

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30
SEPTEMBER 2021**

**ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30
SEPTEMBER 2021**

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**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF
ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
Kingdom of Saudi Arabia**

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of **Arabia Insurance Cooperative Company - (the "Company")** as at 30 September 2021, and the related interim condensed statements of income, comprehensive income for the three and nine month periods ended, and interim condensed statement of changes in shareholders' equity and interim condensed statement of cash flows for the nine month period ended and a summary of significant accounting policies and other explanatory notes ("interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

For Al-Bassam & Co.

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08 November 2021
03 Rabi' Al Thani 1443H



ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2021
Expressed in Saudi Riyals

	Notes	30 September 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Cash and cash equivalents	4	111,597,993	149,327,454
Premiums and reinsurance receivables, net	5	174,795,275	141,113,737
Reinsurers' share of unearned premiums	7-2	53,676,525	42,904,729
Reinsurers' share of outstanding claims	7-1	65,933,582	33,977,846
Reinsurers' share of claims incurred but not reported	7-1	6,530,878	9,378,725
Deferred policy acquisition costs		13,554,655	11,017,762
Deferred excess of loss premiums		1,225,338	-
Investments	6	154,930,915	104,153,512
Due from related party	11	83,346	92,998
Prepayments and other assets		19,561,419	18,313,513
Right-of-use assets		3,754,024	5,371,952
Time deposits		22,004,990	63,764,208
Property and equipment, net		7,367,791	6,598,727
Statutory deposit		40,000,000	40,000,000
Return on statutory deposit		4,435,491	4,290,280
TOTAL ASSETS		679,452,222	630,305,443
LIABILITIES			
Accounts payable		18,820,458	23,683,805
Accrued expenses and other liabilities		25,541,069	28,210,537
Reinsurers' balance payables		30,568,113	29,424,459
Unearned premiums	7-2	187,821,762	140,802,544
Unearned reinsurance commission		5,244,303	3,277,777
Outstanding claims	7-1	99,620,093	80,887,169
Claims incurred but not reported	7-1	50,983,390	59,981,723
Premium deficiency reserve and other reserves	7-1	11,006,000	15,630,000
Due to related party	11	198,942	-
Provision for end of service benefits		11,262,872	10,427,777
Zakat and income tax accrued	12	6,652,889	6,281,980
Lease liability		3,470,318	4,911,126
Return on investment of accrued statutory deposit		4,435,491	4,290,280
TOTAL LIABILITIES		455,625,700	407,809,177
INSURANCE OPERATIONS' ACCUMULATED SURPLUS			
Accrued surplus distributions		2,653,032	2,252,905
Actuarial loss on defined benefit plan		(1,522,932)	(1,522,932)
TOTAL LIABILITIES & ACCUMULATED SURPLUS		456,755,800	408,539,150
SHAREHOLDERS' EQUITY			
Share Capital	13	265,000,000	265,000,000
Accumulated losses		(43,106,382)	(43,978,974)
Investment revaluation reserve		802,804	745,267
TOTAL SHAREHOLDERS' EQUITY		222,696,422	221,766,293
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		679,452,222	630,305,443

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021
Expressed in Saudi Riyals

		For the three months period ended		For the nine months period ended	
		30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
	Note				
REVENUES					
Gross premiums written					
- Direct		91,562,452	70,896,539	332,166,794	278,724,182
Reinsurance premiums ceded					
- Foreign		(18,514,182)	(15,800,819)	(79,852,547)	(70,755,523)
- Local		(606,208)	(615,495)	(19,295,162)	(4,684,223)
Excess of loss expenses		(1,225,344)	(1,080,000)	(3,676,032)	(3,240,000)
Net premiums written		71,216,718	53,400,225	229,343,053	200,044,436
Changes in unearned premiums, net		(1,122,402)	6,444,643	(36,247,422)	(24,174,697)
Net premiums earned		70,094,316	59,844,868	193,095,631	175,869,739
Reinsurance commission earned		3,523,932	3,476,271	14,397,977	8,839,365
Other income		433,961	267,154	2,163,226	4,633,500
NET REVENUES		74,052,209	63,588,293	209,656,834	189,342,604
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		(64,135,614)	(50,274,276)	(192,257,695)	(158,842,196)
Reinsurers' share of claims paid		10,179,594	16,774,288	33,709,659	54,848,672
Net claims paid		(53,956,020)	(33,499,988)	(158,548,036)	(103,993,524)
Changes in outstanding claims, net		1,694,345	2,373,498	13,222,811	(1,208,516)
Changes in claims incurred but not reported, net		(389,514)	(5,313,000)	6,150,486	5,260,000
Net claims incurred		(52,651,189)	(36,439,490)	(139,174,739)	(99,942,040)
Policy acquisition costs		(8,530,768)	(6,056,551)	(23,852,402)	(15,292,452)
Changes in premium deficiency reserve and other reserves		2,853,000	4,699,000	4,624,000	(8,473,200)
Other underwriting expenses		-	-	-	(6,671,609)
TOTAL UNDERWRITING COSTS AND EXPENSES		(58,328,957)	(37,797,041)	(158,403,141)	(130,379,301)
NET UNDERWRITING INCOME		15,723,252	25,791,252	51,253,693	58,963,303
OTHER OPERATING (EXPENSES) / INCOME					
Reverse / (Provision) for doubtful debts		4,527,338	(3,730,657)	1,911,668	(728,292)
General and administrative expenses		(19,072,645)	(17,554,620)	(51,564,160)	(53,037,571)
Commission income on deposits		147,104	388,627	571,130	2,000,093
Gains on sale of available for sale investments	6	-	-	1,537,538	768,858
Dividend income		858,614	910,648	2,610,709	2,830,385
TOTAL OTHER OPERATING EXPENSES		(13,539,589)	(19,986,002)	(44,933,115)	(48,166,527)
Total income for the period before zakat and income tax		2,183,663	5,805,250	6,320,578	10,796,776
Zakat and income tax	12	(1,427,927)	(2,000,000)	(5,047,859)	(5,000,000)
Net income for the period after zakat and income tax		755,736	3,805,250	1,272,719	5,796,776
Income for the period attributed to the insurance operations		(258,530)	(502,158)	(400,127)	(661,202)
INCOME FOR THE PERIOD ATTRIBUTED TO THE SHAREHOLDERS		497,206	3,303,092	872,592	5,135,574
Basic earnings per share	15	0.01	0.13	0.03	0.19

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021
Expressed in Saudi Riyals

	For the three month period ended		For the nine month period ended	
	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Net profit for the period after zakat and income tax	755,736	3,805,250	1,272,719	5,796,776
Other comprehensive income:				
<i>Items may be reclassified to</i>				
<i>Interim condensed consolidated statements</i>				
<i>of income in subsequent periods</i>				
- Available for sale investments				
- Change in fair value	653,632	741,468	57,537	422,163
TOTAL COMPREHENSIVE INCOME				
FOR THE PERIOD	1,409,368	4,546,718	1,330,256	6,218,939
Total comprehensive (income) attributed to the insurance operations	(258,530)	(502,158)	(400,127)	(661,202)
Total comprehensive income attributable to the shareholders	1,150,838	4,044,560	930,129	5,557,737



Chief Financial Officer



Authorized Board Member



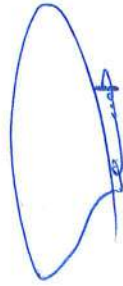
Chief Executive Officer

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

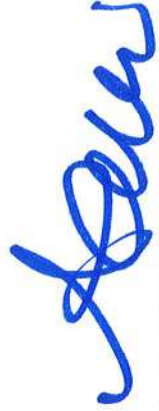
ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021

Expressed in Saudi Riyals

	Share capital	Accumulated losses	Investment revaluation reserve	Total Shareholders' Equity
2021				
Balance, beginning of the period	265,000,000	(43,978,974)	745,267	221,766,293
Total comprehensive income for the period:				
Net income for the period attributable to the shareholders	-	872,592	-	872,592
Changes in fair values of available for sale investments	-	-	57,537	57,537
Total comprehensive income for the period attributed to the shareholders	-	872,592	57,537	930,129
Balance, ending of the period	265,000,000	(43,106,382)	802,804	222,696,422
2020				
Balance, beginning of the period	265,000,000	(50,236,106)	1,143,431	215,907,325
Total comprehensive income for the period:				
Net income for the period attributable to the shareholders	-	5,135,574	-	5,135,574
Changes in fair values of available for sale investments	-	-	422,163	422,163
Total comprehensive income for the period attributed to the shareholders	-	5,135,574	422,163	5,557,737
Balance, ending of the period	265,000,000	(45,100,532)	1,565,594	221,465,062



