

**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

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

**AMANA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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## **INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED FINANCIAL INFORMATION**

**The Shareholders**  
**Amana Cooperative Insurance Company**  
**(A Saudi Joint Stock Company)**  
**Kingdom of Saudi Arabia**

### **INTRODUCTION**

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

### **SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagement 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, 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.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note 2 to the accompanying interim condensed financial information, which indicates, among other things, that as of 31 March 2022, the accumulated losses represent 144.64% (31 December 2021: 120.94%) of the Company's share capital. As of the same date, the Company's solvency has reached -83.81% (31 December 2021: -48.08%). These events and conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, various strategic options, including capital restructuring, were considered by the Company's Board of Directors and has already approved the business plan for 2022 on 18 January 2022. Further, an increase in share capital through rights issues amounting to SR 300 million was approved in the extraordinary general assembly meeting dated 28 February 2022. However, the legal formalities, including CMA's approval, are presently awaited. Based on the above, the management is satisfied that the Company will continue as a going concern for the foreseeable future.

**INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED FINANCIAL INFORMATION (continued)**

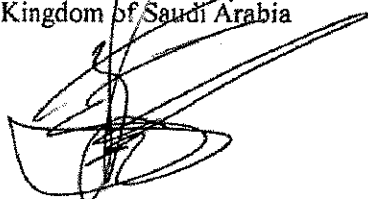
**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN (continued)**

Based on the above, the Company's management has assessed its ability to continue as a going concern considering the completion of merger activities and capital restructuring options thereafter and is satisfied that the Company's operations shall continue for the foreseeable future under the normal course of business. Accordingly, the interim condensed financial information has been prepared on the going concern basis.

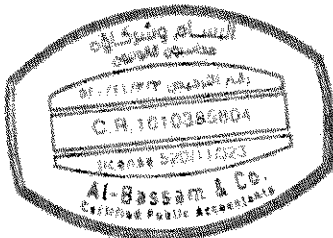
Our conclusion is not qualified in respect of this matter.

**For Al-Bassam & Co.**

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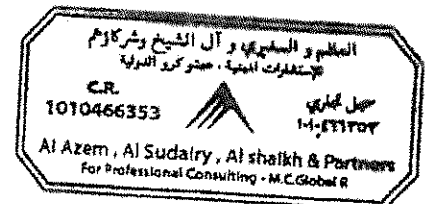
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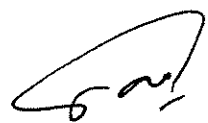
Date: 26 May 2022  
corresponding to: 25 Shawwal 1443H



**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

	Note	As at 31 March 2022 (Unaudited) SR '000	As at 31 December 2021 (Audited) SR '000
<b>ASSETS</b>			
Cash and cash equivalents	4	52,354	47,040
Short term deposits	5	10,000	10,000
Premiums and reinsurers' receivable - net	6	99,401	87,543
Reinsurers' share of unearned premiums	9(b)	1,462	1,433
Reinsurers' share of outstanding claims	9(a)	1,497	1,267
Reinsurers' share of claims incurred but not reported	9(a)	1,089	1,205
Deferred policy acquisition costs	9(d)	13,818	12,606
Available-for-sale investments	7	3,807	15,182
Held-to-maturity investments	7	44,274	44,198
Prepayments and other assets		12,900	14,812
Property and equipment		6,542	6,085
Intangible assets		914	575
Statutory deposit	13	19,500	19,500
Accrued commission income on statutory deposit	13	3,013	2,989
<b>TOTAL ASSETS</b>		<b>270,571</b>	<b>264,435</b>
<b>LIABILITIES</b>			
Policyholders claims payable		4,159	3,488
Accrued expenses and other liabilities		49,546	42,013
Reinsurance balances payable		27,690	8,176
Unearned premiums	9(b)	124,453	113,295
Unearned reinsurance commission	9(c)	251	242
Outstanding claims	9(a)	21,970	21,401
Claims incurred but not reported	9(a)	52,690	58,250
Premium deficiency reserve	9(a)	30,792	27,167
Other technical reserve	9(a)	3,841	3,818
Employees' end-of-service benefits		5,586	5,342
Surplus distribution payable		779	779
Provision for zakat and income tax	10	4,406	3,559
Accrued commission income payable to SAMA	13	3,013	2,989
<b>TOTAL LIABILITIES</b>		<b>329,176</b>	<b>290,519</b>
<b>EQUITY</b>			
Share capital	11	130,000	130,000
Accumulated losses		(188,026)	(157,227)
Actuarial loss on end-of-service benefits		(1,451)	(1,451)
Fair value reserve for available-for-sale investments		872	2,594
<b>TOTAL EQUITY</b>		<b>(58,605)</b>	<b>(26,084)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>270,571</b>	<b>264,435</b>
Commitments and contingencies	12		

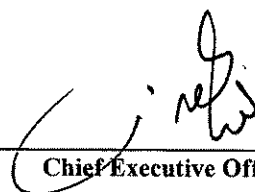
The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.



**Chief Financial Officer**



**Board Member**



**Chief Executive Officer**

**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED STATEMENT OF INCOME**

	Note	<b>For the three-month period ended</b>	
		<b>31 March 2022</b>	<b>31 March 2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>SR '000</b>	<b>SR '000</b>
<b>REVENUES</b>			
Gross premiums written	9(b)	76,942	77,978
Reinsurance premiums ceded	9(b)	(1,580)	(2,008)
Excess of loss expenses	9(b)	(10,106)	(9,307)
<b>Net premiums written</b>		<b>65,256</b>	<b>66,663</b>
Changes in unearned premiums - net		(11,129)	(2,639)
<b>Net premiums earned</b>		<b>54,127</b>	<b>64,024</b>
Reinsurance commissions	9(c)	262	388
Other underwriting income		(322)	719
<b>NET REVENUES</b>		<b>54,067</b>	<b>65,131</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>			
Gross claims paid		(66,240)	(81,308)
Reinsurers' share of claims paid		6,048	20,815
<b>Net claims paid</b>		<b>(60,192)</b>	<b>(60,493)</b>
Changes in outstanding claims		(569)	(12,295)
Changes in reinsurers' share of outstanding claims		230	4,554
Changes in claims incurred but not reported		5,560	6,900
Changes in reinsurers' share of claims incurred but not reported		(116)	(455)
<b>Net claims incurred</b>		<b>(55,087)</b>	<b>(61,789)</b>
Changes in premiums deficiency reserve		(3,625)	(2,510)
Changes in other technical reserves		(23)	(261)
Policy acquisition costs	9(d)	(5,613)	(5,906)
Inspection and supervision fees		(3,555)	(6,546)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>		<b>(67,903)</b>	<b>(77,012)</b>
<b>NET UNDERWRITING EXPENSE</b>		<b>(13,836)</b>	<b>(11,881)</b>
<b>OTHER OPERATING EXPENSES</b>			
(Charge) / reversal of provision for doubtful debts	6	(2,995)	588
General and administrative expenses		(15,720)	(13,828)
Investment income		647	1,818
Realized gain from sale of available-for-sale investments		2,660	-
<b>TOTAL OTHER OPERATING EXPENSES - NET</b>		<b>(15,408)</b>	<b>(11,422)</b>
<b>Total (loss) for the period before zakat</b>		<b>(29,244)</b>	<b>(23,303)</b>
Zakat (Charge) / reversal	10	(847)	2,335
<b>Total loss for the period after zakat</b>		<b>(30,091)</b>	<b>(20,968)</b>
<b>Net loss attributable to the shareholders after zakat</b>		<b>(30,091)</b>	<b>(20,968)</b>
<b>Loss per share - basic and diluted for the period - adjusted (SR)</b>	14	<b>(2.31)</b>	<b>(0.87)</b>
<b>Weighted average number of shares in issue throughout the period-adjusted</b>	14	<b>13,000</b>	<b>24,000</b>

