

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

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

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

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

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Alinma Tokio Marine Company (the "Company") as at 30th June 2021 and the related interim condensed statements of income, comprehensive income for the three-months and six-months periods then ended and interim condensed statement of changes in equity and cash flows for the six-months periods then ended and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

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24 August 2021
Muharram 16, 1443 H

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

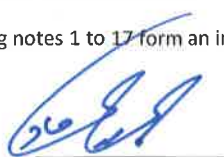
As at 30 June 2021

	Note	30-Jun-21 Unaudited SAR' 000	31-Dec-20 Audited SAR' 000
ASSETS			
Cash and cash equivalents	4	258,880	235,480
Investments	5	50,918	49,456
Premiums and reinsurance receivables, net	6	82,002	70,633
Reinsurers' share of unearned premiums	7.1	122,618	96,511
Reinsurers' share of outstanding claims	7.2	27,409	36,486
Reinsurers' share of incurred but not reported claims	7.2	21,418	23,072
Deferred policy acquisition costs		9,633	7,638
Prepayments and other assets		16,802	18,963
Statutory deposit		45,000	45,000
Property and equipment		3,914	4,937
Right of use assets		4,450	4,472
Intangible assets		5,524	6,200
Unit linked investments		75,286	57,149
TOTAL ASSETS		723,854	655,997
LIABILITIES			
Outstanding claims	7.2	58,979	61,847
Incurred but not reported claims	7.2	43,493	46,576
Other reserves	7.2	2,970	2,840
Premium deficiency reserves	7.2	5,554	6,737
Unearned premiums	7.1	174,235	133,049
Reinsurance balances payable		85,178	67,858
Unearned reinsurance commission		13,179	11,966
Accrued expenses and other liabilities		52,840	48,470
Lease liabilities		4,629	4,542
Due to a related party	8	38	66
Zakat and income tax payable	9	5,001	7,075
Unit linked liabilities		75,286	57,149
Mathematical reserves		383	458
Retirement benefit obligation		5,312	5,601
TOTAL LIABILITIES		527,077	454,234
EQUITY			
Issued, authorised and paid up share capital	10	300,000	300,000
Accumulated losses		(103,216)	(98,427)
Remeasurement of retirement benefit obligation		(7)	190
TOTAL EQUITY		196,777	201,763
TOTAL LIABILITIES AND EQUITY		723,854	655,997

CONTINGENCIES AND COMMITMENTS

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



Director



Chief Financial Officer



Chief Executive Officer

INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)

For the three months and six months periods ended 30 June

	Note	Three months period ended 30 June 2021	Six months period ended 30 June 2021	Three months period ended 30 June 2020	Six months period ended 30 June 2020
		SAR' 000		SAR' 000	
REVENUES					
Gross premiums written	14	99,478	178,560	114,027	213,057
Fee income from insurance contracts		10	21	9	19
Reinsurance premiums ceded					
- Local		(1,386)	(2,965)	(1,232)	(2,020)
- Foreign		(60,370)	(90,267)	(78,346)	(128,426)
Excess of loss expenses		(3,145)	(4,463)	(1,341)	(2,682)
Net premiums written		34,587	80,886	33,117	79,948
Changes in unearned premiums	7.1	(29,850)	(41,187)	(35,342)	(58,715)
Changes in reinsurers' share of unearned premiums	7.1	29,021	26,106	32,863	50,756
Net premiums earned		33,758	65,805	30,638	71,989
Reinsurance commission earned		5,160	10,899	7,533	13,147
Other underwriting income		4,771	5,576	3,482	3,901
Total revenues		43,689	82,280	41,653	89,037
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		(18,014)	(38,965)	(20,043)	(124,941)
Surrenders		(2,386)	(5,264)	(587)	(2,159)
Reinsurers' share of claims paid		7,164	13,859	8,438	93,166
Net claims and other benefits paid		(13,236)	(30,370)	(12,192)	(33,934)
Changes in outstanding claims	7.2	(4,158)	2,868	37,783	104,150
Changes in reinsurers' share of outstanding claims	7.2	(799)	(9,077)	(30,568)	(98,335)
Changes in incurred but not reported claims	7.2	2,116	3,083	2,014	(2,647)
Changes in reinsurers' share of incurred but not reported claims	7.2	(2,591)	(1,655)	937	84
Changes in other reserves	7.2	(151)	(130)	334	(122)
Changes in premium deficiency reserves	7.2	(172)	1,183	(3,293)	(3,892)
Net claims and other benefits incurred		(18,991)	(34,098)	(4,985)	(34,696)
Changes in unit linked reserves		(8,947)	(18,137)	(6,100)	(6,595)
Changes in mathematical reserves		(100)	75	-	(69)
Policy acquisition costs		(5,967)	(11,936)	(6,240)	(13,217)
Other underwriting expenses		(491)	(879)	(564)	(1,056)
Total underwriting costs and expenses		(34,496)	(64,975)	(17,889)	(55,633)
NET UNDERWRITING INCOME		9,193	17,305	23,764	33,404
OTHER OPERATING (EXPENSES) / INCOME					
General and administrative expenses	6	(16,941)	(31,468)	(13,307)	(28,036)
Provision for doubtful receivables		(1,676)	(3,826)	(971)	(3,722)
Unrealized gain/(loss) on unit linked investments		5,133	10,732	1,983	(1,583)
Unrealized gain on investments		829	1,261	1,507	740
Realized gain on investments		975	2,725	725	1,614
Total other operating expenses, net		(11,680)	(20,576)	(10,063)	(30,987)
Total (loss)/profit for the period before Zakat		(2,487)	(3,271)	13,701	2,417
Net loss attributable to Insurance Operations		-	-	(1,257)	(248)
Total (loss)/profit for the period attributable to Shareholders before Zakat		(2,487)	(3,271)	12,444	2,169
Zakat for the period	9	(760)	(1,518)	(825)	(1,650)
(Loss)/profit for the period		(3,247)	(4,789)	11,619	519
(Loss)/profit per share		(0.11)	(0.16)	0.39	0.02

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



Director



Chief Financial Officer



Chief Executive Officer

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the three months and six months periods ended 30 June

	Three months period ended 30 June 2021	Six months period ended 30 June 2021	Three months period ended 30 June 2020	Six months period ended 30 June 2020
	SAR' 000		SAR' 000	
Net (loss)/profit for the period	(3,247)	(4,789)	11,619	519
Other comprehensive loss:				
Items that will not be reclassified to statement of income in subsequent period				
- Actuarial gain/(loss) on remeasurement of retirement benefit obligations	50	(197)	281	84
Total comprehensive (loss)/income for the period	(3,197)	(4,986)	11,900	603
Total comprehensive income/(loss) for the period attributed to insurance operations	50	(197)	281	84
Total comprehensive (loss)/income for the period attributed to shareholders	(3,247)	(4,789)	11,619	519

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



Director



Chief Financial Officer



Chief Executive Officer

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six months period ended 30 June