Chief Financial Officer



Authorized Board Member



Chief Executive Officer

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021
Expressed in Saudi Riyals

	Notes	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		1,272,719	5,796,776
Adjustments for non-cash items:			
Depreciation of property and equipment		1,884,366	1,634,051
Gain on sale of property and equipment		-	(3,000)
Depreciation of Right-of-use assets		1,617,929	1,465,573
Finance charges		128,113	170,478
(Recovery) / provision for doubtful debts		(1,911,668)	728,292
Gains on sale of available for sale investments		(1,537,538)	(768,858)
Provision for end-of-service benefits		1,234,915	1,266,402
Accrued zakat and income tax		5,047,859	5,000,000
		7,736,695	15,289,714
Changes in operating assets and liabilities:			
Premiums and reinsurance receivables		(31,769,870)	(48,282,826)
Reinsurers' share of unearned premiums		(10,771,796)	11,149,368
Reinsurers' share of outstanding claims		(31,955,736)	(9,531,901)
Reinsurers' share of claims incurred but not reported		2,847,847	5,934,000
Deferred policy acquisition costs		(2,536,893)	(3,330,503)
Deferred excess loss expense		(1,225,338)	(1,080,000)
Due from related party		9,652	(9,652)
Prepaid expenses and other assets		(1,247,908)	(3,868,173)
Accounts payable		(4,863,347)	67,300
Accrued expenses and other liabilities		(2,669,468)	(2,595,620)
Reinsurers' balances payable		1,143,654	1,036,173
Unearned premiums		47,019,218	13,025,329
Unearned reinsurance commission		1,966,526	319,759
Outstanding claims		18,732,924	10,740,417
Claims incurred but not reported		(8,998,333)	(11,194,000)
Premium deficiency reserve and other reserves		(4,624,000)	8,473,200
Accrued surplus distribution		-	(500,484)
Due to related parties		198,942	(41,197)
Cash used in operating activities		(21,007,231)	(14,399,096)
Zakat and income tax paid		(4,676,950)	(4,353,833)
End-of-service benefits paid		(399,820)	(2,561,008)
Net cash used in operating activities		(26,084,001)	(21,313,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Additions) / disposals in investments		(49,182,327)	6,514,910
(Additions) / disposals in time deposits		41,759,218	67,877,898
Proceed from selling of property and equipment		(2,653,430)	-
Additions in property and equipment		-	(1,322,331)
Net cash (used in) / generated from investing activities		(10,076,539)	73,070,477
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		(1,568,921)	(1,409,425)
Net cash used in financing activities		(1,568,921)	(1,409,425)
Net change in cash and cash equivalents		(37,729,461)	50,347,115
Cash and cash equivalents at the beginning of the period		149,327,454	66,592,662
Cash and cash equivalents at the end of the period	4	111,597,993	116,939,777
NON- CASH TRANSACTIONS:			
Net changes in fair value of available for sale investments	6	57,537	422,163

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Arabia Insurance Cooperative Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010243302 dated 18 Muharram 1429H (corresponding to 27 January 2008). The registered address of the Company is P.O. Box 28655, Riyadh 11323, Kingdom of Saudi Arabia.

The objectives of the Company is to transact cooperative insurance business and carry out related activities in the Kingdom of Saudi Arabia. Its principal activity includes all classes of general insurance, medical insurance, savings and protection. The Company was listed on the Saudi Stock Exchange (Tadawul) on 26 Muharram 1429H (corresponding to 4 February 2008). The Company started insurance and reinsurance operations on 4 Muhram 1430H (corresponding to 1 January 2009).

On 14 Jumada Thani 1435H (corresponding to 14 April 2014), the Saudi Central Bank (SAMA) issued official approval numbered 351000076885 to amend the licence issued to the Company number TMN/15/20086 to transact insurance and reinsurance activities to be restricted to insurance activities only.

The Company amended the Articles of Association in line with the amendments of the Saudi Companies Regulations issued in 1437H (2015).

2. BASIS OF PREPARATION

a) Basis of presentation:

The interim condensed financial statements of the company have been prepared in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34) as endorsed in 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 of the company were prepared for the period ended on September 30, 2021 in accordance with International Accounting Standard 34 adopted in the Kingdom of Saudi Arabia and the Insurance Control Law and Regulations for Companies in the Kingdom of Saudi Arabia.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders’ Operations and presents the financial statements accordingly. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of revenues and expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed financial statements are prepared on the going concern basis and on the historical cost basis, except for available-for-sale investments where they are measured at fair value and end of service benefits are measured at present value. The balance sheet is not displayed using the current / non-current classification. Nevertheless, the following balances are generally classified in circulation: cash and cash equivalents, insurance premiums receivable, reinsurance receivables, investments, deferred underwriting costs, prepaid expenses, other assets, accounts payable, reinsurers' receivables, outstanding claims, accrued expenses, other liabilities, provision for zakat, taxes, distribution of the surplus due and non-insurance premiums Earned, reimbursed share of unearned premiums, and deferred subscription costs unearned commission income,. The following balances are generally classified as non-current: end of service indemnities, statutory deposit, returns on statutory deposit, commission income payable to the Saudi Central Bank, claims incurred but not reported, and property and equipment, intangible assets, statutory deposit, end of service benefits, and right of use assets.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021

2. BASIS OF PREPARATION (continued)

a) Basis of presentation: (continued)

The interim condensed statement of financial position, interim condensed statements of income, interim condensed comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 19 of the 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 condensed statements of financial position, interim condensed statements of income, interim condensed comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level interim condensed financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealised 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 transactions and events in similar circumstances.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and must be read in conjunction with the annual financial statements of the company as they are on December 31, 2020.

The interim condensed financial statements are expressed in Saudi riyals.

b) Significant accounting judgements, estimates and assumptions

The preparation of the interim condensed financial statements requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results ultimately may differ from those estimates. Moreover, the company has reviewed the main sources to estimate the uncertainty disclosed in the latest annual financial statements regarding the Coronavirus (Covid-19) pandemic, moreover, the company has considered the following:

Impact of Covid-19

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.

In response to the spread of the Covid-19 virus in the GCC and other 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 major impact of Covid-19 pandemic is 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.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021

3. BASIS OF PREPARATION (continued)

b) Significant accounting judgements, estimates and assumptions (continued)

Medical technical reserve

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 unfavorable 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 21 June 2020, the Company is experiencing a surge in claims which is in line with the expectations of the Company's management. The Company's management has duly considered the impact of surge in claims in the current estimate of future contractual cash flows of the insurance contracts in force as at 30 June 2021 for its liability adequacy test.

Motor technical reserves

In response to the Covid-19 pandemic, SAMA issued a circular 189 (the "circular") dated 08 May 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.

The Management, in conjunction with its appointed actuary, deliberated on a variety of internal factors and concluded, that the Company considers the extension of two months in exiting motor policies as new policy and record a premium deficiency reserve based on the expected claims for the extended two months' period.

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 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 nine months' period ended 30 September 2021. The Company's management continues to monitor the situation closely.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021

3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The significant accounting policies and risk management policies adopted in preparing these interim condensed financial statements are consistent with those that are followed in preparing the annual financial statements of the company for the year ended December 31, 2020.

New standards were issued, but not yet effective

The standards and interpretations that were issued, but were not effective until the date of issuance of the Interim financial statements of the company, are disclosed below. The Company intends to adopt these standards, if required, when they become effective.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work although the date of approval is subject to the recently issued exposure draft on replacing IAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in the IAS International 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transfer Disclosures, issued in December 2011, move the mandatory effective date to January 1, 2015.

