's share of the fair value of underlying items,
- ii. changes in the effect of the time value of money and financial risks not relating to the underlying items.

In addition, a simplified Premium Allocation Approach (PAA) is permitted for the measurement of the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period for each contract in the group is one year or less. With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less insurance acquisition cash flows. The general model remains applicable for the measurement of incurred claims. However, the entity is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid/received in one year or less from the date the claims are incurred.

**Effective date**

The IASB issued an Exposure Draft Amendments to IFRS 17 during June 2019 and received comments from various stakeholders. The IASB is currently re-deliberating issues raised by stakeholders. For any proposed amendments to IFRS 17, the IASB will follow its normal due process for standard-setting. The effective date of IFRS 17 and the deferral of the IFRS 9 temporary exemption in IFRS 4, is currently January 1, 2023. Earlier application is permitted if both IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments have also been applied. The Company intend to apply the standard on its effective date.

**Transition**

Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

**Presentation and Disclosures**

The Company expects that the new standard will result in a change to the accounting policies for insurance contracts together with amendments to presentation and disclosures.

**Impact**

The Company is currently assessing the impact of the application and implementation of IFRS 17. As of the date of the publication of these financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company expects a

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)  
3.3 Standards issued but not yet effective (Continued)  
IFRS 17 Insurance Contracts (Continued)

| Impact area                               | Summary of Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial impact                          | The Company has ascertained the financial impact on reported balances of year 2018. As the Company's most of insurance contracts are short-termed and short tailed entitling for premium allocation approach (PAA) which is largely similar to current account practice, no significant impact is expected. The Company has also successfully finalized the reassessment of 2020 results as part of the 1st Dry-Run orchestrated by the regulator and submitted on 30 November 2021 to SAMA. Based on the conducted simulation, the financial impact of applying IFRS 17 compared to IFRS 4 was also not significant. The Company will solidify its view on the financial impact while completing the 2nd and 3rd dry-runs, planned before the end of 2022. |
| Data impact                               | IFRS 17 has additional data requirements (e.g. premium due date for initial recognition, premium receipt data for the LFRC, RI contracts held breakdown in to risk attaching or loss incurring for assessing contract boundaries, lower granularity to meet level of aggregation requirements and data for additional disclosures as per IFRS 17). Further extensive exercise has carried out to ensure the required data is available. No major data deficiencies or shortfalls were reported during the completion of the 1st -dry-run simulation.                                                                                                                                                                                                        |
| IT systems impact                         | Detailed assessment has been carried out of existing systems capabilities for IFRS 17 calculations, storage and reporting and whether new systems / calculation engines should be implemented. The tool has been implemented successfully and used for processing and extracting the simulated results for the 1st dry-run. In coordination with the Company's appointed advisor and appointed actuary, the Steering Committee is actively working to close any identified gaps before the due date of the 2nd dry-run simulation.                                                                                                                                                                                                                          |
| Process impact                            | The Company has carried out an operational impact assessment exercise to assess the operational impact of implementing IFRS 17. Since, majority of the company's contracts would be measured under the premium allocation approach, the process impact is expected to be moderate. No major process impact was reported during the completion of the 1st dry-run simulation.                                                                                                                                                                                                                                                                                                                                                                                |
| Impact on Reinsurance arrangements        | Further assessment has carried out to confirm measurement approach for reinsurance arrangements where RI gross premium ceded does not automatically qualify for PAA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Impact on policies and control frameworks | The Company's policies and procedures needs updation to accommodate the changes in the Company's processes and systems related to IFRS 17 implementation. Detailed exercise for the purpose has been carried out after ascertaining financial and operational gaps assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

The Company is currently in design phase of IFRS 17 implementation which requires developing and designing new processes and procedures for the business including any system developments required under IFRS 17 and detailed assessment of business requirements. Following are the main areas under design phase and status of the progress is as follows:

| Major areas of design phase      | Summary of progress                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance and control framework | The Company has put in place a comprehensive IFRS 17 governance program which includes establishing oversight steering committee for monitoring the progress of implementation and assigning roles and responsibilities to various stakeholders.                                                                                                                                                                                                         |
| Operational area                 | The Company is in progress of designing operational aspects of the design phase which includes establishing comprehensive data policy and data dictionary. Also the Company is finalizing architectural designs for various sub-systems. The Company has progressed through assessment of business requirements and currently working on vendor selection while finalizing various process needed for transition and assessment of new resources needed. |
| Technical and financial area     | The Company has completed various policy papers encompassing various technical and financial matters after concluding on policy decisions required under the IFRS 17 standard. The policy decisions are taken after due deliberations among various stakeholders. Currently majority of policy papers have been approved by the Company's IFRS 17 project steering committee.                                                                            |
| Assurance plan                   | The Company is working along with other stakeholders to finalize the assurance plan for transitional and post-implementation periods.                                                                                                                                                                                                                                                                                                                    |

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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Standards issued but not yet effective (Continued)

IFRS 9 – Financial Instruments

This standard was published on July 24, 2014 and has replaced IAS 39. The new standard addresses the following items related to financial instruments:

Classification and measurement

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if both:

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

Assets not meeting either of these categories are measured at fair value through profit or loss. Additionally, at initial recognition, an entity can use the option to designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

For equity instruments that are not held for trading, an entity can also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the instruments (including realized gains and losses), dividends being recognized in profit or loss.

Additionally, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Impairment

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the IFRS 9 approach, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Hedge accounting

IFRS 9 introduces new requirements for hedge accounting that align hedge accounting more closely with Risk Management. The requirements establish a more principles-based approach to the general hedge accounting model. The amendments apply to all hedge accounting with the exception of portfolio fair value hedges of interest rate risk (commonly referred to as "fair value macro hedges"). For these, an entity may continue to apply the hedge accounting requirements currently in IAS 39. This exception was granted largely because the IASB is addressing macro hedge accounting as a separate project.

Effective date

The published effective date of IFRS 9 was January 1, 2018. However, amendments to IFRS 4 – Insurance Contracts: Applying IFRS 9 – Financial Instruments with IFRS 4 – Insurance Contracts, published on September 12, 2016, changes the existing IFRS 4 to allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 before the IASB's new insurance contract standard (IFRS 17 – Insurance Contracts) becomes effective. The amendments introduce two alternative options:

- a) apply a temporary exemption from implementing IFRS 9 until the earlier of
  - i. the effective date of a new insurance contract standard; or
  - ii. annual reporting periods beginning on or after January 1, 2021. The IASB is proposing to extend the effective date of IFRS 17 and the IFRS 9 temporary exemption in IFRS 4 to January 1, 2022. Additional disclosures related to financial assets are required during the deferral period. This option is only available to entities whose activities are predominately connected with Insurance and have not applied IFRS 9 previously; or

- b) adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contract standard is implemented. During the interim period, additional disclosures are required.

The Company has performed a detailed assessment beginning Jan 01, 2017: (1) The carrying amount of the Company's liabilities arising from contracts within the scope of IFRS 4 (including deposit components or embedded derivatives unbundled from insurance contracts) were compared to the total carrying amount of all its liabilities; and (2) the total carrying amount of the company's liabilities connected with insurance were compared to the total carrying amount of all its liabilities. Based on these assessments the Company determined that it is eligible for the temporary exemption. Consequently, the Company has decided to defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Disclosures related to financial assets required during the deferral period are included in the Company's financial statements.

As at March 31, 2022, the Company has total financial assets and insurance related assets amounting to SAR 561 million and SAR 175 million, respectively. Currently, financial assets held at amortized cost consist of cash and cash equivalents and certain other receivables amounting to SAR 209 million (2021: SAR 248 million). Fair value of unit linked investments held at fair value through statement of income as at March 31, 2022 is SAR 102 million (2021: SAR 86 million). Other financial assets consist of available for sale investments amounting to SAR 2 million (2021: SAR 2 million). The Company expect to use the FVOCI classification of these financial assets based on the business model of the Company for debt securities and strategic nature of equity investments. However, the Company is yet to perform a detailed assessment to determine whether the debt securities meet the SPPI test as required by IFRS 9. Investment in funds classified under available for sale investments will be at FVSI under IFRS 9. As at March 31, 2022 these debt securities are measured at fair value of SAR 45 million with changes in fair value during the period of SAR 2.3 million.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

4 CASH AND CASH EQUIVALENTS

|                                  | As at 31 March 2022 (Unaudited) |                          |                | As at 31 December 2021 (Audited) |                          |                |
|----------------------------------|---------------------------------|--------------------------|----------------|----------------------------------|--------------------------|----------------|
|                                  | Insurance operations            | Shareholders' operations | Total          | Insurance operations             | Shareholders' operations | Total          |
|                                  | SAR'000                         |                          |                | SAR'000                          |                          |                |
| Cash in hand                     | 45                              | -                        | 45             | 45                               | -                        | 45             |
| Cash at banks – current accounts | 53,332                          | 15,813                   | 69,145         | 133,169                          | 115,100                  | 248,269        |
| Short term murabah deposit       | 51,295                          | 88,842                   | 140,137        | -                                | -                        | -              |
| <b>Total</b>                     | <b>104,672</b>                  | <b>104,655</b>           | <b>209,327</b> | <b>133,214</b>                   | <b>115,100</b>           | <b>248,314</b> |

Cash at bank includes an amount of SAR 54.43 million (2021: SAR 230.88 million) held with Alinma Bank, a related party (Note 8).