	Note	Share capital	Accumulated losses	Remeasurement of retirement benefit obligation	Total
		SAR'000	SAR'000	SAR'000	SAR'000
2021					
Balance as at 31 December 2020 (audited)	10	300,000	(98,427)	190	201,763
Total comprehensive (loss) for the period		-	(4,789)	-	(4,789)
Actuarial loss on remeasurement of retirement benefit obligations		-	-	(197)	(197)
Balance as at 30 June 2021 (unaudited)		300,000	(103,216)	(7)	196,777
2020					
Balance as at 31 December 2019 (audited)	10	300,000	(92,604)	(346)	207,050
Total comprehensive profit for the period		-	519	-	519
Actuarial gain on remeasurement of retirement benefit obligations		-	-	84	84
Balance as at 30 June 2020 (unaudited)		300,000	(92,085)	(262)	207,653

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



Director



Chief Financial Officer



Chief Executive Officer

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

For the six months period ended 30 June

	Note	2021	2020
		SAR' 000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)/profit for the period		(4,789)	767
Adjustments for non cash items:			
Depreciation and amortisation		2,034	2,135
Depreciation of right to use assets		628	604
Financing cost on lease liabilities		94	130
Provision for doubtful receivables	6	3,826	3,722
Realized gain on investments held at FVSI		(471)	(4)
Unrealized (gain) / loss on investments held at FVSI	5.2	(1,992)	665
Provision for retirement benefit obligations		684	744
Provision for zakat		1,518	1,650
		1,532	10,413
Changes in operating assets and liabilities:			
Premiums and reinsurance receivables		(15,195)	(77,296)
Reinsurers' share of unearned premiums		(26,107)	(50,756)
Reinsurers' share of outstanding claims		9,077	98,335
Reinsurers' share of incurred but not reported claims		1,654	(84)
Deferred policy acquisition costs		(1,995)	(3,706)
Prepayments and other assets		2,161	(3,382)
Unit linked investments		(18,137)	(6,595)
Outstanding claims		(2,868)	(104,150)
Incurred but not reported claims		(3,083)	2,647
Other reserves		130	122
Premium deficiency reserves		(1,183)	3,892
Mathematical reserves		(75)	69
Unearned premiums		41,186	58,715
Reinsurance balances payable		17,320	60,990
Unearned reinsurance commission		1,213	7,581
Accrued expenses and other liabilities		4,370	(71,136)
Lease liabilities		(7)	(613)
Due to a related party		(28)	(205)
Unit linked liabilities		18,137	6,595
Cash generated from / (used in) operations		28,102	(68,564)
Retirement benefit obligations paid		(1,170)	(807)
Zakat and income tax paid		(3,591)	-
Net cash generated from/(used) in operating activities		23,341	(69,371)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	5.2	(100,000)	-
Proceeds from disposal of investments	5.2	101,000	-
Purchase of property and equipment		(335)	(795)
Right to use assets		(606)	-
Purchase of murabaha deposits		-	40,902
Proceeds from maturity of murhaba deposits		-	-
Purchase of intangible assets		-	-
Net cash generated from investing activities		59	40,107
Net cash used in all activities		23,400	(29,264)
Cash and cash equivalents at the beginning of the period		235,480	219,182
Cash and cash equivalents at the end of the period	4	258,880	189,918
Non cash transactions			
Actuarial (loss)/gain on remeasurement of retirement benefit obligations		(197)	84

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


Director


Chief Financial Officer


Chief Executive Officer

ALINMA TOKIO MARINE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

1 GENERAL

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The interim condensed financial statements of the Company as at and for the period ended June 30, 2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia (KSA) by Saudi Organization for Chartered and Professional Accountants (SOCPA), other standards and pronouncements issued by SOCPA, regulations for Companies and Company's by laws.

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

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

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

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

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

The accumulated losses as at 30 June 2021 are 34.41% (31 December 2020: 32.81%) of the share capital. The reason for these losses is high expense ratio and deterioration in loss ratio. The Board of Directors has approved a business plan on 17th December 2020. The plan is based on improving the net premiums written and control over expense and loss ratios. The plan demonstrates that the Company will be able to continue as a going concern for foreseeable future.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

2 BASIS OF PREPARATION (Continued)

2.2 Critical accounting judgement, estimates and assumptions

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

In preparing these interim condensed financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements for the year ended 31 December 2020.

Impact of covid-19 on the technical reserves and financial assets

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 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.

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.

For new policies written as per above circular, the premium is earned over the period of coverage i.e. 14 months as per the Company accounting policy.

The Company has performed a liability adequacy test using current estimates of future cash flows under its insurance contracts at an aggregated (or "segmented") level for motor line of business and recorded a Premium deficiency reserve amounting to SAR 5.6 million as at 30 June 2021 (31 December 2020 SAR 6.7 million).

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies, estimates and assumptions used in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020, except for the new standards and adoption of the amendments to existing standards which have had either insignificant effect or no financial impact on the interim condensed financial statements of the Company on the current period or prior periods and are expected to have a insignificant effect in future period.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Deferred Tax

Deferred tax asset is recognised only to the extent that it is probable that the future taxable profits will be available and credits can be utilized. Deferred tax asset has not been provided in these interim condensed financial statements for the period ended 30 June 2021 since the Company does not anticipate availability of future taxable profit to utilize any tax credits. The amount of deferred tax asset as at 30 June 2021 is estimated to be SAR 2.3 Million (31 December 2020: SAR 2.6 Million).

3.3 Standards issued but not yet effective

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 to address issues arising from the different effective dates of IFRS 9 and the new insurance contracts standard (IFRS 17).

The amendments introduce two alternative options of applying IFRS 9 for entities issuing contracts within the scope of IFRS 4: a temporary exemption; and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 for annual periods beginning before 1 January 2023 and continue to apply IAS 39 to financial assets and liabilities. An entity may apply the temporary exemption from IFRS 9 if: (i) it has not previously applied any version of IFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated as FVPL; and (ii) its activities are predominantly connected with insurance on its annual reporting date that immediately precedes 1 April 2016.

The overlay approach allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for certain designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

An entity can apply the temporary exemption from IFRS 9 for annual periods beginning on or after 1 January 2018. An entity may start applying the overlay approach when it applies IFRS 9 for the first time.

The Company is eligible and have chosen to apply the temporary exemption 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. IASB through its amendments to IFRS 4 issued in September 2016 had allowed temporary exemption if a Company meets the following criteria:

- a) the Company has not previously applied any version of IFRS 9; and
- b) its activities are predominantly connected with insurance that is defined as total percentage of carrying amount of insurance liabilities is greater than 90% of its total liabilities.

IFRS 17 Insurance Contracts

Overview

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

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

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

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Standards issued but not yet effective (Continued)

IFRS 17 Insurance Contracts (Continued)

Measurement

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

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

- a) the fulfilment cash flows (FCF), which comprise:
 - i. probability-weighted estimates of future cash flows,
 - ii. an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows,
 - iii. and a risk adjustment for non-financial risk;
- b) the Contractual Service Margin (CSM). The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately. At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:
 - i. the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date;
 - ii. and the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

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

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

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

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

Effective date

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

Transition

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

Presentation and Disclosures

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

Impact

The Company is currently assessing the impact of the application and implementation of IFRS 17. As of the date of the publication of these financial statements, the Company has carried out a design and implementation and delivered a report to Saudi Central Bank ('SAMA').

