

**GULF INSURANCE GROUP  
(A SAUDI JOINT STOCK COMPANY)  
(FORMERLY: AXA COOPERATIVE  
INSURANCE COMPANY)**

**INTERIM CONDENSED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH  
AND NINE-MONTH PERIODS ENDED  
30 SEPTEMBER 2022 (UNAUDITED)**

**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)  
(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)  
INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

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## AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders of  
Gulf Insurance Group (A Saudi Joint Stock Company)  
(Formerly: AXA Cooperative Insurance Company)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Gulf Insurance Group (A Saudi Joint Stock Company) (Formerly: AXA Cooperative Insurance Company) (the "Company") as at 30 September 2022, and the related interim condensed statements of income, comprehensive income for the three-month and nine-month periods then ended and the related interim condensed statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes (collectively referred to as "the interim condensed financial statements").

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of review

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

### Other matter

The annual financial statements of the Company for the year ended 31 December 2021 were audited by other auditors who expressed unmodified opinion on those annual financial statements on 13 Rajab 1443H (corresponding to 14 February 2022). Further, the interim condensed financial statements of the Company for the three-month and nine-month periods ended 30 September 2021 were reviewed by other auditors who expressed an unmodified review conclusion on those interim condensed financial statements on 2 Rabi'II 1443H (corresponding to 7 November 2021).

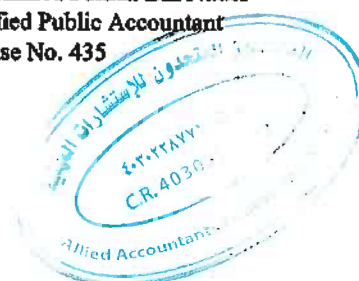
for Ernst & Young  
Professional Services

Saad M. Al-Khathlan  
Certified Public Accountant  
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for Allied Accountants  
Professional Services Company

Mohammed Farhan Bin Nader  
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License No. 435



15 Rabi Al-Thani 1444H  
(corresponding to 9 November 2022)

**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		As at 30 September 2022 (Unaudited)	As at 31 December 2021 (Audited)
	Note		
<b>Assets</b>			
Cash and cash equivalents	4	337,377	89,521
Short-term deposits		487,140	644,821
Premiums and reinsurers' balances receivable	5	274,333	299,811
Reinsurers' share of unearned premiums	8.2	44,078	26,333
Reinsurers' share of outstanding claims	8.1	138,868	120,273
Reinsurers' share of claims incurred but not reported and other reserves	8.1	36,640	54,747
Deferred policy acquisition costs		65,922	49,307
Investments	6	1,247,490	1,302,155
Prepaid expenses and other assets	7	46,972	29,855
Deferred tax assets		4,183	-
Long-term deposits		170,722	215,721
Right-of-use asset	9	18,500	20,479
Property and equipment		16,015	19,518
Intangible assets		23,624	12,247
Goodwill	20	50,000	50,000
Statutory deposit		50,000	50,000
Accrued income on statutory deposit		6,906	6,281
<b>Total assets</b>		<b>3,018,770</b>	<b>2,991,069</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Claims payable, accrued expenses and other liabilities		189,444	201,467
Surplus distribution payable		35,089	33,976
Reinsurers' balances payable		70,906	68,929
Advance premiums		37,917	30,055
Unearned premiums	8.2	673,207	517,829
Unearned reinsurance commission		7,785	3,458
Outstanding claims	8.1	419,431	366,614
Claims incurred but not reported and other reserves	8.1	551,223	654,242
Lease liability	9	16,781	19,407
Due to a related party	13	3,214	2,353
Employee benefit obligations		30,707	31,633
Zakat and income tax		62,607	58,806
Accrued income payable to SAMA		6,906	6,281
<b>Total liabilities</b>		<b>2,105,217</b>	<b>1,995,050</b>

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**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION** (continued)  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		As at 30 September 2022 (Unaudited)	As at 31 December 2021 (Audited)
	Note		
<b>Equity</b>			
Share capital	16	500,000	500,000
Statutory reserve	17	118,481	104,702
Performance share reserve	18	-	2,514
Retained earnings		368,491	360,863
Re-measurement reserve of employee benefit obligations		(1,579)	-
Fair value reserve on investments		(71,840)	27,940
<b>Total equity</b>		<b>913,553</b>	<b>996,019</b>
<b>Total liabilities and equity</b>		<b>3,018,770</b>	<b>2,991,069</b>

The accompanying notes from 1 to 23 are an integral part of these interim condensed financial statements.