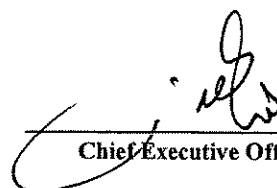
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Chief Financial Officer



Board Member



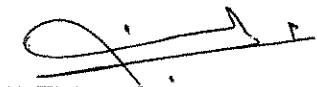
Chief Executive Officer

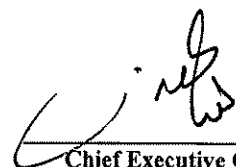
**AMANA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	Note	<b>For the three-month period ended</b>	
		<b>31 March 2022</b>	<b>31 March 2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>SR '000</b>	<b>SR '000</b>
Net loss after zakat		(30,091)	(20,968)
Other comprehensive loss:			
<i>Items that will not be reclassified to statement of income in subsequent years</i>		-	-
<i>Items that may be reclassified to statements of income in subsequent years</i>			
-Change in fair value of available-for-sale investments	7	938	(23)
-Transferred from fair value reserve to income for the	7	(2,660)	-
<b>Total comprehensive loss</b>		<b>(31,813)</b>	<b>(20,991)</b>
<b>Total comprehensive income attributable to the insurance operations</b>		<b>-</b>	<b>-</b>
<b>Net comprehensive loss attributable to the shareholders</b>		<b>(31,813)</b>	<b>(20,991)</b>

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

  
 Chief Financial Officer

  
 Board Member

  
 Chief Executive Officer

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**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended	Note	Share capital	Accumulated losses	Actuarial loss on end-of-service benefits	Fair value reserve for available-for-sale	Total
				SR '000		
<b>Balance as at 01 January 2022 (Audited)</b>		130,000	(157,227)	(1,451)	2,594	(26,084)
<b>Comprehensive loss for the period:</b>						
Change in fair value of available-for-sale investments	7	-	-	-	938	938
Transferred from fair value reserve to the income for the period	7	-	-	-	(2,660)	(2,660)
Total loss for the period attributable to the shareholders		-	(30,091)	-	-	(30,091)
Total comprehensive loss for the period		-	(30,091)	-	(1,722)	(31,813)
Transaction cost for Capital Reduction		-	(708)	-	-	(708)
<b>Balance as at 31 March 2022 (Unaudited)</b>		<u>130,000</u>	<u>(188,026)</u>	<u>(1,451)</u>	<u>872</u>	<u>(58,605)</u>

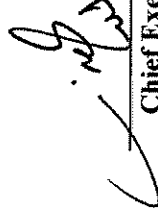
The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.



**Chief Financial Officer**



**Board Member**



**Chief Executive Officer**





**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended	Note	Share capital	Accumulated losses	Actuarial loss on end-of-service benefits	Fair value reserve for available-for-sale investment	Total
				SR '000		
Balance as at 01 January 2021 (Audited)		240,000	(147,503)	(1,743)	1,485	92,239
Comprehensive loss for the period:						
Change in fair value of available-for-sale investments		-	-	-	(23)	(23)
Total loss for the period attributable to the shareholders		-	(20,968)	-	-	(20,968)
Total comprehensive loss for the period		-	(20,968)	-	(23)	(20,991)
Balance as at 31 March 2021 (Unaudited)		240,000	(168,471)	(1,743)	1,462	71,248

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.



Chief Financial Officer



Board Member



Chief Executive Officer



**AMANA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

	Note	<b>For the three-month period ended</b>	
		<b>31 March 2022</b>	<b>31 March 2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>SR '000</b>	<b>SR '000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total loss before zakat		(29,244)	(23,303)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		494	417
Charge / (reversal) of provision for doubtful debts		2,995	(588)
Realized gain on sale of available-for-sale investments		(2,660)	-
Amortization of held-to-maturity investments	7	(76)	(100)
Provision for employees' end-of-service benefits		244	283
		<u>(28,247)</u>	<u>(23,291)</u>
<b>Changes in operating assets and liabilities:</b>			
Premiums and reinsurers' receivable		(14,853)	(11,874)
Reinsurers' share of unearned premiums		(29)	2
Reinsurers' share of outstanding claims		(230)	(4,554)
Reinsurers' share of claims incurred but not reported		116	455
Deferred policy acquisition costs		(1,212)	797
Prepaid expenses and other assets		1,912	(2,998)
Policyholders claims payable		671	759
Accrued expenses and other liabilities		7,533	(5,735)
Reinsurers' balances payable		19,514	4,091
Unearned premiums		11,158	2,637
Unearned reinsurance commission		9	(21)
Outstanding claims		569	12,295
Claims incurred but not reported		(5,560)	(6,900)
Premium deficiency reserve		3,625	2,510
Other technical reserves		23	261
		<u>(5,001)</u>	<u>(31,566)</u>
Employees' end-of-service benefits paid		-	-
Zakat and income tax paid	10	-	-
<b>Net cash used in operating activities</b>		<u>(5,001)</u>	<u>(31,566)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds received of available-for-sale investments		12,313	-
Purchase of property, equipment and intangibles		(1,290)	(515)
Transaction cost paid for Capital Reduction		(708)	-
<b>Net cash generated from / (used in) investing activities</b>		<u>10,315</u>	<u>(515)</u>
<b>Net change in cash and cash equivalents</b>		<u>5,314</u>	<u>(32,081)</u>
Cash and cash equivalents at the beginning of the period		47,040	133,983
<b>Cash and cash equivalents at the end of the period</b>		<u>52,354</u>	<u>101,902</u>
<b>Supplemental non-cash information:</b>			
Changes in fair values of available-for-sale investments - net	7	938	(23)

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

Chief Financial Officer

Board Member

Chief Executive Officer

**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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**1 ORGANIZATION AND PRINCIPAL ACTIVITIES**

Amana Cooperative Insurance Company (the “Company”) is a Saudi joint stock company established in Riyadh, Kingdom of Saudi Arabia by Royal Decree Number M/35 dated Jumada Al-Akher 3, 1431 H (corresponding to May 17, 2010), and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010288711 dated Jumada Al-Akher 10, 1431 H (corresponding to May 24, 2010). The Company’s head office is at Salah-uddin Al-Ayubi Street P.O. Box 27986, Riyadh 11427, Kingdom of Saudi Arabia.

The objective of the Company is to engage in providing insurance services in accordance with its Articles of Association and By-laws and the applicable regulations in the Kingdom of Saudi Arabia.