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4 CASH AND CASH EQUIVALENTS

	As at 30 June 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Cash in hand	45	-	45	45	-	45
Cash at banks – current accounts	99,227	1,974	101,201	111,858	32,173	144,031
Short term murabaha deposit	50,830	106,804	157,634	-	91,404	91,404
Total	150,102	108,778	258,880	111,903	123,577	235,480

Cash at bank includes an amount of SAR 92.74 million (2020: SAR 137.05 million) held with Alinma Bank, a related party (Note 8).

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

5 INVESTMENTS

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

	As at 30 June 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Available for sale investments	-	1,923	1,923	-	1,923	1,923
Investments at fair value through Statement of income (FVSI)	198	33,798	33,996	727	31,806	32,533
Investments at held to maturity	-	15,000	15,000	-	15,000	15,000
Total	198	50,721	50,919	727	48,729	49,456

The movement during the period is as follows:

5.1 Available for sale investments

	As at 30 June 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning and end	-	1,923	1,923	-	1,923	1,923

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

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5 INVESTMENTS (continued)

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

	As at 30 June 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	727	31,806	32,533	240	32,660	32,900
Purchases	100,000	-	100,000	100,000	-	100,000
Disposals	(101,000)	-	(101,000)	(100,000)	-	(100,000)
Realised gain	471	-	471	374	-	374
Unrealised gain	-	1,992	1,992	113	(854)	(741)
Balance at the end	198	33,798	33,996	727	31,806	32,533

5.3 Investments at held to maturity

	As at 30 June 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	15,000	15,000	-	5,000	5,000
Subscription	-	-	-	-	10,000	10,000
Balance at the end	-	15,000	15,000	-	15,000	15,000

Investments held to maturity have a tenure of ten years with quarterly partial redemptions, yielding an average profit rate of SIBOR (3M) + 2.06% per annum (2020: SIBOR(3M) +2.06% per annum).

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

5.4 Determination of fair value and fair value hierarchy

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

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5 INVESTMENTS (continued)

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

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

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

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

Shareholders' operations

	As at 30 June 2021 (Unaudited)			Total
	Level 1	Level 2	Level 3	
	SAR'000			
Available for sale investments				
- Investments in unquoted equity	-	-	1,923	1,923
Investments at fair value through statement of income				
- Investments in discretionary portfolios	18,425	-	-	18,425
- Investments in real estate fund	-	7,790	5,157	12,947
- Investments in quoted equity	2,425	-	-	2,425
Investments at held to maturity				
- Sukuks	-	15,000	-	15,000
Total	20,850	22,790	7,080	50,720

	As at 31 December 2020 (Audited)			Total
	Level 1	Level 2	Level 3	
	SAR'000			
Available for sale investments				
- Investments in unquoted equity	-	-	1,923	1,923
Investments at fair value through statement of income				
- Investments in discretionary portfolios	16,442	-	-	16,442
- Investments in real estate funds	-	7,789	5,157	12,946
- Investments in quoted equity	2,418	-	-	2,418
Investments at held to maturity				
- Sukuks	-	15,000	-	15,000
Total	18,860	22,789	7,080	48,729

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6 PREMIUMS AND REINSURANCE RECEIVABLES - NET

<i>Insurance Operations</i>	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
	SAR'000	SAR'000
Policyholders	91,340	71,749
Related party (Note 8)	3,398	1,557
Reinsurance receivables	25,059	31,296
	119,797	104,602
Provision for doubtful receivables	(37,795)	(33,969)
	82,002	70,633

7 TECHNICAL RESERVES

7.1 MOVEMENT IN UNEARNED PREMIUMS

	As at 30 June 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	SAR'000			SAR'000		
Balance at the beginning	133,049	(96,511)	36,538	107,765	(58,844)	48,921
Premium written / (ceded)	178,560	(93,232)	85,328	316,315	(191,900)	124,415
Policy fee	21	-	21	38	-	38
Premium earned	(137,395)	67,125	(70,270)	(291,069)	154,233	(136,836)
Balance at the end	174,235	(122,618)	51,617	133,049	(96,511)	36,538

7.2 NET OUTSTANDING CLAIMS AND RESERVES

	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
	SAR'000	SAR'000
Outstanding claims	63,497	66,837
Less: Realizable value of salvage and subrogation	(4,518)	(4,990)
	58,979	61,847
Incurred but not reported claims	43,493	46,576
Other reserves	2,970	2,840
Premium deficiency reserves	5,554	6,737
	110,996	118,000
Less:		
Reinsurers' share of outstanding claims	(27,409)	(36,486)
Reinsurers' share of Incurred but not reported claims	(21,418)	(23,072)
	(48,827)	(59,558)
Net outstanding claims and reserves	62,169	58,442

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7 TECHNICAL RESERVES (continued)

7.3 PREMIUM DEFICIENCY RESERVE

The Company has created a provision in respect of premium deficiency reserves ('PDR') for its motor line of business amounting to SAR 5.6 million (31 December 2020: motor SAR 6.7 million). The PDR has been created with respect to additional reserve required to cover expected claims not initially built in the premium and for the extension of all existing retail motor insurance policies by two months as well as providing a two month additional coverage for all new retail motor policies written within one month of Circular 189 issued by Saudi Central Bank (SAMA) to all insurance companies dated 8th May 2020. The Company expected this provision is based on the assumption that the unearned premiums will not be sufficient to provide for the expected claims and other attributable expenses related to the unexpired periods of policies in force at the date of statement of financial position.

8 TRANSACTIONS WITH RELATED PARTIES

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

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. In addition to the notes 4 and 7, following are the details of major related party transactions during and the related balances at the end of the period:

Nature of transactions	For the three months period ended 30 June 2021 (Unaudited)			For the three months period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Gross written premiums	14,271	-	14,271	16,106	-	16,106
Reinsurance premiums ceded	3,672	-	3,672	4,269	-	4,269
Claims paid - net of recoveries	5,355	-	5,355	1,497	-	1,497
Reinsurance commission	1,005	-	1,005	1,198	-	1,198
Reinsurance share of claims	126	-	126	1,748	-	1,748
General and administrative expenses	34	-	34	218	-	218
Commission on Unit Linked policies	-	-	-	-	-	-
<u>Other Related parties:</u>						
Investments	8,351	-	8,351	4,514	-	4,514
Agency commission	987	-	987	2,167	-	2,167

Nature of transactions	For the six months period ended 30 June 2021 (Unaudited)			For six months ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Gross written premiums	23,151	-	23,151	22,905	-	22,905
Reinsurance premiums ceded	6,401	-	6,401	7,689	-	7,689
Claims paid - net of recoveries	10,529	-	10,529	3,725	-	3,725
Reinsurance commission	1,731	-	1,731	2,140	-	2,140
Reinsurance share of claims	244	-	244	5,962	-	5,962
General and administrative expenses	277	-	277	436	-	436
<u>Other Related parties:</u>						
Investments	18,033	-	18,033	11,978	-	11,978
Agency commission	1,937	-	1,937	3,039	-	3,039
General and administrative expenses	-	-	-	-	-	-