Short term murabaha deposits are placed with local banks that have investment grade ratings and have an original maturity of not more than three months from the date of acquisition.

5 INVESTMENTS

This represents investment in Najm for Insurance Services Company (classified as available for sale), equity shares, Shari'ah compliant mutual funds, discretionary portfolios and real estate fund (classified as investment at fair value through statement of income "FVSI") and sukuk (classified as held to maturity investments).

|                                                              | As at 31 March 2022 (Unaudited) |                          |               | As at 31 December 2021 (Audited) |                          |               |
|--------------------------------------------------------------|---------------------------------|--------------------------|---------------|----------------------------------|--------------------------|---------------|
|                                                              | Insurance operations            | Shareholders' operations | Total         | Insurance operations             | Shareholders' operations | Total         |
|                                                              | SAR'000                         |                          |               | SAR'000                          |                          |               |
| Available for sale investments                               | -                               | 1,923                    | 1,923         | -                                | 1,923                    | 1,923         |
| Investments at fair value through Statement of income (FVSI) | 11,801                          | 32,854                   | 44,655        | 131                              | 30,760                   | 30,891        |
| Investments at held to maturity                              | -                               | 20,000                   | 20,000        | -                                | 10,000                   | 10,000        |
| <b>Total</b>                                                 | <b>11,801</b>                   | <b>54,777</b>            | <b>66,578</b> | <b>131</b>                       | <b>42,683</b>            | <b>42,814</b> |

The movement during the period is as follows:

5.1 Available for sale investments

|                                  | As at 31 March 2022 (Unaudited) |                          |       | As at 31 December 2021 (Audited) |                          |       |
|----------------------------------|---------------------------------|--------------------------|-------|----------------------------------|--------------------------|-------|
|                                  | Insurance operations            | Shareholders' operations | Total | Insurance operations             | Shareholders' operations | Total |
|                                  | SAR'000                         |                          |       | SAR'000                          |                          |       |
| Balance at the beginning and end | -                               | 1,923                    | 1,923 | -                                | 1,923                    | 1,923 |

The investment is carried at cost. Management considers that carrying amount is a reasonable approximation of fair value.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

5 INVESTMENTS (continued)

5.2 Investments at fair value through statement of income (FVSI)

|                          | As at 31 March 2022 (Unaudited) |                          |          | As at 31 December 2021 (Audited) |                          |           |
|--------------------------|---------------------------------|--------------------------|----------|----------------------------------|--------------------------|-----------|
|                          | Insurance operations            | Shareholders' operations | Total    | Insurance operations             | Shareholders' operations | Total     |
|                          | SAR'000                         |                          |          | SAR'000                          |                          |           |
| Balance at the beginning | 131                             | 30,760                   | 30,891   | 727                              | 31,806                   | 32,533    |
| Purchases                | 41,500                          | -                        | 41,500   | 141,000                          | -                        | 141,000   |
| Disposals                | (30,000)                        | -                        | (30,000) | (142,500)                        | (2,448)                  | (144,948) |
| Realised gain            | 53                              | -                        | 53       | 904                              | 1,498                    | 2,402     |
| Unrealised gain          | 117                             | 2,094                    | 2,211    | -                                | (96)                     | (96)      |
| Balance at the end       | 11,801                          | 32,854                   | 44,655   | 131                              | 30,760                   | 30,891    |

5.3 Investments at held to maturity

|                            | As at 31 March 2022 (Unaudited) |                          |        | As at 31 December 2021 (Audited) |                          |         |
|----------------------------|---------------------------------|--------------------------|--------|----------------------------------|--------------------------|---------|
|                            | Insurance operations            | Shareholders' operations | Total  | Insurance operations             | Shareholders' operations | Total   |
|                            | SAR'000                         |                          |        | SAR'000                          |                          |         |
| Balance at the beginning   | -                               | 10,000                   | 10,000 | -                                | 15,000                   | 15,000  |
| Subscription/(Redemptions) | -                               | 10,000                   | 10,000 | -                                | (5,000)                  | (5,000) |
| Balance at the end         | -                               | 20,000                   | 20,000 | -                                | 10,000                   | 10,000  |

Investments held to maturity have a tenure of ten years, yielding an average profit rate of 4.30% per annum (2021: SIBOR(3M) +2.06% per annum).

Management considers that carrying amount is a reasonable approximation of fair value.

5.4 Determination of fair value and fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value there is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of operations or undertake a transaction on adverse terms. The Company's financial assets consist of cash and cash equivalents, premiums and reinsurance receivables, Murabaha deposits, reinsurance share of unearned premium, deferred policy acquisition cost, reinsurance share of outstanding claims, reinsurance share of incurred but not reported claims, reinsurance share of other reserves, investments and its financial liabilities consist of reinsurance balance payables, unearned premium, unearned commission income, outstanding claims, incurred but not reported claims, other reserves, premium deficiency reserve. The fair values of financial assets and liabilities are not materially different from their carrying values at the interim condensed statement of financial position date.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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5 INVESTMENTS (continued)

5.4 Determination of fair value and fair value hierarchy (continued)

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Shareholders' operations

|                                                              | As at 31 March 2022 (Unaudited) |               |              | Total         |
|--------------------------------------------------------------|---------------------------------|---------------|--------------|---------------|
|                                                              | Level 1                         | Level 2       | Level 3      |               |
|                                                              | SAR'000                         |               |              |               |
| <b>Available for sale investments</b>                        |                                 |               |              |               |
| - Investments in unquoted equity                             | -                               | -             | 1,923        | 1,923         |
| <b>Investments at fair value through statement of income</b> |                                 |               |              |               |
| - Investments in discretionary portfolios                    | 21,165                          | -             | -            | 21,165        |
| - Investments in real estate fund                            | -                               | 6,265         | 5,424        | 11,689        |
| - Investments in quoted equity                               | -                               | -             | -            | -             |
| <b>Investments at held to maturity</b>                       |                                 |               |              |               |
| - Sukuks                                                     | -                               | 20,000        | -            | 20,000        |
| <b>Total</b>                                                 | <b>21,165</b>                   | <b>26,265</b> | <b>7,347</b> | <b>54,777</b> |

|                                                              | As at 31 December 2021 (Audited) |               |              | Total         |
|--------------------------------------------------------------|----------------------------------|---------------|--------------|---------------|
|                                                              | Level 1                          | Level 2       | Level 3      |               |
|                                                              | SAR'000                          |               |              |               |
| <b>Available for sale investments</b>                        |                                  |               |              |               |
| - Investments in unquoted equity                             | -                                | -             | 1,923        | 1,923         |
| <b>Investments at fair value through statement of income</b> |                                  |               |              |               |
| - Investments in discretionary portfolios                    | 19,259                           | -             | -            | 19,259        |
| - Investments in real estate funds                           | -                                | 6,264         | 5,237        | 11,501        |
| - Investments in quoted equity                               | -                                | -             | -            | -             |
| <b>Investments at held to maturity</b>                       |                                  |               |              |               |
| - Sukuks                                                     | -                                | 10,000        | -            | 10,000        |
| <b>Total</b>                                                 | <b>19,259</b>                    | <b>16,264</b> | <b>7,160</b> | <b>42,683</b> |



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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6 PREMIUMS AND REINSURANCE RECEIVABLES - NET

| <i>Insurance Operations</i>        | As at 31 March<br>2022<br>(Unaudited) | As at 31<br>December<br>2021 (Audited) |
|------------------------------------|---------------------------------------|----------------------------------------|
|                                    | SAR'000                               | SAR'000                                |
| Policyholders                      | 108,424                               | 76,644                                 |
| Related party (Note 8)             | 18,709                                | 3,507                                  |
| Reinsurance receivables            | 33,233                                | 31,898                                 |
|                                    | 160,366                               | 112,049                                |
| Provision for doubtful receivables | (35,045)                              | (39,072)                               |
|                                    | 125,321                               | 72,977                                 |