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

It was approved to update the Company’s by-laws to comply with the new companies’ regulations, issued by royal decree no.m/3 on 28/01/1437 H and this is as per the extraordinary general assembly meeting on 23/09/1438 H, corresponding June 18, 2017.

**2 BASIS OF PREPARATION**

**(a) Basis of presentation and measurement**

The interim condensed interim financial information (interim condensed financial statements) of the Company as at and for the period ended 31 March 2022 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 of Certified Public Accountants (“SOCPA”).

The interim condensed financial statements have been prepared under the going concern basis and the historical cost basis except for the measurement at fair value of “available-for-sale investments” and employees end-of-service benefits at present value.

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 presents the interim condensed financial statements accordingly (note 18). 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

The interim condensed statements of financial position, income, other comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in note 18 of these interim condensed financial statements have been provided as supplementary interim condensed 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 statement of financial position, interim condensed statement of income, interim condensed statement of comprehensive income and interim condensed statement of 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.

**AMANA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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**2 BASIS OF PREPARATION (CONTINUED)**

**(a) Basis of presentation and measurement (continued)**

In preparing the Company-level financial statements in compliance with IFRSs, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances and transactions 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 interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2021.

**(b) Functional and presentation currency**

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

**(c) Critical accounting judgments, estimates and assumptions**

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

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's 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 as at and for the year ended 31 December 2021.

**Going concern**

The Company's accumulated losses as of 31 March 2022 are 144.64% (31 December 2021: 120.94%) of the Company's share capital, and as of the same date, the Company's solvency reached negative 83.81% (31 December 2021: negative 48.08). These events and conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, various strategic options, including capital restructuring, were considered by the Company's Board of Directors and has already approved the business plan for 2022 on 18 January 2022. Further, an increase in share capital through rights issues amounting to SR 300 million was approved in the extraordinary general assembly meeting dated 28 February 2022. However, the legal formalities, including CMA's approval, are presently awaited. Based on the above, the management is satisfied that the Company will continue as a going concern for the foreseeable future.

**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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**2 BASIS OF PREPARATION (CONTINUED)**

**(c) Critical accounting judgments, estimates and assumptions (continued)**

**3 SIGNIFICANT ACCOUNTING POLICIES AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE**

**(a) Significant accounting policies**

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021

**(b) New standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

*IFRS 9 Financial Instruments*

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 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 Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015.

However, on 19 November 2013, the IASB issued IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9) amending IFRS 9 to include the new general hedge accounting model. In its February 2014 meeting, the IASB decided that IFRS 9 would be mandatorily effective for annual reporting periods beginning on or after 1 January 2018 with an optional temporary exception to defer the application of IFRS 9 till 1 January 2022 for companies whose activities are predominantly connected with insurance. In line with other insurance companies in the Kingdom of Saudi Arabia, the Company deferred the application of IFRS 9 till 1 January 2023 to match with the adoption of IFRS 17.

*IFRS 17 Insurance Contracts*

The IASB issued IFRS 17 in May 2017. IFRS 17 will be mandatorily effective for annual reporting periods beginning on or after 1 January 2023. Once effective, IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among entities issuing insurance contracts globally. The Company is in the process of assessing the impact of IFRS 17.

**AMANA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
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**4 CASH AND CASH EQUIVALENTS**

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR '000			SR '000		
Cash at bank	45,632	6,692	52,324	21,338	25,672	47,010
Cash in hand	30	-	30	30	-	30
	<b>45,662</b>	<b>6,692</b>	<b>52,354</b>	<b>21,368</b>	<b>25,672</b>	<b>47,040</b>

All bank balances and deposits are placed with SAMA regulated local banks with sound credit ratings under Standard and Poor's and Moody's rating methodology.

**5 SHORT TERM DEPOSITS**

Short-term deposit represents murabaha deposit having original maturity between 3 months and 12 months from the reporting date. Short term deposit earn profit at an average rate of 5.23% per annum (2021: 5.23% per annum). The deposit shall mature on 24 April 2022.

Short term deposit are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology and their carrying amount is reasonable approximate to its fair value at the reporting date.

**6 PREMIUMS AND REINSURERS' RECEIVABLE - NET**

	Note	31 March 2022 (Unaudited) SR '000	31 December 2021 (Audited) SR '000
<b>Receivables comprise of the amounts due from the following:</b>			
Policyholders		51,610	58,188
Brokers and agents		53,251	48,803
Related parties	16	2,177	2,026
Receivables from reinsurers		50,979	34,147
		<b>158,017</b>	<b>143,164</b>
Less: provision for doubtful receivables		(58,616)	(55,621)
Premiums and reinsurers' receivable – net		<b>99,401</b>	<b>87,543</b>

**The movement in the provision for doubtful receivables is as follows:**

Beginning balance	55,621	50,118
Charge made during the period / year	2,995	5,503
Ending balance	<b>58,616</b>	<b>55,621</b>

**7 INVESTMENTS**

Investments are classified as follows:

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR '000			SR '000		
Available-for-sale investments	1,923	1,884	3,807	1,923	13,259	15,182
Held-to-maturity investments	-	44,274	44,274	-	44,198	44,198
	<b>1,923</b>	<b>46,158</b>	<b>48,081</b>	<b>1,923</b>	<b>57,457</b>	<b>59,380</b>

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**7 INVESTMENTS (CONTINUED)**

**7.1** Available-for-sale investment in insurance operation represents the Company's shareholding in Najm for Insurance Services Company ("Najm") which is 3.85% of Najm's capital.

**7.2** Investments for shareholders' operations comprised as follows:

		<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 December 2021 (Audited) SR '000</b>
	<b>Note</b>		
Available-for-sale investments - Listed shares and REIT Funds (Domestic)	7.4	1,884	13,259
Held-to-maturity investments - Debt instruments (Domestic)	7.5	44,274	44,198
		<b>46,158</b>	<b>57,457</b>

**7.3** The Held-to-maturity investment represents sukuks earning average profit at a rate of 3.76% per annum as of 31 March 2022 (31 December 2021: 3.91% per annum) having maturities upto 20 April 2027.

**7.4** The movements in available-for-sale investments for shareholders' operations are as follows:

	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 December 2021 (Audited) SR '000</b>
Opening balance	13,259	10,949
Additions	-	2,788
Change in fair value of available-for-sale investments	938	1,564
Transferred from fair value reserve to income for the period	(2,660)	(455)
Disposals at cost	(9,653)	(1,587)
Closing balance	<b>1,884</b>	<b>13,259</b>

**7.5** The movements in held-to-maturity investments for shareholders' operations are as follows:

	<b>44,198</b>	<b>49,045</b>
Opening balance	44,198	49,045
Amortization for the period / year	76	403
Disposal	-	(5,250)
Closing balance	<b>44,274</b>	<b>44,198</b>

**7.6** There was no movement in the investments pertaining to insurance operations.

**8 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in 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 assets or liability, or
- in the absences of a principal market, in the most advantages accessible market for the asset or liability

**(a) Determination of fair value and fair value hierarchy**

The Company uses the following hierarchy for determining 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.