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8 TRANSACTIONS WITH RELATED PARTIES (Continued)

Closing Balances

	As at 30 June 2021 (Unaudited)			As at 30 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Premium Receivable	3,398	-	3,398	1,557	-	1,557
Reinsurance premiums payable	14,167	-	14,167	12,798	-	12,798
Claims payable	60	-	60	242	-	242
Bank Balance	90,769	1,974	92,743	104,872	32,173	137,045
General and administrative expenses	38	-	38	66	-	66
Commission on Unit Linked policies	-	-	-	-	-	-

Closing Balances

	As at 30 June 2021 (unaudited)			As at 31 December 2020 (Audited)		
<u>Other related parties</u>						
Investments	75,286	31,371	106,657	57,149	29,389	86,538
Agency commission	1,458	-	1,458	910	-	910

Information relating to key management personnel:

	For the three months period ended 30 June 2021 (Unaudited)			For the three months period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Short term benefits	940	-	940	1,053	-	1,053
Long term benefits	61	-	61	59	-	59

	For the six months period ended 30 June 2021 (Unaudited)			For the six months period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Short term benefits	1,761	-	1,761	2,146	-	2,146
Long term benefits	70	-	70	135	-	135

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

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8 TRANSACTIONS WITH RELATED PARTIES (Continued)

Board and sub committees related expenses:

	For the three months period ended 30 June 2021 (Unaudited)			For the three months period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Directors' remuneration	-	270	270	-	400	400
Attendance fees	-	31	31	-	92	92

	For the six months period ended 30 June 2021 (Unaudited)			For the six months period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Directors' remuneration	-	695	695	-	800	800
Attendance fees	-	125	125	-	184	184

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

9 ZAKAT AND INCOME TAX PAYABLE

	As at 30 June 2021 (unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Zakat payable	-	4,805	4,805	-	6,879	6,879
Income tax payable	-	196	196	-	196	196
Zakat and Income tax payable	-	5,001	5,001	-	7,075	7,075

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

The movement in Zakat provision is as follows:

	As at 30 June 2021 (unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	6,879	6,879	-	6,013	6,013
Zakat charge	-	1,518	1,518	-	3,464	3,464
Additional charge for prior years	-	-	-	-	681	681
Zakat payment made	-	(3,592)	(3,592)	-	(3,279)	(3,279)
Balance at the end	-	4,805	4,805	-	6,879	6,879

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9 ZAKAT AND INCOME TAX PAYABLE (Continued)

Income tax:

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

The movement in income tax provision is as follows:

	As at 30 June 2021 (unaudited)			As at 31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	196	196	-	(34)	(34)
Reversal of prior year charge	-	-	-	-	230	230
Balance at the end	-	196	196	-	196	196

Status of Assessments:

Zakat and Withholding tax

During 2017, the Zakat, Tax and Customs Authority (ZATCA) has issued assessments for the years from 2012 to 2015, requiring an additional zakat and Withholding Tax liability amounting to SAR 5.5 million and SAR 2.9 million respectively. The Company filed an appeal against the assessment of ZATCA for the additional liability arising out of various disallowances for years from 2012 to 2015 within the statutory deadlines. Subsequently, the ZATCA issued their response on the above appeal whereby they requested the Company to forward their appeal at the General Secretariat of Tax Committee (GSTC). Subsequent to the GSTC hearings conducted, the Tax Violations and Dispute Resolution Committee (TVDR) has issued their ruling no. 315-2020-IFR dated 08/05/1442H on the appeals filed for 2012 to 2015. In Jan 2021, the Company has filed an appeal to the Appellate Committee (2nd level) against the unfavorable ruling of the TVDR on the imposition of Zakat on capital for 2012. Further, the Company has booked an additional zakat liability of SAR 3.3 million against the above disallowance. The Company has obtained limited certificates for the year from 2012 to 2019. During the period ended 30 June 2021, the Company has filed the Zakat and tax return for the year 2020.

Value added tax (VAT)

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

10 ISSUED, AUTHORISED AND PAID UP SHARE CAPITAL

The issued, authorised and paid up share capital of the Company was SAR 300 million as at 30 June 2021 (31 December 2020: SAR 300 million) consisting of 30 million shares (31 December 2020 : 30 million) of SAR 10 each.

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

	As at 30 June 2021 (unaudited)			As at 31 December 2020 (Audited)		
	No. of shares	Value per share	Share Capital SAR	No. of shares	Value per share	Share Capital SAR
Alinma Bank	8,625,000	10	86,250,000	8,625,000	10	86,250,000
Tokio Marine & Nichido Fire						
Insurance	8,625,000	10	86,250,000	8,625,000	10	86,250,000
Others	12,750,000	10	127,500,000	12,750,000	10	127,500,000
	30,000,000	10	300,000,000	30,000,000	10	300,000,000

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11 CONTINGENCIES AND COMMITMENT

As at 30 June 2021 the Company's banker has issued letters of guarantee of SAR 2.78 million (31 December 2020: SAR 2.98 million) to various customers, motor agencies, workshops and health service providers as per the terms of their respective agreements which have been classified under prepayments and other assets in the interim condensed statement of financial position. The Company has no capital commitments as at 30 June 2021.

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

	2021	2020
	SAR'000	SAR'000
Motor claims related compensation	161	113

12 SEGMENT REPORTING

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

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

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

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

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

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

Segment results do not include general and administrative expenses.

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

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

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12 SEGMENT REPORTING (Continued)

	For the three months period ended 30 June 2021 (Unaudited)					
	Property and Casualty	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations
	SAR'000					
REVENUES						
Gross premiums written	64,987	17,392	17,012	87	99,478	-
Fee income from Insurance contracts	10	-	-	-	10	-
Reinsurance premiums ceded						
- Local	(1,386)	-	-	-	(1,386)	-
- Foreign	(56,990)	-	(3,380)	-	(60,370)	-
Excess of loss expenses	(2,660)	(485)	-	-	(3,145)	-
Net premiums written	3,961	16,907	13,632	87	34,587	-
Net change in unearned premiums	(917)	69	98	(79)	(829)	-
Net premiums earned	3,044	16,976	13,730	8	33,758	-
Reinsurance commission earned	5,160	-	-	-	5,160	-
Other underwriting income	5,213	(447)	-	5	4,771	-
Total insurance revenues	13,417	16,529	13,730	13	43,689	-
UNDERWRITING COSTS AND EXPENSES						
Net claims incurred	(654)	(12,119)	(6,197)	(21)	(18,991)	-
Changes in unit linked reserves	-	-	(8,947)	-	(8,947)	-
Changes in mathematical reserves	-	-	(100)	-	(100)	-
Policy acquisition costs	(2,967)	(1,996)	(1,008)	4	(5,967)	-
Other underwriting expenses	(318)	(87)	(85)	(1)	(491)	-
Total underwriting costs and expenses	(3,939)	(14,202)	(16,337)	(18)	(34,496)	-
NET UNDERWRITING INCOME / (LOSS)	9,478	2,327	(2,607)	(5)	9,193	-
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses					(15,964)	(977)
Provision for doubtful receivables					(1,676)	-
Unrealized gain on unit linked investments					5,133	-
Unrealized gain on investments					(2)	831
Realized gain on investments					434	541
Total operating and other expenses					(12,075)	395
Total loss for the period before zakat					(2,882)	395
Zakat for the period						(760)
Net loss for the period						(3,247)