Yousef S Abalkhail  
Chairman



Khalid Al Shuwaier  
Chief Executive Officer



Babar Ali Khan  
Chief Financial Officer



**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)


	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
<b>Revenues</b>					
Gross premiums written					
- Direct		379,825	345,915	1,236,792	1,156,536
- Reinsurance		674	15,507	9,199	18,242
		<b>380,499</b>	<b>361,422</b>	<b>1,245,991</b>	<b>1,174,778</b>
Reinsurance premiums ceded					
- Foreign		(32,533)	(29,716)	(103,735)	(99,298)
- Local		(1,655)	(4,745)	(11,371)	(17,638)
		<b>(34,188)</b>	<b>(34,461)</b>	<b>(115,106)</b>	<b>(116,936)</b>
<b>Net premiums written</b>	8	<b>346,311</b>	<b>326,961</b>	<b>1,130,885</b>	<b>1,057,842</b>
Changes in unearned premiums		(736)	(2,325)	(155,378)	(103,731)
Changes in reinsurers' share of unearned premiums		3,910	(4,503)	17,745	5,862
<b>Net premiums earned</b>	8	<b>349,485</b>	<b>320,133</b>	<b>993,252</b>	<b>959,973</b>
Reinsurance commissions		4,046	3,966	11,707	12,756
<b>Total revenues</b>		<b>353,531</b>	<b>324,099</b>	<b>1,004,959</b>	<b>972,729</b>
<b>Underwriting costs and expenses</b>					
Gross claims paid		274,826	238,891	829,127	742,897
Reinsurers' share of claims paid		(6,170)	(8,685)	(38,936)	(30,368)
<b>Net claims and other benefits paid</b>		<b>268,656</b>	<b>230,206</b>	<b>790,191</b>	<b>712,529</b>
Changes in outstanding claims		(471)	(455)	52,817	107,024
Changes in reinsurers' share of outstanding claims		(19,083)	2,015	(18,595)	(66,137)
Changes in claims incurred but not reported and other reserves		(1,610)	(32,314)	(103,018)	(96,312)
Changes in reinsurers' share of claims incurred but not reported and other reserves		4,904	13,702	18,107	13,473
<b>Net claims and other benefits incurred</b>		<b>252,396</b>	<b>213,154</b>	<b>739,502</b>	<b>670,577</b>
Policy acquisition costs		38,230	33,422	109,066	94,746
<b>Total underwriting costs and expenses</b>		<b>290,626</b>	<b>246,576</b>	<b>848,568</b>	<b>765,323</b>
<b>Net underwriting income</b>		<b>62,905</b>	<b>77,523</b>	<b>156,391</b>	<b>207,406</b>
<b>Other operating (expenses)/income</b>					
General and administrative expenses		(45,159)	(42,155)	(130,507)	(120,600)
Other income – net	15	19,143	14,566	65,489	49,457
<b>Total other operating expenses - net</b>		<b>(26,016)</b>	<b>(27,589)</b>	<b>(65,018)</b>	<b>(71,143)</b>

(Continued)

**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF INCOME** (continued)  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	<b>Three-month period ended 30</b>		<b>Nine-month period ended</b>	
	<b>September</b>	<b>2021</b>	<b>30 September</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Total income for the period before surplus attribution, zakat and income tax</b>	<b>36,889</b>	49,934	<b>91,373</b>	136,263
Surplus attributed to the insurance operations	<b>(3,031)</b>	(4,494)	<b>(5,915)</b>	(12,084)
<b>Total income for the period before zakat and income tax</b>	<b>33,858</b>	45,440	<b>85,458</b>	124,179
Zakat expense	<b>(5,920)</b>	(475)	<b>(16,655)</b>	(8,647)
Income tax (expense)/credit	<b>(1,503)</b>	(3,441)	<b>90</b>	(9,365)
<b>Total income for the period attributable to the shareholders</b>	<b>26,435</b>	41,524	<b>68,893</b>	106,167
<b>Earnings per share (expressed in Saudi Riyals per share)</b>				
Basic earnings per share	<b>0.53</b>	0.83	<b>1.38</b>	2.12
Diluted earnings per share	<b>0.53</b>	0.83	<b>1.38</b>	2.12

The accompanying notes from 1 to 23 are an integral part of these interim condensed financial statements.