However, on November 19, 2013, the International Accounting Standards Board issued IFRS 9 Financial Instruments (Hedge Accounting and Amendments to IFRS 9) amending IFRS 9 to include the new general hedge accounting model. At its February 2014 meeting, the International Accounting Standards Board decided that IFRS 9 would be effective and mandatory for annual reporting periods beginning on or after January 1, 2018, with an optional temporary exception to postpone the application of IFRS 9 until January 1, 2022. For companies whose activities are mostly associated with insurance. In line with other insurance companies in the Kingdom of Saudi Arabia, the company has postponed the application of IFRS 9 until 1 January 2023 to comply with the adoption of IFRS 17.

IFRS 17 Insurance Contracts

The International Accounting Standards Board issued IFRS 17 in May 2017. IFRS 17 will be mandatory for annual reporting periods beginning on or after January 1, 2023. Once it becomes effective, the IFRS becomes available. Financial No. 17 replaces IFRS 4 that was issued in 2005. The overall goal of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts between entities that issue insurance contracts globally. The company is in the process of evaluating the impact of IFRS 17.

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4. CASH AND CASH EQUIVALENTS

	30 September 2021 (Unaudited) SR		
	<i>Insurance operations SR</i>	<i>Shareholders' Operations SR</i>	<i>Total SR</i>
Cash on hand and in Banks	29,326,950	6,525,630	35,852,580
Time deposits	20,400,000	55,345,413	75,745,413
	<u>49,726,950</u>	<u>61,871,043</u>	<u>111,597,993</u>

	31 December 2020 (Audited) SR		
	<i>Insurance operations SR</i>	<i>Shareholders' Operations SR</i>	<i>Total SR</i>
Cash on hand and in Banks	33,351,069	36,788,541	70,139,610
Time deposits	-	79,187,844	79,187,844
	<u>33,351,069</u>	<u>115,976,385</u>	<u>149,327,454</u>

5. PREMIUMS AND REINSURANCE RECEIVABLES, NET

Premiums and reinsurance receivables comprise of the following:

	30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Policyholders	220,037,841	183,112,829
Less: Provision for doubtful debt	(57,362,562)	(59,093,630)
Net premiums receivables	<u>162,675,279</u>	<u>124,019,199</u>
Reinsurance balances receivable	15,474,212	20,629,354
Less: Provision for doubtful debt	(3,354,216)	(3,534,816)
Net reinsurance balances receivable	<u>12,119,996</u>	<u>17,094,538</u>
Total premiums and reinsurance balances receivable, net	<u>174,795,275</u>	<u>141,113,737</u>

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6. INVESTMENTS

Investments comprise of the following:

	30 September 2021			31 December 2020		
	(Unaudited)			(Audited)		
	Insurance operations	Shareholders' Operations	Total	Insurance operations	Shareholders' Operations	Total
	SR	SR	SR	SR	SR	SR
Investments available for sale	-	77,959,771	77,959,771	-	25,182,368	25,182,368
Investments held to maturity *	32,653,125	44,318,019	76,971,144	32,653,125	46,318,019	78,971,144
Total	32,653,125	122,277,790	154,930,915	32,653,125	71,500,387	104,153,512

* Bonds are stated in the statement of financial position at amortized cost. The fair value of investments acquired to maturity amounted to SR 79,837,792 (31 December 2020: SR 82,498,266).

- The movement in investments is as follows:

	Insurance operations	
	30 September 2021	31 December 2020
	(Unaudited)	(Audited)
	SR	SR
Beginning balance	32,653,125	29,854,688
Additions	-	2,798,437
Ending balance	32,653,125	32,653,125

	Shareholders' operations	
	30 September 2021	31 December 2020
	(Unaudited)	(Audited)
	SR	SR
Beginning balance	71,500,387	120,143,040
Additions	103,405,577	6,700,000
Disposals	(54,223,249)	(56,960,148)
Net additions and disposals	49,182,328	(50,260,148)
Realized profit during the period / year	1,537,538	2,015,659
Change in fair value of available for sale investments	57,537	(398,164)
Ending balance	122,277,790	71,500,387

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7. TECHNICAL RESERVES

7-1. Net outstanding claims and other reserves

Net outstanding claims and other reserves comprise of the following:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
	SR	SR
Outstanding claims	111,270,851	89,174,451
Less: Realizable value of salvage and subrogation	(11,650,758)	(8,287,282)
	99,620,093	80,887,169
Claims incurred but not reported	50,983,390	59,981,723
Premium deficiency reserve and other reserves	11,006,000	15,630,000
	61,989,390	75,611,723
Less:		
- Reinsurers' share of outstanding claims	(65,933,582)	(33,977,846)
- Reinsurers' share of claims Incurred but not reported	(6,530,878)	(9,378,725)
	(72,464,460)	(43,356,571)
	89,145,023	113,142,321

7-2. MOVEMENT IN UNEARNED PREMIUMS

Movement in unearned premiums is as follows:

	Nine months' period ended 30 September 2021 (Unaudited)			Year ended 31 December 2020 (Audited)		
	Total	Reinsurers	Net	Total	Reinsurers	Net
	SR	SR	SR	SR	SR	SR
Balance at the beginning of the period / year	140,802,544	(42,904,729)	97,897,815	148,601,943	(55,863,062)	92,738,881
Premium written during the period / year	332,166,794	(102,823,741)	229,343,053	346,431,646	(100,629,444)	245,802,202
Premium earned during the period / year	(285,147,576)	92,051,945	(193,095,631)	(354,231,045)	113,587,777	(240,643,268)
Balance at the end of the period / year	187,821,762	(53,676,525)	134,145,237	140,802,544	(42,904,729)	97,897,815

8. COMMITMENTS AND CONTINGENCIES

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a. Commitments and contingencies comprise of the following:

	30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Letter of guarantee	2,738,858	2,733,449
Total	2,738,858	2,733,449

b. Litigations and lawsuits

The company operates in the insurance business and is vulnerable to lawsuits during its normal business cycle. While it is impractical to predict or know the final outcome of all lawsuits, management believes that these lawsuits (including the cases) will not have any material impact on the company's results or its financial position. The company does not have any material lawsuit on the date of preparing the interim condensed financial statements.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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.

Fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

30 September 2021 (Unaudited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
Financial assets measured at fair value				
Available for sale investments:				
- Mutual Funds	-	37,269,390	-	37,269,390
- Bonds	28,346,139	-	-	28,346,139
- Equity	10,421,162	-	1,923,080	12,344,242
Total	38,767,301	37,269,390	1,923,080	77,959,771

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9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2020 (Audited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
Financial assets measured at fair value				
Available for sale investments:				
- Mutual Funds	4,178,216	2,033,698	-	6,211,914
- Bonds	17,047,377	-	-	17,047,377
- Equity	-	-	1,923,077	1,923,077
Total	21,225,593	2,033,698	1,923,077	25,182,368

The change in the fair value of available-for-sale investments amounting to SAR 802,804 as of September 30, 2021 (December 31, 2020: SAR 745,267) is shown within the shareholders' equity in the interim condensed statement of financial position.

For the period ended September 30, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers to or from Level 3 fair value measurements.

- * The investment in shares of a local non-current company, amounting to SR 1.9 million (December 31, 2020: SR 1.9 million), represents equity investments in the capital of Najm Company for Non-Current Insurance Services at a rate of 3.85% (31 December 2020: 3.85%). Due to the lack of fair value, the investment has been recorded at cost and in the opinion of management there is no material difference between the fair value of this investment and its carrying value.

10. 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 its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed income statement. 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, 2020.

Segment assets do not include property and equipment, prepaid expenses and other assets, insurance premiums, reinsurance receivables, investments, time deposits, cash and cash equivalents, amounts due from a related party, statutory deposit, and investment returns from the statutory deposit, and thus they are included in the unallocated assets.

Segments' liabilities do not include reinsurers' receivables, end-of-service benefits provision, payables and accrued expenses and other liabilities, other provisions, surplus payable distributions, actuarial loss for specific benefit plans, accrued zakat and income tax, and due statutory deposit investment returns and thus they are included in the unallocated liabilities.

General and administrative expenses, commission income, and other income from insurance operations were not distributed within the different sectors.

These unallocated assets and liabilities are reported to decision maker and are monitored on a centralized basis.