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

12 SEGMENT REPORTING (Continued)

	For the three months period ended 30 June 2020 (Unaudited)					
	Property and Casualty	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations
	SAR'000					
REVENUES						
Gross premiums written	91,166	9,666	13,195	-	114,027	-
Fee income from Insurance contracts	9	-	-	-	9	-
Reinsurance premiums ceded						
- Local	(1,232)	-	-	-	(1,232)	-
- Foreign	(74,738)	-	(3,608)	-	(78,346)	-
Excess of loss expenses	(1,023)	(318)	-	-	(1,341)	-
Net premiums written	14,182	9,348	9,587	-	33,117	-
Net change in unearned premiums	(11,058)	8,486	76	17	(2,479)	-
Net premiums earned	3,124	17,834	9,663	17	30,638	-
Reinsurance commission earned	7,533	-	-	-	7,533	-
Other underwriting income	3,482	-	-	-	3,482	-
Total insurance revenues	14,139	17,834	9,663	17	41,653	-
UNDERWRITING COSTS AND EXPENSES						
Net claims incurred	253	(3,281)	(2,054)	97	(4,985)	-
Changes in unit linked reserves	-	-	(6,100)	-	(6,100)	-
Changes in mathematical reserves	-	-	-	-	-	-
Policy acquisition costs	(3,650)	(1,789)	(801)	-	(6,240)	-
Other underwriting expenses	(449)	(49)	(66)	-	(564)	-
Total underwriting costs and expenses	(3,846)	(5,119)	(9,021)	97	(17,889)	-
NET UNDERWRITING INCOME	10,293	12,715	642	114	23,764	-
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses					(12,427)	(880)
Provision for doubtful receivables					(971)	-
Unrealized loss on unit linked investments					1,983	-
Unrealized gain on investments					4	1,503
Realized gain on investments					218	507
Total operating and other expenses					(11,193)	1,130
Total profit for the period					12,571	1,130
Surplus transferred to Shareholders					(11,314)	11,314
Total profit for the period before zakat					1,257	12,444
Zakat for the period					-	(825)
Net profit for the period					1,257	11,619
						12,876

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

12 SEGMENT REPORTING (Continued)

	For the six months period ended 30 June 2021 (Unaudited)					
	Property and Casualty	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations
	SAR'000					
REVENUES						
Gross premiums written	102,242	43,391	32,826	101	178,560	-
Fee income from Insurance contracts	21	-	-	-	21	-
Reinsurance premiums ceded						
- Local	(2,965)	-	-	-	(2,965)	-
- Foreign	(83,499)	-	(6,768)	-	(90,267)	-
Excess of loss expenses	(3,657)	(806)	-	-	(4,463)	-
Net premiums written	12,142	42,585	26,058	101	80,886	-
Net change in unearned premiums	(4,992)	(9,694)	(303)	(92)	(15,081)	-
Net premiums earned	7,150	32,891	25,755	9	65,805	-
Reinsurance commission earned	10,899	-	-	-	10,899	-
Other underwriting income	5,434	80	-	62	5,576	-
Total insurance revenues	23,483	32,971	25,755	71	82,280	-
UNDERWRITING COSTS AND EXPENSES						
Net claims incurred	(721)	(21,530)	(11,819)	(28)	(34,098)	-
Changes in unit linked reserves			(18,137)	-	(18,137)	-
Changes in mathematical reserves			75	-	75	-
Policy acquisition costs	(6,149)	(3,845)	(1,945)	3	(11,936)	-
Other underwriting expenses	(496)	(217)	(164)	(2)	(879)	-
Total underwriting costs and expenses	(7,366)	(25,592)	(31,990)	(27)	(64,975)	-
NET UNDERWRITING INCOME / (LOSS)	16,117	7,379	(6,235)	44	17,305	-
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses					(29,474)	(1,994)
Provision for doubtful receivables					(3,826)	-
Unrealized gain on unit linked investments					10,732	-
Unrealized gain on investments					188	1,073
Realized gain on investments					663	2,062
Total operating and other expenses					(21,717)	1,141
Total loss for the period before zakat					(4,412)	1,141
Zakat for the period						(1,518)
Net loss for the period						(4,789)

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FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

12 SEGMENT REPORTING (Continued)

	For the six months period ended 30 June 2020 (Unaudited)						
	Property and Casualty	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations	Total
	SAR'000						
REVENUES							
Gross premiums written	145,345	39,700	27,963	49	213,057	-	213,057
Fee income from insurance contracts	19	-	-	-	19	-	19
Reinsurance premiums ceded							
- Local	(2,020)	-	-	-	(2,020)	-	(2,020)
- Foreign	(121,294)	-	(7,132)	-	(128,426)	-	(128,426)
Excess of loss expenses	(2,047)	(635)	-	-	(2,682)	-	(2,682)
Net premiums written	20,003	39,065	20,831	49	79,948	-	79,948
Net change in unearned premiums	(13,879)	5,569	(128)	479	(7,959)	-	(7,959)
Net premiums earned	6,124	44,634	20,703	528	71,989	-	71,989
Reinsurance commission earned	13,147	-	-	-	13,147	-	13,147
Other underwriting income	3,482	419	-	-	3,901	-	3,901
Total insurance revenues	22,753	45,053	20,703	528	89,037	-	89,037
UNDERWRITING COSTS AND EXPENSES							
Net claims and other benefits incurred	(842)	(29,799)	(4,200)	145	(34,696)	-	(34,696)
Changes in unit linked reserves	-	-	(6,595)	-	(6,595)	-	(6,595)
Changes in mathematical reserves	-	-	(69)	-	(69)	-	(69)
Policy acquisition costs	(7,127)	(4,380)	(1,677)	(33)	(13,217)	-	(13,217)
Other underwriting expenses	(716)	(199)	(140)	(1)	(1,056)	-	(1,056)
Total underwriting costs and expenses	(8,685)	(34,378)	(12,681)	111	(55,633)	-	(55,633)
NET UNDERWRITING INCOME	14,068	10,675	8,022	639	33,404	-	33,404
OTHER OPERATING (EXPENSES) / INCOME							
General and administrative expenses					(26,275)	(1,761)	(28,036)
Provision for doubtful receivables					(3,722)	-	(3,722)
Unrealized loss on unit linked investments					(1,583)	-	(1,583)
Unrealized gain on investments					8	732	740
Realized gain on investments					651	963	1,614
Total operating and other expenses					(30,921)	(66)	(30,987)
Provision for doubtful receivables					2,483	(66)	2,417
Surplus transferred to Shareholders					(2,235)	2,235	-
Profit before Zakat					248	2,169	2,417
Zakat for the period					-	(1,650)	(1,650)
Total profit for the period					248	519	767

