

**Allianz Saudi Fransi Cooperative  
Insurance Company  
(A Saudi Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)**

**INTRODUCTION**

We have reviewed the accompanying interim condensed statement of financial position of Allianz Saudi Fransi Cooperative Insurance Company (the "Company") as of 31 March 2022 and the related interim condensed statements of income and comprehensive income for the three-month period then ended and the interim condensed statements of changes in equity and cash flows for the three-month period ended 31 March 2022 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"), as 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", as 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, that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**CONCLUSION**

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

**PricewaterhouseCoopers**  
P. O. Box 8282  
Riyadh 11482  
Kingdom of Saudi Arabia



**Ali H. Al Basri**  
Certified Public Accountant  
Registration Number 409

**For Al-Bassam & Co.**  
P.O. Box 69658  
Riyadh 11557  
Kingdom of Saudi Arabia



**Ibrahim A. Al Bassam**  
Certified Public Accountant  
Registration Number 337

Date: 26 May 2022

Corresponding to: 25 Shawwal 1443AH



**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

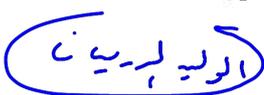
**INTERIM STATEMENT OF FINANCIAL POSITION**

		<i>March 31, 2022</i> <i>(Unaudited)</i> <i>SR</i>	<i>December 31, 2021</i> <i>(Audited)</i> <i>SR</i>
	Note		
<b>ASSETS</b>			
Cash and cash equivalents	4	123,366,586	160,979,644
Prepaid expenses and other assets		270,149,523	202,209,214
Premiums receivable, net	5	336,482,940	346,330,780
Reinsurers' balance receivable, net	6	82,964,566	83,779,407
Reinsurers' share of outstanding claims	10.1	438,409,900	441,962,088
Reinsurers' share of claims incurred but not reported	10.1	54,875,527	52,137,423
Reinsurers' share of unearned premiums	10.2	123,949,243	128,937,475
Deferred policy acquisition costs		22,934,286	20,749,602
Right-of-use assets	7.1	118,886	844,193
Financial assets at fair value through statement of income (unit linked investments)		524,294,444	515,227,924
Available for sale investments	8.1	569,225,890	552,951,331
Deferred tax assets, net	9	9,257,492	7,668,495
Property and equipment, net		8,066,370	7,968,658
Statutory deposit		60,000,000	60,000,000
Accrued income on statutory deposit		1,579,858	1,579,858
<b>TOTAL ASSETS</b>		<b>2,625,675,511</b>	<b>2,583,326,092</b>
<b>LIABILITIES</b>			
Accrued and other liabilities		104,691,671	103,619,228
Surplus distribution payable		9,467,465	11,816,069
Reinsurers' balances payable		271,752,404	246,066,437
Outstanding Claims	10.1	510,845,790	510,039,419
Claims incurred but not reported	10.1	111,497,308	108,652,961
Lease liabilities	7.2	742,116	997,804
Unit linked liabilities	10.1	518,956,769	509,896,334
Premium deficiency reserves	10.1	9,831,000	5,960,779
Additional premium reserves	10.1	7,102,737	4,411,285
Unearned premiums	10.2	336,887,331	327,493,566
Unearned reinsurance commission		2,886,295	1,347,774
End-of-service indemnities		18,403,869	19,030,822
Accrued income payable to SAMA		1,579,858	1,579,858
Zakat and income tax	15	23,439,268	21,120,732
<b>TOTAL LIABILITIES</b>		<b>1,928,083,881</b>	<b>1,872,033,068</b>
<b>EQUITY</b>			
Share capital	16.1	600,000,000	600,000,000
Share premium		16,310,624	16,310,624
Statutory reserve		21,867,493	21,867,493
Retained earnings		52,971,333	52,172,287
Actuarial reserve for end-of-service obligations		3,392,704	3,392,704
Fair value reserve on investments		3,049,476	17,549,916
<b>TOTAL EQUITY</b>		<b>697,591,630</b>	<b>711,293,024</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,625,675,511</b>	<b>2,583,326,092</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			

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Anuj Agarwal  
Chief Executive Officer



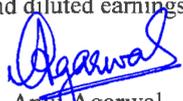
Al Waleed Abdulrazak Al Dryaan  
Chairman

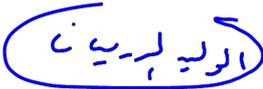
The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM STATEMENT OF INCOME**

		<i>For the three-months period ended</i>	
		<i>March 31, 2022</i>	<i>March 31, 2021</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>SR</i>	<i>SR</i>
	Note		
<b>REVENUES</b>			
Gross premiums written	10.2	209,869,317	228,673,002
Reinsurance premiums ceded abroad	10.2	(70,413,401)	(108,861,605)
Reinsurance premiums ceded locally	10.2	(137,528)	(630,579)
Excess of loss expenses	10.2	(3,955,926)	(8,342,442)
Fee income from unit linked investments		360,571	325,113
<b>Net premiums written</b>		<b>135,723,033</b>	<b>111,163,489</b>
Changes in unearned premiums		(9,393,765)	(51,985,989)
Changes in reinsurers' share of unearned premiums		(4,988,232)	42,992,685
<b>Net premiums earned</b>		<b>121,341,036</b>	<b>102,170,185</b>
Reinsurance commissions		3,116,103	1,573,306
<b>NET REVENUES</b>		<b>124,457,139</b>	<b>103,743,491</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>			
Gross claims paid		(94,229,306)	(126,381,873)
Surrenders and maturities		(21,790,424)	(43,994,813)
Expenses incurred related to claims		(6,624,823)	(2,569,520)
Reinsurers' share of claims paid		37,423,204	80,466,649
<b>Net claims and other benefits paid</b>		<b>(85,221,349)</b>	<b>(92,479,557)</b>
Changes in outstanding claims		(806,371)	42,933,726
Changes in reinsurers' share of outstanding claims		(3,552,188)	(40,489,590)
Changes in premium deficiency reserve		(3,870,221)	(1,469,321)
Changes in additional premium reserve		(2,691,452)	(1,046,719)
Changes in claims incurred but not reported		(2,844,347)	(187,928)
Changes in reinsurers' share of claims incurred but not reported		2,738,104	166,320
<b>Net claims and other benefits incurred</b>		<b>(96,247,824)</b>	<b>(92,573,069)</b>
Changes in unit linked liabilities		(9,060,435)	9,908,712
Unrealised gain on unit linked investments		13,225,538	10,138,363
Policy acquisition costs		(12,147,371)	(5,354,528)
Inspection and supervision fees		1,075,207	(1,633,228)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>		<b>(103,154,885)</b>	<b>(79,513,750)</b>
<b>NET UNDERWRITING INCOME</b>		<b>21,302,254</b>	<b>24,229,741</b>
<b>OTHER (EXPENSES) / INCOME</b>			
Provision for doubtful debts		-	(900,959)
General and administrative expenses		(27,147,609)	(25,166,253)
Investment income		5,213,210	3,144,415
Other income		3,826,667	3,749,266
<b>TOTAL OTHER EXPENSES</b>		<b>(18,107,732)</b>	<b>(19,173,531)</b>
<b>NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION AND ZAKAT AND INCOME TAX</b>		<b>3,194,522</b>	<b>5,056,210</b>
Surplus attributed to the insurance operations		-	(307,880)
<b>NET INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX</b>		<b>3,194,522</b>	<b>4,748,330</b>
Zakat charge for the period	15	(2,162,555)	(2,127,968)
Income tax charge for the period, net	15	(232,921)	(309,377)
<b>NET INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX</b>		<b>799,046</b>	<b>2,310,985</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	16.2	0.013	0.039

  
Anuj Agarwal  
Chief Executive Officer

  
Al Waleed Abdulrazak Al Dryaan  
Chairman

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

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM STATEMENT OF COMPREHENSIVE INCOME

<i>For the three-months period ended</i>	
<i>March 31, 2022</i>	<i>March 31, 2021</i>
<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>SR</i>	<i>SR</i>

Note

Net income for the period attributable to the shareholders after zakat and income tax	799,046	2,310,985
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**Other comprehensive (loss) / income**

*Items that may be recycled to interim statement of income in subsequent periods*

Available for sale investments:

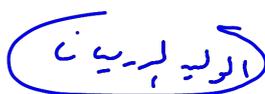
- Net change in fair value	8.2	(16,166,377)	(7,598,949)
- Deferred tax relating to change in fair value	9	1,665,937	806,811

**Total comprehensive loss for the period**

<b>(13,701,394)</b>	<b>(4,481,153)</b>
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Anuj Agarwal  
Chief Executive Officer



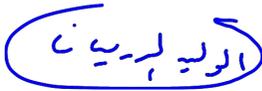
Al Waleed Abdulrazak Al Dryaan  
Chairman

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital SR	Share premium SR	Statutory reserve SR	Retained earnings SR	Actuarial reserve for end-of-service obligations SR	Fair value reserve on investments SR	Total SR
<b>Balance as at 1 January 2022 (audited)</b>	600,000,000	16,310,624	21,867,493	52,172,287	3,392,704	17,549,916	711,293,024
<b>Comprehensive income / (loss) for the period:</b>							
Net income for the period attributable to shareholders after zakat and income tax	-	-	-	799,046	-	-	799,046
Changes in fair values of available for sale investments	-	-	-	-	-	(16,166,377)	(16,166,377)
Deferred tax relating to change in fair value – Notes 9	-	-	-	-	-	1,665,937	1,665,937
Total comprehensive income / (loss) for the period	-	-	-	799,046	-	(14,500,440)	(13,701,394)
<b>Balance as at 31 March 2022 (unaudited)</b>	<u>600,000,000</u>	<u>16,310,624</u>	<u>21,867,493</u>	<u>52,971,333</u>	<u>3,392,704</u>	<u>3,049,476</u>	<u>697,591,630</u>
Balance as at 1 January 2021 (audited)	600,000,000	16,310,624	20,743,607	47,676,744	3,597,830	26,409,455	714,738,260
<b>Comprehensive income / (loss) for the period:</b>							
Net income for the period attributable to shareholders after zakat and income tax	-	-	-	2,310,985	-	-	2,310,985
Changes in fair values of available for sale investments	-	-	-	-	-	(7,598,949)	(7,598,949)
Deferred tax relating to change in fair value – Note 9	-	-	-	-	-	806,811	806,811
Total comprehensive income / (loss) for the period	-	-	-	2,310,985	-	(6,792,138)	(4,481,153)
Balance as at 31 March 2021 (unaudited):	<u>600,000,000</u>	<u>16,310,624</u>	<u>20,743,607</u>	<u>49,987,729</u>	<u>3,597,830</u>	<u>19,617,317</u>	<u>710,257,107</u>