7 TECHNICAL RESERVES

7.1 MOVEMENT IN UNEARNED PREMIUMS

|                           | As at 31 March 2022 (Unaudited) |                      |          | As at 31 December 2021 (Audited) |                      |           |
|---------------------------|---------------------------------|----------------------|----------|----------------------------------|----------------------|-----------|
|                           | Gross                           | Reinsurers'<br>share | Net      | Gross                            | Reinsurers'<br>share | Net       |
|                           | SAR'000                         |                      |          | SAR'000                          |                      |           |
| Balance at the beginning  | 157,161                         | (103,695)            | 53,466   | 133,049                          | (96,511)             | 36,538    |
| Premium written / (ceded) | 110,219                         | (41,623)             | 68,596   | 305,554                          | (146,784)            | 158,770   |
| Policy fee                | 25                              | -                    | 25       | 44                               | -                    | 44        |
| Premium earned            | (80,145)                        | 36,056               | (44,089) | (281,486)                        | 139,600              | (141,886) |
| Balance at the end        | 187,260                         | (109,262)            | 77,998   | 157,161                          | (103,695)            | 53,466    |

7.2 NET OUTSTANDING CLAIMS AND RESERVES

|                                                       | As at 31 March<br>2022<br>(Unaudited) | As at 31<br>December<br>2021 (Audited) |
|-------------------------------------------------------|---------------------------------------|----------------------------------------|
|                                                       | SAR'000                               | SAR'000                                |
| Outstanding claims                                    | 54,372                                | 57,521                                 |
| Less: Realizable value of salvage and subrogation     | (3,904)                               | (3,357)                                |
|                                                       | 50,468                                | 54,164                                 |
| Incurred but not reported claims                      | 37,682                                | 42,981                                 |
| Other reserves                                        | 2,903                                 | 3,321                                  |
| Premium deficiency reserves                           | 5,126                                 | 5,510                                  |
|                                                       | 96,179                                | 105,976                                |
| Less:                                                 |                                       |                                        |
| Reinsurers' share of outstanding claims               | (20,858)                              | (23,047)                               |
| Reinsurers' share of Incurred but not reported claims | (19,743)                              | (21,875)                               |
|                                                       | (40,601)                              | (44,922)                               |
| Net outstanding claims and reserves                   | 55,578                                | 61,054                                 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

7 TECHNICAL RESERVES (continued)

7.3 PREMIUM DEFICIENCY RESERVE

The Company has created a provision in respect of premium deficiency reserves ('PDR') for its motor line of business amounting to SAR 5.1 million (31 December 2021: motor SAR 5.5 million). The Company expected this provision is based on the assumption that the unearned premiums will not be sufficient to provide for the expected claims and other attributable expenses related to the unexpired periods of policies in force at the date of statement of financial position.

8 TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of business, the Company transacts with related parties. Transactions with related parties are carried out on an arm's length basis.

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. In addition to the notes 4 and 6, following are the details of major related party transactions during and the related balances at the end of the period:

| Nature of transactions              | For the three months period ended 31 March 2022 (Unaudited) |                          |         | For the three months period ended 31 March 2021 (Unaudited) |                          |         |
|-------------------------------------|-------------------------------------------------------------|--------------------------|---------|-------------------------------------------------------------|--------------------------|---------|
|                                     | Insurance operations                                        | Shareholders' operations | Total   | Insurance operations                                        | Shareholders' operations | Total   |
|                                     | SAR'000                                                     |                          |         | SAR'000                                                     |                          |         |
| <u>Shareholders:</u>                |                                                             |                          |         |                                                             |                          |         |
| Gross written premiums              | 18,482                                                      | -                        | 18,482  | 8,880                                                       | -                        | 8,880   |
| Reinsurance premiums ceded          | 294                                                         | -                        | 294     | 2,729                                                       | -                        | 2,729   |
| Claims paid - net of recoveries     | 8,029                                                       | -                        | 8,029   | 5,174                                                       | -                        | 5,174   |
| Reinsurance commission              | 74                                                          | -                        | 74      | 726                                                         | -                        | 726     |
| Reinsurance share of claims         | 299                                                         | -                        | 299     | 118                                                         | -                        | 118     |
| General and administrative expenses | 224                                                         | 19                       | 243     | 243                                                         | -                        | 243     |
| Commission                          | 895                                                         | -                        | 895     | -                                                           | -                        | -       |
| <u>Other Related parties:</u>       |                                                             |                          |         |                                                             |                          |         |
| Investments                         | 114,125                                                     | 127,437                  | 241,562 | 9,682                                                       | -                        | 9,682   |
| Commission                          | -                                                           | -                        | -       | 950                                                         | -                        | 950     |
| <u>Closing Balances</u>             |                                                             |                          |         |                                                             |                          |         |
|                                     | As at 31 March 2022 (Unaudited)                             |                          |         | As at 30 December 2021 (Audited)                            |                          |         |
|                                     | Insurance operations                                        | Shareholders' operations | Total   | Insurance operations                                        | Shareholders' operations | Total   |
|                                     | SAR'000                                                     |                          |         | SAR'000                                                     |                          |         |
| <u>Shareholders:</u>                |                                                             |                          |         |                                                             |                          |         |
| Premium Receivable                  | 18,709                                                      | -                        | 18,709  | 3,507                                                       | -                        | 3,507   |
| Reinsurance premiums payable        | 5,245                                                       | -                        | 5,245   | 12,838                                                      | -                        | 12,838  |
| Claims payable                      | 303                                                         | -                        | 303     | 917                                                         | -                        | 917     |
| Bank Balance                        | 38,618                                                      | 15,813                   | 54,431  | 115,784                                                     | 115,099                  | 230,883 |
| General and administrative expenses | 224                                                         | 19                       | 243     | -                                                           | -                        | -       |
| Commission                          | 1,498                                                       | -                        | 1,498   | -                                                           | -                        | -       |
| <u>Other related parties</u>        |                                                             |                          |         |                                                             |                          |         |
| Investments                         | 153,293                                                     | 51,557                   |         | 85,653                                                      | 30,758                   | 116,411 |
| Other receivable                    | -                                                           | 36                       | 36      | -                                                           | 36                       | 36      |
| Commission                          | -                                                           | -                        | -       | 625                                                         | -                        | 625     |
| General and administrative expenses | -                                                           | -                        | -       | -                                                           | -                        | -       |

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**Information relating to key management personnel:**

|                     | For the three months period ended 31<br>March 2022 (Unaudited) |                             |       | For the three months period ended 31<br>March 2021 (Unaudited) |                             |       |
|---------------------|----------------------------------------------------------------|-----------------------------|-------|----------------------------------------------------------------|-----------------------------|-------|
|                     | Insurance<br>operations                                        | Shareholders'<br>operations | Total | Insurance<br>operations                                        | Shareholders'<br>operations | Total |
|                     | SAR'000                                                        |                             |       | SAR'000                                                        |                             |       |
| Short term benefits | 1,052                                                          | -                           | 1,052 | 821                                                            | -                           | 821   |
| Long term benefits  | 16                                                             | -                           | 16    | 9                                                              | -                           | 9     |

Short-term benefits include salaries and allowances whilst long term benefits include employees' retirement benefit obligations.

**Board and sub committees related expenses:**

|                         | For the three months period ended 31<br>March 2022 (Unaudited) |                             |       | For the three months period ended 31<br>March 2021 (Unaudited) |                             |       |
|-------------------------|----------------------------------------------------------------|-----------------------------|-------|----------------------------------------------------------------|-----------------------------|-------|
|                         | Insurance<br>operations                                        | Shareholders'<br>operations | Total | Insurance<br>operations                                        | Shareholders'<br>operations | Total |
|                         | SAR'000                                                        |                             |       | SAR'000                                                        |                             |       |
| Directors' remuneration | -                                                              | 425                         | 425   | -                                                              | 425                         | 425   |
| Attendance fees         | -                                                              | 89                          | 89    | -                                                              | 94                          | 94    |

**Board and sub committees related expenses:**

Board and sub-committees attendance fees represent allowance for attending board and sub-committee meetings.