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8 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Carrying amounts and 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.

	31 March 2022 (Unaudited)				
	Carrying	Level 1	Level 2	Level 3	Total
	SR '000	SR '000	SR '000	SR '000	SR '000
<u>Available for sale investments</u>					
- Shares and REIT Funds	3,807	1,884	-	1,923	3,807
	<u>3,807</u>	<u>1,884</u>	<u>-</u>	<u>1,923</u>	<u>3,807</u>

There were no transfers between Levels during the three-month period ended 31 March 2022 and the year ended 31 December 2021. The fair value of other financial assets and liabilities, not included in the table above, are not materially different from the carrying value included in the interim condensed financial statements.

(c) Measurement of fair value

Available-for-sale investment level 3 represents unquoted securities amounted to SR 1.9 million in respect of the Company's share in the capital of Najm. As at 31 December 2021, the investment has not been measured at fair value in the absence of active market or other means of measuring their fair value reliably. However, the management believes that there is no major difference between the carrying value and fair value of the investment.

9 TECHNICAL RESERVES

(a) Net Outstanding Claims and Reserves

	31 March 2022 (Unaudited) SR '000	31 December 2021 (Audited) SR '000
Outstanding claims	21,970	21,401
Claims incurred but not reported	52,690	58,250
Premium deficiency reserve	30,792	27,167
Other technical reserves	3,841	3,818
	109,293	110,636
Less:		
Reinsurers' share of outstanding claims	(1,497)	(1,267)
Reinsurers' share of claims incurred but not reported	(1,089)	(1,205)
	(2,586)	(2,472)
<b>Net outstanding claims and other reserves</b>	<b>106,707</b>	<b>108,164</b>



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**9 TECHNICAL RESERVES (CONTINUED)**

(b) Movement in unearned premiums	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	SR '000			SR '000		
Opening balance	113,295	(1,433)	111,862	141,100	(2,056)	139,044
Premiums written during the period / year	76,942	(1,580)	75,362	275,487	(4,630)	270,857
Excess of loss expense	-	(10,106)	(10,106)	-	(51,187)	(51,187)
Premiums earned during the period / year	(65,784)	11,657	(54,127)	(303,292)	56,440	(246,852)
Closing balance	124,453	(1,462)	122,991	113,295	(1,433)	111,862

(c) Unearned reinsurance commission	31 March 2022 (Unaudited) SR '000	31 December 2021 (Audited) SR '000
Opening balance	242	456
Reinsurance commission received during the period / year	271	876
Reinsurance commission earned during the period / year	(262)	(1,090)
Closing balance	251	242

**(d) Movement in deferred policy acquisition costs**

Opening balance	12,606	11,010
Commission received during the period / year	6,825	29,953
Commission earned during the period / year	(5,613)	(28,357)
Closing balance	13,818	12,606

**10 ZAKAT PAYABLE**

Opening balance	3,559	6,673
Charge for the period / year	847	491
Reversal for prior periods / year	-	(2,761)
	847	(2,270)
Paid during the period / year	-	(844)
Closing balance	4,406	3,559

The Company has filed its zakat return to Zakat, Tax and Customs Authority ("ZATCA") till the year 2021. All the assessments up to the year 2016 have been settled with ZATCA and a final clearance certificate has been obtained. During the year ended 31 December 2020, ZATCA issued zakat assessment for the years 2017 and 2018 amounting to 6.2 million. The Company has filed objection against the assessment and the management believes that the liability can be reduced to 3.7 million with a very high probability. During the year ended 31 December 2020, the Company has also received assessments along with penalties in respect of Value Added Tax ("VAT") for the years 2018 and 2019 amounting to 1.6 million. The Company paid the VAT assessment and continues objection to the VAT and penalties. Further, management believes that there is a high probability that the liability can be reduced to some percentage.

During the year, ZATCA requested information about zakat and tax returns for the years 2019 and 2020 which are still under review.

**11 SHARE CAPITAL**

The authorized, issued and paid up share capital of the Company was SR 130 million as at 31 March 2022 (31 December 2021, SR 130 Million), consisting of 13 million shares of SR 10 each (31 December 2021, 13 million shares). During the period ended 31 March 2022, the company's shareholders have approved a share capital increase of SR 300 million in an extra ordinary general meeting held on 28 February 2022, thus increasing the number of shares from SR 13 million to SR 43 million. The purpose of increasing the share capital is to strengthen the Company's solvency and financial position.

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**12 COMMITMENTS AND CONTINGENCIES**

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

	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 December 2021 (Audited) SR '000</b>
Capital work in progress	<b>504</b>	<b>122</b>

(b) The Company operates in insurance industry and is subject to legal proceedings in the normal course of business. While it is not possible to forecast or determine the final results of all pending or threatened legal proceedings, the management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

**13 STATUTORY DEPOSIT**

Statutory deposit represents 15% of the paid up capital of the Company which is maintained with local bank designated by SAMA in accordance with the Cooperative Insurance Companies Control Law for insurance companies.

The statutory deposit is placed with a counterparty having investment grade credit rating. Accrued commission income on statutory deposit is shown as an asset and liability in the statement of financial position.

**14 LOSS PER SHARE**

Basic and diluted loss per share for the period have been calculated by dividing the total net loss for the period by the weighted average number of shares in issue throughout the period.

	<b>Number of shares in '000</b>	
	<b>31 March 2022 (Unaudited)</b>	<b>31 March 2021 (Unaudited)</b>
Basic and diluted loss per share	<b>13,000</b>	<b>24,000</b>
	<b>(2.31)</b>	<b>(0.87)</b>
Weighted average number of shares throughout the period (thousands)	<b>13,000</b>	<b>24,000</b>

**15 CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it is able to continue as going concern and comply with the SAMA's capital requirements while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to shareholders comprising paid capital and accumulated deficit.

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

- Minimum Capital Requirement of SAR 100 million
- Premium Solvency Margin
- Claims Solvency Margin

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

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**16 RELATED PARTY TRANSACTIONS AND BALANCES**

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

**DUE FROM RELATED PARTIES**

	<i>Amounts of transactions</i>		<i>Balances as at</i>	
	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 March 2021 (Unaudited) SR '000</b>	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 December 2021 (Audited) SR '000</b>
<i>Entities controlled, jointly controlled or significantly influenced by related parties</i>				
<b>El Seif companies group</b>				
- Insurance premium written	42	4,320	1,773	1,650
- Paid claims	119	3,646	-	-
	<b>161</b>	<b>7,966</b>	<b>1,773</b>	<b>1,650</b>
<b>El Tukhy companies group</b>				
- Insurance premium written	-	-	356	356
- Paid claims	-	2	-	-
	<b>-</b>	<b>2</b>	<b>356</b>	<b>356</b>
<b>Al Durra Al Raeda Co</b>				
- Insurance premium written	34	39	48	20
- Paid claims	5	-	-	-
	<b>39</b>	<b>39</b>	<b>48</b>	<b>20</b>
<b>Globe-Med</b>				
- volume rebate	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>200</b>	<b>8,007</b>	<b>2,177</b>	<b>2,026</b>
Less: provision for doubtful receivables			(865)	(733)
<b>Due from related parties, net</b>			<b>1,312</b>	<b>1,293</b>