  
Anuj Agarwal  
Chief Executive Officer

  
Al Waleed Abdulrazak Al Dryaan  
Chairman

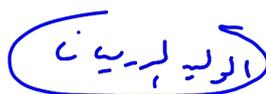
**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM STATEMENT OF CASH FLOWS**

	Note	<i>For the three-months period ended</i>	
		<i>March 31, 2022</i>	<i>March 31, 2021</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		SR	SR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before attribution and zakat and income tax		3,194,522	5,056,210
Adjustments for non-cash and other items:			
Depreciation of property and equipment		941,200	941,199
Amortisation of Right-of-use assets	7.1	725,307	710,028
Amortisation of investments premium		121,564	138,167
Provision for doubtful reinsurance receivables		-	362,006
Gain on sale of property and equipment		(1,038,912)	(52,586)
Provision for doubtful debts and write-offs		-	538,953
Provision / (reversal) for end-of-service obligations		812,641	(5,366,413)
Unrealised gain on unit linked investments		(13,225,538)	(10,138,363)
Finance cost on lease liabilities	7.2	1,229,606	110,670
		(7,239,610)	(7,700,129)
<b>Changes in operating assets and liabilities:</b>			
Reinsurers' balances receivable		814,841	(14,469,103)
Premiums receivable		9,847,840	(62,705,292)
Reinsurers' share of unearned premiums		4,988,232	(42,992,685)
Reinsurers' share of outstanding claims		3,552,188	40,489,590
Reinsurers' share of claims incurred but not reported		(2,738,104)	(166,320)
Deferred policy acquisition costs		(2,184,684)	(7,737,832)
Unit linked investments		4,159,018	7,189,437
Prepaid expenses and other assets		(67,940,309)	13,705,327
Accrued expenses and other liabilities		1,072,443	(12,988,824)
Reinsurers' balances payable		25,685,967	81,811,752
Unearned premiums		9,393,765	51,985,989
Unearned reinsurance commission		1,538,521	(161,768)
Unit linked liabilities		9,060,435	(9,908,712)
Outstanding claims		806,371	(42,933,726)
Claims incurred but not reported		2,844,347	187,928
Premium deficiency reserves		3,870,221	1,469,321
Additional premium reserves		2,691,452	1,046,719
		222,934	(3,878,328)
End-of-service obligations paid		(1,439,594)	(70,555)
Surplus paid to policyholders		(2,348,604)	(3,823,390)
Zakat and income tax paid		-	(112,552)
<b>Net cash used in operating activities</b>		<b>(3,565,264)</b>	<b>(7,884,825)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of available for sale investments	8.2	(81,250,000)	(107,500,000)
Proceeds from sales of available for sale investments		48,687,500	13,575,000
Proceeds from sale of property and equipment		-	52,585
Purchase of property and equipment		-	(404,232)
<b>Net cash used in investing activities</b>		<b>(32,562,500)</b>	<b>(107,851,647)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in statutory deposit		-	-
Lease rental paid	7.2	(1,485,294)	(1,667,915)
<b>Net cash used in financing activities</b>		<b>(1,485,294)</b>	<b>(1,667,915)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(37,613,058)</b>	<b>(117,404,387)</b>
Cash and cash equivalents at the beginning of the period		160,979,644	325,046,225
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>123,366,586</b>	<b>207,641,838</b>
<b>Non-cash information:</b>			
Changes in fair value of available-for-sale investments	8.2	16,166,377	7,598,949
Deferred income tax	9	(1,665,937)	(806,811)



Anuj Agarwal  
Chief Executive Officer



Al Waleed Abdulrazak Al Dryaan  
Chairman

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended March 31, 2022

### 1. General

Allianz Saudi Fransi Cooperative Insurance Company (a Joint Stock Company incorporated in the Kingdom of Saudi Arabia), the “Company”, was formed pursuant to Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to October 11, 2006). The Company operates under Commercial Registration number 1010235601 dated 26 Jumada Thani 1428H corresponding to 12 July 2007. The Company operates through its six branches in the Kingdom of Saudi Arabia. The registered address of the Company's head office is as follows:

Allianz Saudi Fransi Cooperative Insurance Company  
Al Safwa Commercial Building, Khurais Road  
P.O. Box 3540  
Riyadh 11481, Kingdom of Saudi Arabia.

The Company’s ultimate parent is Allianz SE, a European financial services company headquartered in Munich, Germany.

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business include Medical, Protection and saving, Motor, Engineering, Property and Other general insurance.

On July 31, 2003, corresponding to 2 Jumada II 1424H, the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”) was promulgated by Royal Decree Number (M/32). During March 2008, the Saudi Central Bank (“SAMA”), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

On January 1, 2016 the Company’s management approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full.

#### Seasonality of operations

The Company operates in an industry where significant seasonal or cyclical variations in operating income are experienced during the financial year.

### 2. Basis of preparation

#### (a) Basis of presentation

The interim condensed financial statements of the Company as at and for the period ended 31 March 2022 has been prepared in accordance with the International Accounting Standard 34 – “Interim Financial Reporting” (“IAS 34”), that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of available-for-sale investments, financial assets at fair value through statement of income (unit linked investments) and recording of end of service benefits at present value under actuarial method. The Company’s interim statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as non-current: available for sale investments, property and equipment, statutory deposit, accrued income on statutory deposit, end-of-service obligations, deferred tax assets, right of use assets and long term portion of lease liabilities. All other financial statement line items would generally be classified as current.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 2. Basis of preparation (continued)

#### (a) Basis of presentation (continued)

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it will be able to continue as a going concern in the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and prepares the financial statements accordingly. 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 statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 18 of the interim condensed financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations. 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 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 income or losses of the respective operations.

In preparing the Company's financial statements in compliance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for similar transactions and events in similar circumstances.

The inclusion of separate information of the insurance operations with the financial statements of the Company in the interim statement of financial position, the statements of income, comprehensive income and cash flows as well as certain relevant notes to the financial statements represents additional supplementary information as required by the implementing regulations (Note 18).

The interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2021.

These interim condensed financial statements are expressed in Saudi Arabian Riyals (SR).

#### (b) Critical accounting judgments, 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 this interim condensed financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2021. The Company has reviewed the key sources of estimation uncertainties disclosed in the last annual financial statements against the backdrop of the COVID-19 pandemic. Management will continue to assess the situation, and reflect any required changes in future reporting periods.

On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.

## 2. Basis of preparation (continued)

### (b) Critical accounting judgments, estimates and assumptions (continued)

In response to the spread of the Covid-19 virus in the Country where the Company operates and its consequential disruption to the social and economic activities in those markets, the Company's management has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures and processes to ensure:

- the health and safety of its employees and the wider community where it is operating
- the continuity of its business throughout the Kingdom is protected and kept intact.

The Coronavirus pandemic continues to disrupt global markets as many geographies are beginning to experience a second / third wave of infections despite having previously controlled the outbreak through aggressive precautionary measures such as imposing restrictions on travel, lockdowns and strict social distancing rules. The Government of Kingdom of Saudi Arabia "The Government" however has managed to successfully control the outbreak to date, owing primarily to the effective measures taken by the Government. The Government has approved number of vaccines for mass immunizations.

The major impact of Covid-19 pandemic were seen in medical and motor line of business as explained below. As with any estimate, the projections and likelihoods of occurrence are underpinned by significant judgment and rapidly evolving situation and uncertainties surrounding the duration and severity of the pandemic, and therefore, the actual outcomes may be different to those projected. The impact of such uncertain economic environment is judgmental, and the Company will continue to reassess its position and the related impact on a regular basis.

#### Medical technical reserves

Based on the management's assessment, the management believes that the Government's decision to assume the medical treatment costs for both Saudi citizens and expatriates has helped in reducing any unfavourable impact. During the lockdown, the Company saw a decline in medical reported claims (majorly elective and non-chronic treatment claims) which resulted in a drop in claims experience. However, subsequent to the lifting of lockdown since June 21, 2020, the Company is experiencing an increase in claims which is in line with the expectations of the Company's management regarding delayed treatment.

CCHI issued a Circular 895, dated December 17, 2020 regarding the procedures, protocols and prices relating to the enforcement of Article 11. Following these procedures, government facilities will be now able to bill insurance companies for the claims incurred for some elements of their insured population. As instructed by the CCHI, the new protocols and procedures will cover all new and renewing policies incepting from January 1, 2021. Moreover, this will also cover all emergency cases for all inforce policies as of January 1, 2021. Recently CCHI issued a new circular "965", dated March 14, 2022, instructing insurance companies to bear the expenses resulting from all new suspected and confirmed infection with the coronavirus (COVID-19) for health insurance beneficiaries in line with the limits of the policy.