**9 ZAKAT AND INCOME TAX PAYABLE**

|                              | As at 31 March 2022 (unaudited) |                             |       | As at 31 December 2021 (Audited) |                             |       |
|------------------------------|---------------------------------|-----------------------------|-------|----------------------------------|-----------------------------|-------|
|                              | Insurance<br>operations         | Shareholders'<br>operations | Total | Insurance<br>operations          | Shareholders'<br>operations | Total |
|                              | SAR'000                         |                             |       | SAR'000                          |                             |       |
| Zakat payable                | -                               | 7,153                       | 7,153 | -                                | 6,699                       | 6,699 |
| Income tax payable           | -                               | -                           | -     | -                                | -                           | -     |
| Zakat and Income tax payable | -                               | 7,153                       | 7,153 | -                                | 6,699                       | 6,699 |

The difference between the accounting income and the adjusted net loss is mainly due to provisions which are not allowed in the calculation of adjustable net income. Local shareholding used for the Zakat calculation is 71.25%.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**9 ZAKAT AND INCOME TAX PAYABLE (Continued)**

The movement in Zakat provision is as follows:

|                                   | As at 31 March 2022 (unaudited) |                          |       | As at 31 December 2021 (Audited) |                          |         |
|-----------------------------------|---------------------------------|--------------------------|-------|----------------------------------|--------------------------|---------|
|                                   | Insurance operations            | Shareholders' operations | Total | Insurance operations             | Shareholders' operations | Total   |
|                                   | SAR'000                         |                          |       | SAR'000                          |                          |         |
| Balance at the beginning          | -                               | 6,699                    | 6,699 | -                                | 6,879                    | 6,879   |
| Zakat charge                      | -                               | 725                      | 725   | -                                | 3,212                    | 3,212   |
| Additional charge for prior years | -                               | -                        | -     | -                                | 4                        | 4       |
| Zakat payment made                | -                               | (271)                    | (271) | -                                | (3,396)                  | (3,396) |
| Balance at the end                | -                               | 7,153                    | 7,153 | -                                | 6,699                    | 6,699   |

**Income tax:**

Provision for income tax is required to be made at 20% of the adjusted net income attributable to the foreign shareholder of the Company. Foreign shareholder subject to income tax is 28.75%.

The movement in income tax provision is as follows:

|                               | As at 31 March 2022 (unaudited) |                          |       | As at 31 December 2021 (Audited) |                          |       |
|-------------------------------|---------------------------------|--------------------------|-------|----------------------------------|--------------------------|-------|
|                               | Insurance operations            | Shareholders' operations | Total | Insurance operations             | Shareholders' operations | Total |
|                               | SAR'000                         |                          |       | SAR'000                          |                          |       |
| Balance at the beginning      | -                               | -                        | -     | -                                | 196                      | 196   |
| Reversal of prior year charge | -                               | -                        | -     | -                                | -                        | -     |
| Advance Income tax paid       | -                               | -                        | -     | -                                | (196)                    | (196) |
| Balance at the end            | -                               | -                        | -     | -                                | -                        | -     |

**Status of Assessments:**

**Zakat and Withholding tax**

During 2017, the General Authority for Zakat and Tax (GAZT) has issued assessments for the years from 2012 to 2015, requiring an additional zakat and Withholding Tax liability amounting to SAR 5.5 million and SAR 2.9 million respectively. The Company filed an appeal against the assessment of GAZT for the additional liability arising out of various disallowances for years from 2012 to 2015 within the statutory deadlines. Subsequently, the GAZT issued their response on the above appeal whereby they requested the Company to forward their appeal at the General Secretariat of Tax Committee (GSTC). Subsequent to the GSTC hearings conducted, the Tax Violations and Dispute Resolution Committee (TVDR) has issued their ruling no. 315-2020-IFR dated 08/05/1442H on the appeals filed for 2012 to 2015. In Jan 2021, the Company has filed an appeal to the Appellate Committee (2nd level) against the unfavorable ruling of the TVDR on the imposition of Zakat on capital for 2012. Further, the Company has booked an additional zakat liability of SAR 3.3 million against the above disallowance. The Company has obtained limited certificates for the year from 2012 to 2019. Subsequent to the period ended 31 March 2022, the Company has filed the Zakat and tax return for the year 2021.

**Value added tax (VAT)**

The Company was assessed by the GAZT and received their final assessment notice on 10 September 2020. The total assessment was SAR 10.2M which was made up of SAR 4.4M of VAT due to the GAZT and SAR 5.8M of penalties. During the period the Company received rejection notices to the objection letters submitted to the GAZT. The Company is now in the process of submitting appeals to the General Secretariat of Tax Committees on all the points that the GAZT have rejected. The appeals have been submitted on 24 February 2021.

**10 ISSUED, AUTHORISED AND PAID UP SHARE CAPITAL**

The issued, authorised and paid up share capital of the Company was SAR 300 million as at 31 March 2022 (31 December 2021: SAR 300 million) consisting of 30 million shares (31 December 2021 : 30 million) of SAR 10 each.

Shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax.

|                                       | As at 31 March 2022 (unaudited) |                 |                    | As at 31 December 2021 (Audited) |                 |                    |
|---------------------------------------|---------------------------------|-----------------|--------------------|----------------------------------|-----------------|--------------------|
|                                       | No. of shares                   | Value per share | Share Capital SAR  | No. of shares                    | Value per share | Share Capital SAR  |
| Alinma Bank                           | 8,625,000                       | 10              | 86,250,000         | 8,625,000                        | 10              | 86,250,000         |
| Tokio Marine & Nichido Fire Insurance | 8,625,000                       | 10              | 86,250,000         | 8,625,000                        | 10              | 86,250,000         |
| Others                                | 12,750,000                      | 10              | 127,500,000        | 12,750,000                       | 10              | 127,500,000        |
|                                       | <b>30,000,000</b>               | <b>10</b>       | <b>300,000,000</b> | <b>30,000,000</b>                | <b>10</b>       | <b>300,000,000</b> |

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**11 CONTINGENCIES AND COMMITMENT**

As at 31 March 2022 the Company's banker has issued letters of guarantee of SAR 1.3 million (31 December 2021: SAR 2.78 million) to various customers, motor agencies, workshops and health service providers as per the terms of their respective agreements which have been classified under prepayments and other assets in the interim condensed statement of financial position. The Company has no capital commitments as at 31 March 2022.

Following table lists the legal proceedings in the ordinary course of business that the Company is subject to.

|                             | <b>2022</b>   | <b>2021</b>   |
|-----------------------------|---------------|---------------|
|                             | <b>SR'000</b> | <b>SR'000</b> |
| Claims related compensation | 287,728       | 666           |

**12 SEGMENT REPORTING**

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the statement of income. Segment assets and liabilities comprise operating assets and liabilities.

Segment information is presented in respect of the Company's business segments which are fire, marine, general accident, engineering, motor and protection and savings based on the Company's management and internal reporting structure.

Operating segments do not include shareholders' operations of the Company.

Segment assets do not include cash and bank balances, investments, premiums and reinsurance receivables, due from shareholders' operations, prepayments and other assets and fixed assets.

Segment liabilities do not include reinsurance balance payable, accrued expenses and other liabilities and retirement benefit obligation.

Segment results do not include general and administrative expenses.

The unallocated assets and liabilities are reported to the Chief Executive Officer on a cumulative basis and not reported under the related segment.

Consistent with the Company's internal reporting process, operating segments have been approved by management in respect of the Company's activities, assets and liabilities. Information disclosed in the note is based on current reporting to the Chief Executive Officer.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