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**16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

The movement in the provision for doubtful receivables regarding related parties was as following:

	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 December 2021 (Audited) SR '000</b>
Opening balance	733	304
Charge during the period / year	132	429
Closing balance	<b>865</b>	<b>733</b>

**DUE TO RELATED PARTIES**

	<i>Amounts of transactions</i>		<i>Balances as at</i>	
	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 March 2021 (Unaudited) SR '000</b>	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 December 2021 (Audited) SR '000</b>
<b>Board of Directors &amp; related committee</b>				
Bonus and other allowances	363	363	1,340	1,562
<b>Globe-Med (Group entity)</b>				
Administration fees for handling medical claims and others	1,961	1,961	3,643	3,369
	<b>2,324</b>	<b>2,324</b>	<b>4,983</b>	<b>4,931</b>

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

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

	<b>31 March 2022 (Unaudited) SR '000</b>	<b>31 March 2021 (Unaudited) SR '000</b>
Salaries and other allowances	1,432	951
End of service indemnities	61	49
	<b>1,493</b>	<b>1,000</b>

**17 SEGMENT INFORMATION**

Consistent with the Company's internal reporting process, insurance operating segments have been approved by Management in respect of the Company's activities, assets and liabilities as stated below.

Segment results do not include general and administrative expenses, allowance for doubtful debts. Accordingly, they are included in unallocated expenses or income.

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**17 SEGMENT INFORMATION (CONTINUED)**

Segment assets do not include insurance operations' property and equipment, investments, prepayments and other assets, premiums and reinsurance balances receivable, cash and cash equivalents and time deposits. Accordingly they are included in unallocated assets. Segment liabilities do not include employees' end-of-service benefits, and reinsurance balances payable, accrued expenses and other liabilities and accrued surplus to policyholders. Accordingly they are included in unallocated liabilities.

For the three-month period ended 31 March 2022 (Unaudited)					
SR '000					
Operating segment	Medical	Motor	Property & casualty	Unallocated	Total - Shareholders' operations
<b>Revenues</b>					
Gross premiums written					
- Corporate	347	3,108	1,875	-	5,330
- Medium	2,949	1,650	3	-	4,602
- Small	3,167	58	19	-	3,244
- Very small	34,305	29,440	21	-	63,766
	40,768	34,256	1,918	-	76,942
Reinsurance premiums ceded					
- Local	-	-	(278)	-	(278)
- International (includes premium ceded through local broker)	-	-	(1,302)	-	(1,302)
	-	-	(1,580)	-	(1,580)
Excess of loss expenses	(9,363)	(669)	(74)	-	(10,106)
<b>Net premiums written</b>	31,405	33,587	264	-	65,256
Changes in unearned premiums - net	(4,715)	(6,268)	(146)	-	(11,129)
<b>Net premiums earned</b>	26,690	27,319	118	-	54,127
Reinsurance commissions	-	-	262	-	262
Other underwriting income	(344)	-	22	-	(322)
<b>Net revenue</b>	26,346	27,319	402	-	54,067

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**17 SEGMENT INFORMATION (CONTINUED)**

	For the three month period ended 31 March 2022 (Unaudited)				
	SR '000				
Operating segment	Medical	Motor	Property & casualty	Unallocated	Total - Shareholders' operations
<b>Underwriting costs and expenses</b>					
Gross claims paid	(36,135)	(30,105)	-	-	(66,240)
Reinsurers' share of claims paid	6,042	6	-	-	6,048
<b>Net claims paid</b>	<b>(30,093)</b>	<b>(30,099)</b>	-	-	<b>(60,192)</b>
Changes in outstanding claims	3,078	(3,647)	-	-	(569)
Changes in reinsurers' share of outstanding claims	230	-	-	-	230
Changes in claims incurred but not reported	5,645	(144)	59	-	5,560
Changes in reinsurers' share of claims incurred but not reported	13	(79)	(50)	-	(116)
<b>Net claims incurred</b>	<b>(21,127)</b>	<b>(33,969)</b>	<b>9</b>	-	<b>(55,087)</b>
Changes in premiums deficiency reserve	1,843	(5,422)	(46)	-	(3,625)
Changes in other technical reserves	78	(102)	1	-	(23)
Policy acquisition costs	(3,001)	(2,409)	(203)	-	(5,613)
Inspection and supervision fees	(2,471)	(1,077)	(7)	-	(3,555)
<b>Total underwriting costs and expenses</b>	<b>(24,678)</b>	<b>(42,979)</b>	<b>(246)</b>	-	<b>(67,903)</b>
<b>Net underwriting expense</b>	<b>1,668</b>	<b>(15,660)</b>	<b>156</b>	-	<b>(13,836)</b>

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**17 SEGMENT INFORMATION (CONTINUED)**

	For the three month period ended 31 March 2022 (Unaudited)				
	SR '000				
	Medical	Motor	Property & casualty	Unallocated	Total - Shareholders' operations
Operating segment					Total
<b>Other operating (expenses) / income</b>					
Charge of provision for doubtful debts	-	-	-	(2,995)	(2,995)
General and administrative expenses	-	-	-	(14,465)	(15,720)
Investment income	-	-	-	-	647
Realized gain from sale of available for sale investments	-	-	-	-	2,660
<b>Total other operating (expenses) / income</b>	-	-	-	(17,460)	(15,408)
<b>Total (loss) / income before zakat</b>	<b>1,668</b>	<b>(15,660)</b>	<b>156</b>	<b>(17,460)</b>	<b>(29,244)</b>
Zakat Charge	-	-	-	-	(847)
<b>Net income / (loss) after zakat</b>	<b>1,668</b>	<b>(15,660)</b>	<b>156</b>	<b>(17,460)</b>	<b>(30,091)</b>
<b>Total income for the period attributed to the insurance operations</b>	-	-	-	-	-
<b>Surplus / (deficit) transferred to shareholders</b>	<b>(1,668)</b>	<b>15,660</b>	<b>(156)</b>	<b>17,460</b>	<b>(31,296)</b>
<b>Net loss attributable to the shareholders after zakat</b>	-	-	-	-	<b>(30,091)</b>

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**17 SEGMENT INFORMATION (CONTINUED)**

For the three month period ended 31 March 2021 (Unaudited)						
SR '000						
Operating segment	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations
Total						
Revenues						
Gross premiums written						
- Corporate	10,496	350	2,157	-	13,003	-
- Medium	5,253	1,555	47	-	6,855	-
- Small	6,678	27	(5)	-	6,700	-
- Very small	18,860	2,001	19	-	20,880	-
- Individual	-	30,540	-	-	30,540	-
Gross premiums written	41,287	34,473	2,218	-	77,978	-
Reinsurance premiums ceded						
- Local	-	-	(22)	-	(22)	-
- International (includes premium ceded through local broker)	-	-	(1,986)	-	(1,986)	-
	-	-	(2,008)	-	(2,008)	-
Excess of loss expenses	(8,932)	(316)	(59)	-	(9,307)	-
Net premiums written	32,355	34,157	151	-	66,663	-
Changes in gross unearned premiums - net	21,300	(23,506)	(433)	-	(2,639)	-
Net premiums earned	53,655	10,651	(282)	-	64,024	-
Reinsurance commissions	-	-	388	-	388	-
Other underwriting income	1,000	(281)	-	-	719	-
Net revenue	54,655	10,370	106	-	65,131	-