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10. OPERATING SEGMENTS (CONTINUED)

As at 30 September 2021 (Unaudited)

As at 30 September 2021 (Unaudited)	Saudi Riyals						
	Insurance Operations						
Operating segments	Medical	Motor	Fire	Engineering	Marine	Others	Total
Assets							
Reinsurers' share of unearned premiums	11,248,504	-	23,940,500	6,261,626	2,193,781	10,032,114	53,676,525
Reinsurers' share of outstanding claims	3,707,938	13,244,284	33,906,310	3,887,872	2,548,270	8,638,908	65,933,582
Reinsurers' share of claims incurred but not reported	3,391,000	-	2,677,000	338,000	310,000	(185,122)	6,530,878
Deferred policy acquisition costs	3,576,392	5,608,383	2,147,707	631,354	249,459	1,341,360	13,554,655
Unallocated assets							305,726,960
	21,923,834	18,852,667	62,671,517	11,118,852	5,301,510	19,827,260	445,422,600
Liabilities							
Unearned premiums	81,307,633	59,232,795	24,787,817	7,591,300	2,465,007	12,437,210	187,821,762
Unearned reinsurance commission	-	-	2,562,018	666,845	492,213	1,523,227	5,244,303
Outstanding claims	17,246,744	25,022,993	34,281,041	6,046,579	3,288,569	13,734,167	99,620,093
Claims incurred but not reported	14,678,000	31,969,000	3,036,000	780,000	492,000	28,390	50,983,390
Premium deficiency reserve and other reserves	3,465,000	4,752,000	335,000	921,000	-	1,533,000	11,006,000
Unallocated liabilities							90,747,052
	116,697,377	120,976,788	65,001,876	16,005,724	6,737,789	29,255,994	445,422,600

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10. OPERATING SEGMENTS (CONTINUED)

As at 31 December 2020 (Audited)

	<u>Saudi Riyals</u>						
	Insurance Operations						
Operating segments	Medical	Motor	Fire	Engineering	Marine	Others	Total
Assets							
Reinsurers' share of unearned premiums	13,671,458	-	13,296,780	8,576,763	1,961,860	5,397,868	42,904,729
Reinsurers' share of outstanding claims	3,953,012	13,058,874	2,160,888	4,805,533	1,968,714	8,030,825	33,977,846
Reinsurers' share of claims incurred but not reported	6,743,000	-	1,402,000	962,000	238,000	33,725	9,378,725
Deferred policy acquisition costs	3,305,485	4,766,196	1,292,324	694,692	263,427	695,638	11,017,762
Unallocated assets							299,031,954
	27,672,955	17,825,070	18,151,992	15,038,988	4,432,001	14,158,056	396,311,016
Liabilities							
Unearned premiums	56,313,429	48,353,902	15,156,801	10,146,617	2,719,528	8,112,267	140,802,544
Unearned reinsurance commission	-	-	1,237,517	967,237	674,805	398,218	3,277,777
Outstanding claims	15,331,667	40,546,318	2,224,304	7,184,389	2,777,285	12,823,206	80,887,169
Claims incurred but not reported	21,241,000	34,703,000	1,577,000	1,536,000	451,000	473,723	59,981,723
Premium deficiency reserve	12,304,000	2,107,000	4,000	108,000	-	1,107,000	15,630,000
Unallocated liabilities							95,731,803
	105,190,096	125,710,220	20,199,622	19,942,243	6,622,618	22,914,414	396,311,016

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10. OPERATING SEGMENTS (CONTINUED)

For the three month period ended 30 September 2021 (Unaudited)

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	65,956,971	14,279,408	3,495,272	1,113,077	2,452,104	4,265,620	91,562,452
Reinsurance premiums ceded:							
Foreign	(8,765,052)	-	(3,185,809)	(738,481)	(2,022,463)	(3,802,377)	(18,514,182)
Local	-	-	(156,376)	(215,058)	(158,549)	(76,225)	(606,208)
Excess of loss premiums	-	(562,880)	(152,615)	(356,100)	(153,749)	-	(1,225,344)
NET PREMIUMS WRITTEN	57,191,919	13,716,528	472	(196,562)	117,343	387,018	71,216,718
Change in unearned premiums, net	(23,617,819)	20,023,826	515,462	713,474	634,190	608,465	(1,122,402)
NET PREMIUMS EARNED	33,574,100	33,740,354	515,934	516,912	751,533	995,483	70,094,316
Reinsurance commission	-	-	1,519,705	593,923	744,981	665,323	3,523,932
Other underwriting revenue	4,000	423,961	-	-	-	6,000	433,961
TOTAL REVENUE	33,578,100	34,164,315	2,035,639	1,110,835	1,496,514	1,666,806	74,052,209
Gross claims paid	(29,468,993)	(32,878,435)	(545,028)	(198,664)	(204,348)	(840,146)	(64,135,614)
Reinsurers share of claims paid	8,851,441	-	535,754	139,723	148,588	504,088	10,179,594
Net claims paid	(20,617,552)	(32,878,435)	(9,274)	(58,941)	(55,760)	(336,058)	(53,956,020)
Change in outstanding claims, net	(3,359,262)	5,124,149	16,513	194,595	(156,326)	(125,324)	1,694,345
Change in claims incurred but not reported, net	(795,000)	191,000	(62,000)	32,000	(15,000)	259,486	(389,514)
NET CLAIMS INCURRED	(24,771,814)	(27,563,286)	(54,761)	167,654	(227,086)	(201,896)	(52,651,189)
Policy acquisition costs	(1,873,235)	(3,837,014)	(1,434,740)	(413,513)	(387,274)	(584,992)	(8,530,768)
Change in premium deficiency reserve and other reserves	4,208,000	(1,675,000)	335,000	(124,000)	201,000	(92,000)	2,853,000
Total underwriting costs and expenses	(22,437,049)	(33,075,300)	(1,154,501)	(369,859)	(413,360)	(878,888)	(58,328,957)
NET UNDERWRITING INCOME	11,141,051	1,089,015	881,138	740,976	1,083,154	787,918	15,723,252
Other operating (expenses) / income							
Provision for doubtful debts							4,527,338
General and administrative expenses							(17,986,435)
Commission income on deposits							29,240
Dividend							291,901
Total other operating expenses							(13,137,956)
NET LOSS OF INSURANCE OPERATIONS'							2,585,296

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10. OPERATING SEGMENTS (CONTINUED)

For the three month period ended 30 September 2020 (Unaudited)

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	49,580,488	9,841,128	6,800,965	1,561,342	1,516,844	1,595,772	70,896,539
Reinsurance premiums ceded:							
Foreign	(7,739,051)	-	(4,983,730)	(1,137,839)	(1,048,115)	(892,084)	(15,800,819)
Local	(11,535)	-	(243,202)	(157,294)	(107,504)	(95,960)	(615,495)
Excess of loss premiums	-	(438,750)	(131,693)	(356,058)	(153,499)	-	(1,080,000)
NET PREMIUMS WRITTEN	41,829,902	9,402,378	1,442,340	(89,849)	207,726	607,728	53,400,225
Change in unearned premiums, net	(14,674,749)	19,873,617	(675,004)	882,880	577,149	460,750	6,444,643
NET PREMIUMS EARNED	27,155,153	29,275,995	767,336	793,031	784,875	1,068,478	59,844,868
Reinsurance commission	-	-	839,840	769,901	1,573,231	293,299	3,476,271
Other underwriting revenue	-	267,154	-	-	-	-	267,154
TOTAL REVENUE	27,155,153	29,543,149	1,607,176	1,562,932	2,358,106	1,361,777	63,588,293
Gross claims paid	(29,056,227)	(18,812,173)	(438,971)	(886,195)	(175,216)	(905,494)	(50,274,276)
Reinsurers share of claims paid	14,415,161	300,000	436,978	696,704	297,379	628,066	16,774,288
Net claims paid	(14,641,066)	(18,512,173)	(1,993)	(189,491)	122,163	(277,428)	(33,499,988)
Change in outstanding claims, net	1,071,201	1,341,819	(19,337)	166,363	(548,024)	361,476	2,373,498
Change in claims incurred but not reported, net	(3,625,000)	(1,550,000)	(93,000)	(62,000)	(43,000)	60,000	(5,313,000)
NET CLAIMS INCURRED	(17,194,865)	(18,720,354)	(114,330)	(85,128)	(468,861)	144,048	(36,439,490)
Policy acquisition costs	(1,439,227)	(2,871,099)	(586,819)	(558,443)	(344,104)	(256,859)	(6,056,551)
Change in premium deficiency reserve and other reserves	(5,448,000)	9,215,000	(283,000)	677,000	-	538,000	4,699,000
Total underwriting costs and expenses	(24,082,092)	(12,376,453)	(984,149)	33,429	(812,965)	425,189	(37,797,041)
NET UNDERWRITING INCOME	3,073,061	17,166,696	623,027	1,596,361	1,545,141	1,786,966	25,791,252
Other operating (expenses) / income							
Provision for doubtful debts							(3,730,657)
General and administrative expenses							(17,339,127)
Commission income on deposits							23,611
Dividend							276,501
Total other operating expenses							(20,769,672)
NET LOSS OF INSURANCE OPERATIONS'							5,021,580