#### Motor technical reserves

In response to the Covid-19 pandemic, SAMA issued a circular 189 (the "circular") dated May 8, 2020 to all insurance companies in the Kingdom of Saudi Arabia. Amongst other things, the circular instructed insurance companies to extend the period of validity of all existing retail motor insurance policies by further two months as well as providing a two-month additional coverage for all new retail motor policies written within one month of this circular.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 2. Basis of preparation (continued)

#### (b) Critical accounting judgments, estimates and assumptions (continued)

##### Financial assets

To cater for any potential impacts, the Covid-19 pandemic may have had on the financial assets of the Company, the Company has performed an assessment in accordance with its accounting policy, to determine whether there is an objective evidence that a financial asset or a group of financial assets has been impaired. For debt financial assets, these include factors such as, significant financial difficulties of issuers or debtors, default or delinquency in payments, probability that the issuer or debtor will enter bankruptcy or other financial reorganization, etc. In case of equities classified under available-for-sale, the Company has performed an assessment to determine whether there is a significant or prolonged decline in the fair value of financial assets below their cost.

Based on these assessments, the Company's management believes that the Covid-19 pandemic has had no material effects on Company's reported results for the three-month period ended 31 March 2022. The Company's management continues to monitor the situation closely.

### 3. Significant accounting policies

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2021.

#### *Standards adopted during the period*

<u>Standard, interpretation, amendments</u>	<u>Description</u>	<u>Effective date</u>
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	<p>Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.</p> <p>Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in statement of income.</p> <p>Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be lossmaking.</p> <p>Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'</p>	Annual periods beginning on or after 1 January 2022.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 3. Significant accounting policies (continued)

#### *Standards issued but not yet effective*

The Company has chosen not to early adopt the following new standards which have been issued but not yet effective for the Company's accounting year beginning on January 1, 2022 and is currently assessing their impact:

<b><u>Standard, interpretation, amendments</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Narrow scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023
IFRS 17	Insurance Contracts	See note below
IFRS 9	Financial Instruments	See note below

#### ***IFRS 9, Financial Instruments (including amendments to IFRS 4, Insurance Contracts)***

In July 2014, the IASB published IFRS 9 Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

In September 2016, the IASB published amendments to IFRS 4 Insurance Contracts that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2023. The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied.

The Company is eligible and have chosen to apply the deferral approach under the amendments to IFRS 4. The impact of the adoption of IFRS 9 on the Company's financial information will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. As such, it is not possible to fully assess the effect of the adoption of IFRS 9.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 3. Significant accounting policies (continued)

#### *Standards issued but not yet effective (continued)*

##### **IFRS 17 - Insurance Contracts**

IFRS 17 - "Insurance Contracts", applicable for the period beginning on or after January 1, 2023 and will supersede IFRS 4 "Insurance Contracts". Earlier adoption permitted if both IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have also been applied. The Company expects a material impact on measurement and disclosure of insurance and reinsurance that will affect both the statement of income and the statement of financial position. The Company has decided not to early adopt this new standard.

##### **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 has undertaken a Gap Analysis and the key gaps and their impact are as follows:

Impact Area	Summary of Impact
Financial Impact	<p>The Company will need to change the practice of revenue recognition at the level of aggregation – IFRS 17 requires to recognize losses immediately, whereas the gain (refer to contractual service margin – CSM) will be earned over the coverage period of the direct insurance contracts. This may have high financial impact.</p> <p>The extent and sign of the financial impact also depends on the current assumptions, methodologies and practices being followed by the Company in technical reserves calculation.</p> <p>The new components of Insurance Finance Income and Expenses will have a greater impact, in particular to the following areas:</p> <ul style="list-style-type: none"> <li>- liability for incurred claims for which discounting will be required</li> <li>- accretion of interest on the CSM where the general model will be applied.</li> </ul> <p>Solvency capital may also have an impact subject to the local regulations.</p>
Data Impact	<p>The IFRS 17 requires the Company to decide on the level of aggregation based on the following three criteria:</p> <ol style="list-style-type: none"> <li>1. Portfolio;</li> <li>2. Profitability; and</li> <li>3. Issuance Year</li> </ol> <p>This will increase the required granularity level of the data. Hence, new data fields will be required going forward and have significant impact on the data.</p>
IT Systems Impact	<p>Generally, the Company will have to modify their existing systems in order to capture the new data fields and process the new accounting entries, The Company may also have to update their existing reporting process and systems, in addition to the data storage requirements.</p>
Process Impact	<p>The financial reporting would change significantly under IFRS 17, with significant increase in the number of disclosures required by the standard.</p> <p>The accounting processes and chart of accounts would need to be updated as per the IFRS 17 standard.</p> <p>Actuarial models and assumptions need to be aligned with the IFRS 17 requirements.</p>
Impact on RI Arrangements	<p>Generally, the Company will have to review their existing reinsurance arrangements to better align with the IFRS 17 requirements with their existing processes. However, it may be possible that contracts issued by the Company may have different measurement models as compared to the contracts held by the Company.</p>
Impact on Policies & Control Frameworks	<p>The Company will need to update their existing policies and controls frameworks in all those areas which will have an impact due to the IFRS 17 adoption.</p>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 3. Significant accounting policies (continued)

The Company has started with their implementation process and have set up a proper team, supervised by a steering committee.

A dry run was conducted on the financial statements for the year 2020 as required by SAMA's phase 4 requirement based on certain operational simplicity. The results of IFRS 17 dry run were submitted to SAMA on during 2021. The Company is now in the process of completing SAMA's Phase 4 second dry run.

### 4. Cash and cash equivalents

Cash and cash equivalents included in the interim statement of cash flows comprise the following:

	Insurance operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>SR</b>		
Bank balances and cash	39,046,404	40,032,921
	<b>39,046,404</b>	<b>40,032,921</b>
	Shareholders' operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Bank balances and cash	29,320,182	70,946,724
Deposits maturing within 3 month from the acquisition date	55,000,000	49,999,999
	<b>84,320,182</b>	<b>120,946,723</b>
Total cash and cash equivalents	<b>123,366,586</b>	<b>160,979,644</b>

### 5. Premiums receivable, net

Premiums receivable comprise amounts due from the following:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>SR</b>		
Policyholders	95,242,944	73,469,967
Brokers and agents	259,174,112	275,753,682
Other shareholders (Note 14)	43,778,063	58,819,310
	<b>398,195,119</b>	<b>408,042,959</b>
Provision for doubtful receivable	(61,712,179)	(61,712,179)
Premiums receivable, net	<b>336,482,940</b>	<b>346,330,780</b>

### 6. Reinsurers' balance receivable, net

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>SR</b>		
Receivables from reinsurers	88,352,307	89,167,148
Provision for doubtful reinsurers' receivables	(5,387,741)	(5,387,741)
Reinsurers' balance receivable, net	<b>82,964,566</b>	<b>83,779,407</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 7. Right-of-use assets and Lease liabilities

#### 7.1. Right-of-use assets

The following table presents the right-of-use assets for the Company:

SR	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at the beginning of the period/year	844,193	3,730,142
Amortization	(725,307)	(2,885,949)
Balance at the end of the period/year	<b>118,886</b>	844,193

#### 7.2. Lease liabilities

The following table represents the movement of lease liabilities for the Company:

SR	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	997,804	3,362,331
Finance costs	1,229,606	447,261
Lease rental payments	(1,485,294)	(2,811,788)
Balance at the end of the period/year	<b>742,116</b>	997,804

### 8. Available for sale investments

#### 8.1. Investments are classified as follows

##### Insurance operations:

	<u>Domestic</u>		<u>International</u>		<u>Total</u>	
	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR
Bonds and sukuku	123,258,791	129,672,955	4,984,444	5,151,656	128,243,235	134,824,611
Equities and mutual funds	8,305,317	7,819,802	-	-	8,305,317	7,819,802
	<b>131,564,108</b>	137,492,757	<b>4,984,444</b>	5,151,656	<b>136,548,552</b>	142,644,413

##### Shareholders' operations:

	<u>Domestic</u>		<u>International</u>		<u>Total</u>	
	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR
Bonds and sukuku	416,472,709	393,037,289	7,775,412	8,367,921	424,248,121	401,405,210
Equities and mutual funds	3,223,078	3,223,078	5,206,139	5,678,630	8,429,217	8,901,708
	<b>419,695,787</b>	396,260,367	<b>12,981,551</b>	14,046,551	<b>432,677,338</b>	410,306,918

##### Total:

	<u>Domestic</u>		<u>International</u>		<u>Total</u>	
	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	March 31, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR
Bonds and sukuku	539,731,500	522,710,244	12,759,856	13,519,577	552,491,356	536,229,821
Equities and mutual funds	11,528,395	11,042,880	5,206,139	5,678,630	16,734,534	16,721,510
	<b>551,259,895</b>	533,753,124	<b>17,965,995</b>	19,198,207	<b>569,225,890</b>	552,951,331

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 8. Available for sale investments (continued)

#### 8.2. Movement in available for sale investment balance is as follows

##### Insurance operations:

	Quoted securities	Unquoted securities	Total
	SR		
As at January 1, 2021	146,709,437	-	146,709,437
Amortisation	(254,285)	-	(254,285)
Unrealised gain on fair value	(3,810,739)	-	(3,810,739)
As at December 31, 2021	142,644,413	-	142,644,413
<b>As of January 1, 2022</b>	<b>142,644,413</b>	<b>-</b>	<b>142,644,413</b>
<b>Purchases</b>	<b>7,500,000</b>	<b>-</b>	<b>7,500,000</b>
<b>Disposals</b>	<b>(9,937,500)</b>	<b>-</b>	<b>(9,937,500)</b>
<b>Amortisation</b>	<b>(64,196)</b>	<b>-</b>	<b>(64,196)</b>
<b>Unrealised loss on fair value</b>	<b>(3,594,165)</b>	<b>-</b>	<b>(3,594,165)</b>
<b>As at March 31, 2022</b>	<b>136,548,552</b>	<b>-</b>	<b>136,548,552</b>

The cumulative unrealised gain in fair value of available for sale investments net of deferred tax impact as mentioned in Notes 9 and 15 as at March 31, 2022 amounts to SR 2,187,660 (December 31, 2021: gain of SR 5,167,946).