12 SEGMENT REPORTING (Continued)

|                                                 | For the three months period ended 31 March 2022 (Unaudited) |                 |                        |             |                            |                          |
|-------------------------------------------------|-------------------------------------------------------------|-----------------|------------------------|-------------|----------------------------|--------------------------|
|                                                 | Property and Casualty                                       | Motor           | Protection and savings | Medical     | Total Insurance Operations | Shareholders' operations |
|                                                 | SAR'000                                                     |                 |                        |             |                            |                          |
| <b>REVENUES</b>                                 |                                                             |                 |                        |             |                            |                          |
| Gross premiums written                          | 43,142                                                      | 38,432          | 28,643                 | 2           | 110,219                    | -                        |
| Fee income from Insurance contracts             | 14                                                          | 11              | -                      | -           | 25                         | -                        |
| Reinsurance premiums ceded                      |                                                             |                 |                        |             |                            |                          |
| - Local                                         | (2,927)                                                     | -               | -                      | -           | (2,927)                    | -                        |
| - Foreign                                       | (27,893)                                                    | -               | (9,364)                | -           | (37,257)                   | -                        |
| Excess of loss expenses                         | (1,396)                                                     | (418)           | -                      | -           | (1,814)                    | -                        |
| <b>Net premiums written</b>                     | <b>10,940</b>                                               | <b>38,025</b>   | <b>19,279</b>          | <b>2</b>    | <b>68,246</b>              | <b>-</b>                 |
| Net change in unearned premiums                 | (4,335)                                                     | (15,106)        | (5,121)                | 30          | (24,532)                   | -                        |
| <b>Net premiums earned</b>                      | <b>6,605</b>                                                | <b>22,919</b>   | <b>14,158</b>          | <b>32</b>   | <b>43,714</b>              | <b>-</b>                 |
| Reinsurance commission earned                   | 4,849                                                       | -               | -                      | -           | 4,849                      | -                        |
| Other underwriting income                       | 236                                                         | -               | -                      | 131         | 367                        | -                        |
| <b>Total insurance revenues</b>                 | <b>11,690</b>                                               | <b>22,919</b>   | <b>14,158</b>          | <b>163</b>  | <b>48,930</b>              | <b>-</b>                 |
| <b>UNDERWRITING COSTS AND EXPENSES</b>          |                                                             |                 |                        |             |                            |                          |
| Net claims incurred                             | (286)                                                       | (12,288)        | (6,236)                | (24)        | (18,834)                   | -                        |
| Changes in unit linked reserves                 | -                                                           | -               | (16,345)               | -           | (16,345)                   | -                        |
| Changes in mathematical reserves                | -                                                           | -               | 137                    | -           | 137                        | -                        |
| Policy acquisition costs                        | (3,676)                                                     | (2,924)         | (2,425)                | -           | (9,025)                    | -                        |
| Other underwriting expenses                     | -                                                           | (393)           | (143)                  | -           | (536)                      | -                        |
| <b>Total underwriting costs and expenses</b>    | <b>(3,962)</b>                                              | <b>(15,605)</b> | <b>(25,012)</b>        | <b>(24)</b> | <b>(44,603)</b>            | <b>-</b>                 |
| <b>NET UNDERWRITING INCOME</b>                  | <b>7,728</b>                                                | <b>7,314</b>    | <b>(10,854)</b>        | <b>139</b>  | <b>4,327</b>               | <b>-</b>                 |
| <b>OTHER OPERATING INCOME / (EXPENSES)</b>      |                                                             |                 |                        |             |                            |                          |
| General and administrative expenses             |                                                             |                 |                        |             | (18,629)                   | (1,193)                  |
| Provision for doubtful receivables              |                                                             |                 |                        |             | 3,344                      | -                        |
| Unrealized gain on unit linked investments      |                                                             |                 |                        |             | 10,775                     | -                        |
| Unrealized gain on investments                  |                                                             |                 |                        |             | 179                        | 2,363                    |
| Realized gain on investments                    |                                                             |                 |                        |             | 81                         | 109                      |
| Total operating and other expenses              |                                                             |                 |                        |             | (4,250)                    | 1,279                    |
| <b>Total income for the period before zakat</b> |                                                             |                 |                        |             | <b>77</b>                  | <b>1,279</b>             |
| Zakat for the period                            |                                                             |                 |                        |             | -                          | (725)                    |
| <b>Net income for the period</b>                |                                                             |                 |                        |             |                            | <b>631</b>               |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

12 SEGMENT REPORTING (Continued)

|                                            | For the three months period ended 31 March 2021 (Unaudited) |          |                        |         |                            |                          |
|--------------------------------------------|-------------------------------------------------------------|----------|------------------------|---------|----------------------------|--------------------------|
|                                            | Property and Casualty                                       | Motor    | Protection and savings | Medical | Total Insurance Operations | Shareholders' operations |
|                                            | SAR'000                                                     |          |                        |         |                            |                          |
| REVENUES                                   |                                                             |          |                        |         |                            |                          |
| Gross premiums written                     | 37,255                                                      | 25,999   | 15,814                 | 14      | 79,082                     | -                        |
| Fee income from Insurance contracts        | 11                                                          | -        | -                      | -       | 11                         | -                        |
| Reinsurance premiums ceded                 |                                                             |          |                        |         |                            |                          |
| - Local                                    | (1,579)                                                     | -        | -                      | -       | (1,579)                    | -                        |
| - Foreign                                  | (26,509)                                                    | -        | (3,388)                | -       | (29,897)                   | -                        |
| Excess of loss expenses                    | (997)                                                       | (321)    | -                      | -       | (1,318)                    | -                        |
| Net premiums written                       | 8,181                                                       | 25,678   | 12,426                 | 14      | 46,299                     | -                        |
| Net change in unearned premiums            | (4,075)                                                     | (9,763)  | (401)                  | (13)    | (14,252)                   | -                        |
| Net premiums earned                        | 4,106                                                       | 15,915   | 12,025                 | 1       | 32,047                     | -                        |
| Reinsurance commission earned              | 5,739                                                       | -        | -                      | -       | 5,739                      | -                        |
| Other underwriting income                  | 221                                                         | 527      | -                      | 57      | 805                        | -                        |
| Total insurance revenues                   | 10,066                                                      | 16,442   | 12,025                 | 58      | 38,591                     | -                        |
| UNDERWRITING COSTS AND EXPENSES            |                                                             |          |                        |         |                            |                          |
| Net claims incurred                        | (67)                                                        | (9,411)  | (5,622)                | (7)     | (15,107)                   | -                        |
| Changes in unit linked reserves            | -                                                           | -        | (9,190)                | -       | (9,190)                    | -                        |
| Changes in mathematical reserves           | -                                                           | -        | 175                    | -       | 175                        | -                        |
| Policy acquisition costs                   | (3,182)                                                     | (1,849)  | (937)                  | (1)     | (5,969)                    | -                        |
| Other underwriting expenses                | (178)                                                       | (131)    | (79)                   | -       | (388)                      | -                        |
| Total underwriting costs and expenses      | (3,427)                                                     | (11,391) | (15,653)               | (8)     | (30,479)                   | -                        |
| NET UNDERWRITING INCOME                    | 6,639                                                       | 5,051    | (3,628)                | 50      | 8,112                      | -                        |
| OTHER OPERATING INCOME / (EXPENSES)        |                                                             |          |                        |         |                            |                          |
| General and administrative expenses        |                                                             |          |                        |         | (13,510)                   | (1,017)                  |
| Provision for doubtful receivables         |                                                             |          |                        |         | (2,150)                    | -                        |
| Unrealized loss on unit linked investments |                                                             |          |                        |         | 5,599                      | -                        |
| Unrealized gain on investments             |                                                             |          |                        |         | 190                        | 242                      |
| Realized gain on investments               |                                                             |          |                        |         | 229                        | 1,521                    |
| Total operating and other expenses         |                                                             |          |                        |         | (9,642)                    | 746                      |
| Total loss for the period before zakat     |                                                             |          |                        |         | (1,530)                    | 746                      |
| Zakat for the period                       |                                                             |          |                        |         | -                          | (758)                    |
| Net loss for the period                    |                                                             |          |                        |         |                            | (1,542)                  |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

12 SEGMENT REPORTING (Continued)

| As at 31 March 2022 (Unaudited)                       |         |                        |         |                            |                          |                |
|-------------------------------------------------------|---------|------------------------|---------|----------------------------|--------------------------|----------------|
| Property and Casualty                                 | Motor   | Protection and savings | Medical | Total Insurance Operations | Shareholders' operations | Total          |
| SAR'000                                               |         |                        |         |                            |                          |                |
| <b>ASSETS</b>                                         |         |                        |         |                            |                          |                |
| Cash and cash equivalents                             |         |                        |         | 104,672                    | 104,655                  | 209,327        |
| Investments                                           |         |                        |         | 11,801                     | 54,777                   | 66,578         |
| Reinsurers' share of outstanding claims               | 10,768  | -                      | 10,090  | 20,858                     | -                        | 20,858         |
| Reinsurers' share of incurred but not reported claims | 13,935  | -                      | 5,808   | 19,743                     | -                        | 19,743         |
| Reinsurers' share of unearned premiums                | 104,734 | -                      | 4,528   | 109,262                    | -                        | 109,262        |
| Deferred policy acquisition costs                     | 6,735   | 5,727                  | 1,476   | 13,938                     | -                        | 13,938         |
| Unit linked investments                               | -       | -                      | 101,998 | 101,998                    | -                        | 101,998        |
| Unallocated assets                                    |         |                        |         | 153,591                    | 45,781                   | 199,372        |
| <b>Total assets</b>                                   |         |                        |         | <b>535,863</b>             | <b>205,213</b>           | <b>741,076</b> |
| <b>LIABILITIES</b>                                    |         |                        |         |                            |                          |                |
| Outstanding claims                                    | 15,580  | 18,182                 | 16,703  | 3                          | 50,468                   | 50,468         |
| Incurred but not reported claims                      | 17,755  | 9,052                  | 10,843  | 32                         | 37,682                   | 37,682         |
| Other reserves                                        | 501     | 1,633                  | 768     | 1                          | 2,903                    | 2,903          |
| Premium deficiency reserves                           | 264     | 4,862                  | -       | 5,126                      | -                        | 5,126          |
| Unearned premiums                                     | 124,897 | 52,403                 | 9,948   | 12                         | 187,260                  | 187,260        |
| Unearned reinsurance commission                       | 11,564  | -                      | -       | 11,564                     | -                        | 11,564         |
| Unit linked liabilities                               |         |                        |         | 101,998                    | -                        | 101,998        |
| Unallocated liabilities and equity                    |         |                        |         | 138,862                    | 205,213                  | 344,075        |
| <b>Total liabilities and equity</b>                   |         |                        |         | <b>535,863</b>             | <b>205,213</b>           | <b>741,076</b> |