Yousef S Abalkhail  
Chairman



Khalid Al Shuwaier  
Chief Executive Officer

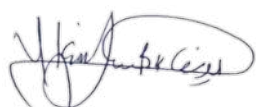


Babar Ali Khan  
Chief Financial Officer

**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Total income for the period attributable to the shareholders</b>	<b>26,435</b>	41,524	<b>68,893</b>	106,167
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to the interim condensed statement of income in subsequent periods</i>				
Re-measurement losses on employee benefit obligations	(1,579)	-	(1,579)	-
<i>Items that will be reclassified to the interim condensed statement of income in subsequent periods</i>				
Net change in the fair value of available-for-sale investments	6 (29,295)	(2,780)	(99,780)	(173)
<b>Total comprehensive (loss)/ income for the period</b>	<b>(4,439)</b>	38,744	<b>(32,466)</b>	105,994

The accompanying notes from 1 to 23 are an integral part of these interim condensed financial statements.



Yousef S Abalkhail  
Chairman



Khalid Al Shuwaier  
Chief Executive Officer



Babar Ali Khan  
Chief Financial Officer



**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		Share capital	Statutory reserve	Performance share reserve	Retained earnings	Re- measurement reserve of employee benefit obligations	Fair value reserve on investments	Total
<b>Balance as at 1 January 2022 (Audited)</b>		<b>500,000</b>	<b>104,702</b>	<b>2,514</b>	<b>360,863</b>	<b>-</b>	<b>27,940</b>	<b>996,019</b>
Total comprehensive income for the period								
Total income for the period attributable to the shareholders		-	-	-	68,893	-	-	68,893
Remeasurement-loss on employee benefit obligations		-	-	-	-	(1,579)	-	(1,579)
Changes in fair values of available-for-sale investments	6	-	-	-	-	-	(99,780)	(99,780)
Total comprehensive income / (loss) for the period		-	-	-	68,893	(1,579)	(99,780)	(32,466)
Transfer to statutory reserve	17	-	13,779	-	(13,779)	-	-	-
Performance share reserve	18	-	-	(2,514)	2,514	-	-	-
Dividends	22	-	-	-	(50,000)	-	-	(50,000)
<b>Balance as at 30 September 2022 (Unaudited)</b>		<b>500,000</b>	<b>118,481</b>	<b>-</b>	<b>368,491</b>	<b>(1,579)</b>	<b>(71,840)</b>	<b>913,553</b>

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Yousef S Abalkhail  
Chairman



Khalid Al Shuwaier  
Chief Executive Officer



Babar Ali Khan  
Chief Financial Officer

**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY** (continued)  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Performance share reserve	Retained earnings	Fair value reserve on investments	Total
<b>Balance as at 1 January 2021 (Audited)</b>		500,000	76,998	2,266	249,718	41,920	870,902
Total comprehensive income for the period							
Total income for the period attributable to the shareholders		-	-	-	106,167	-	106,167
Changes in fair values of available-for-sale investments		-	-	-	-	(173)	(173)
Total comprehensive income for the period		-	-	-	106,167	(173)	105,994
Transfer to statutory reserve	17	-	21,233	-	(21,233)	-	-
Performance share reserve	18	-	-	1,159	-	-	1,159
Performance share reserve - settlement	18	-	-	(581)	-	-	(581)
Transfer to retained earning		-	-	(330)	330	-	-
<b>Balance as at 30 September 2021 (Unaudited)</b>		500,000	98,231	2,514	334,982	41,747	977,474

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Yousef S Abalkhail  
Chairman