##### Shareholders' operations:

	Quoted securities	Unquoted securities	Total
	SR		
As at January 1, 2021	201,967,325	55,804,829	257,772,154
Purchases	49,500,000	123,000,000	172,500,000
Disposals/maturity	(13,575,000)	-	(13,575,000)
Amortisation	(288,887)	-	(288,887)
Unrealised gain on fair value	(7,320,229)	1,218,880	(6,101,349)
As at December 31, 2021	230,283,209	180,023,709	410,306,918
<b>As of January 1, 2022</b>	<b>230,283,209</b>	<b>180,023,709</b>	<b>410,306,918</b>
<b>Purchases</b>	<b>38,750,000</b>	<b>35,000,000</b>	<b>73,750,000</b>
<b>Disposals/maturity</b>	<b>(38,750,000)</b>	<b>-</b>	<b>(38,750,000)</b>
<b>Amortisation</b>	<b>(57,368)</b>	<b>-</b>	<b>(57,368)</b>
<b>Unrealised loss on fair value</b>	<b>(8,148,153)</b>	<b>(4,424,059)</b>	<b>(12,572,212)</b>
<b>As at March 31, 2022</b>	<b>222,077,688</b>	<b>210,599,650</b>	<b>432,677,338</b>

The cumulative unrealised loss in fair value of available for sale investments net of deferred tax impact as mentioned in Notes 9 and 15 as at March 31, 2022 amounts to SR 861,816 (December 31, 2021: gain of SR 12,381,970).

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 9. Deferred tax assets, net

SR	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Deferred tax assets, net	<u>9,257,492</u>	<u>7,668,495</u>

#### *Movement in deferred tax asset balance is as follows:*

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period/year	7,668,495	5,825,970
Deferred tax (expense) / income - statement of income (note 15)	(76,940)	789,976
Deferred tax income - statement of comprehensive income	1,665,937	1,052,549
<b>At the end of the period/year</b>	<u>9,257,492</u>	<u>7,668,495</u>

This deferred tax arises on end of service obligations, provision against premium receivable, provision against reinsurance receivable, unabsorbed tax losses, fair value reserve on investments and property and equipment.

### 10. Technical reserves

#### 10.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

SR	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Gross outstanding claims	526,562,570	522,926,925
Less: Realizable value of salvage and subrogation	(15,716,780)	(12,887,506)
	510,845,790	510,039,419
Claims incurred but not reported	111,497,308	108,652,961
Premium deficiency reserves	9,831,000	5,960,779
Additional premium reserves	7,102,737	4,411,285
Unit linked liabilities	518,956,769	509,896,334
	1,158,233,604	1,138,960,778
Less:		
- Reinsurers' share of outstanding claims	(438,409,900)	(441,962,088)
- Reinsurers' share of claims incurred but not reported	(54,875,527)	(52,137,423)
	(493,285,427)	(494,099,511)
<b>Net outstanding claims and reserves</b>	<u>664,948,177</u>	<u>644,861,267</u>

#### 10.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

SR	Three month period ended March 31, 2022 (Unaudited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the period	327,493,566	(128,937,475)	198,556,091
Premium written during the period	209,869,317	*(74,506,855)	135,362,462
Premium earned during the period	(200,475,552)	79,495,087	(120,980,473)
Balance as at the end of the period	<u>336,887,331</u>	<u>(123,949,243)</u>	<u>212,938,080</u>

\*This amount includes SR 70,413,401 for reinsurance premium ceded abroad, SR 137,528 for reinsurance premium ceded locally and SR 3,955,926 for excess of loss expenses.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 10. Technical reserves (continued)

#### 10.2 Movement in unearned premiums (continued)

SR	Year ended December 31, 2021 (Audited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the year	266,364,432	(103,362,771)	163,001,661
Premium written during the year	763,115,103	*(311,134,647)	451,980,456
Premium earned during the year	(701,985,969)	285,559,943	(416,426,026)
Balance as at the end of the year	327,493,566	(128,937,475)	198,556,091

\*This amount includes SR 293,165,763 for reinsurance premium ceded abroad, SR 1,169,813 for reinsurance premium ceded locally and SR 16,799,071 for excess of loss expenses.

### 11. Contingencies and commitments

a) The Company's commitments and contingencies are as follows:

SR	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Letters of guarantee	16,047,500	15,982,500

b) The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its interim financial position and results as at and for the period ended March 31, 2022. There was no significant change in the status of legal proceedings as disclosed at December 31, 2021.

### 12. Fair values of financial instruments

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

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed financial statements.

#### Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

**12. Fair values of financial instruments (continued)**

**a. Carrying amounts and fair value**

**12.1 Insurance operations:**

SR	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 March 2022</b>					
Unit linked investments	524,294,444	-	524,294,444	-	524,294,444
Available for sale investments measured at fair value					
Bonds and Sukuks	128,243,235	128,243,235	-	-	128,243,235
Mutual Funds	4,482,218	-	4,482,218	-	4,482,218
Equities	3,823,099	3,823,099	-	-	3,823,099
Unit linked liabilities	(518,956,769)	-	(518,956,769)	-	(518,956,769)
	<b>141,886,227</b>	<b>132,066,334</b>	<b>9,819,893</b>	<b>-</b>	<b>141,886,227</b>

SR	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 December 2021</b>					
Unit linked investments	515,227,924	-	515,227,924	-	515,227,924
Available for sale investments measured at fair value					
Bonds and Sukuks	134,824,611	134,824,611	-	-	134,824,611
Mutual Funds	4,644,235	-	4,644,235	-	4,644,235
Equities	3,175,567	3,175,567	-	-	3,175,567
Unit linked liabilities	(509,896,334)	-	(509,896,334)	-	(509,896,334)
	<b>147,976,003</b>	<b>138,000,178</b>	<b>9,975,825</b>	<b>-</b>	<b>147,976,003</b>

**12.2 Shareholders' operations:**

SR	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>March 31, 2022</b>					
Available for sale investments measured at fair value					
Bonds and sukuks	424,248,121	218,450,630	205,797,491	-	424,248,121
Mutual funds	5,206,139	-	5,206,139	-	5,206,139
Equities	3,223,078	-	-	3,223,078	3,223,078
	<b>432,677,338</b>	<b>218,450,630</b>	<b>211,003,630</b>	<b>3,223,078</b>	<b>432,677,338</b>

SR	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 December 2021</b>					
Available for sale investments measured at fair value					
Bonds and Sukuk	401,405,210	224,604,579	176,800,631	-	401,405,210
Mutual funds	5,678,360	-	5,678,360	-	5,678,360
Equities	3,223,078	-	-	3,223,078	3,223,078
	<b>410,306,918</b>	<b>224,604,579</b>	<b>182,479,261</b>	<b>3,223,078</b>	<b>410,306,918</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 12. Fair values of financial instruments (continued)

#### b. Measurement of fair values

##### i. Valuation technique and significant unobservable inputs

The Discounted Cash Flow Model (DCF) has been used to determine the fair value of debt securities and sukuks of shareholders' operations under level 2. This model considers the present value of net cash flows to be generated from the debt securities and sukuks discounted at the market yield of treasury bills having similar terms and adjusted for the effect of non-marketability of the debt securities and sukuks which includes Saudi sovereign curve yield and risk premium prevailing in the Saudi market. Equities amount to SR 3,223,078 represent investment in unquoted securities which are carried at cost. The fair value are not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets. The valuation of mutual funds classified under Level 2 is measured based on closing NAV disclosed on Tadawul which is based on the fair value of the underlying items at the period end.

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy:

	<b>Insurance operations</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
SR		
Balance at the beginning of the period/year	-	-
Amortisation	-	-
Unrealised (loss) / gain on fair value of available for sale investments	-	-
Balance at the end of the period/year	-	-

#### b. Measurement of fair values (continued)

	<b>Shareholder operations</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
SR		
Balance at the beginning of the period/year	<b>3,223,078</b>	3,223,078
Purchases	-	-
Disposals/maturity	-	-
Amortisation	-	-
Unrealised gain on fair value of available for sale investments	-	-
Balance at the end of the period/year	<b>3,223,078</b>	3,223,078

#### Sensitivity Analysis

The sensitivity to a 1% increase in the risk adjusted discount rate with all other variables constant on the fair value of the level 3 available for sale investments is SR 30,481 and sensitivity to 1% decrease in the risk adjusted discount rate with all other variables constant on the fair value of the level 3 available for sale investments is SR 30,481.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 13. Operating Segments

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 their 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 interim statement of income. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2021.

Segment assets do not include cash and cash equivalents, prepaid expenses, right of use assets and other assets, available for sale investments, reinsurance balances, property and equipment, statutory deposit and accrued income on statutory deposit. Accordingly, they are included in unallocated assets. Segment liabilities do not include accrued and other liabilities, surplus distribution payable, reinsurers' balances payable, premium deficiency reserve, additional premium reserve, end-of-service obligations, zakat and income tax and accrued income payable to SAMA. Accordingly, they are included in unallocated liabilities.