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

12 SEGMENT REPORTING (Continued)

	As at 30 June 2021 (Unaudited)					
	Property and Casualty	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations
	SAR'000					
ASSETS						
Cash and cash equivalents	-	-	-	-	150,102	108,778
Investments	-	-	-	-	198	50,720
Reinsurers' share of outstanding claims	16,171	-	11,238	-	27,409	-
Reinsurers' share of incurred but not reported claims	16,542	-	4,876	-	21,418	-
Reinsurers' share of unearned premiums	122,396	-	222	-	122,618	-
Deferred policy acquisition costs	6,230	3,310	90	3	9,633	-
Unit linked investments	-	-	75,286	-	75,286	-
Unallocated assets	-	-	-	-	111,952	45,974
Total assets					518,616	205,472
LIABILITIES						
Outstanding claims	19,726	21,004	18,249	-	58,979	-
Incurred but not reported claims	19,877	15,313	8,287	16	43,493	-
Other reserves	595	1,678	697	-	2,970	-
Premium deficiency reserves	-	5,554	-	-	5,554	-
Unearned premiums	136,992	36,526	625	92	174,235	-
Unearned reinsurance commission	13,179	-	-	-	13,179	-
Unit linked liabilities	-	-	75,286	-	75,286	-
Unallocated liabilities and equity	-	-	-	-	144,920	205,472
Total liabilities and equity					518,616	205,472
As at 31 December 2020 (Audited)						
	Property and Casualty	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations
	SAR'000					
ASSETS						
Cash and cash equivalents	-	-	-	-	111,903	123,577
Investments	-	-	-	-	727	48,729
Reinsurers' share of outstanding claims	28,499	-	7,987	-	36,486	-
Reinsurers' share of incurred but not reported claims	18,488	-	4,584	-	23,072	-
Reinsurers' share of unearned premiums	96,434	-	77	-	96,511	-
Deferred policy acquisition costs	5,328	2,285	25	-	7,638	-
Unit linked investments	-	-	57,149	-	57,149	-
Unallocated assets	-	-	-	-	109,476	45,766
Total assets					442,962	218,072
LIABILITIES						
Outstanding claims	31,839	17,190	12,818	-	61,847	-
Incurred but not reported claims	22,230	16,560	7,786	-	46,576	-
Other reserves	763	1,509	568	-	2,840	-
Premium deficiency reserves	-	6,737	-	-	6,737	-
Non-unit reserve	-	-	458	-	458	-
Unearned premiums	106,040	26,832	177	-	133,049	-
Unearned reinsurance commission	11,966	-	-	-	11,966	-
Unit linked liabilities	-	-	57,149	-	57,149	-
Unallocated liabilities and equity	-	-	-	-	122,340	218,072
Total liabilities and equity					442,962	218,072

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 30 June, 2021

13 SUPPLEMENTARY INFORMATION

13.1 Statement of Financial Position

		As at 30 June 2021 (Unaudited)			As at 31 December 2020 (audited)		
	Note	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR'000			SAR'000		
ASSETS							
Cash and cash equivalents	4	150,102	108,778	258,880	111,903	123,577	235,480
Investments	5	198	50,720	50,918	727	48,729	49,456
Premiums and reinsurance receivables, net	6	82,002	-	82,002	70,633	-	70,633
Reinsurers' share of unearned premiums	7.1	122,618	-	122,618	96,511	-	96,511
Reinsurers' share of outstanding claims	7.2	27,409	-	27,409	36,486	-	36,486
Reinsurers' share of claims incurred but not reported	7.2	21,418	-	21,418	23,072	-	23,072
Deferred policy acquisition costs		9,633		9,633	7,638	-	7,638
Prepayments and other assets		16,062	740	16,802	18,197	766	18,963
Due from/to insurance operations		-	234	234	5,037	-	5,037
Statutory deposit		-	45,000	45,000	-	45,000	45,000
Property and equipment		3,914	-	3,914	4,937	-	4,937
Right of use assets		4,450	-	4,450	4,472	-	4,472
Intangible assets		5,524	-	5,524	6,200	-	6,200
Unit linked investments		75,286	-	75,286	57,149	-	57,149
TOTAL ASSETS		518,616	205,472	724,088	442,962	218,072	661,034
LIABILITIES							
Outstanding claims	7.2	58,979	-	58,979	61,847	-	61,847
Claims incurred but not reported	7.2	43,493	-	43,493	46,576	-	46,576
Other reserves	7.2	2,970	-	2,970	2,840	-	2,840
Premium deficiency reserves	7.2	5,554	-	5,554	6,737	-	6,737
Unearned premiums	7.1	174,235	-	174,235	133,049	-	133,049
Reinsurance balances payable		85,178	-	85,178	67,858	-	67,858
Unearned reinsurance commission		13,179	-	13,179	11,966	-	11,966
Accrued expenses and other liabilities		49,153	3,687	52,840	44,083	4,387	48,470
Lease liabilities		4,629	-	4,629	4,542	-	4,542
Due to a related party	8	38	-	38	66	-	66
Zakat and income tax payable	9	-	5,001	5,001	-	7,075	7,075
Unit linked liabilities		75,286	-	75,286	57,149	-	57,149
Mathematical reserves		383	-	383	458	-	458
Retirement benefit obligations		5,312	-	5,312	5,601	-	5,601
Due to shareholders' operations		234	-	234	-	-	-
Due to insurance operations		-	-	-	-	5,037	5,037
TOTAL LIABILITIES		518,623	8,688	527,311	442,772	16,499	459,271
EQUITY							
Share capital	10	-	300,000	300,000	-	300,000	300,000
Accumulated losses		-	(103,216)	(103,216)	-	(98,427)	(98,427)
Remeasurement of retirement benefit obligations		(7)	-	(7)	190	-	190
TOTAL EQUITY		(7)	196,784	196,777	190	201,573	201,763
TOTAL LIABILITIES AND EQUITY		518,616	205,472	724,088	442,962	218,072	661,034