Khalid Al Shuwaier  
Chief Executive Officer



Babar Ali Khan  
Chief Financial Officer

**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

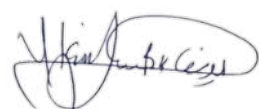
		<b>Nine-month period ended 30 September 2022</b>	<b>Nine-month period ended 30 September 2021</b>
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>			
Total income before surplus attribution, zakat and income tax		91,373	136,263
<b><u>Adjustments for non-cash items:</u></b>			
Depreciation of property and equipment		4,797	5,163
Depreciation of right-of-use assets	9	1,979	1,981
Amortization of intangible assets		2,774	4,381
Interest on leases		558	626
Provision for doubtful debts	5	4,504	2,940
Accretion of discount on available-for-sale investments	6	(1,231)	(1,200)
Gain on disposal of investments	6	(13,201)	(2,078)
Amortization of premium on available-for-sale investments	6	1,270	815
Amortization of premium on held-to-maturity investments	6	15	9
Performance share reserve		-	1,159
Employee benefit obligations		(1,117)	6,894
		<b>91,721</b>	<b>156,953</b>
<b><u>Changes in operating assets and liabilities:</u></b>			
Premiums and reinsurers' receivable - net		20,974	(107,734)
Reinsurers' share of unearned premiums		(17,745)	(5,862)
Reinsurers' share of outstanding claims		(18,595)	(66,137)
Reinsurers' share of claims incurred but not reported and other reserves		18,107	13,473
Deferred policy acquisition costs		(16,615)	(11,923)
Prepaid expenses and other assets		(17,117)	(12,410)
Accrued income on statutory deposit		(625)	(271)
Accrued and other liabilities		(12,023)	(17,213)
Surplus distribution paid		(4,802)	(1,687)
Reinsurers' balances payable		1,977	16,708
Advance premiums		7,862	1,446
Unearned premiums		155,378	103,731
Unearned reinsurance commission		4,327	2,352
Outstanding claims		52,817	107,024
Claims incurred but not reported and other reserves		(103,019)	(96,312)
Due to a related party		861	(2,574)
Accrued income payable to SAMA		625	271
		<b>164,108</b>	<b>79,835</b>
Employee benefit obligations paid		(1,388)	(6,705)
Zakat and income tax paid		(16,947)	(19,559)
Interest paid		-	(626)
<b>Net cash generated from operating activities</b>		<b>145,773</b>	<b>52,945</b>

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**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)**  
**(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS** (continued)  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		<b>Nine-month period ended 30 September 2022</b>	<b>Nine-month period ended 30 September 2021</b>
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from investing activities</b>			
Withdrawals/(placements) in short-term deposits, net		<b>157,681</b>	(49,512)
Proceeds from disposals of short-term deposits		-	65,850
Purchases of investments	6	<b>(196,901)</b>	(257,236)
Proceeds from disposals of investments	6	<b>164,933</b>	19,095
Proceeds from disposals of long-term deposits		<b>44,999</b>	-
Purchases of property and equipment		<b>(1,294)</b>	(3,853)
Purchases of intangible assets		<b>(14,151)</b>	(4,735)
<b>Net cash generated from/(used in) investing activities</b>		<b>155,267</b>	(230,391)
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		<b>(3,184)</b>	(2,557)
Performance shares reserve - settlement		-	(581)
Dividend paid	22	<b>(50,000)</b>	-
<b>Net cash used in financing activities</b>		<b>(53,184)</b>	(3,138)
Net change in cash and cash equivalents		<b>247,856</b>	(180,584)
Cash and cash equivalents, beginning of the period		<b>89,521</b>	331,036
<b>Cash and cash equivalents, end of the period</b>	4	<b>337,377</b>	150,452
<b>Supplemental non-cash information:</b>			
Changes in fair value of available-for-sale investments	6	<b>(99,780)</b>	(173)
Premiums and reinsurers' balances receivable written off		-	6,240

The accompanying notes from 1 to 23 are an integral part of these interim condensed financial statements.



Yousef S Abalkhail  
Chairman



Khalid Al Shuwaier  
Chief Executive Officer



Babar Ali Khan  
Chief Financial Officer



**GULF INSURANCE GROUP (A SAUDI JOINT STOCK COMPANY)  
(FORMERLY: AXA COOPERATIVE INSURANCE COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