The unallocated assets and unallocated liabilities are reported to chief operating decision maker on the cumulative basis and not reported under the related segments.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities as at March 31, 2022 and December 31, 2021, its total revenues, expenses, and net income for the three months period then ended, are as follows:

Motor	:	Motor
Medical	:	Medical
Property and casualty	:	Fire, burglary, money, construction, liability and marine
Protection and saving	:	Group retirement and individual protection and saving

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 13. Operating Segments (continued)

	<i>Motor</i>	<i>Medical</i>	<i>Property and Casualty</i>	<i>Protection and Saving</i>	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b><u>As at March 31, 2022 (Unaudited)</u></b>							
<b><u>Assets</u></b>							
Premiums receivable, gross	127,197,416	166,284,185	93,161,534	11,551,984	398,195,119	-	398,195,119
Provision for doubtful debts	-	-	-	-	(61,712,179)	-	(61,712,179)
Reinsurers' share of outstanding claims	2,009,361	25,143,434	394,316,634	16,940,471	438,409,900	-	438,409,900
Reinsurers' share of claims incurred but not reported	59,916	9,466,136	25,192,767	20,156,708	54,875,527	-	54,875,527
Reinsurers' share of unearned premiums	-	42,488,078	70,230,385	11,230,780	123,949,243	-	123,949,243
Deferred policy acquisition costs	11,950,662	4,104,967	8,199,131	(1,320,474)	22,934,286	-	22,934,286
Financial assets at fair value through statement of income (unit linked investments)	-	-	-	524,294,444	524,294,444	-	524,294,444
<b><u>Unallocated assets</u></b>							
Other assets	-	-	-	-	405,357,207	719,371,964	1,124,729,171
<b>Total assets</b>							<b>2,625,675,511</b>
<b><u>Liabilities and Equity</u></b>							
Outstanding claims	32,300,891	43,688,240	411,750,366	23,106,293	510,845,790	-	510,845,790
Claims incurred but not reported	30,342,880	19,845,831	34,551,959	26,756,638	111,497,308	-	111,497,308
Premium deficiency reserve	1,454,466	7,563,643	-	812,891	9,831,000	-	9,831,000
Additional premium reserves	-	4,035,236	2,546,807	520,694	7,102,737	-	7,102,737
Unearned premium	120,207,963	89,035,061	110,972,242	16,672,065	336,887,331	-	336,887,331
Unearned reinsurance commission	-	-	2,874,925	11,370	2,886,295	-	2,886,295
Unit linked liabilities	-	-	-	518,956,769	518,956,769	-	518,956,769
Unallocated liabilities	-	-	-	-	402,715,953	27,360,698	430,076,651
Equity	-	-	-	-	5,580,364	692,011,266	697,591,630
<b>Total liabilities and equity</b>							<b>2,625,675,511</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 13. Operating Segments (continued)

	<i>Motor</i>	<i>Medical</i>	<i>Property and Casualty</i>	<i>Protection and Saving</i>	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>For the three-month period ended</b>							
<b>31 March 2022 (Unaudited)</b>							
Gross written premiums – retail	21,138,268	-	2,066,620	12,020,784	35,225,672	-	35,225,672
Gross written premiums – corporate	18,856,150	45,023,439	41,017,816	17,530,422	122,427,827	-	122,427,827
Gross written premiums – very small entities	1,373,188	-	(386,092)	76,357	1,063,453	-	1,063,453
Gross written premiums – small entities	10,839,828	-	11,606,167	144,695	22,590,690	-	22,590,690
Gross written premiums – medium entities	12,769,828	-	15,196,926	594,921	28,561,675	-	28,561,675
Gross written premiums	64,977,262	45,023,439	69,501,437	30,367,179	209,869,317	-	209,869,317
Reinsurance premiums ceded	-	(22,249,949)	(40,988,979)	(7,312,001)	(70,550,929)	-	(70,550,929)
Excess of loss expenses	(436,384)	-	(3,519,542)	-	(3,955,926)	-	(3,955,926)
Fee income from unit linked investments	-	-	-	360,571	360,571	-	360,571
<b>Net written premiums</b>	<b>64,540,878</b>	<b>22,773,490</b>	<b>24,992,916</b>	<b>23,415,749</b>	<b>135,723,033</b>	<b>-</b>	<b>135,723,033</b>
Changes in unearned premiums, net	(15,390,404)	2,473,344	(4,241,078)	2,776,141	(14,381,997)	-	(14,381,997)
<b>Net premiums earned</b>	<b>49,150,474</b>	<b>25,246,834</b>	<b>20,751,838</b>	<b>26,191,890</b>	<b>121,341,036</b>	<b>-</b>	<b>121,341,036</b>
Reinsurance commissions	-	-	3,112,743	3,360	3,116,103	-	3,116,103
<b>Net revenues</b>	<b>49,150,474</b>	<b>25,246,834</b>	<b>23,864,581</b>	<b>26,195,250</b>	<b>124,457,139</b>	<b>-</b>	<b>124,457,139</b>
Net claims and other benefits paid	(41,542,092)	(15,351,776)	(3,063,866)	(25,263,615)	(85,221,349)	-	(85,221,349)
Changes in outstanding claims, net	(2,923,865)	(1,944,068)	901,403	(392,029)	(4,358,559)	-	(4,358,559)
Changes in premium deficiency reserve	(1,296,234)	(3,819,137)	-	1,245,150	(3,870,221)	-	(3,870,221)
Changes in additional premium reserve	-	(2,092,046)	(398,395)	(201,011)	(2,691,452)	-	(2,691,452)
Changes in claims incurred but not reported, net	2,365,371	450,472	(998,352)	(1,923,734)	(106,243)	-	(106,243)
Change in unit linked liabilities	-	-	-	(9,060,435)	(9,060,435)	-	(9,060,435)
Unrealised gain on unit linked investments	-	-	-	13,225,539	13,225,539	-	13,225,539
Policy acquisition costs	(5,079,670)	(2,230,411)	(3,994,064)	(843,226)	(12,147,371)	-	(12,147,371)
<b>Total underwriting costs and expenses before allocation of inspection and other fee</b>	<b>(48,476,490)</b>	<b>(24,986,966)</b>	<b>(7,553,274)</b>	<b>(23,213,361)</b>	<b>(104,230,091)</b>	<b>-</b>	<b>(104,230,091)</b>
Inspection and supervision fees- unallocated	-	-	-	-	1,075,207	-	1,075,207
<b>Net underwriting income</b>	<b>673,984</b>	<b>259,868</b>	<b>16,311,307</b>	<b>2,981,888</b>	<b>21,302,254</b>	<b>-</b>	<b>21,302,254</b>
<b>Unallocated</b>							
Provision for doubtful debts	-	-	-	-	-	-	-
General and administrative expenses	-	-	-	-	(27,100,609)	(47,000)	(27,147,609)
Investment income	-	-	-	-	1,296,029	3,917,181	5,213,210
Other income	-	-	-	-	3,826,667	-	3,826,667
<b>Net loss for the period before attribution and zakat and income tax</b>							<b>3,194,522</b>

### 13. Operating Segments (continued)

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

	<i>Motor</i>	<i>Medical</i>	<i>Property and Casualty</i>	<i>Protection and Saving</i>	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b><u>As at 31 December 2021</u></b>							
<b><u>Assets</u></b>							
Premiums receivable, gross	117,867,610	155,801,302	122,456,519	11,917,528	408,042,959	-	408,042,959
Provision for doubtful debts					(61,712,179)	-	(61,712,179)
Reinsurers' share of outstanding claims	2,245,361	22,366,067	400,264,029	17,086,631	441,962,088	-	441,962,088
Reinsurers' share of claims incurred but not reported	74,936	9,612,928	28,187,224	14,262,335	52,137,423	-	52,137,423
Reinsurers' share of unearned premiums		44,782,756	63,734,509	20,420,210	128,937,475	-	128,937,475
Deferred policy acquisition costs	10,643,656	4,868,612	6,237,912	(1,000,578)	20,749,602	-	20,749,602
Financial assets at fair value through statement of income (unit linked investments)				515,227,924	515,227,924	-	515,227,924
Unallocated assets					351,837,096	726,143,704	1,077,980,800
<b>Total assets</b>							<b>2,583,326,092</b>
<b><u>Liabilities and Equity</u></b>							
Outstanding claims	29,613,026	38,966,804	418,599,165	22,860,424	510,039,419	-	510,039,419
Claims incurred but not reported	32,723,271	20,443,101	36,548,059	18,938,530	108,652,961	-	108,652,961
Unearned premium	104,817,559	93,803,085	100,235,288	28,637,634	327,493,566	-	327,493,566
Unearned reinsurance commission			1,334,717	13,057	1,347,774	-	1,347,774
Unit linked liabilities				509,896,334	509,896,334	-	509,896,334
Unallocated liabilities					390,577,805	24,025,209	414,603,014
Equity					9,174,529	702,118,495	711,293,024
<b>Total liabilities and equity</b>							<b>2,583,326,092</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 13. Operating Segments (continued)