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10. OPERATING SEGMENTS (CONTINUED)

For the nine month period ended 30 September 2021 (Unaudited)

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	129,457,823	111,398,201	49,641,997	11,974,145	10,473,999	19,220,629	332,166,794
Reinsurance premiums ceded:							
Foreign	(16,090,569)	-	(33,104,942)	(8,411,879)	(6,612,341)	(15,632,816)	(79,852,547)
Local	-	-	(15,247,862)	(1,323,518)	(2,068,845)	(654,937)	(19,295,162)
Excess of loss premiums	-	(1,688,640)	(457,842)	(1,068,300)	(461,250)	-	(3,676,032)
NET PREMIUMS WRITTEN	113,367,254	109,709,561	831,351	1,170,448	1,331,563	2,932,876	229,343,053
Change in unearned premiums, net	(27,417,158)	(10,878,894)	1,012,703	240,180	486,442	309,305	(36,247,422)
NET PREMIUMS EARNED	85,950,096	98,830,667	1,844,054	1,410,628	1,818,005	3,242,181	193,095,631
Reinsurance commission	-	-	5,083,649	3,463,645	3,915,701	1,934,982	14,397,977
Other underwriting revenue	66,000	423,961	24,744	510,579	-	1,137,942	2,163,226
TOTAL REVENUE	86,016,096	99,254,628	6,952,447	5,384,852	5,733,706	6,315,105	209,656,834
Gross claims paid	(94,104,363)	(92,384,425)	(1,464,784)	(1,136,327)	(1,246,922)	(1,920,874)	(192,257,695)
Reinsurers share of claims paid	28,606,964	901,590	1,437,008	791,027	746,071	1,226,999	33,709,659
Net claims paid	(65,497,399)	(91,482,835)	(27,776)	(345,300)	(500,851)	(693,875)	(158,548,036)
Change in outstanding claims, net	(2,160,151)	15,708,736	(311,315)	220,149	68,272	(302,880)	13,222,811
Change in claims incurred but not reported, net	3,211,000	2,734,000	(184,000)	132,000	31,000	226,486	6,150,486
NET CLAIMS INCURRED	(64,446,550)	(73,040,099)	(523,091)	6,849	(401,579)	(770,269)	(139,174,739)
Policy acquisition costs	(4,888,384)	(11,210,691)	(3,932,581)	(1,082,399)	(1,151,122)	(1,587,225)	(23,852,402)
Change in premium deficiency reserve and other reserves	8,839,000	(2,645,000)	(331,000)	(813,000)	-	(426,000)	4,624,000
Total underwriting costs and expenses	(60,495,934)	(86,895,790)	(4,786,672)	(1,888,550)	(1,552,701)	(2,783,494)	(158,403,141)
NET UNDERWRITING INCOME	25,520,162	12,358,838	2,165,775	3,496,302	4,181,005	3,531,611	51,253,693
Other operating (expenses) / income							
Provision for doubtful debts							1,911,668
General and administrative expenses							(50,135,282)
Commission income on deposits							95,491
Dividend							875,702
Total other operating expenses							(47,252,421)
NET LOSS OF INSURANCE OPERATIONS'							4,001,272

ARABIA INSURANCE COOPERATIVE COMPANY

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NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021

10. OPERATING SEGMENTS (CONTINUED)

For the nine month period ended 30 September 2020 (Unaudited)

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	107,404,228	102,234,382	29,436,163	21,472,211	7,159,743	11,017,455	278,724,182
Reinsurance premiums ceded:							
Foreign	(17,533,718)	-	(24,592,534)	(16,810,780)	(4,890,145)	(6,928,346)	(70,755,523)
Local	(137,314)	-	(2,192,013)	(1,147,328)	(554,498)	(653,070)	(4,684,223)
Excess of loss premiums	-	(1,316,250)	(395,078)	(1,068,172)	(460,500)	-	(3,240,000)
NET PREMIUMS WRITTEN	89,733,196	100,918,132	2,256,538	2,445,931	1,254,600	3,436,039	200,044,436
Change in unearned premiums, net	(6,825,175)	(16,929,907)	(310,185)	(238,219)	236,547	(107,758)	(24,174,697)
NET PREMIUMS EARNED	82,908,021	83,988,225	1,946,353	2,207,712	1,491,147	3,328,281	175,869,739
Reinsurance commission	-	-	2,145,783	2,895,154	2,823,156	975,272	8,839,365
Other underwriting revenue	1,482,000	1,152,500	-	-	-	1,999,000	4,633,500
TOTAL REVENUE	84,390,021	85,140,725	4,092,136	5,102,866	4,314,303	6,302,553	189,342,604
Gross claims paid	(104,133,296)	(47,835,491)	(585,595)	(2,550,715)	(1,524,832)	(2,212,267)	(158,842,196)
Reinsurers share of claims paid	49,364,664	460,500	567,077	1,888,350	1,087,912	1,480,169	54,848,672
Net claims paid	(54,768,632)	(47,374,991)	(18,518)	(662,365)	(436,920)	(732,098)	(103,993,524)
Change in outstanding claims, net	992,960	(1,763,094)	(792,526)	256,843	265,550	(168,249)	(1,208,516)
Change in claims incurred but not reported, net	(2,347,000)	6,456,000	(43,000)	167,000	137,000	890,000	5,260,000
NET CLAIMS INCURRED	(56,122,672)	(42,682,085)	(854,044)	(238,522)	(34,370)	(10,347)	(99,942,040)
Policy acquisition costs	(3,954,216)	(6,657,453)	(1,629,972)	(1,653,143)	(588,754)	(808,914)	(15,292,452)
Change in premium deficiency reserve	(4,807,000)	(3,435,000)	1,381,000	(156,200)	-	(1,456,000)	(8,473,200)
Other underwriting expenses	-	(1,154,137)	-	-	(5,517,472)	-	(6,671,609)
Total underwriting costs and expenses	(64,883,888)	(53,928,675)	(1,103,016)	(2,047,865)	(6,140,596)	(2,275,261)	(130,379,301)
NET UNDERWRITING INCOME	19,506,133	31,212,050	2,989,120	3,055,001	(1,826,293)	4,027,292	58,963,303
Other operating (expenses) / income							
Provision for doubtful debts							(728,292)
General and administrative expenses							(52,487,507)
Commission income							37,611
Dividend							826,904
Total other operating expenses							(52,351,284)
NET LOSS OF INSURANCE OPERATIONS'							6,612,019

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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021****11. RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties represent the main shareholders, directors, and senior management employees of the company, the companies that they are their main owners, and any other companies that are subject to their control or are jointly controlled or have effective control over them. Pricing policies and terms of these transactions are approved by the company's management and the Board of Directors. Details of major related party transactions and their balances are as follows:

Related party	Nature of transactions	30 September 2021 (Unaudited) SR	30 September 2020 (Unaudited) SR
Board of Directors and the companies they represent	- Gross Premiums written	5,971,003	6,286,702
	- Claims paid	419,880	1,297,035
	- Expenses paid by Arabia Insurance Company behalf on behalf of the Company	208,594	41,197
	- Reinsurance operations, net	-	14,239
Jordan Insurance Company - (shareholder)			

The above transactions with the related parties resulted in the following balances:

	30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Arabia Insurance Company – Lebanon – Shareholder	(198,942)	9,652
Jordan Insurance Company – Shareholder	83,346	83,346
Board members and the companies they represent	3,491,355	3,176,156
Reinsurance balance due from Jordan Insurance Company	546,767	538,655

Compensation of key management personnel

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

	30 September 2021 (Unaudited) SR	30 September 2020 (Unaudited) SR
Short-term benefits	3,118,185	1,814,607
End of service benefit	129,409	72,593
	3,247,594	1,887,200

12. ZAKAT AND INCOME TAX ACCRUED***Zakat charge for the period***

The zakat provision consists of the zakat charged during the period in the amount of SR 4,869,932 (September 30, 2020: SAR 5,000,000). The zakat provision is calculated on the Saudi shareholders' share of the capital at 71.59% (2020: 68.6%).