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

13 SUPPLEMENTARY INFORMATION (continued)

13.2 Interim Condensed Statement of Income

		For the three months ended 30 June 2021			For the three months ended 30 June 2020		
	Note	Insurance operations	Shareholders operations	Total	Insurance operations	Shareholders operations	Total
		SAR'000			SAR'000		
REVENUES							
Gross premiums written	14	99,478	-	99,478	114,027	-	114,027
Fee income from insurance contracts		10	-	10	9	-	9
Reinsurance premiums ceded							
- Local		(1,386)	-	(1,386)	(1,232)	-	(1,232)
- Foreign		(60,370)	-	(60,370)	(78,346)	-	(78,346)
Excess of loss expenses		(3,145)	-	(3,145)	(1,341)	-	(1,341)
Net premiums written		34,587	-	34,587	33,117	-	33,117
Changes in unearned premiums	7.1	(29,850)	-	(29,850)	(35,342)	-	(35,342)
Changes in reinsurers' share of unearned premiums	7.1	29,021	-	29,021	32,863	-	32,863
Net premiums earned		33,758	-	33,758	30,638	-	30,638
Reinsurance commission earned		5,160	-	5,160	7,533	-	7,533
Other underwriting income		4,771	-	4,771	3,482	-	3,482
Total Revenues		43,689	-	43,689	41,653	-	41,653
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid		(18,014)	-	(18,014)	(20,043)	-	(20,043)
Surrenders		(2,386)	-	(2,386)	(587)	-	(587)
Reinsurers' share of claims paid		7,164	-	7,164	8,438	-	8,438
Net claims paid		(13,236)	-	(13,236)	(12,192)	-	(12,192)
Changes in outstanding claims	7.2	(4,158)	-	(4,158)	37,783	-	37,783
Changes in reinsurers' share of outstanding claims	7.2	(799)	-	(799)	(30,568)	-	(30,568)
Changes in incurred but not reported claims	7.2	2,116	-	2,116	2,014	-	2,014
Changes in reinsurers' share of incurred but not reported claims	7.2	(2,591)	-	(2,591)	937	-	937
Changes in other reserves	7.2	(151)	-	(151)	334	-	334
Changes in premium deficiency reserves	7.2	(172)	-	(172)	(3,293)	-	(3,293)
Net claims and other benefits incurred		(18,991)	-	(18,991)	(4,985)	-	(4,985)
Changes in unit linked reserves		(8,947)	-	(8,947)	(6,100)	-	(6,100)
Changes in mathematical reserves		(100)	-	(100)	-	-	-
Policy acquisition costs		(5,967)	-	(5,967)	(6,240)	-	(6,240)
Other underwriting expenses		(491)	-	(491)	(564)	-	(564)
Total underwriting costs and expenses		(34,496)	-	(34,496)	(17,889)	-	(17,889)
NET UNDERWRITING INCOME		9,193	-	9,193	23,764	-	23,764
OTHER OPERATING (EXPENSES) / INCOME							
General and administrative expenses	6	(15,964)	(977)	(16,941)	(12,427)	(880)	(13,307)
Provision for doubtful receivables		(1,676)	-	(1,676)	(971)	-	(971)
Unrealized gain/(loss) on unit linked investments		5,133	-	5,133	1,983	-	1,983
Unrealized gain on investments		(2)	831	829	4	1,503	1,507
Realized gain on investments		434	541	975	218	507	725
Total other (expenses) / income - net		(12,075)	395	(11,680)	(11,193)	1,130	(10,063)
Total (loss)/profit for the period		(2,882)	395	(2,487)	12,571	1,130	13,701
Surplus transferred to Shareholders		2,882	(2,882)	-	(11,314)	11,314	-
Total (loss)/profit for the period before zakat		-	(2,487)	(2,487)	1,257	12,444	13,701
Zakat for the period	9	-	(760)	(760)	-	(825)	(825)
Net (loss)/profit for the period		-	(3,247)	(3,247)	1,257	11,619	12,876
Loss/Earning per share (SAR)				(0.11)			0.43

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2021 (Unaudited)

13 SUPPLEMENTARY INFORMATION (continued)

13.2 Interim Condensed Statement of Income (continued)

		For the six months period ended 30 June 2021			For the six months period ended 30 June 2020		
	Note	Insurance operations	'Shareholders operations	Total	Insurance operations	Shareholders operations	Total
		SAR'000			SAR'000		
REVENUES							
Gross premiums written	14	178,560	-	178,560	213,057	-	213,057
Fee income from insurance contracts		21	-	21	19	-	19
Reinsurance premiums ceded							
- Local		(2,965)	-	(2,965)	(2,020)	-	(2,020)
- Foreign		(90,267)	-	(90,267)	(128,426)	-	(128,426)
Excess of loss expenses		(4,463)	-	(4,463)	(2,682)	-	(2,682)
Net premiums written		80,886	-	80,886	79,948	-	79,948
Changes in unearned premiums	7.1	(41,187)	-	(41,187)	(58,715)	-	(58,715)
Changes in reinsurers' share of unearned premiums	7.1	26,106	-	26,106	50,756	-	50,756
Net premiums earned		65,805	-	65,805	71,989	-	71,989
Reinsurance commission earned		10,899	-	10,899	13,147	-	13,147
Other underwriting income		5,576	-	5,576	3,901	-	3,901
Total Revenues		82,280	-	82,280	89,037	-	89,037
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid		(38,965)	-	(38,965)	(124,941)	-	(124,941)
Surrenders		(5,264)	-	(5,264)	(2,159)	-	(2,159)
Reinsurers' share of claims paid		13,859	-	13,859	93,166	-	93,166
Net claims paid		(30,370)	-	(30,370)	(33,934)	-	(33,934)
Changes in outstanding claims	7.2	2,868	-	2,868	104,150	-	104,150
Changes in reinsurers' share of outstanding claims	7.2	(9,077)	-	(9,077)	(98,335)	-	(98,335)
Changes in incurred but not reported claims	7.2	3,083	-	3,083	(2,647)	-	(2,647)
Changes in reinsurers' share of incurred but not reported claims	7.2	(1,655)	-	(1,655)	84	-	84
Changes in other reserves	7.2	(130)	-	(130)	(122)	-	(122)
Changes in premium deficiency reserves		1,183	-	1,183	(3,892)	-	(3,892)
Net claims and other benefits incurred		(34,098)	-	(34,098)	(34,696)	-	(34,696)
Changes in unit linked reserves		(18,137)	-	(18,137)	(6,595)	-	(6,595)
Changes in mathematical reserves		75	-	75	(69)	-	(69)
Policy acquisition costs		(11,936)	-	(11,936)	(13,217)	-	(13,217)
Other underwriting expenses		(879)	-	(879)	(1,056)	-	(1,056)
Total underwriting costs and expenses		(64,975)	-	(64,975)	(55,633)	-	(55,633)
NET UNDERWRITING INCOME		17,305	-	17,305	33,404	-	33,404
OTHER OPERATING INCOME / (EXPENSES)							
General and administrative expenses		(29,474)	(1,994)	(31,468)	(26,275)	(1,761)	(28,036)
Provision for doubtful receivables	6	(3,826)	-	(3,826)	(3,722)	-	(3,722)
Unrealized gain/(loss) on unit linked investments		10,732	-	10,732	(1,583)	-	(1,583)
Unrealized gain on investments		188	1,073	1,261	8	732	740
Realized gain on investments		663	2,062	2,725	651	963	1,614
Total other (expenses) / income - net		(21,717)	1,141	(20,576)	(30,921)	(66)	(30,987)
Total (loss)/profit for the period		(4,412)	1,141	(3,271)	2,483	(66)	2,417
Surplus transferred to Shareholders		4,412	(4,412)	-	(2,235)	2,235	-
Total (loss)/profit for the period before Zakat		-	(3,271)	(3,271)	248	2,169	2,417
Zakat for the period		-	(1,518)	(1,518)	-	(1,650)	(1,650)
Net (loss)/profit for the period		-	(4,789)	(4,789)	248	519	767
(Loss)/Earning per share				(0.16)			0.03

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13 SUPPLEMENTARY INFORMATION (continued)