	<i>Motor</i>	<i>Medical</i>	<i>Property and Casualty</i>	<i>Protection and Saving</i>	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>For the three-month period ended</b>							
<b>31 March 2021 (Unaudited)</b>							
Gross written premiums – retail	9,389,276	-	340,608	13,170,681	22,900,565	-	22,900,565
Gross written premiums – corporate	16,481,324	48,972,407	89,731,451	15,083,920	170,269,102	-	170,269,102
Gross written premiums – very small entities	1,003,378	5,752	2,208,699	179,152	3,396,981	-	3,396,981
Gross written premiums – small entities	9,603,119	2,624	2,969,099	169,507	12,744,349	-	12,744,349
Gross written premiums – medium entities	11,696,800	1,885	6,706,159	957,161	19,362,005	-	19,362,005
Gross written premiums	48,173,897	48,982,668	101,956,016	29,560,421	228,673,002	-	228,673,002
Reinsurance premiums ceded	-	(25,283,316)	(77,797,847)	(6,411,021)	(109,492,184)	-	(109,492,184)
Excess of loss expenses	(975,530)	-	(7,366,912)	-	(8,342,442)	-	(8,342,442)
Fee income from unit linked investments	-	-	-	325,113	325,113	-	325,113
Net written premiums	47,198,367	23,699,352	16,791,257	23,474,513	111,163,489	-	111,163,489
Changes in unearned premiums, net	(2,284,992)	(3,021,667)	(4,953,613)	1,266,968	(8,993,304)	-	(8,993,304)
Net premiums earned	44,913,375	20,677,685	11,837,644	24,741,481	102,170,185	-	102,170,185
Reinsurance commissions	-	-	1,331,604	241,702	1,573,306	-	1,573,306
Net revenues	44,913,375	20,677,685	13,169,248	24,983,183	103,743,491	-	103,743,491
Net claims and other benefits paid	(37,056,384)	(15,463,723)	(1,552,384)	(38,407,066)	(92,479,557)	-	(92,479,557)
Changes in outstanding claims, net	5,792,721	(3,574,675)	1,000,097	(774,007)	2,444,136	-	2,444,136
Changes in premium deficiency reserve	(57,020)	(1,664,914)	-	252,613	(1,469,321)	-	(1,469,321)
Changes in additional premium reserve	-	-	(1,046,719)	-	(1,046,719)	-	(1,046,719)
Changes in claims incurred but not reported, net	(2,104,244)	2,937,985	503,254	(1,358,603)	(21,608)	-	(21,608)
Change in unit linked liabilities	-	-	-	9,908,712	9,908,712	-	9,908,712
Unrealised gain on unit linked investments	-	-	-	10,138,363	10,138,363	-	10,138,363
Policy acquisition costs	1,167,429	(2,130,281)	(3,750,129)	(641,547)	(5,354,528)	-	(5,354,528)
Total underwriting costs and expenses before allocation of inspection and other fee	(32,257,498)	(19,895,608)	(4,845,881)	(20,881,535)	(77,880,522)	-	(77,880,522)
Inspection and supervision fees - unallocated	-	-	-	-	(1,633,228)	-	(1,633,228)
Net underwriting income	12,655,877	782,077	8,323,367	4,101,648	24,229,741	-	24,229,741
<b>Unallocated</b>							
Provision for doubtful debts					(900,959)	-	(900,959)
General and administrative expenses					(24,966,244)	(200,009)	(25,166,253)
Investment income					966,996	2,177,419	3,144,415
Other income					3,749,266	-	3,749,266
Net income for the period before attribution and zakat and income tax							5,056,210

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 14. Transactions and balances with related parties and other shareholders

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

	Transactions for the three months period ended		Balance as at	
	March 31, 2022	March 31, 2021	March 31, 2022	December 31, 2021
	SR	SR	SR	SR
<b><u>Entities controlled, jointly controlled or significantly influenced by related parties Major shareholders</u></b>				
- Insurance premium ceded	44,476,961	171,715,823	-	-
- Reinsurers' share of claims paid	19,462,398	208,084,548	-	-
- Commission income	402,092	3,934,473	-	-
- Third party administrator expenses	2,212,340	4,912,243	-	-
- Reinsurers' share of outstanding claims (Treaty)	-	-	10,540,795	16,433,467
- Accrued third party administrator	-	-	3,830,356	4,220,282
- Reinsurance balance payable, net	-	-	66,019,533	40,305,654
- Investments in equity of Saudi NextCare	-	-	800,000	800,000
<b><u>Other Shareholders (other than related party)</u></b>				
- Insurance premium written	14,934,016	75,781,561	-	-
- Claims paid	15,149,556	51,330,237	-	-
- Commission expense	305,670	3,136,249	-	-
- Premium receivable	-	-	43,778,063	58,819,310
- Outstanding claims	-	-	39,044,909	22,051,895
- Cash and cash equivalents	-	-	112,705,255	154,408,140
- Unit linked investments managed by shareholders (including receivable for unit linked investments)	-	-	524,294,444	515,227,924

Related parties include Allianz SNA, Allianz Mena Holding Bermuda, Allianz Risk Transfer A.G. Dubai, Allianz France, Allianz Global Corporate and Specialty AG, Allianz World Wide Care, Allianz Global risks U.S Insurance, Allianz Belgium, Euler Hermes, Allianz SE Zurich, Allianz Insurance Hong Kong, Allianz Global Risks Netherland, Allianz Insurance Singapore, Allianz Insurance New Zealand and Saudi NextCare. The majority of Company's reinsurance arrangements are with its related parties. In Property and Casualty the majority of reinsurance arrangements are with Allianz Re and in Medical Allianz Partners.

Other shareholders include Banque Saudi Fransi and its Group Companies which are not the related parties.

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer, and the Chief Financial Officer of the Company.

The compensation of key management personnel during the period is as follows:

March 31, 2022	BOD members SR	Top executives SR
Salaries and compensation	-	926,097
Allowances	110,250	4,500
Annual remuneration	275,000	25,000
End of service obligations	-	83,026
	<b>385,250</b>	<b>1,038,623</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 14. Transactions and balances with related parties and other shareholders (continued)

March 31, 2021	BOD members SR	Top executives SR
Salaries and compensation	-	1,786,092
Allowances	87,000	13,500
Annual remuneration	255,000	30,000
End of service obligations	-	61,026
	<u>342,000</u>	<u>1,890,618</u>

### 15. Zakat and income tax

A summary of the Company's share capital and percentages of ownership are as follows:

	March 31, 2022		December 31, 2021	
	SR	%	SR	%
Non-Saudi Shareholders	<b>318,540,000</b>	<b>53.09%</b>	318,540,000	53.09%
Saudi and GCC Shareholders	<b>281,460,000</b>	<b>46.91%</b>	281,460,000	46.91%
	<u><b>600,000,000</b></u>	<u><b>100%</b></u>	<u><b>600,000,000</b></u>	<u><b>100%</b></u>

As at 31 March 2022, the authorized, issued and fully paid-in share capital of the Company consists of 60 million shares of SR 10 each and as at December 31, 2020 the authorized, issued and fully paid-in share capital of the Company consists of 60 million shares of SR 10 each. The Company's zakat and income tax calculations and corresponding accruals and payments of zakat and income tax are based on the above ownership percentages in accordance with the relevant provisions of the Saudi Arabian zakat and income tax regulations.

The zakat and income tax provision as at the period / year end is as follows:

SR	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Provision for zakat	<b>16,956,757</b>	14,794,202
Provision for income tax	<b>6,482,511</b>	6,326,530
	<u><b>23,439,268</b></u>	<u>21,120,732</u>

The zakat and income tax charge for the three month period is as follows:

SR	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Zakat for the three-month period	<b>2,162,555</b>	2,127,968
Income tax for the three-month period		
- Current tax	<b>155,981</b>	88,521
- Deferred tax	<b>76,940</b>	220,856
	<u><b>2,395,476</b></u>	<u>2,437,345</u>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 15. Zakat and income tax (continued)

#### *Status of assessments*

The Company has filed the zakat and income tax declarations for all the years up to December 31, 2021. The Company finalized its zakat and tax position for all the years up to December 31, 2014.

The final tax and zakat assessment for the years 2015 to 2018 has been issued by the ZATCA during the year ended December 31, 2020 which resulted in additional zakat and tax liability of SR 13.7 million arising mainly from the non-deduction of long-term investments from the zakat base. The Company has filed an appeal against this assessment which is still under review with the appeal committees. The Company has accounted for this additional zakat and income tax liability in the provision in the financial statements. The Company received the final zakat and income tax assessment for the years 2019 and 2020 which resulted in additional zakat and tax liability of SR 1.1 million. The Company has settled this additional liability in 2022.

The finalization of the assessment is not expected to have material impact on the financial statements.

Prepaid expenses and other assets include payment made by the Company in relation to VAT assessment raised by Zakat, Tax and Customs Authority ("ZATCA") for 2018 and 2019 financial years amounting to Saudi Riyals SR 31 million. The payments were made to ZATCA to avoid penalties. However, the Company has submitted objections to the ZATCA assessment. The ZATCA has partially accepted the objection and the company has filed an appeal for the remaining amount of SR 27.8 million (appearing under prepaid expenses and other assets) to the General Secretariat of the Tax Committees ("GSTC"). The case was heard in July 2021 in which the GSTC ruled in favor of the ZATCA. Following review of the final judgement / reasoning for the GSTC's decision, the Company decided to appeal the case to GSTC Level 2, the appeal was submitted on 10 October 2021. The Company's management believes that there is strong basis that the decision of the appeal would be in the favor of the Company.

### 16. Share capital and earnings per share

#### 16.1 Share capital

The authorised and issued share capital of the Company is SR 600 million divided into 60 million shares of SR 10 each (December 31, 2021: SR 600 million divided into 60 million shares of SR 10 each). The founding shareholders of the Company have subscribed and paid for 39 million shares with a nominal value of SR 10 each, which represents 65% of the shares of the Company's capital and the remaining 21 million shares with a nominal value of SR 10 each have been subscribed by general public.

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

	March 31, 2022	
	Number of Shares	Authorized, issued and paid up capital SR
Allianz Europe BV	11.10 Million	111 Million
Allianz France International	9.75 Million	97.5 Million
Allianz Mena Holding Bermuda	9.75 Million	97.5 Million
Banque Saudi Fransi	8.40 Million	84 Million
Public	21.00 Million	210 Million
	<b>60 Million</b>	<b>600 Million</b>
	December 31, 2021	
	Number of Shares	Authorized, issued and paid up capital SR
Allianz Europe BV	11.10 Million	111 Million
Allianz France International	9.75 Million	97.5 Million
Allianz Mena Holding Bermuda	9.75 Million	97.5 Million
Banque Saudi Fransi	8.40 Million	84 Million
Public	21.00 Million	210 Million
	<b>60 Million</b>	<b>600 Million</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 16. Share capital and earnings / (loss) per share (continued)

#### 16.2 Earning per share

Earnings per share has been calculated by dividing the income for the period by the weighted average number of shares outstanding at the reported date.