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**17 SEGMENT INFORMATION (CONTINUED)**

	For the three month period ended 31 March 2021 (Unaudited)				
	SR '000				
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations
Operating segment					Shareholders' operations
Underwriting costs and expenses					Total
Gross claims paid	(73,787)	(7,521)	-	-	(81,308)
Reinsurers' share of claims paid	20,690	125	-	-	20,815
Net claims paid	(53,097)	(7,396)	-	-	(60,493)
Changes in outstanding claims	2,535	(3,999)	(10,831)	-	(12,295)
Changes in reinsurance share of outstanding claims	(5,827)	1,176	9,205	-	4,554
Changes in claims incurred but not reported	6,930	(459)	429	-	6,900
Changes in reinsurance share of claims incurred but not reported	(36)	(165)	(254)	-	(455)
Net claims incurred	(49,495)	(10,843)	(1,451)	-	(61,789)
Changes in premiums deficiency reserve	1,944	(4,454)	-	-	(2,510)
Changes in other technical reserves	81	(111)	(231)	-	(261)
Policy acquisition costs	(5,060)	(649)	(197)	-	(5,906)
Inspection and supervision fees	(3,910)	(2,628)	(8)	-	(6,546)
Total underwriting costs and expenses	(56,440)	(18,685)	(1,887)	-	(77,012)
Net underwriting (loss)	(1,785)	(8,315)	(1,781)	-	(11,881)

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**17 SEGMENT INFORMATION (CONTINUED)**

For the three month period ended 31 March 2021 (Unaudited)					
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations
	SR '000				
Operating segment					Shareholders' operations
					Total
Other operating (expenses) / income					
Reversal of provision for doubtful debts	-	-	-	588	588
General and administrative expenses	-	-	-	(13,463)	(13,463)
Investment income	-	-	-	-	-
Total other operating (expenses) / income	-	-	-	(12,875)	(12,875)
<b>Total (loss) / income before zakat</b>	<b>(1,785)</b>	<b>(8,315)</b>	<b>(1,781)</b>	<b>(12,875)</b>	<b>(24,756)</b>
Zakat reversal	-	-	-	-	-
<b>Total income / (loss) after zakat</b>	<b>(1,785)</b>	<b>(8,315)</b>	<b>(1,781)</b>	<b>(12,875)</b>	<b>(24,756)</b>
<b>Total income for the period attributed to the insurance operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus / (deficit) transferred to shareholders</b>	<b>1,785</b>	<b>8,315</b>	<b>1,781</b>	<b>12,875</b>	<b>(24,756)</b>
<b>Net loss attributable to the shareholders after zakat</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,968)</b>

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**17 SEGMENT INFORMATION (CONTINUED)**

As at 31 March 2022 (Unaudited)							
Operating segment	SR '000						
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations	Total
Assets							
Cash and cash equivalents	-	-	-	45,662	45,662	6,692	52,354
Premiums and reinsurers' receivable - net	66,742	18,192	5,269	9,198	99,401	-	99,401
Reinsurers' share of unearned premiums	-	-	1,462	-	1,462	-	1,462
Reinsurers' share of outstanding claims	784	410	303	-	1,497	-	1,497
Reinsurers' share of claims incurred but not reported	14	6	1,069	-	1,089	-	1,089
Deferred policy acquisition costs	5,900	7,639	279	-	13,818	-	13,818
Investments	-	-	-	1,923	1,923	46,158	48,081
Unallocated assets	-	-	-	19,303	19,303	33,566	52,869
Total assets	73,440	26,247	8,382	76,086	184,155	86,416	270,571
Liabilities							
Policyholders claims payable	602	2,707	850	-	4,159	-	4,159
Reinsurers' balances payable	-	-	-	27,690	27,690	-	27,690
Unearned premiums	68,504	53,598	2,351	-	124,453	-	124,453
Unearned reinsurance commission	-	-	251	-	251	-	251
Outstanding claims	6,649	14,972	349	-	21,970	-	21,970
Claims incurred but not reported	36,178	15,219	1,293	-	52,690	-	52,690
Premium deficiency reserve	7,002	23,550	240	-	30,792	-	30,792
Other technical reserve	2,644	1,170	27	-	3,841	-	3,841
Unallocated liabilities	-	-	-	53,554	53,554	9,776	63,330
Total liabilities	121,579	111,216	5,361	81,244	319,400	9,776	329,176

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**17 SEGMENT INFORMATION (CONTINUED)**

	As at 31 December 2021 (Audited)					
	SR '000					
Operating segment	Medical	Motor	Property & casualty	Unallocated	Total - insurance operations	Shareholders' operations
<b>Assets</b>						
Cash and cash equivalents	-	-	-	21,368	21,368	25,672
Premiums and reinsurers' receivable - net	46,468	21,582	2,167	17,326	87,543	-
Reinsurers' share of unearned premiums	-	-	1,433	-	1,433	-
Reinsurers' share of outstanding claims	554	410	303	-	1,267	-
Reinsurers' share of claims incurred but not reported	-	85	1,120	-	1,205	-
Deferred policy acquisition costs	5,349	7,056	201	-	12,606	-
Investments	-	-	-	1,923	1,923	57,457
Unallocated assets	-	-	-	21,087	21,087	32,874
<b>Total assets</b>	<b>52,371</b>	<b>29,133</b>	<b>5,224</b>	<b>61,704</b>	<b>148,432</b>	<b>116,003</b>
<b>Liabilities</b>						
Policyholders claims payable	593	2,045	850	-	3,488	-
Reinsurers' balances payable	-	-	-	8,176	8,176	-
Unearned premiums	63,790	47,329	2,176	-	113,295	-
Unearned reinsurance commission	-	-	242	-	242	-
Outstanding claims	9,726	11,326	349	-	21,401	-
Claims incurred but not reported	41,823	15,074	1,353	-	58,250	-
Premium deficiency reserve	8,845	18,129	193	-	27,167	-
Other technical reserves	2,722	1,069	27	-	3,818	-
Unallocated liabilities	-	-	-	45,143	45,143	9,539
<b>Total liabilities</b>	<b>127,499</b>	<b>94,972</b>	<b>5,190</b>	<b>53,319</b>	<b>280,980</b>	<b>9,539</b>

**AMANA COOPERATIVE INSURANCE COMPANY  
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**18 SUPPLEMENTARY INFORMATION**