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12. ZAKAT AND INCOME TAX ACCRUED (continued)

Income tax charge for the period

Income tax provision consists of income tax charged during the period in an amount of nil Saudi riyals (September 30, 2020: nil Saudi riyals). Income tax is calculated on the share of capital by non-Saudi shareholders at a rate of 28.41% (2020: 31.4%).

Status of assessment

The company submitted its tax and zakat returns to the Zakat, Tax and Customs Authority for all years up to the fiscal year ending on December 31, 2020, and the company has received a restricted certificate for the fiscal year ending December 31, 2020.

Zakat, Income Tax and Withholding Tax

The Company has not received any decisions regarding the lawsuits submitted before the First Committee for Settling Tax Disputes and Violations, which relates to withholding tax assessments for the years: 2015, 2016 and 2017, not even regarding its appeal against the decision of the First Committee issued against the Company regarding its grievance on the zakat and tax assessments relating 2013 and 2014.

On 15 September 2021, the Company received two letters from the Authority providing it with additional requirements for examining zakat and income tax for the years 2019 and 2020, and the Company responded to these requests within the deadline granted by the Authority.

VAT

During the third quarter, the Company received the decision issued by the First Committee for Settling Tax Disputes and Excise goods on 29 August 2021 and on 2 September 2021, according to which the Company's appeal was rejected and the decision of the Adjudication Department was confirmed with respect to only cases whose value is less than SR 50,000 (total SR 125,801 only), which the Company had submitted against the assessment of the Zakat, Tax and Customs Authority for VAT returns for the years: 2018 and 2019, the Company also submitted an memorandum that included a clarification of the Company's opinion, with regard to lawsuits exceeding an amount of SR 50,000, which are still subject to study by the Appeal Committee.

During the third quarter of 2021, the Company completed providing the Authority with the requirements for VAT examination for the year 2020. As a result, the Company received on 8 September 2021 an initial assessment that included an amendment to the Company's sales according to its submitted tax return the Company responded to this initial assessment based on the legal articles contained in the executive regulations for VAT, but the Authority insisted on amending it by issuing a final assessment and a confirmation was obtained from the Authority that there was an error in calculating the tax differences and the resulting fines, and it was agreed to pay the Company for the correct amount of differences and fines.

13. SHARE CAPITAL

The authorized, issued and fully paid up share capital is SR 265 million and consists of 26.5 million shares with a par value of SR 10 per share (31 December 2020: SR 265 million and consists of 26.5 million shares with par value of SR 10 per share). The Board of Directors' resolution of 20 December 2018 recommended an increase in the Company's capital by SR 265 million Saudi Riyal through the issue of preference rights shares. This decision will be followed by all the laws stipulated in the relevant laws and regulations.

On 5 September 2021, the Company obtained the approval of the Capital Market Authority on the request of the Arab Insurance Cooperative Company to increase its capital by offering rights shares with a value of SR 265 million, provided that the eligibility is for the shareholders registered in the issuer's shareholder register at the Depository Center at the end of the second trading day following the date of the Extraordinary General Assembly, which decided to increase the capital through a rights issue, and it was announced on 17 October 2021 that the Extraordinary General Assembly was called, which includes voting on the Board of Directors' recommendation to increase the Company's capital through a rights issue, which to be held on 9 November 2021.

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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021**

14. CAPITAL MANAGEMENT

Objectives are set by the company to maintain good capital ratios in order to support its business objectives and increase shareholder value.

A firm manages its capital requirements by assessing deficiencies between the authorized and required levels of capital on a regular basis.

Adjustments are made to current capital levels in light of changes in market conditions and the risk characteristics of the Company's activities. To maintain or adjust capital, the company may adjust dividends paid to shareholders or issue shares.

In the opinion of the Board of Directors, the company has fully complied with the capital requirements imposed from abroad during the reported financial period.

15. EARNINGS PER SHARE

The earnings per share for the three and nine-month period ending September 30, 2021 and 2020 is calculated by dividing the net profit / (loss) of the period attributed to shareholders by the average number of shares issued for the period.

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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021**
16. SUPPLEMENTARY INFORMATION
- INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	In Saudi Riyals					
	30 September 2021 (Unaudited)			31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<u>Assets</u>						
Cash and cash equivalents	49,726,950	61,871,043	111,597,993	33,351,069	115,976,385	149,327,454
Premiums and reinsurers' receivable – net	174,795,275	-	174,795,275	141,113,737	-	141,113,737
Reinsurers' share of unearned premium	53,676,525	-	53,676,525	42,904,729	-	42,904,729
Reinsurers' share of outstanding claims	65,933,582	-	65,933,582	33,977,846	-	33,977,846
Reinsurers' share of claims incurred but not reported	6,530,878	-	6,530,878	9,378,725	-	9,378,725
Deferred policy acquisition cost	13,554,655	-	13,554,655	11,017,762	-	11,017,762
Deferred excess of loss premiums	1,225,338	-	1,225,338	-	-	-
Investments	32,653,125	122,277,790	154,930,915	32,653,125	71,500,387	104,153,512
Amounts due from shareholders' operations	17,641,138	-	17,641,138	41,909,640	-	41,909,640
Due from a related party	83,346	-	83,346	92,998	-	92,998
Prepaid expenses and other assets	18,479,973	1,081,446	19,561,419	17,590,706	722,807	18,313,513
Right of use assets	3,754,024	-	3,754,024	5,371,952	-	5,371,952
Term deposits	-	22,004,990	22,004,990	20,350,000	43,414,208	63,764,208
Property and equipment, net	7,367,791	-	7,367,791	6,598,727	-	6,598,727
Statutory deposit	-	40,000,000	40,000,000	-	40,000,000	40,000,000
Return on statutory deposit	-	4,435,491	4,435,491	-	4,290,280	4,290,280
<u>Total assets</u>	445,422,600	251,670,760	697,093,360	396,311,016	275,904,067	672,215,083
<u>Liabilities</u>						
Accounts payable	18,820,458	-	18,820,458	23,683,805	-	23,683,805
Accrued expenses and other liabilities	25,296,249	244,820	25,541,069	26,554,663	1,655,874	28,210,537
Reinsurance balances payable	30,568,113	-	30,568,113	29,424,459	-	29,424,459
Unearned insurance premiums	187,821,762	-	187,821,762	140,802,544	-	140,802,544
Unearned reinsurance commissions	5,244,303	-	5,244,303	3,277,777	-	3,277,777
Outstanding claims	99,620,093	-	99,620,093	80,887,169	-	80,887,169
Claims incurred but not reported	50,983,390	-	50,983,390	59,981,723	-	59,981,723
Premium deficiency reserve	11,006,000	-	11,006,000	15,630,000	-	15,630,000
Due to a related party	198,942	-	198,942	-	-	-
End of service benefits	11,262,872	-	11,262,872	10,427,777	-	10,427,777
Zakat and income tax payable	-	6,652,889	6,652,889	-	6,281,980	6,281,980
Lease liability	3,470,318	-	3,470,318	4,911,126	-	4,911,126
Return on statutory deposit	-	4,435,491	4,435,491	-	4,290,280	4,290,280
Amounts due to insurance operations	-	17,641,138	17,641,138	-	41,909,640	41,909,640
<u>Total liabilities</u>	444,292,500	28,974,338	473,266,838	395,581,043	54,137,774	449,718,817
<u>Cumulative surplus</u>						
Accumulated surplus payable	2,653,032	-	2,653,032	2,252,905	-	2,252,905
Actuarial loss on defined benefit plan	(1,522,932)	-	(1,522,932)	(1,522,932)	-	(1,522,932)
<u>Total liabilities and accrued surplus</u>	445,422,600	28,974,338	474,396,938	396,311,016	54,137,774	450,448,790
<u>Shareholders' equity</u>						
Equity capital	-	265,000,000	265,000,000	-	265,000,000	265,000,000
Accumulated losses	-	(43,106,382)	(43,106,382)	-	(43,978,974)	(43,978,974)
Investment of available-for-sale revaluation reserve	-	802,804	802,804	-	745,267	745,267
<u>Total shareholders' equity</u>	-	222,696,422	222,696,422	-	221,766,293	221,766,293
<u>Total liabilities and shareholders' equity</u>	445,422,600	251,670,760	697,093,360	396,311,016	275,904,067	672,215,083