**1 General**

Gulf Insurance Group (a Saudi joint stock company registered in Saudi Arabia) (formerly: AXA Cooperative Insurance Company), (the "Company"), was formed pursuant to Royal Decree No. M/36 dated 27 Jumada II 1429H. (corresponding to 1 July 2008) (Date of inception). The Company was incorporated vide Ministerial Order number Q/192, dated 10 Jumada II 1430H, (corresponding to 3 SEPTEMBER 2009) (date of incorporation). The Company is registered in the Kingdom of Saudi Arabia under commercial registration number 1010271203 issued in Riyadh on Rajab 20, 1430H (corresponding to 13 July 2009). The Company's registered address is P.O. Box 753, Riyadh 11421, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance activities. Its principal lines of business include health, motor, marine, property, engineering, accident and liability and protection insurance. The principal activities of the Company are to engage in cooperative insurance operations and related activities including reinsurance activities in accordance with the Law on Supervision of Cooperative Insurance (the "Law"), the Company's by-laws and other regulations promulgated in the Kingdom of Saudi Arabia. The Company obtained license from the Saudi Central Bank ("SAMA") to practice general and health insurance and reinsurance business in the Kingdom of Saudi Arabia vide license number TMN/25/20101, dated Safar 11, 1431H (corresponding to 26 January 2010). The Company has commenced insurance operations on 4 Rabi' I 1431H (corresponding to 18 February 2010) after obtaining full product approval for certain products and temporary approval for the remaining products. During 2016, the Company obtained approval for the remaining products.

AXA Cooperative Insurance Company ("AXA CIC") was notified on dated 14 Rabi' II 1442H (corresponding to 29 November 2020) by AXA Mediterranean Holding S.A. ("AXA Med") that the AXA Group (AXA S.A. ultimate parent Company of AXA Med) has decided to sell its operations in the Gulf region. Accordingly, AXA Med entered into a share purchase agreement with Gulf Insurance Group K.S.C.P ("GIG") (a joint stock company registered on Boursa Kuwait) dated 14 Rabi' II 1442H (corresponding to 29 November 2020) to sell its insurance operations in the Gulf region, which includes the sale of its 18%, prior to completion of the transaction, shareholding in AXA CIC at a price of SAR 24.23 per share (being USD 6.46 per share converted into SAR at a rate of 3.75 SAR per USD). As part of the overall transaction in the Gulf region, GIG has acquired 100% of the share capital of AXA Insurance (Gulf) B.S.C in Bahrain (which was a 50:50 joint venture between the AXA Group and Yusuf Bin Ahmed Kanoo Company W.L.L), which owned 32% of the share capital of AXA CIC, prior to completion of this transaction, at an equivalent value of SAR 24.23 per share. After completion of transaction, AXA Insurance (Gulf) B.S.C. (c) in Bahrain has now become Gulf Insurance Group (Gulf) B.S.C (c) and owns 50% of the shareholding in Gulf Insurance Group, a Saudi joint stock company (previously AXA CIC).

Following completion of acquisition which was announced on 30 Muharram 1443H (corresponding to 7 September 2021), the Company initiated legal formalities to change its legal name from 'AXA Cooperative Insurance Company' to 'Gulf Insurance Group' which were completed during the period ended 30 September 2022.

**2 Basis of preparation**

*(a) Basis of presentation*

The interim condensed financial statements of the Company has been prepared in accordance with 'International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia.

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: long-term deposits, right-of-use asset, property and equipment, intangible assets, goodwill, statutory deposit, lease liability and employee benefit obligations. All other financial statements line items would generally be classified as current.



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**2 Basis of preparation (continued)**

*(a) Basis of presentation (continued)*

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

The interim condensed statements of financial position, income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented on pages 41 to 52 of the financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, 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's financial information in compliance with IAS 34 as endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

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

The interim condensed financial statements may not be considered indicative of the expected results for the full year.

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

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

In preparing 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.

**(1) Liability arising from claims under insurance contracts**

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. Estimates are made at the end of the reporting period both for the expected ultimate cost of claim reported and for the expected ultimate costs of claims incurred but not reported ("IBNR"). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company. At the end of each reporting period, prior period claims estimates are reassessed for adequacy and changes are made to the provision.

The provision for claims incurred but not reported is an estimation of claims which are expected to be reported subsequent to the date of interim condensed statement of financial position, for which the insured event has occurred prior to the date of interim condensed statement of financial position. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using the past claims settlement trends to predict future claims settlement trends. A range of methods such as Chain Ladder Method, Bornhuetter-Ferguson Method and Expected Loss Ratio Method are used by the actuaries to determine these provisions. The actuary also uses a segmentation approach including analyzing cost per member per year for the medical line of business. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.