  

| As at 31 December 2021 (Audited)                      |         |                        |         |                            |                          |                |
|-------------------------------------------------------|---------|------------------------|---------|----------------------------|--------------------------|----------------|
| Property and Casualty                                 | Motor   | Protection and savings | Medical | Total Insurance Operations | Shareholders' operations | Total          |
| SAR'000                                               |         |                        |         |                            |                          |                |
| <b>ASSETS</b>                                         |         |                        |         |                            |                          |                |
| Cash and cash equivalents                             | -       | -                      | -       | 133,214                    | 115,100                  | 248,314        |
| Investments                                           | -       | -                      | -       | 131                        | 42,683                   | 42,814         |
| Reinsurers' share of outstanding claims               | 11,178  | -                      | 11,869  | 23,047                     | -                        | 23,047         |
| Reinsurers' share of incurred but not reported claims | 15,064  | -                      | 6,811   | 21,875                     | -                        | 21,875         |
| Reinsurers' share of unearned premiums                | 103,512 | -                      | 183     | 103,695                    | -                        | 103,695        |
| Deferred policy acquisition costs                     | 5,819   | 3,819                  | 70      | 9,708                      | -                        | 9,708          |
| Unit linked investments                               | -       | -                      | 85,653  | 85,653                     | -                        | 85,653         |
| Unallocated assets                                    | -       | -                      | -       | 101,185                    | 47,663                   | 148,848        |
| <b>Total assets</b>                                   |         |                        |         | <b>478,508</b>             | <b>205,446</b>           | <b>683,954</b> |
| <b>LIABILITIES</b>                                    |         |                        |         |                            |                          |                |
| Outstanding claims                                    | 15,775  | 18,615                 | 19,741  | 33                         | 54,164                   | 54,164         |
| Incurred but not reported claims                      | 19,549  | 12,044                 | 11,352  | 36                         | 42,981                   | 42,981         |
| Other reserves                                        | 549     | 1,921                  | 849     | 2                          | 3,321                    | 3,321          |
| Premium deficiency reserves                           | -       | 5,510                  | -       | 5,510                      | -                        | 5,510          |
| Non-unit reserve                                      | -       | -                      | 1,604   | 1,604                      | -                        | 1,604          |
| Unearned premiums                                     | 119,340 | 37,297                 | 481     | 43                         | 157,161                  | 157,161        |
| Unearned reinsurance commission                       | 10,483  | -                      | -       | 10,483                     | -                        | 10,483         |
| Unit linked liabilities                               | -       | -                      | 85,653  | 85,653                     | -                        | 85,653         |
| Unallocated liabilities and equity                    |         |                        |         | 117,631                    | 205,446                  | 323,077        |
| <b>Total liabilities and equity</b>                   |         |                        |         | <b>478,508</b>             | <b>205,446</b>           | <b>683,954</b> |



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AS AT MARCH 31, 2022

13 SUPPLEMENTARY INFORMATION

13.1 Statement of financial position

|                                                       |      | As at 31 March 2022 (Unaudited) |                          |                | As at 31 December 2021 (audited) |                          |                |
|-------------------------------------------------------|------|---------------------------------|--------------------------|----------------|----------------------------------|--------------------------|----------------|
|                                                       | Note | Insurance operations            | Shareholders' operations | Total          | Insurance operations             | Shareholders' operations | Total          |
|                                                       |      | SAR'000                         |                          |                | SAR'000                          |                          |                |
| <b>ASSETS</b>                                         |      |                                 |                          |                |                                  |                          |                |
| Cash and cash equivalents                             | 4    | 104,672                         | 104,655                  | 209,327        | 133,214                          | 115,100                  | 248,314        |
| Investments                                           | 5    | 11,801                          | 54,777                   | 66,578         | 131                              | 42,683                   | 42,814         |
| Premiums and reinsurance receivables, net             | 7    | 125,321                         | -                        | 125,321        | 72,977                           | -                        | 72,977         |
| Reinsurers' share of unearned premiums                | 7.1  | 109,262                         | -                        | 109,262        | 103,695                          | -                        | 103,695        |
| Reinsurers' share of outstanding claims               | 7.2  | 20,858                          | -                        | 20,858         | 23,047                           | -                        | 23,047         |
| Reinsurers' share of claims incurred but not reported | 7.2  | 19,743                          | -                        | 19,743         | 21,875                           | -                        | 21,875         |
| Deferred policy acquisition costs                     |      | 13,938                          | -                        | 13,938         | 9,708                            | -                        | 9,708          |
| Prepayments and other assets                          |      | 12,296                          | 745                      | 13,041         | 8,772                            | 2,627                    | 11,399         |
| Due from shareholders' operations                     |      | 4,675                           | -                        | 4,675          | 7,078                            | -                        | 7,078          |
| Due from related parties                              |      | -                               | 36                       | 36             | -                                | 36                       | 36             |
| Statutory deposit                                     |      | -                               | 45,000                   | 45,000         | -                                | 45,000                   | 45,000         |
| Property and equipment                                |      | 2,571                           | -                        | 2,571          | 3,153                            | -                        | 3,153          |
| Right of use assets                                   |      | 3,507                           | -                        | 3,507          | 3,821                            | -                        | 3,821          |
| Intangible assets                                     |      | 5,221                           | -                        | 5,221          | 5,384                            | -                        | 5,384          |
| Unit linked investments                               |      | 101,998                         | -                        | 101,998        | 85,653                           | -                        | 85,653         |
| <b>TOTAL ASSETS</b>                                   |      | <b>535,863</b>                  | <b>205,213</b>           | <b>741,076</b> | <b>478,508</b>                   | <b>205,446</b>           | <b>683,954</b> |
| <b>LIABILITIES</b>                                    |      |                                 |                          |                |                                  |                          |                |
| Outstanding claims                                    | 7.2  | 50,468                          | -                        | 50,468         | 54,164                           | -                        | 54,164         |
| Claims incurred but not reported                      | 7.2  | 37,682                          | -                        | 37,682         | 42,981                           | -                        | 42,981         |
| Other reserves                                        | 7.2  | 2,903                           | -                        | 2,903          | 3,321                            | -                        | 3,321          |
| Premium deficiency reserves                           | 7.2  | 5,126                           | -                        | 5,126          | 5,510                            | -                        | 5,510          |
| Unearned premiums                                     | 7.1  | 187,260                         | -                        | 187,260        | 157,161                          | -                        | 157,161        |
| Reinsurance balances payable                          |      | 86,173                          | -                        | 86,173         | 66,593                           | -                        | 66,593         |
| Unearned reinsurance commission                       |      | 11,564                          | -                        | 11,564         | 10,483                           | -                        | 10,483         |
| Accrued expenses and other liabilities                |      | 41,866                          | 5,565                    | 47,431         | 41,392                           | 4,499                    | 45,891         |
| Lease liabilities                                     |      | 3,312                           | -                        | 3,312          | 3,889                            | -                        | 3,889          |
| Due to a related party                                | 8    | 224                             | 19                       | 243            | -                                | -                        | -              |
| Zakat and income tax payable                          | 9    | -                               | 7,153                    | 7,153          | -                                | 6,699                    | 6,699          |
| Unit linked liabilities                               |      | 101,998                         | -                        | 101,998        | 85,653                           | -                        | 85,653         |
| Mathematical reserves                                 |      | 1,467                           | -                        | 1,467          | 1,604                            | -                        | 1,604          |
| Retirement benefit obligations                        |      | 5,536                           | -                        | 5,536          | 6,018                            | -                        | 6,018          |
| Due to insurance operations                           |      | -                               | 4,675                    | 4,675          | -                                | 7,078                    | 7,078          |
| <b>TOTAL LIABILITIES</b>                              |      | <b>535,579</b>                  | <b>17,412</b>            | <b>552,991</b> | <b>478,769</b>                   | <b>18,276</b>            | <b>497,045</b> |
| <b>EQUITY</b>                                         |      |                                 |                          |                |                                  |                          |                |
| Share capital                                         | 10   | -                               | 300,000                  | 300,000        | -                                | 300,000                  | 300,000        |
| Accumulated losses                                    |      | -                               | (112,199)                | (112,199)      | -                                | (112,830)                | (112,830)      |
| Remeasurement of retirement benefit obligations       |      | 284                             | -                        | 284            | (261)                            | -                        | (261)          |
| <b>TOTAL EQUITY</b>                                   |      | <b>284</b>                      | <b>187,801</b>           | <b>188,085</b> | <b>(261)</b>                     | <b>187,170</b>           | <b>186,909</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                   |      | <b>535,863</b>                  | <b>205,213</b>           | <b>741,076</b> | <b>478,508</b>                   | <b>205,446</b>           | <b>683,954</b> |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