	For the three-month period ended	
	March 31, 2022	March 31, 2021
Income for the period	799,046	2,310,985
Weighted average number of shares	60,000,000	60,000,000
Earnings per share	0.013	0.039

### 17. Risk Management

#### Capital Management

Objectives are set by the Company to maintain stable capital ratios in order to support its business objectives and maximise shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

The operations of the Company are subject to local regulatory requirements within the jurisdiction where it is incorporated. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

The Company maintains its capital as per guidelines laid out by SAMA in Article 66 table 3 and 4 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained. According to the said Article, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:

- Minimum Capital Requirement of SR 200 million
- Premium Solvency Margin
- Claims Solvency Margin

The Company has fully complied with the externally imposed capital requirements during the reported financial period.

#### Credit risk management

The Company has strengthened its credit risk management policies to address the fast changing and evolving risks posed by the current circumstances. These include review of credit concentrations at granular economic sector, region, counterparty level and take appropriate action where required.

#### Liquidity risk management

The Company is aware of the need to keep a close focus on liquidity management during this period and has enhanced its monitoring of current liquidity needs as well as the pandemic in its entirety. The Company regularly reviews and updates the liquidity forecast based on the individual liquidity balance as well as the continued development of external economic factors.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 18. Supplementary information

#### a) Interim statements of financial position

	<i>SR</i>					
	<i>March 31, 2022</i>			<i>December 31, 2021</i>		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
<b>ASSETS</b>						
Cash and cash equivalents	39,046,404	84,320,182	123,366,586	40,032,921	120,946,723	160,979,644
Prepaid expenses and other assets	266,633,300	3,516,223	270,149,523	198,692,991	3,516,223	202,209,214
Premiums receivable, net	336,482,940	-	336,482,940	346,330,780	-	346,330,780
Reinsurers' balance receivable, net	82,964,566	-	82,964,566	83,779,407	-	83,779,407
Reinsurers' share of outstanding claims	438,409,900	-	438,409,900	441,962,088	-	441,962,088
Reinsurers' share of claims incurred but not reported	54,875,527	-	54,875,527	52,137,423	-	52,137,423
Reinsurers' share of unearned premiums	123,949,243	-	123,949,243	128,937,475	-	128,937,475
Deferred policy acquisition costs	22,934,286	-	22,934,286	20,749,602	-	20,749,602
Right-of-use assets	118,886	-	118,886	844,193	-	844,193
Financial assets at fair value through statement of income (unit linked investments)	524,294,444	-	524,294,444	515,227,924	-	515,227,924
Available for sale investments	136,548,552	432,677,338	569,225,890	142,644,413	410,306,918	552,951,331
Deferred tax assets, net	-	9,257,492	9,257,492	-	7,668,495	7,668,495
Property and equipment	8,066,370	-	8,066,370	7,968,658	-	7,968,658
Statutory deposit	-	60,000,000	60,000,000	-	60,000,000	60,000,000
Accrued income on statutory deposit	-	1,579,858	1,579,858	-	1,579,858	1,579,858
Due to/from insurance operation/shareholders operation*	(128,020,871)	128,020,871	-	(122,125,487)	122,125,487	-
<b>TOTAL ASSETS</b>	<b>1,906,303,547</b>	<b>719,371,964</b>	<b>2,625,675,511</b>	<b>1,857,182,388</b>	<b>726,143,704</b>	<b>2,583,326,092</b>
<b>LIABILITIES</b>						
Accrued and other liabilities	102,350,099	2,341,572	104,691,671	102,294,609	1,324,619	103,619,228
Surplus distribution payable	9,467,465	-	9,467,465	11,816,069	-	11,816,069
Reinsurers' balances payable	271,752,404	-	271,752,404	246,066,437	-	246,066,437
Outstanding claims	510,845,790	-	510,845,790	510,039,419	-	510,039,419
Claims incurred but not reported	111,497,308	-	111,497,308	108,652,961	-	108,652,961
Lease liabilities	742,116	-	742,116	997,804	-	997,804
Unit linked liabilities	518,956,769	-	518,956,769	509,896,334	-	509,896,334
Premium deficiency reserve	9,831,000	-	9,831,000	5,960,779	-	5,960,779
Additional premium reserves	7,102,737	-	7,102,737	4,411,285	-	4,411,285
Unearned premiums	336,887,331	-	336,887,331	327,493,566	-	327,493,566
Unearned reinsurance commission	2,886,295	-	2,886,295	1,347,774	-	1,347,774
End-of-service indemnities	18,403,869	-	18,403,869	19,030,822	-	19,030,822
Accrued income payable to SAMA	-	1,579,858	1,579,858	-	1,579,858	1,579,858
Zakat and income tax	-	23,439,268	23,439,268	-	21,120,732	21,120,732
<b>TOTAL LIABILITIES</b>	<b>1,900,723,183</b>	<b>27,360,698</b>	<b>1,928,083,881</b>	<b>1,848,007,859</b>	<b>24,025,209</b>	<b>1,872,033,068</b>
<b>EQUITY</b>						
Share capital	-	600,000,000	600,000,000	-	600,000,000	600,000,000
Share premium	-	16,310,624	16,310,624	-	16,310,624	16,310,624
Statutory reserve	-	21,867,493	21,867,493	-	21,867,493	21,867,493
Retained earnings	-	52,971,333	52,971,333	-	52,172,287	52,172,287
Actuarial reserve for employees' end-of-service obligations	3,392,704	-	3,392,704	3,392,704	-	3,392,704
Fair value reserve on investments	2,187,660	861,816	3,049,476	5,781,825	11,768,091	17,549,916
<b>TOTAL EQUITY</b>	<b>5,580,364</b>	<b>692,011,266</b>	<b>697,591,630</b>	<b>9,174,529</b>	<b>702,118,495</b>	<b>711,293,024</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,906,303,547</b>	<b>719,371,964</b>	<b>2,625,675,511</b>	<b>1,857,182,388</b>	<b>726,143,704</b>	<b>2,583,326,092</b>

\* This item is not included in the interim statement of financial position.

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 18. Supplementary information (continued)

#### b) Interim statement of income

	SR					
	<i>For the three-month period ended</i>					
	<i>March 31, 2022</i>			<i>March 31, 2021</i>		
Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total	
<b>REVENUES</b>						
Gross premiums written	209,869,317	-	209,869,317	228,673,002	-	228,673,002
Reinsurance premiums ceded abroad	(70,413,401)	-	(70,413,401)	(108,861,605)	-	(108,861,605)
Reinsurance premiums ceded locally	(137,528)	-	(137,528)	(630,579)	-	(630,579)
Excess of loss expenses	(3,955,926)	-	(3,955,926)	(8,342,442)	-	(8,342,442)
Fee income from unit linked investments	360,571	-	360,571	325,113	-	325,113
<b>Net premiums written</b>	<b>135,723,033</b>	<b>-</b>	<b>135,723,033</b>	<b>111,163,489</b>	<b>-</b>	<b>111,163,489</b>
Changes in unearned premiums	(9,393,765)	-	(9,393,765)	(51,985,989)	-	(51,985,989)
Changes in reinsurers' share of unearned Premiums	(4,988,232)	-	(4,988,232)	42,992,685	-	42,992,685
<b>Net premiums earned</b>	<b>121,341,036</b>	<b>-</b>	<b>121,341,036</b>	<b>102,170,185</b>	<b>-</b>	<b>102,170,185</b>
Reinsurance commissions	3,116,103	-	3,116,103	1,573,306	-	1,573,306
<b>NET REVENUES</b>	<b>124,457,139</b>	<b>-</b>	<b>124,457,139</b>	<b>103,743,491</b>	<b>-</b>	<b>103,743,491</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(94,229,306)	-	(94,229,306)	(126,381,873)	-	(126,381,873)
Surrenders and maturities	(21,790,424)	-	(21,790,424)	(43,994,813)	-	(43,994,813)
Expenses incurred related to claims	(6,624,823)	-	(6,624,823)	(2,569,520)	-	(2,569,520)
Reinsurers' share of claims paid	37,423,204	-	37,423,204	80,466,649	-	80,466,649
<b>Net claims and other benefits paid</b>	<b>(85,221,349)</b>	<b>-</b>	<b>(85,221,349)</b>	<b>(92,479,557)</b>	<b>-</b>	<b>(92,479,557)</b>
Changes in outstanding claims	(806,371)	-	(806,371)	42,933,726	-	42,933,726
Changes in reinsurers' share of outstanding claims	(3,552,188)	-	(3,552,188)	(40,489,590)	-	(40,489,590)
Change in premium deficiency reserves	(3,870,221)	-	(3,870,221)	(1,469,321)	-	(1,469,321)
Changes in additional premium reserves	(2,691,452)	-	(2,691,452)	(1,046,719)	-	(1,046,719)
Changes in claims incurred but not Reported	(2,844,347)	-	(2,844,347)	(187,928)	-	(187,928)
Changes in reinsurers' share of claim incurred but not reported	2,738,104	-	2,738,104	166,320	-	166,320
<b>Net claims and other benefits incurred</b>	<b>(96,247,824)</b>	<b>-</b>	<b>(96,247,824)</b>	<b>(92,573,069)</b>	<b>-</b>	<b>(92,573,069)</b>
Changes in unit linked liabilities	(9,060,435)	-	(9,060,435)	9,908,712	-	9,908,712
Unrealised gain on unit linked investments	13,225,538	-	13,225,538	10,138,363	-	10,138,363
Policy acquisition costs	(12,147,371)	-	(12,147,371)	(5,354,528)	-	(5,354,528)
Inspection and supervision fees	1,075,207	-	1,075,207	(1,633,228)	-	(1,633,228)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(103,154,885)</b>	<b>-</b>	<b>(103,154,885)</b>	<b>(79,513,750)</b>	<b>-</b>	<b>(79,513,750)</b>
<b>NET UNDERWRITING INCOME</b>	<b>21,302,254</b>	<b>-</b>	<b>21,302,254</b>	<b>24,229,741</b>	<b>-</b>	<b>24,229,741</b>
<b>OTHER (EXPENSES) / INCOME</b>						
Provision for doubtful debts	-	-	-	(900,959)	-	(900,959)
General and administrative expenses	(27,100,609)	(47,000)	(27,147,609)	(24,966,244)	(200,009)	(25,166,253)
Investment income	1,296,029	3,917,181	5,213,210	966,996	2,177,419	3,144,415
Other income	3,826,667	-	3,826,667	3,749,266	-	3,749,266
<b>TOTAL OTHER (EXPENSES) / INCOME</b>	<b>(21,977,913)</b>	<b>3,870,181</b>	<b>(18,107,732)</b>	<b>(21,150,941)</b>	<b>1,977,410</b>	<b>(19,173,531)</b>
<b>Net (loss) / income for the period before attribution and zakat and income tax</b>	<b>(675,659)</b>	<b>3,870,181</b>	<b>3,194,522</b>	<b>3,078,800</b>	<b>1,977,410</b>	<b>5,056,210</b>
Net surplus / (deficit) transferred to shareholders' operations	675,659	(675,659)	-	(2,770,920)	2,770,920	-
Net income for the period after shareholders' appropriations	-	3,194,522	3,194,522	307,880	4,748,330	5,056,210
Zakat charge for the period	-	(2,162,555)	(2,162,555)	-	(2,127,968)	(2,127,968)
Income tax charge for the period, net	-	(232,921)	(232,921)	-	(309,377)	(309,377)
<b>Net income after zakat and income tax</b>	<b>-</b>	<b>799,046</b>	<b>799,046</b>	<b>307,880</b>	<b>2,310,985</b>	<b>2,618,865</b>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