**18.1 Interim condensed statement of financial position**

	As at 31 March 2022 (Unaudited)			As at 31 December 2021 (Audited)		
	Insurance	Shareholders'	Total	Insurance	Shareholders'	Total
	Operations	Operations		Operations	Operations	
	SR '000			SR '000		
<b>ASSETS</b>						
Cash and cash equivalents	45,662	6,692	52,354	21,368	25,672	47,040
Short term deposits	-	10,000	10,000	-	10,000	10,000
Premiums and reinsurers' receivable - net	99,401	-	99,401	87,543	-	87,543
Reinsurers' share of unearned premiums	1,462	-	1,462	1,433	-	1,433
Reinsurers' share of outstanding claims	1,497	-	1,497	1,267	-	1,267
Reinsurers' share of claims incurred but not reported	1,089	-	1,089	1,205	-	1,205
Deferred policy acquisition costs	13,818	-	13,818	12,606	-	12,606
Available-for-sale investments	1,923	1,884	3,807	1,923	13,259	15,182
Held-to-maturity investments	-	44,274	44,274	-	44,198	44,198
Due from shareholders' operations	133,794	-	133,794	131,097	-	131,097
Prepayments and other assets	11,847	1,053	12,900	14,427	385	14,812
Property and equipment	6,542	-	6,542	6,085	-	6,085
Intangible assets	914	-	914	575	-	575
Long term deposits	-	-	-	-	-	-
Statutory deposit	-	19,500	19,500	-	19,500	19,500
Accrued commission income on statutory deposit	-	3,013	3,013	-	2,989	2,989
<b>TOTAL ASSETS</b>	<b>317,949</b>	<b>86,416</b>	<b>404,365</b>	<b>279,529</b>	<b>116,003</b>	<b>395,532</b>

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**18 SUPPLEMENTARY INFORMATION (CONTINUED)**

**18.1 Interim condensed statement of financial position (continued)**

	As at 31 March 2022 (Unaudited)			As at 31 December 2021 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
<b>LIABILITIES</b>						
Policyholders claims payable	4,159	-	4,159	3,488	-	3,488
Accrued expenses and other liabilities	47,189	2,357	49,546	39,022	2,991	42,013
Reinsurance balances payable	27,690	-	27,690	8,176	-	8,176
Unearned premiums	124,453	-	124,453	113,295	-	113,295
Unearned reinsurance commission	251	-	251	242	-	242
Outstanding claims	21,970	-	21,970	21,401	-	21,401
Claims incurred but not reported	52,690	-	52,690	58,250	-	58,250
Premium deficiency reserve	30,792	-	30,792	27,167	-	27,167
Other technical reserve	3,841	-	3,841	3,818	-	3,818
Due to insurance operation	-	133,794	133,794	-	131,097	131,097
Employees' end-of-service benefits	5,586	-	5,586	5,342	-	5,342
Surplus distribution payable	779	-	779	779	-	779
Provision for zakat and income tax	-	4,406	4,406	-	3,559	3,559
Accrued commission income payable to SAMA	-	3,013	3,013	-	2,989	2,989
<b>TOTAL LIABILITIES</b>	<b>319,400</b>	<b>143,570</b>	<b>462,970</b>	<b>280,980</b>	<b>140,636</b>	<b>421,616</b>
<b>EQUITY</b>						
Share capital	-	130,000	130,000	-	130,000	130,000
Accumulated losses	-	(188,026)	(188,026)	-	(157,227)	(157,227)
Actuarial loss on end-of-service benefits	(1,451)	-	(1,451)	(1,451)	-	(1,451)
Fair value reserve for available-for-sale investments	-	872	872	-	2,594	2,594
<b>TOTAL EQUITY</b>	<b>(1,451)</b>	<b>(57,154)</b>	<b>(58,605)</b>	<b>(1,451)</b>	<b>(24,633)</b>	<b>(26,084)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>317,949</b>	<b>86,416</b>	<b>404,365</b>	<b>279,529</b>	<b>116,003</b>	<b>395,532</b>

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**18 SUPPLEMENTARY INFORMATION (CONTINUED)**

**18.2 Interim condensed statement of income**

	For the three month period ended 31 March 2022 (Unaudited)		For the three month period ended 31 March 2021 (Unaudited)	
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations
	SR '000			Shareholders' Operations
				Total
<b>REVENUES</b>				
Gross premiums written	76,942	-	76,942	77,978
Reinsurance premiums ceded				-
- Local	(278)	-	(278)	(22)
- Foreign	(1,302)	-	(1,302)	(1,986)
Excess of loss expenses	(10,106)	-	(10,106)	(9,307)
<b>Net premiums written</b>	<b>65,256</b>	<b>-</b>	<b>65,256</b>	<b>66,663</b>
Changes in unearned premiums - net	(11,129)	-	(11,129)	(2,639)
<b>Net premiums earned</b>	<b>54,127</b>	<b>-</b>	<b>54,127</b>	<b>64,024</b>
Reinsurance commissions	262	-	262	388
Other underwriting income	(322)	-	(322)	719
<b>NET REVENUES</b>	<b>54,067</b>	<b>-</b>	<b>54,067</b>	<b>65,131</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>				
Gross claims paid	(66,240)	-	(66,240)	(81,308)
Reinsurers' share of claims paid	6,048	-	6,048	20,815
<b>Net claims paid</b>	<b>(60,192)</b>	<b>-</b>	<b>(60,192)</b>	<b>(60,493)</b>
Changes in outstanding claims	(569)	-	(569)	(12,295)
Changes in reinsurers' share of outstanding claims	230	-	230	4,554
Changes in claims incurred but not reported	5,560	-	5,560	6,900
Changes in reinsurers' share of claims incurred but not reported	(116)	-	(116)	(455)
<b>Net claims incurred</b>	<b>(55,087)</b>	<b>-</b>	<b>(55,087)</b>	<b>(61,789)</b>

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**18 SUPPLEMENTARY INFORMATION (CONTINUED)**

**18.2 Interim condensed statement of income (continued)**

	For the three month period ended 31 March 2022 (Unaudited)			For the three month period ended 31 March 2021 (Unaudited)		
	SR '000		Total	SR '000		Total
	Insurance Operations	Shareholders' Operations		Insurance Operations	Shareholders' Operations	
Changes in premiums deficiency reserve	(3,625)	-	(3,625)	(2,510)	-	(2,510)
Changes in other technical reserves	(23)	-	(23)	(261)	-	(261)
Policy acquisition costs	(5,613)	-	(5,613)	(5,906)	-	(5,906)
Inspection and supervision fees	(3,555)	-	(3,555)	(6,546)	-	(6,546)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(67,903)</b>	<b>-</b>	<b>(67,903)</b>	<b>(77,012)</b>	<b>-</b>	<b>(77,012)</b>
<b>NET UNDERWRITING EXPENSE</b>	<b>(13,836)</b>	<b>-</b>	<b>(13,836)</b>	<b>(11,881)</b>	<b>-</b>	<b>(11,881)</b>
<b>OTHER OPERATING (EXPENSES) / INCOME</b>						
(Charge) / reversal of provision for doubtful debts	(2,995)	-	(2,995)	588	-	588
General and administrative expenses	(14,465)	(1,255)	(15,720)	(13,463)	(365)	(13,828)
Investment income	-	647	647	-	1,818	1,818
Realized loss from sale of available-for-sale investments	-	2,660	2,660	-	-	-
<b>TOTAL OTHER OPERATING (EXPENSES) / INCOME</b>	<b>(17,460)</b>	<b>2,052</b>	<b>(15,408)</b>	<b>(12,875)</b>	<b>1,453</b>	<b>(11,422)</b>
<b>Total (loss) / income before zakat</b>	<b>(31,296)</b>	<b>2,052</b>	<b>(29,244)</b>	<b>(24,756)</b>	<b>1,453</b>	<b>(23,303)</b>
Zakat (charge) / reversal	-	(847)	(847)	-	2,335	2,335
<b>Net income / (loss) after zakat</b>	<b>(31,296)</b>	<b>1,205</b>	<b>(30,091)</b>	<b>(24,756)</b>	<b>3,788</b>	<b>(20,968)</b>
<b>Total income for the period attributed to the insurance operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus / (deficit) transferred to shareholders</b>	<b>31,296</b>	<b>(31,296)</b>	<b>-</b>	<b>24,756</b>	<b>(24,756)</b>	<b>-</b>
<b>Net (loss) attributable to the shareholders after zakat</b>	<b>-</b>	<b>(30,091)</b>	<b>(30,091)</b>	<b>-</b>	<b>(20,968)</b>	<b>(20,968)</b>