13 SUPPLEMENTARY INFORMATION (continued)

13.2 Statement of income

|                                                                  |      | For the three months ended 31 March 2022 |                         |                 | For the three months ended 31 March 2021 |                         |                 |
|------------------------------------------------------------------|------|------------------------------------------|-------------------------|-----------------|------------------------------------------|-------------------------|-----------------|
|                                                                  | Note | Insurance operations                     | Shareholders operations | Total           | Insurance operations                     | Shareholders operations | Total           |
|                                                                  |      | SAR'000                                  |                         |                 | SAR'000                                  |                         |                 |
| <b>REVENUES</b>                                                  |      |                                          |                         |                 |                                          |                         |                 |
| Gross premiums written                                           | 14   | 110,219                                  | -                       | 110,219         | 79,082                                   | -                       | 79,082          |
| Fee income from insurance contracts                              |      | 25                                       | -                       | 25              | 11                                       | -                       | 11              |
| Reinsurance premiums ceded                                       |      |                                          |                         |                 |                                          |                         |                 |
| - Local                                                          |      | (2,927)                                  | -                       | (2,927)         | (1,579)                                  | -                       | (1,579)         |
| - Foreign                                                        |      | (37,257)                                 | -                       | (37,257)        | (29,897)                                 | -                       | (29,897)        |
| Excess of loss expenses                                          |      | (1,814)                                  | -                       | (1,814)         | (1,318)                                  | -                       | (1,318)         |
| <b>Net premiums written</b>                                      |      | <b>68,246</b>                            | <b>-</b>                | <b>68,246</b>   | <b>46,299</b>                            | <b>-</b>                | <b>46,299</b>   |
| Changes in unearned premiums                                     | 7.1  | (30,099)                                 | -                       | (30,099)        | (11,337)                                 | -                       | (11,337)        |
| Changes in reinsurers' share of unearned premiums                | 7.1  | 5,567                                    | -                       | 5,567           | (2,915)                                  | -                       | (2,915)         |
| <b>Net premiums earned</b>                                       |      | <b>43,714</b>                            | <b>-</b>                | <b>43,714</b>   | <b>32,047</b>                            | <b>-</b>                | <b>32,047</b>   |
| Reinsurance commission earned                                    |      | 4,849                                    | -                       | 4,849           | 5,739                                    | -                       | 5,739           |
| Other underwriting income                                        |      | 367                                      | -                       | 367             | 805                                      | -                       | 805             |
| <b>Total Revenues</b>                                            |      | <b>48,930</b>                            | <b>-</b>                | <b>48,930</b>   | <b>38,591</b>                            | <b>-</b>                | <b>38,591</b>   |
| <b>UNDERWRITING COSTS AND EXPENSES</b>                           |      |                                          |                         |                 |                                          |                         |                 |
| Gross claims paid                                                |      | (26,225)                                 | -                       | (26,225)        | (20,951)                                 | -                       | (20,951)        |
| Surrenders                                                       |      | (3,531)                                  | -                       | (3,531)         | (2,878)                                  | -                       | (2,878)         |
| Reinsurers' share of claims paid                                 |      | 5,446                                    | -                       | 5,446           | 6,695                                    | -                       | 6,695           |
| <b>Net claims paid</b>                                           |      | <b>(24,310)</b>                          | <b>-</b>                | <b>(24,310)</b> | <b>(17,134)</b>                          | <b>-</b>                | <b>(17,134)</b> |
| Changes in outstanding claims                                    | 7.2  | 3,696                                    | -                       | 3,696           | 7,026                                    | -                       | 7,026           |
| Changes in reinsurers' share of outstanding claims               | 7.2  | (2,189)                                  | -                       | (2,189)         | (8,278)                                  | -                       | (8,278)         |
| Changes in incurred but not reported claims                      | 7.2  | 5,299                                    | -                       | 5,299           | 967                                      | -                       | 967             |
| Changes in reinsurers' share of incurred but not reported claims | 7.2  | (2,132)                                  | -                       | (2,132)         | 936                                      | -                       | 936             |
| Changes in other reserves                                        | 7.2  | 418                                      | -                       | 418             | 21                                       | -                       | 21              |
| Changes in premium deficiency reserves                           | 7.2  | 384                                      | -                       | 384             | 1,355                                    | -                       | 1,355           |
| <b>Net claims and other benefits incurred</b>                    |      | <b>(18,834)</b>                          | <b>-</b>                | <b>(18,834)</b> | <b>(15,107)</b>                          | <b>-</b>                | <b>(15,107)</b> |
| Changes in unit linked reserves                                  |      | (16,345)                                 | -                       | (16,345)        | (9,190)                                  | -                       | (9,190)         |
| Changes in mathematical reserves                                 |      | 137                                      | -                       | 137             | 175                                      | -                       | 175             |
| Policy acquisition costs                                         |      | (9,025)                                  | -                       | (9,025)         | (5,969)                                  | -                       | (5,969)         |
| Other underwriting expenses                                      |      | (536)                                    | -                       | (536)           | (388)                                    | -                       | (388)           |
| <b>Total underwriting costs and expenses</b>                     |      | <b>(44,603)</b>                          | <b>-</b>                | <b>(44,603)</b> | <b>(30,479)</b>                          | <b>-</b>                | <b>(30,479)</b> |
| <b>NET UNDERWRITING INCOME</b>                                   |      | <b>4,327</b>                             | <b>-</b>                | <b>4,327</b>    | <b>8,112</b>                             | <b>-</b>                | <b>8,112</b>    |
| <b>OTHER OPERATING INCOME / (EXPENSES)</b>                       |      |                                          |                         |                 |                                          |                         |                 |
| General and administrative expenses                              |      | (18,629)                                 | (1,193)                 | (19,822)        | (13,510)                                 | (1,017)                 | (14,527)        |
| Provision for doubtful receivables                               |      | 3,344                                    | -                       | 3,344           | (2,150)                                  | -                       | (2,150)         |
| Unrealized gain/(loss) on unit linked investments                |      | 10,775                                   | -                       | 10,775          | 5,599                                    | -                       | 5,599           |
| Unrealized gain/ (loss) on investments                           |      | 179                                      | 2,363                   | 2,542           | 190                                      | 242                     | 432             |
| Realized gain on investments                                     |      | 81                                       | 109                     | 190             | 229                                      | 1,521                   | 1,750           |
| <b>Total operating and other expenses</b>                        |      | <b>(4,250)</b>                           | <b>1,279</b>            | <b>(2,971)</b>  | <b>(9,642)</b>                           | <b>746</b>              | <b>(8,896)</b>  |
| <b>Total income/(loss) for the period before zakat</b>           |      | <b>77</b>                                | <b>1,279</b>            | <b>1,356</b>    | <b>(1,530)</b>                           | <b>746</b>              | <b>(784)</b>    |
| <b>Zakat for the period</b>                                      | 9    | -                                        | (725)                   | (725)           | -                                        | (758)                   | (758)           |
| <b>Net income/(loss) for the period</b>                          |      | <b>77</b>                                | <b>554</b>              | <b>631</b>      | <b>(1,530)</b>                           | <b>(12)</b>             | <b>(1,542)</b>  |
| <b>Earning/(loss) per share (SAR)</b>                            |      |                                          |                         | <b>0.02</b>     |                                          |                         | <b>(0.05)</b>   |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

13 SUPPLEMENTARY INFORMATION (continued)

13.3 Interim Condensed Statement of comprehensive income

|                                                                                   | For the three months ended 31 March 2022 |                          |              | For the three months ended 31 March 2021 |                          |                |
|-----------------------------------------------------------------------------------|------------------------------------------|--------------------------|--------------|------------------------------------------|--------------------------|----------------|
|                                                                                   | Insurance operations                     | Shareholders' operations | Total        | Insurance operations                     | Shareholders' operations | Total          |
|                                                                                   | SAR'000                                  |                          |              | SAR'000                                  |                          |                |
| Net income/(loss) for the period                                                  | 77                                       | 554                      | 631          | (1,530)                                  | (12)                     | (1,542)        |
| <b>Other comprehensive profit/(loss):</b>                                         |                                          |                          |              |                                          |                          |                |
| Items that will not be reclassified to statement of income in subsequent periods: |                                          |                          |              |                                          |                          |                |
| - Actuarial gain/(loss) on remeasurement of retirement benefit obligations        | 545                                      | -                        | 545          | (247)                                    | -                        | (247)          |
| <b>Total comprehensive income/(loss) for the period</b>                           | <b>622</b>                               | <b>554</b>               | <b>1,176</b> | <b>(1,777)</b>                           | <b>(12)</b>              | <b>(1,789)</b> |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