18. Supplementary information (continued)

c) Interim statement of comprehensive income

	<i>SR</i>					
	<i>For the three-month period ended</i>					
	<i>March 31, 2022</i>			<i>March 31, 2021</i>		
<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>	Insurance operations	Shareholders' operations	Total	
<b>Net income for the period after zakat and income tax</b>	-	<b>799,046</b>	<b>799,046</b>	307,880	2,310,985	2,618,865
<b>Other comprehensive (loss) / income</b>						
<i>Items that are or may be recycled to statements of income in subsequent periods</i>						
Available for sale investments:						
- Net change in fair value	<b>(3,594,165)</b>	<b>(12,572,212)</b>	<b>(16,166,377)</b>	(2,064,904)	(5,534,045)	(7,598,949)
- Deferred tax relating to change in fair value	<b>452,391</b>	<b>1,213,546</b>	<b>1,665,937</b>	219,239	587,572	806,811
<b>Total comprehensive loss</b>	<b>(3,141,774)</b>	<b>(10,559,620)</b>	<b>(13,701,394)</b>	(1,537,785)	(2,635,488)	(4,173,273)
<b>Reconciliation:</b>						
Add: Net loss / (income) attributable to insurance operations			-			(307,880)
<b>Total comprehensive loss for the period attributable to the shareholders</b>			<b>(13,701,394)</b>			<b>(4,481,153)</b>

# Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the three-month period ended March 31, 2022

### 18. Supplementary information (continued)

#### d) Interim statement of cash flows

	<i>SR</i>					
	<i>For the three-month period ended</i>					
	<i>March 31, 2022</i>	<i>Shareholders'</i>	<i>Total</i>	<i>Insurance</i>	<i>March 31, 2021</i>	<i>Total</i>
	<i>operations</i>	<i>operations</i>		<i>operations</i>	<i>operations</i>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the period before attribution and zakat and income tax	-	3,194,522	3,194,522	307,880	4,748,330	5,056,210
Adjustments for non-cash items and other items:						
Depreciation of property and equipment	941,200	-	941,200	941,199	-	941,199
Amortisation of Right-of-use assets	725,307	-	725,307	710,028	-	710,028
Amortisation of investments premium	64,196	57,368	121,564	63,741	74,426	138,167
Provision of doubtful reinsurance receivables	-	-	-	362,006	-	362,006
Gain on sale of property and equipment	(1,038,912)	-	(1,038,912)	(52,586)	-	(52,586)
Provision for doubtful receivables and write-offs	-	-	-	538,953	-	538,953
Provision for end-of-service obligations	812,641	-	812,641	(5,366,413)	-	(5,366,413)
Unrealised (gain) / loss on unit linked investments	(13,225,538)	-	(13,225,538)	(10,138,363)	-	(10,138,363)
Finance cost on lease liabilities	1,229,606	-	1,229,606	110,670	-	110,670
Shareholders' appropriation from insurance operations' surplus*	-	-	-	2,770,920	(2,770,920)	-
	(10,491,500)	3,251,890	(7,239,610)	(9,751,965)	2,051,836	(7,700,129)
<b>Changes in operating assets and liabilities:</b>						
Reinsurers' balance receivable	814,841	-	814,841	(14,469,103)	-	(14,469,103)
Premium receivable	9,847,840	-	9,847,840	(62,705,292)	-	(62,705,292)
Reinsurers' share of unearned premiums	4,988,232	-	4,988,232	(42,992,685)	-	(42,992,685)
Reinsurers' share of outstanding claims	3,552,188	-	3,552,188	40,489,590	-	40,489,590
Reinsurers' share of claims incurred but not reported	(2,738,104)	-	(2,738,104)	(166,320)	-	(166,320)
Deferred policy acquisition costs	(2,184,684)	-	(2,184,684)	(7,737,832)	-	(7,737,832)
Unit linked investments	4,159,018	-	4,159,018	7,189,437	-	7,189,437
Prepaid expenses and other assets	(67,940,309)	-	(67,940,309)	15,997,687	(2,292,360)	13,705,327
Accrued and other liabilities	55,490	1,016,953	1,072,443	(12,831,308)	(157,516)	(12,988,824)
Reinsurers' balances payable	25,685,967	-	25,685,967	81,811,752	-	81,811,752
Unearned premiums	9,393,765	-	9,393,765	51,985,989	-	51,985,989
Unearned reinsurance commission	1,538,521	-	1,538,521	(161,768)	-	(161,768)
Unit linked liabilities	9,060,435	-	9,060,435	(9,908,712)	-	(9,908,712)
Outstanding claims	806,371	-	806,371	(42,933,726)	-	(42,933,726)
Claims incurred but not reported	2,844,347	-	2,844,347	187,928	-	187,928
Premium deficiency reserves	3,870,221	-	3,870,221	1,469,321	-	1,469,321
Additional premium reserves	2,691,452	-	2,691,452	1,046,719	-	1,046,719
	(4,405,909)	4,268,843	222,934	(3,480,288)	(398,040)	(3,878,328)
End-of-service obligations paid	(1,439,594)	-	(1,439,594)	(70,555)	-	(70,555)
Surplus paid to policyholders / reclassified from surplus distribution	(2,348,604)	-	(2,348,604)	(3,823,390)	-	(3,823,390)
Zakat and income tax paid	-	-	-	-	(112,552)	(112,552)
<b>Net cash used in operating activities</b>	<b>(7,834,107)</b>	<b>4,268,843</b>	<b>(3,565,264)</b>	<b>(7,374,233)</b>	<b>(510,592)</b>	<b>(7,884,825)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of available for sale investments	(7,500,000)	(73,750,000)	(81,250,000)	-	(107,500,000)	(107,500,000)
Proceed for sale of available for sale investments	9,937,500	38,750,000	48,687,500	-	-	-
Proceeds from sale of property and equipment	-	-	-	52,585	-	52,585
Payment for purchase of property and equipment	-	-	-	(404,232)	-	(404,232)
<b>Net cash used in investing activities</b>	<b>2,437,500</b>	<b>(35,000,000)</b>	<b>(32,562,500)</b>	<b>(351,647)</b>	<b>(107,500,000)</b>	<b>(107,851,647)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>						
Due from / to (insurance operations / shareholder operations)*	5,895,384	(5,895,384)	-	(125,646,123)	125,646,123	-
Lease rental paid	(1,485,294)	-	(1,485,294)	(1,667,915)	-	(1,667,915)
<b>Net cash used in financing activity</b>	<b>4,410,090</b>	<b>(5,895,384)</b>	<b>(1,485,294)</b>	<b>(127,314,038)</b>	<b>125,646,123</b>	<b>(1,667,915)</b>
<b>Net change in cash and cash equivalents</b>	<b>(986,517)</b>	<b>(36,626,541)</b>	<b>(37,613,058)</b>	<b>(135,039,918)</b>	<b>17,635,531</b>	<b>(117,404,387)</b>
Cash and cash equivalents at the beginning of the period	40,032,921	120,946,723	160,979,644	187,639,558	137,406,667	325,046,225
<b>Cash and cash equivalents at the end of the Period</b>	<b>39,046,404</b>	<b>84,320,182</b>	<b>123,366,586</b>	<b>52,599,640</b>	<b>155,042,198</b>	<b>207,641,838</b>
<b>NON-CASH INFORMATION:</b>						
Change in fair value of available for sale Investment	3,594,165	12,572,212	16,166,377	2,064,904	5,534,045	7,598,949
Deferred income tax	(452,391)	(1,213,546)	(1,665,937)	(219,239)	(587,572)	(806,811)

\* These items are not included in the interim statement of cash flows

**19. Approval of the interim condensed financial statements**

The interim condensed financial statements have been approved by the Company's Board of Directors on May 17, 2022 (corresponding to 16 Shawwal 1443H).