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**2 Basis of preparation (continued)**

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

**(2) Impairment of premiums and reinsurance balances receivable and goodwill**

An estimate of the uncollectible amount of premium receivable, if any, is made when collection of the full amount of the receivables as per the original terms of the insurance policy is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due and Company's past experience.

The recoverable amount of goodwill is estimated based on the present value of the future cash flows expected to be derived from the asset. In case the, recoverable amount is less than carrying value, the difference is charged to interim condensed statement of income as impairment loss.

**(3) Impairment of available-for-sale investments**

The Company treats available-for-sale investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. In addition, the Company evaluates other factors, including normal volatility in share price for quoted investments and the future cash flows and the discount factors for unquoted investments.

*(c) Seasonality of operations*

There are no seasonal changes that may affect the insurance operations of the Company.

**3 Significant accounting policies**

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except as explained below:

**3.1 New and amended standards adopted by the Company**

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
Amendments to IFRS 3	Reference to the Conceptual Framework

These amendments had no impact on the interim condensed financial statements of the Company.

The Company intends to use the practical expedients in future periods if they become applicable.

**3.2 New standards, amendments and interpretations not yet applied by the Company**

**IFRS 9, 'Financial Instruments'**

In July 2014, the IASB published IFRS 9 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 the interim condensed statement of comprehensive income instead of the interim condensed statement of income. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

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**3 Significant accounting policies (continued)**

**3.2 New standards, amendments and interpretations not yet applied by the Company (continued)**

**IFRS 9, 'Financial Instruments' (continued)**

In September 2016, the IASB published amendments to IFRS 4, 'Insurance Contracts' that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2022. The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied.

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

Refer to the annual financial statements for the year ended 31 December 2021, for detailed impact assessment of IFRS 9 adoption.

**IFRS 17, 'Insurance Contracts'**

Applicable for the period beginning on or after 1 January 2023 and will supersede IFRS 4. Earlier adoption is permitted if IFRS 9 has also been applied. The Company expects a material impact on measurement and disclosure of insurance and reinsurance that will affect the interim condensed statements of financial position, income and comprehensive income. The Company has decided not to early adopt this new standard.

The Company has performed an operational gap assessment which has focused on the impact of IFRS 17 across data, systems, processes and people. The Company is currently assessing the impact of the application and implementation of IFRS 17 and in the process of applying applicable requirements. As of the date of the publication of these interim condensed financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company.

Refer to the annual financial statements for the year ended 31 December 2021, for detailed impact assessment of IFRS 17 adoption.

**A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16**

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.



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**3 Significant accounting policies (continued)**

**3.2 New standards, amendments and interpretations not yet applied by the Company (continued)**

**A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (continued)**

Effective date:

Annual periods beginning on or after 1 January 2023.

Impact assessment

The management is in the process of assessing the impact of the amendments on its financial statements.

**Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities**

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Effective date:

Deferred until accounting periods starting not earlier than 1 January 2024.

Impact assessment

The management is in the process of assessing the impact of the amendments on its financial statements.

**Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8**

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Effective date:

Annual periods beginning on or after 1 January 2023.

Impact assessment

The management is in the process of assessing the impact of the amendments on its financial statements.

**Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction**

These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Effective date:

Annual periods beginning on or after 1 January 2023.

Impact assessment

The management is in the process of assessing the impact of the amendment on its financial statements.

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**4 Cash and cash equivalents**

Cash and cash equivalents included in the interim condensed statement of financial position comprise the following:

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Bank balances and cash	255,076	86,719
Deposits maturing within 3 months from the placement date	82,301	2,802
	<b>337,377</b>	<b>89,521</b>

As at 30 September 2022, deposits were placed with local banks with original maturities of less than three months from the date of placement and earned financial income at 3.45% to 3.50% (31 December 2021: 0.50% to 1.00%) per annum.