13 SUPPLEMENTARY INFORMATION (continued)

13.4 Interim Condensed Statement of cash flows

| 2022                                                     |                      |                          |          | 2021                 |                          |          |
|----------------------------------------------------------|----------------------|--------------------------|----------|----------------------|--------------------------|----------|
| Note                                                     | Insurance operations | Shareholders' operations | Total    | Insurance operations | Shareholders' operations | Total    |
|                                                          | SAR'000              |                          |          | SAR'000              |                          |          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |                      |                          |          |                      |                          |          |
| Net loss for the period                                  | -                    | 631                      | 631      | -                    | (1,542)                  | (1,542)  |
| Adjustments for non cash items:                          |                      |                          |          |                      |                          |          |
| Depreciation and amortisation                            | 765                  | -                        | 765      | 1,050                | -                        | 1,050    |
| Depreciation of right to use assets                      | 314                  | -                        | 314      | 314                  | -                        | 314      |
| Financing cost on lease liabilities                      | 35                   | -                        | 35       | 48                   | -                        | 48       |
| Provision for doubtful receivables                       | (3,344)              | -                        | (3,344)  | 2,150                | -                        | 2,150    |
| Realized gain on investments held at FVSI                | (53)                 | -                        | (53)     | (229)                | -                        | (229)    |
| Unrealized (gain) / loss on investments held at FVSI     | 5.2 (117)            | (2,094)                  | (2,211)  | (6)                  | (1,214)                  | (1,220)  |
| Provision for retirement benefit obligations             | 394                  | -                        | 394      | 343                  | -                        | 343      |
| Provision for zakat                                      | -                    | 725                      | 725      | -                    | 758                      | 758      |
|                                                          | (2,006)              | (738)                    | (2,744)  | 3,670                | (1,998)                  | 1,672    |
| Changes in operating assets and liabilities:             |                      |                          |          |                      |                          |          |
| Premiums and reinsurance receivables                     | (49,000)             | -                        | (49,000) | (31,076)             | -                        | (31,076) |
| Reinsurers' share of unearned premiums                   | (5,567)              | -                        | (5,567)  | 2,915                | -                        | 2,915    |
| Reinsurers' share of outstanding claims                  | 2,189                | -                        | 2,189    | 8,278                | -                        | 8,278    |
| Reinsurers' share of incurred but not reported claims    | 2,132                | -                        | 2,132    | (936)                | -                        | (936)    |
| Deferred policy acquisition costs                        | (4,230)              | -                        | (4,230)  | (1,238)              | -                        | (1,238)  |
| Prepayments and other assets                             | (3,524)              | 1,882                    | (1,642)  | 1,635                | (476)                    | 1,159    |
| Due to insurance operations                              | -                    | (2,403)                  | (2,403)  | -                    | (13,413)                 | (13,413) |
| Unit linked investments                                  | (16,345)             | -                        | (16,345) | (9,190)              | -                        | (9,190)  |
| Outstanding claims                                       | (3,696)              | -                        | (3,696)  | (7,026)              | -                        | (7,026)  |
| Incurred but not reported claims                         | (5,299)              | -                        | (5,299)  | (967)                | -                        | (967)    |
| Other reserves                                           | (418)                | -                        | (418)    | (21)                 | -                        | (21)     |
| Premium deficiency reserves                              | (384)                | -                        | (384)    | (1,355)              | -                        | (1,355)  |
| Mathematical reserves                                    | (137)                | -                        | (137)    | (175)                | -                        | (175)    |
| Unearned premiums                                        | 30,099               | -                        | 30,099   | 11,337               | -                        | 11,337   |
| Reinsurance balances payable                             | 19,580               | -                        | 19,580   | 6,623                | -                        | 6,623    |
| Unearned reinsurance commission                          | 1,081                | -                        | 1,081    | (1,626)              | -                        | (1,626)  |
| Accrued expenses and other liabilities                   | 474                  | 1,066                    | 1,540    | (2,692)              | 339                      | (2,353)  |
| Lease liabilities                                        | 261                  | -                        | 261      | 346                  | -                        | 346      |
| Due to related party                                     | 224                  | 19                       | 243      | (50)                 | -                        | (50)     |
| Unit linked liabilities                                  | 16,345               | -                        | 16,345   | 9,190                | -                        | 9,190    |
| Due from shareholders' operations                        | 2,403                | -                        | 2,403    | 13,413               | -                        | 13,413   |
| Cash (used in) / generated from operations               | (15,818)             | (174)                    | (15,992) | 1,055                | (15,548)                 | (14,493) |
| Retirement benefit obligation paid                       | (331)                | -                        | (331)    | (266)                | -                        | (266)    |
| Zakat and income tax paid                                | -                    | (271)                    | (271)    | -                    | -                        | -        |
| Net cash (used in) / generated from operating activities | (16,149)             | (445)                    | (16,594) | 789                  | (15,548)                 | (14,759) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |                      |                          |          |                      |                          |          |
| Purchase of investments                                  | 5.2 (41,500)         | -                        | (41,500) | (50,000)             | -                        | (50,000) |
| Proceeds from disposal of investments                    | 5.2 30,000           | -                        | 30,000   | 50,000               | -                        | 50,000   |
| Purchase of property and equipment                       | (20)                 | -                        | (20)     | (124)                | -                        | (124)    |
| Right to use assets                                      | -                    | -                        | -        | (606)                | -                        | (606)    |
| Purchase of murabaha deposits                            | -                    | (10,000)                 | (10,000) | -                    | -                        | -        |
| Proceeds from maturity of murhaba deposits               | -                    | -                        | -        | -                    | -                        | -        |
| Purchase of intangible assets                            | -                    | -                        | -        | -                    | -                        | -        |
| Lease Payment                                            | (873)                | -                        | (873)    | -                    | -                        | -        |
| Net cash used in investing activities                    | (12,393)             | (10,000)                 | (22,393) | (730)                | -                        | (730)    |
| Net change in cash and cash equivalents                  | (28,542)             | (10,445)                 | (38,987) | 59                   | (15,548)                 | (15,489) |
| Cash and cash equivalents at the beginning of the period | 133,214              | 115,100                  | 248,314  | 111,903              | 123,577                  | 235,480  |
| Cash and cash equivalents at the end of the period       | 104,672              | 104,655                  | 209,327  | 111,962              | 108,029                  | 219,991  |

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022 (Unaudited)

**14 Gross premiums written**

| For the three months period ended 31 March<br>2022 (Unaudited) | Property<br>and<br>Casualty | Motor         | Protection<br>and savings | Medical  | Total          |
|----------------------------------------------------------------|-----------------------------|---------------|---------------------------|----------|----------------|
|                                                                | SAR'000                     |               |                           |          |                |
| Corporate                                                      | 16,828                      | 6,671         | 18,693                    |          | 42,192         |
| Medium business                                                | 17,843                      | 17,392        | 1,520                     | 2        | 36,757         |
| Small business                                                 | 6,971                       | 7,030         |                           |          | 14,001         |
| Very small business                                            | 1,500                       | 924           |                           |          | 2,424          |
| Retail                                                         |                             | 6,415         | 8,430                     |          | 14,845         |
|                                                                | <u>43,142</u>               | <u>38,432</u> | <u>28,643</u>             | <u>2</u> | <u>110,219</u> |

  

| For the three months period ended 31 March<br>2021 (Unaudited) | Property<br>and<br>Casualty | Motor         | Protection<br>and savings | Medical   | Total         |
|----------------------------------------------------------------|-----------------------------|---------------|---------------------------|-----------|---------------|
|                                                                | SAR'000                     |               |                           |           |               |
| Corporate                                                      | 20,084                      | 8,121         | 7,911                     | -         | 36,116        |
| Medium business                                                | 13,446                      | 7,024         | 402                       | 14        | 20,886        |
| Small business                                                 | 2,443                       | 3,357         | -                         | -         | 5,800         |
| Very small business                                            | 1,270                       | 464           | -                         | -         | 1,734         |
| Retail                                                         | 12                          | 7,033         | 7,501                     | -         | 14,546        |
|                                                                | <u>37,255</u>               | <u>25,999</u> | <u>15,814</u>             | <u>14</u> | <u>79,082</u> |

**15 COMPARATIVE FIGURES**

Certain prior period figures have been reclassified to conform to current period presentation.

**16 RISK MANAGEMENT**

The Company's risk management policies are consistent with those as disclosed in the annual financial statements for the year ended 31 December 2021.

**17 APPROVAL OF THE FINANCIAL STATEMENTS**

These interim condensed financial statements have been approved by the Board of Directors of the Company on 11 Shawwal 1443H corresponding to 12 May 2022G.