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FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021**
16. SUPPLEMENTARY INFORMATION – (continued)
- INTERIM CONDENSED STATEMENT OF INCOME

	In Saudi Riyals					
	For the three month period ended 30 September 2021 (Unaudited)			For the three month period ended 30 September 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
REVENUES						
Gross premiums written						
- Direct	91,562,452	-	91,562,452	70,896,539	-	70,896,539
Reinsurance premiums ceded						
- Foreign	(18,514,182)	-	(18,514,182)	(15,800,819)	-	(15,800,819)
- Local	(606,208)	-	(606,208)	(615,495)	-	(615,495)
Excess of loss expenses	(1,225,344)	-	(1,225,344)	(1,080,000)	-	(1,080,000)
Net premiums written	71,216,718	-	71,216,718	53,400,225	-	53,400,225
Changes in unearned premiums, net	(1,122,402)	-	(1,122,402)	6,444,643	-	6,444,643
Net premiums earned	70,094,316	-	70,094,316	59,844,868	-	59,844,868
Reinsurance commission earned	3,523,932	-	3,523,932	3,476,271	-	3,476,271
Other underwriting revenue	433,961	-	433,961	267,154	-	267,154
TOTAL REVENUES	74,052,209	-	74,052,209	63,588,293	-	63,588,293
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(64,135,614)	-	(64,135,614)	(50,274,276)	-	(50,274,276)
Reinsurers' share of claims paid	10,179,594	-	10,179,594	16,774,288	-	16,774,288
Net claims paid	(53,956,020)	-	(53,956,020)	(33,499,988)	-	(33,499,988)
Changes in outstanding claims, net	1,694,345	-	1,694,345	2,373,498	-	2,373,498
Changes in claims incurred but not reported, net	(389,514)	-	(389,514)	(5,313,000)	-	(5,313,000)
Net claims incurred	(52,651,189)	-	(52,651,189)	(36,439,490)	-	(36,439,490)
Policy acquisition costs	(8,530,768)	-	(8,530,768)	(6,056,551)	-	(6,056,551)
Changes in premium deficiency reserve	2,853,000	-	2,853,000	4,699,000	-	4,699,000
Other underwriting expenses	-	-	-	-	-	-
Total underwriting costs and expenses	(58,328,957)	-	(58,328,957)	(37,797,041)	-	(37,797,041)
NET UNDERWRITING INCOME	15,723,252	-	15,723,252	25,791,252	-	25,791,252
OPERATING (EXPENSES) / INCOME						
Provision for doubtful debts	4,527,338	-	4,527,338	(3,730,657)	-	(3,730,657)
General and administrative expenses	(17,986,435)	(1,086,210)	(19,072,645)	(17,339,127)	(215,493)	(17,554,620)
Commission income	29,240	117,864	147,104	23,611	365,016	388,627
Gain on sale of available for sale investments	-	-	-	-	-	-
Dividend income	291,901	566,713	858,614	276,501	634,147	910,648
Total other operating (expenses) / income	(13,137,956)	(401,633)	(13,539,589)	(20,769,672)	783,670	(19,986,002)
Total surplus / (loss) for the period	2,585,296	(401,633)	2,183,663	5,021,580	783,670	5,805,250
Income for the period attributed to the shareholders	(2,326,766)	2,326,766	-	(4,519,422)	4,519,422	-
Net income for the period before zakat and income tax	258,530	1,925,133	2,183,663	502,158	5,303,092	5,805,250
Zakat and income tax	-	(1,427,927)	(1,427,927)	-	(2,000,000)	(2,000,000)
Net income after zakat and income tax	258,530	497,206	755,736	502,158	3,303,092	3,805,250

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16. SUPPLEMENTARY INFORMATION – (continued)
- INTERIM CONDENSED STATEMENT OF INCOME

	In Saudi Riyals					
	For the nine month period ended 30 September 2021 (Unaudited)			For the nine month period ended 30 September 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
REVENUES						
Gross premiums written						
- Direct	332,166,794	-	332,166,794	278,724,182	-	278,724,182
Reinsurance premiums ceded						
- Foreign	(79,852,547)	-	(79,852,547)	(70,755,523)	-	(70,755,523)
- Local	(19,295,162)	-	(19,295,162)	(4,684,223)	-	(4,684,223)
Excess of loss expenses	(3,676,032)	-	(3,676,032)	(3,240,000)	-	(3,240,000)
Net premiums written	229,343,053	-	229,343,053	200,044,436	-	200,044,436
Changes in unearned premiums, net	(36,247,422)	-	(36,247,422)	(24,174,697)	-	(24,174,697)
Net premiums earned	193,095,631	-	193,095,631	175,869,739	-	175,869,739
Reinsurance commission earned	14,397,977	-	14,397,977	8,839,365	-	8,839,365
Other income	2,163,226	-	2,163,226	4,633,500	-	4,633,500
TOTAL REVENUES	209,656,834	-	209,656,834	189,342,604	-	189,342,604
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(192,257,695)	-	(192,257,695)	(158,842,196)	-	(158,842,196)
Reinsurers' share of claims paid	33,709,659	-	33,709,659	54,848,672	-	54,848,672
Net claims paid	(158,548,036)	-	(158,548,036)	(103,993,524)	-	(103,993,524)
Changes in outstanding claims, net	13,222,811	-	13,222,811	(1,208,516)	-	(1,208,516)
Changes in claims incurred but not reported, net	6,150,486	-	6,150,486	5,260,000	-	5,260,000
Net claims incurred	(139,174,739)	-	(139,174,739)	(99,942,040)	-	(99,942,040)
Policy acquisition costs	(23,852,402)	-	(23,852,402)	(15,292,452)	-	(15,292,452)
Changes in premium deficiency reserve	4,624,000	-	4,624,000	(8,473,200)	-	(8,473,200)
Other underwriting expenses	-	-	-	(6,671,609)	-	(6,671,609)
Total underwriting costs and expenses	(158,403,141)	-	(158,403,141)	(130,379,301)	-	(130,379,301)
NET UNDERWRITING INCOME	51,253,693	-	51,253,693	58,963,303	-	58,963,303
OPERATING (EXPENSES) / INCOME						
Provision for doubtful debts	1,911,668	-	1,911,668	(728,292)	-	(728,292)
General and administrative expenses	(50,135,282)	(1,428,878)	(51,564,160)	(52,487,507)	(550,064)	(53,037,571)
Commission income	95,491	475,639	571,130	37,611	1,962,482	2,000,093
Gain on sale of available for sale investments	-	1,537,538	1,537,538	-	768,858	768,858
Dividend income	875,702	1,735,007	2,610,709	826,904	2,003,481	2,830,385
Total other operating (expenses) / income	(47,252,421)	2,319,306	(44,933,115)	(52,351,284)	4,184,757	(48,166,527)
Total surplus for the period	4,001,272	2,319,306	6,320,578	6,612,019	4,184,757	10,796,776
Income for the period attributed to the shareholders	(3,601,145)	3,601,145	-	(5,950,817)	5,950,817	-
Net income for the period before zakat and income tax	400,127	5,920,451	6,320,578	661,202	10,135,574	10,796,776
Zakat and income tax	-	(5,047,859)	(5,047,859)	-	(5,000,000)	(5,000,000)
Net income after zakat and income tax	400,127	872,592	1,272,719	661,202	5,135,574	5,796,776