13.3 Interim Condensed Statement of Comprehensive Income

	For the three months ended 30 June 2021			For the three months ended 30 June 2020		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Net (loss)/profit for the period	-	(3,247)	(3,247)	1,257	11,619	12,876
Other comprehensive profit/(loss):						
Items that will not be reclassified to statement of income in subsequent periods:						
- Actuarial gain on remeasurement of retirement benefit obligations	50	-	50	281	-	281
Total comprehensive (loss)/profit for the period	50	(3,247)	(3,197)	1,538	11,619	13,157
Reconciliation:						
Net Income attributable to Insurance Operations			-			(1,257)
Total comprehensive (loss)/profit for the period			(3,197)			11,900

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13 SUPPLEMENTARY INFORMATION (continued)

13.3 Interim condensed statement of comprehensive Income (continued)

Note	For the six months period ended 30 June 2021			For the six months period ended 30 June 2020		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Net (loss)/profit for the period	-	(4,789)	(4,789)	248	519	767
Items that will not be reclassified to statement of income in subsequent periods:						
- Actuarial gain on remeasurement of retirement benefit obligation	(197)	-	(197)	84	-	84
Total comprehensive (loss)/profit for the period	(197)	(4,789)	(4,986)	332	519	851
Reconciliation:						
Net Income attributable to Insurance Operations			-			(248)
Total comprehensive (loss)/profit for the period			(4,986)			603

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2021 (Unaudited)

13 SUPPLEMENTARY INFORMATION (continued)

13.4 Interim Condensed Statement of Cash Flows

Note	2021			2020		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss for the period	-	(4,789)	(4,789)	248	519	767
Adjustments for non cash items:						
Depreciation and amortisation	2,034	-	2,034	2,135	-	2,135
Depreciation of right to use assets	628	-	628	604	-	604
Financing cost on lease liabilities	94	-	94	130	-	130
Provision for doubtful receivables	3,826	-	3,826	3,722	-	3,722
Realized gain on investments held at FVSI	(471)	-	(471)	(4)	-	(4)
Unrealized (gain) / loss on investments held at FVSI	-	(1,992)	(1,992)	-	665	665
Provision for retirement benefit obligations	684	-	684	744	-	744
Provision for zakat	-	1,518	1,518	-	1,650	1,650
	6,795	(5,263)	1,532	7,579	2,834	10,413
Changes in operating assets and liabilities:						
Premiums and reinsurance receivables	(15,195)	-	(15,195)	(77,296)	-	(77,296)
Reinsurers' share of unearned premiums	(26,107)	-	(26,107)	(50,756)	-	(50,756)
Reinsurers' share of outstanding claims	9,077	-	9,077	98,335	-	98,335
Reinsurers' share of incurred but not reported claims	1,654	-	1,654	(84)	-	(84)
Deferred policy acquisition costs	(1,995)	-	(1,995)	(3,706)	-	(3,706)
Prepayments and other assets	2,135	26	2,161	(4,283)	901	(3,382)
Due to insurance operations	-	(5,271)	(5,271)	-	(22,032)	(22,032)
Unit linked investments	(18,137)	-	(18,137)	(6,595)	-	(6,595)
Outstanding claims	(2,868)	-	(2,868)	(104,150)	-	(104,150)
Incurred but not reported claims	(3,083)	-	(3,083)	2,647	-	2,647
Other reserves	130	-	130	122	-	122
Premium deficiency reserves	(1,183)	-	(1,183)	3,892	-	3,892
Mathematical reserves	(75)	-	(75)	69	-	69
Unearned premiums	41,186	-	41,186	58,715	-	58,715
Reinsurance balances payable	17,320	-	17,320	60,990	-	60,990
Unearned reinsurance commission	1,213	-	1,213	7,581	-	7,581
Accrued expenses and other liabilities	5,070	(700)	4,370	(72,247)	1,111	(71,136)
Lease liabilities	(7)	-	(7)	(613)	-	(613)
Due to a related party	(28)	-	(28)	-	(205)	(205)
Unit linked liabilities	18,137	-	18,137	6,595	-	6,595
Due from shareholders' operations	5,271	-	5,271	22,032	-	22,032
Cash generated from / (used in) operations	39,310	(11,208)	28,102	(51,173)	(17,391)	(68,564)
Retirement benefit obligation paid	(1,170)	-	(1,170)	(807)	-	(807)
Zakat and income tax paid	-	(3,591)	(3,591)	-	-	-
Net cash generated from / (used in) operating activities	38,140	(14,799)	23,341	(51,980)	(17,391)	(69,371)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	5.2	(100,000)	(100,000)	-	-	-
Proceeds from disposal of investments	5.2	101,000	101,000	-	-	-
Purchase of property and equipment		(335)	(335)	(795)	-	(795)
Right to use assets		(606)	(606)	-	-	-
Purchase of murabaha deposits		-	-	-	-	-
Proceeds from maturity of murhaba deposits		-	-	-	40,902	40,902
Purchase of intangible assets		-	-	-	-	-
Net cash generated from / (used in) investing activities		59	59	(795)	40,902	40,107
Net change in cash and cash equivalents		38,199	(14,799)	23,400	23,511	(29,264)
Cash and cash equivalents at the beginning of the period		111,903	123,577	183,781	35,401	219,182
Cash and cash equivalents at the end of the period		150,102	108,778	131,006	58,912	189,918

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14 Gross premiums written

For the three months period ended 30 June 2021
(Unaudited)

Property and Casualty	Motor	Protection and savings	Medical	Total
SAR'000				
51,784	4,325	8,098	-	64,207
8,464	5,046	104	7	13,621
4,690	2,909	-	80	7,679
49	936	-	-	985
-	4,176	8,810	-	12,986
64,987	17,392	17,012	87	99,478

For the three months period ended 30 June 2020
(Unaudited)

Property and Casualty	Motor	Protection and savings	Medical	Total
SAR'000				
73,874	3,341	7,709	-	84,924
13,257	3,213	15	-	16,485
3,106	770	-	-	3,876
929	1,514	-	-	2,443
-	828	5,471	-	6,299
91,166	9,666	13,195	-	114,027

For the six months period ended 30 June 2021
(Unaudited)

Property and Casualty	Motor	Protection and savings	Medical	Total
SAR'000				
71,868	12,446	16,009	-	100,323
21,910	12,070	505	21	34,506
7,133	6,266	-	80	13,479
1,319	1,400	-	-	2,719
12	11,209	16,312	-	27,533
102,242	43,391	32,826	101	178,560

For the six months period ended 30 June 2020
(Unaudited)

Property and Casualty	Motor	Protection and savings	Medical	Total
SAR'000				
112,394	12,551	15,140	-	140,085
24,490	13,311	374	-	38,175
6,996	2,721	-	49	9,766
1,465	2,258	-	-	3,723
-	8,859	12,449	-	21,308
145,345	39,700	27,963	49	213,057

15 COMPARATIVE FIGURES

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

16 RISK MANAGEMENT

The Company's risk management policies are consistent with those as disclosed in the annual financial statements for the year ended 30 June 2021.

17 APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Audit Committee of the Company on 03 Muharram 1443H corresponding to 11 August 2021G.