**5 Premiums and reinsurers' balances receivable**

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Policyholders	273,720	290,106
Brokers and agents	938	559
Related parties	13,430	9,038
Reinsurers and other insurers	34,001	43,360
	<b>322,089</b>	<b>343,063</b>
Less: provision for doubtful debts	(47,756)	(43,252)
	<b>274,333</b>	<b>299,811</b>

Movement in provision for doubtful debts is as follows:

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Balance at the beginning of the period / year	43,252	45,551
Provision for the period / year	4,504	3,941
Write off during the period/ year	-	(6,240)
Balance at the end of the period / year	<b>47,756</b>	<b>43,252</b>

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**6 Investments**

Investments are comprised of the following:

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Insurance operations</b>		
Available-for-sale	<b>652,610</b>	689,076
Held-to-maturity	<b>78,757</b>	78,772
Total	<b>731,367</b>	767,848
<b>Shareholders' operations</b>		
Available-for-sale	<b>456,123</b>	474,307
Held-to-maturity	<b>60,000</b>	60,000
Total	<b>516,123</b>	534,307
<b>Total investments</b>	<b>1,247,490</b>	1,302,155

Available-for-sale investments at 30 September 2022 include 1,923,078 shares (31 December 2021: 1,923,078 shares) in Najm for Insurance Services ("Najm") and are held by the Company at Nil value.

Movement in available-for-sale investments is as follows:

	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
As at 1 January 2022 (Audited)	<b>689,076</b>	<b>474,307</b>	<b>1,163,383</b>
Purchases	<b>113,928</b>	<b>82,973</b>	<b>196,901</b>
Disposals	<b>(95,068)</b>	<b>(69,865)</b>	<b>(164,933)</b>
Realised (loss)/gain on sale of investments	<b>(201)</b>	<b>13,402</b>	<b>13,201</b>
Accretion of discount	<b>877</b>	<b>354</b>	<b>1,231</b>
Amortization of premium	<b>(615)</b>	<b>(655)</b>	<b>(1,270)</b>
Changes in fair value	<b>(55,387)</b>	<b>(44,393)</b>	<b>(99,780)</b>
As at 30 September 2022 (Unaudited)	<b>652,610</b>	<b>456,123</b>	<b>1,108,733</b>
	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
As of 1 January 2021 (Audited)	689,178	236,618	925,796
Purchases	177,007	249,738	426,745
Disposals	(162,896)	(17,044)	(179,940)
Realised gain on sale of investments	866	3,439	4,305
Accretion for the discount	(917)	(238)	(1,155)
Amortization of premium	1,266	346	1,612
Changes in fair value	(15,428)	1,448	(13,980)
As at 31 December 2021 (Audited)	689,076	474,307	1,163,383



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**6 Investments (continued)**

Movement in held-to-maturity investments is as follows:

	<b>Insurance operations</b>		<b>Shareholders' operations</b>	
	<b>30 September 2022</b>	<b>31 December 2021</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Opening balance	78,772	78,786	60,000	60,000
Amortization of premium	(15)	(14)	-	-
Closing balance	<b>78,757</b>	<b>78,772</b>	<b>60,000</b>	<b>60,000</b>

**7 Prepaid expenses and other assets**

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Accrued income	26,289	18,305
Prepaid expenses	8,932	5,016
Receivable from Tawuniya (Manafeth, Umrah, Travel & covid product)	8,704	3,536
Employees' receivable	903	2,497
Other	2,144	501
	<b>46,972</b>	<b>29,855</b>

**8 Technical reserves**

**8.1 Outstanding claims and reserves**

Outstanding claims and reserves comprise of the following:

	<b>30 September 2022</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
At 1 January 2022 (Audited)	366,614	(120,273)	246,341
Claims paid	(829,127)	38,936	(790,191)
Claims incurred	993,931	(57,531)	936,400
<b>At 30 September 2022 (Unaudited)</b>	<b>531,418</b>	<b>(138,868)</b>	<b>392,550</b>
Salvage and subrogation	(111,987)	-	(111,987)
Gross outstanding claims	419,431	(138,868)	280,563
Claims incurred but not reported	545,764	(36,640)	509,124
Unallocated loss adjustment expenses reserve	5,459	-	5,459
	<b>551,223</b>	<b>(36,640)</b>	<b>514,583</b>
<b>At 30 September 2022 (Unaudited)</b>	<b>970,654</b>	<b>(175,508)</b>	<b>795,146</b>



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**8 Technical reserves (continued)**