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021**
16. SUPPLEMENTARY INFORMATION – (continued)
- INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	In Saudi Riyals					
	For the three month period ended 30 September 2021 (Unaudited)			For the three month period ended 30 September 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Net income for the period	258,530	497,206	755,736	502,158	3,303,092	3,805,250
Other comprehensive income:						
<i>Items that can be reclassified subsequently to the statement of interim condensed income:</i>						
Available-for-sale investments:						
Change in fair value	-	653,632	653,632	-	741,468	741,468
Total comprehensive income for the period	-	653,632	653,632	-	741,468	741,468
Total comprehensive income / (loss) for the period	258,530	1,150,838	1,409,368	502,158	4,044,560	4,546,718

	In Saudi Riyals					
	For the nine month period ended 30 September 2021 (Unaudited)			For the nine month period ended 30 September 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Net income for the period	400,127	872,592	1,272,719	661,202	5,135,574	5,796,776
Other comprehensive income:						
<i>Items that can be reclassified subsequently to the statement of interim condensed income:</i>						
Available-for-sale investments:						
Change in fair value	-	57,537	57,537	-	422,163	422,163
Total comprehensive income for the period	-	57,537	57,537	-	422,163	422,163
Total comprehensive income for the period	400,127	930,129	1,330,256	661,202	5,557,737	6,218,939

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021**
16. SUPPLEMENTARY INFORMATION – (continued)
- STATEMENT OF CASH FLOWS

	In Saudi Riyals					
	Period Ended September 30, 2021 (Unaudited)			Period Ended September 30, 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit / (loss) for the period	400,127	872,592	1,272,719	661,202	5,135,574	5,796,776
<i>Adjustments for non-cash items:</i>	-	-	-	-	-	-
Depreciation of property equipment	1,884,366	-	1,884,366	1,634,051	-	1,634,051
Gain / (loss) from sale property and equipment	-	(1,537,538)	(1,537,538)	-	(768,858)	(768,858)
Gain from sale of available for sale investments	-	-	-	(3,000)	-	(3,000)
Depreciation of right of use assets	1,617,929	-	1,617,929	1,465,573	-	1,465,573
Finance charges	128,113	-	128,113	170,478	-	170,478
Provision of allowance for doubtful debts	(1,911,668)	-	(1,911,668)	728,292	-	728,292
Impairment loss on available for sale investment	-	-	-	-	-	-
Provision for end-of-service indemnities	1,234,915	-	1,234,915	1,266,402	-	1,266,402
Zakat and income tax accrued	-	5,047,859	5,047,859	-	5,000,000	5,000,000
	3,353,782	4,382,913	7,736,695	5,922,998	9,366,716	15,289,714
Changes in operating assets and liabilities:						
Premiums and reinsurance receivables	(31,769,870)	-	(31,769,870)	(48,282,826)	-	(48,282,826)
Reinsurers share of unearned premiums	(10,771,796)	-	(10,771,796)	11,149,368	-	11,149,368
Reinsurers share of outstanding claims	(31,955,736)	-	(31,955,736)	(9,531,901)	-	(9,531,901)
Reinsurers' share of claims incurred but not reported	2,847,847	-	2,847,847	5,934,000	-	5,934,000
Deferred policy acquisition costs	(2,536,893)	-	(2,536,893)	(3,330,503)	-	(3,330,503)
Deferred excess of loss premiums	(1,225,338)	-	(1,225,338)	(1,080,000)	-	(1,080,000)
Due from related parties	9,652	-	9,652	(9,652)	-	(9,652)
Prepaid expenses and other assets	(889,269)	(358,639)	(1,247,908)	(3,690,458)	(177,715)	(3,868,173)
Accounts payable	(4,863,347)	-	(4,863,347)	67,300	-	67,300
Accrued expenses and other liabilities	(1,258,414)	(1,411,054)	(2,669,468)	(2,675,120)	79,500	(2,595,620)
Reinsurer's balances payable	1,143,654	-	1,143,654	1,036,173	-	1,036,173
Unearned insurance premiums	47,019,218	-	47,019,218	13,025,329	-	13,025,329
Uninsured reinsurance commissions	1,966,526	-	1,966,526	319,759	-	319,759
Outstanding claims	18,732,924	-	18,732,924	10,740,417	-	10,740,417
Claims incurred but not reported	(8,998,333)	-	(8,998,333)	(11,194,000)	-	(11,194,000)
Premium deficiency reserve and other reserves	(4,624,000)	-	(4,624,000)	8,473,200	-	8,473,200
Accrued surplus distributions	-	-	-	(500,484)	-	(500,484)
Amounts due to related parties	198,942	-	198,942	(41,197)	-	(41,197)
Cash (used in) operating activities	(23,620,451)	2,613,220	(21,007,231)	(23,667,597)	9,268,501	(14,399,096)
Zakat and income tax paid	-	(4,676,950)	(4,676,950)	-	(4,353,833)	(4,353,833)
End of service indemnities paid	(399,820)	-	(399,820)	(2,561,008)	-	(2,561,008)
Net cash (used in) operating activities	(24,020,271)	(2,063,730)	(26,084,001)	(26,228,605)	4,914,668	(21,313,937)
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions / (disposals) in investments	-	(49,182,327)	(49,182,327)	(2,798,437)	9,313,347	6,514,910
Additions / (disposals) in term deposits	20,350,000	21,409,218	41,759,218	10,000,000	57,877,898	67,877,898
Additions in property and equipment	(2,653,430)	-	(2,653,430)	(1,322,331)	-	(1,322,331)
Net cash from / (used in) investing activities	17,696,570	(27,773,109)	(10,076,539)	5,879,232	67,191,245	73,070,477
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / to shareholders'	24,268,502	(24,268,502)	-	53,142,981	(53,142,981)	-
lease liability paid	(1,568,921)	-	(1,568,921)	(1,409,425)	-	(1,409,425)
Net cash (used in) / from financing activities	22,699,581	(24,268,502)	(1,568,921)	51,733,556	(53,142,981)	(1,409,425)
Net change in cash and cash equivalents	16,375,880	(54,105,341)	(37,729,461)	31,384,183	18,962,932	50,347,115
Cash and cash equivalents at the beginning of the period	33,351,069	115,976,385	149,327,454	24,006,060	42,586,602	66,592,662
Cash and cash equivalents at the end of the period	49,726,949	61,871,044	111,597,993	55,390,243	61,549,534	116,939,777
NON-CASH INFORMATION						
Net changes in fair value of available for sale investments	-	57,537	57,537	-	422,163	422,163.00

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2021****17. PREMIUMS WRITTEN BY TYPE OF CUSTOMERS**

For the three month period ended 30 September 2021					
Gross written premiums	Medical	Motors	Property and accidents	Protection and Savings	Total
Individual clients	2,679,985	9,328,088	296,067	-	12,304,140
Very small size entities	2,206,581	1,110	28,941	-	2,236,632
Small size Entities	7,732,512	380,745	2,814,774	-	10,928,031
Medium size entities	4,110,040	1,360,281	2,586,528	2,376	8,059,225
Large size entities	49,227,853	3,209,184	5,491,659	105,728	58,034,424
Total	65,956,971	14,279,408	11,217,969	108,104	91,562,452

For the nine month period ended 30 September 2021					
Gross written premiums	Medical	Motors	Property and accidents	Protection and Savings	Total
Individual clients	10,509,852	25,932,749	1,916,048	-	38,358,649
Very small size entities	4,341,272	353,977	418,512	-	5,113,761
Small size Entities	13,846,354	2,329,038	10,426,193	2,827	26,604,412
Medium size entities	9,403,823	24,288,268	21,015,102	529,572	55,236,765
Large size entities	91,356,522	58,494,169	56,896,788	105,728	206,853,207
Total	129,457,823	111,398,201	90,672,643	638,127	332,166,794

18. COMPARATIVE FIGURES

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

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on November 3, 2021 corresponding to Rabi' al-Awwal 28, 1443 AH.