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**18 SUPPLEMENTARY INFORMATION (CONTINUED)**

**18.3 Interim condensed statement of comprehensive income**

	For the three months period ended 31 March 2022 (Unaudited)			For the three months period ended 31 March 2021 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
Net (loss) after zakat	-	(30,091)	(30,091)	-	(20,968)	(20,968)
Other comprehensive (loss) :						
<i>Items that will not be reclassified to statement of income in subsequent years</i>	-	-	-	-	-	-
<i>Items that may be reclassified to statement of insurance operations' surplus in subsequent years</i>						
-Change in fair value of available-for-sale investments	-	938	938	-	(23)	(23)
-Transferred from fair value reserve to income for the period	-	(2,660)	(2,660)	-	-	-
<b>Total comprehensive (loss) for the period</b>	-	<b>(31,813)</b>	<b>(31,813)</b>	-	<b>(20,991)</b>	<b>(20,991)</b>
<b>Total comprehensive income attributable to the insurance operations</b>	-	-	-	-	-	-
<b>Net comprehensive (loss) attributable to the shareholders</b>		<b>(31,813)</b>	<b>(31,813)</b>		<b>(20,991)</b>	<b>(20,991)</b>

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**18 SUPPLEMENTARY INFORMATION (CONTINUED)**

**18.4 Interim condensed statement of cash flows**

	For the three month period ended 31 March 2022 (Unaudited)			For the three month period ended 31 March 2021 (Unaudited)		
	Shareholders' Operations		Total	Shareholders' Operations		Total
	Insurance Operations	SR '000		Insurance Operations	SR '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Total loss before zakat	-	(29,244)	(29,244)	-	(23,303)	(23,303)
<b>Adjustments for non-cash items:</b>						
Depreciation and amortization	494	-	494	417	-	417
Charge / (reversal) of provision for doubtful debts	2,995	-	2,995	(588)	-	(588)
Realized gain on sale of available-for-sale investments	-	(2,660)	(2,660)	-	-	-
Amortization of held-to-maturity investments	-	(76)	(76)	-	(100)	(100)
Provision for employees' end-of-service benefits	244	-	244	283	-	283
	<b>3,733</b>	<b>(31,980)</b>	<b>(28,247)</b>	<b>112</b>	<b>(23,403)</b>	<b>(23,291)</b>
<b>Changes in operating assets and liabilities:</b>						
Premiums and reinsurers' receivable	(14,853)	-	(14,853)	(11,874)	-	(11,874)
Reinsurers' share of unearned premiums	(29)	-	(29)	2	-	2
Reinsurers' share of outstanding claims	(230)	-	(230)	(4,554)	-	(4,554)
Reinsurers' share of claims incurred but not reported	116	-	116	455	-	455
Deferred policy acquisition costs	(1,212)	-	(1,212)	797	-	797
Due from shareholders	(2,697)	-	(2,697)	5,890	-	5,890
Prepaid expenses and other assets	2,580	(668)	1,912	(2,006)	(992)	(2,998)
Policyholders claims payable	671	-	671	759	-	759
Accrued expenses and other liabilities	8,167	(634)	7,533	(6,219)	484	(5,735)
Reinsurers' balances payable	19,514	-	19,514	4,091	-	4,091
Unearned premiums	11,158	-	11,158	2,637	-	2,637
Unearned reinsurance commission	9	-	9	(21)	-	(21)
Outstanding claims	569	-	569	12,295	-	12,295
Claims incurred but not reported	(5,560)	-	(5,560)	(6,900)	-	(6,900)
Premium deficiency reserve	3,625	-	3,625	2,510	-	2,510
Other technical reserves	23	-	23	261	-	261
Due to insurance operation	-	2,697	2,697	-	(5,890)	(5,890)
	<b>25,584</b>	<b>(30,585)</b>	<b>(5,001)</b>	<b>(1,765)</b>	<b>(29,801)</b>	<b>(31,566)</b>

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**18 SUPPLEMENTARY INFORMATION (CONTINUED)**

**18.4 Interim condensed statement of cash flows**

	For the three month period ended 31 March 2022 (Unaudited)			For the three month period ended 31 March 2021 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
Employees' end-of-service benefits paid	-	-	-	-	-	-
Zakat and income tax paid	-	-	-	-	-	-
<b>Net cash used in operating activities</b>	<b>25,584</b>	<b>(30,585)</b>	<b>(5,001)</b>	<b>(1,765)</b>	<b>(29,801)</b>	<b>(31,566)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds received of available-for-sale investments	-	12,313	12,313	-	-	-
Purchase of property, equipment and intangibles	(1,290)	-	(1,290)	(515)	-	(515)
Transaction cost paid for Capital Reduction	-	(708)	(708)	-	-	-
<b>Net cash generated from / (used in) investing activities</b>	<b>(1,290)</b>	<b>11,605</b>	<b>10,315</b>	<b>(515)</b>	<b>-</b>	<b>(515)</b>
<b>Net change in cash and cash equivalents</b>	<b>24,294</b>	<b>(18,980)</b>	<b>5,314</b>	<b>(2,280)</b>	<b>(29,801)</b>	<b>(32,081)</b>
Cash and cash equivalents at the beginning of the period	21,368	25,672	47,040	35,667	98,316	133,983
<b>Cash and cash equivalents at the end of the period</b>	<b>45,662</b>	<b>6,692</b>	<b>52,354</b>	<b>33,387</b>	<b>68,515</b>	<b>101,902</b>

**Supplemental non-cash information:**

Changes in fair values of available-for-sale investments - net	-	938	938	-	(23)	(23)
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**AMANA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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**19 EVENTS AFTER THE REPORTING DATE**

The Company's shareholders have approved a share capital increase of SR 300 million in an extraordinary general meeting held on 28 February 2022, thus increasing the number of shares from 13 million to 43 million. The share capital increase is subject to the subsequent regulatory approval of CMA while approval from SAMA was received on 25 April 2022.

**20 APPROVAL OF FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on 22 May 2022 (corresponding to 21 Shawwal 1443H).