**8.1 Outstanding claims and reserves (continued)**

	31 December 2021		
	Gross	Reinsurance	Net
At 1 January 2021 (Audited)	288,704	(74,988)	213,716
Claims paid	(994,592)	48,205	(946,387)
Claims incurred	1,162,272	(93,490)	1,068,782
At 31 December 2021	456,384	(120,273)	336,111
Salvage and subrogation	(89,770)	-	(89,770)
Gross outstanding claims	366,614	(120,273)	246,341
Claims incurred but not reported	648,782	(54,747)	594,035
Unallocated loss adjustment expenses reserve	5,460	-	5,460
	654,242	(54,747)	599,495
At 31 December 2021 (Audited)	1,020,856	(175,020)	845,836

**8.2 Movement in net unearned premiums**

Movement in net unearned premiums comprise of the following:

	30 September 2022		
	Gross	Reinsurance	Net
At 1 January 2022 (Audited)	517,829	(26,333)	491,496
Premium written / (ceded) during the period	1,245,991	(115,106)	1,130,885
Premium earned during the period	(1,090,613)	97,361	(993,252)
At 30 September 2022 (Unaudited)	673,207	(44,078)	629,129
	31 December 2021		
	Gross	Reinsurance	Net
At 1 January 2021 (Audited)	486,709	(23,455)	463,254
Premium written / (ceded) during the year	1,454,470	(144,529)	1,309,941
Premium earned during the year	(1,423,350)	141,651	(1,281,699)
At 31 December 2021 (Audited)	517,829	(26,333)	491,496

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**9 Right-of-use asset and lease liability**

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Right-of-use asset – building</b>		
<b>Cost</b>		
Balance as at the beginning of the period / year	<b>27,086</b>	27,086
Balance as at the end of the period / year	<b>27,086</b>	27,086
<b>Accumulated depreciation</b>		
Balance as at the beginning of the period / year	<b>(6,607)</b>	(3,964)
Charge for the period / year	<b>(1,979)</b>	(2,643)
Balance as at the end of the period / year	<b>(8,586)</b>	(6,607)
<b>Net book value</b>	<b>18,500</b>	20,479
<b>Lease liability</b>		
Within one year	<b>3,183</b>	3,183
Later than one year but not later than five years	<b>12,732</b>	12,732
Later than five years	<b>3,183</b>	6,366
	<b>19,098</b>	22,281
Future finance charges	<b>(2,317)</b>	(2,874)
<b>Total lease liability</b>	<b>16,781</b>	19,407

Interest expense on leases amounted to Saudi Riyals 0.2 million and Saudi Riyals 0.6 million during the three-month and nine-month periods ended 30 September 2022, respectively, and are presented under “Other income - net” in the interim condensed statement of income (Three-months and nine-month periods ended 30 September 2021: Saudi Riyals 0.2 million and Saudi Riyals 0.6 million, respectively).

Short-term leases that were expensed during the three-months and nine-month periods ended 30 September 2022 amounted to Saudi Riyals 0.2 million and Saudi Riyals 0.6 million, respectively (Three-months and nine-month periods ended 30 September 2021: Saudi Riyals 0.6 million and Saudi Riyals 2.4 million, respectively).

**10 Commitments and contingencies**

- (i) The Company has issued various bank guarantees amounting to Saudi Riyals 28.8 million (31 December 2021: Saudi Riyals 31.4 million) in the ordinary course of business.
- (ii) The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position. Further, there was no material change in the status of legal proceedings during the current period from the status disclosed as at 31 December 2021.
- (iii) Refer to Note 14 for zakat and tax related matters.

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**11 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. The fair value measurement is based on the presumption that the transaction takes place either:

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

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

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

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

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

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

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.

		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
30 September 2022 (Unaudited)					
Financial assets measured at fair value (Insurance operations)					
Available-for-sale investments					
- Government bonds	557,250	557,250	-	-	557,250
- Other bonds	79,797	79,797	-	-	79,797
- Mutual funds	15,562	15,562	-	-	15,562
	652,609	652,609	-	-	652,609
Financial assets measured at fair value (Shareholders' operations)					
Available-for-sale investments					
- Government bonds	379,591	379,591	-	-	379,591
- Other bonds	27,741	27,741	-	-	27,741
- Mutual funds	6,154	6,154	-	-	6,154
- Equities	42,638	42,638	-	-	42,638
	456,124	456,124	-	-	456,124



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**11 Determination of fair value and fair value hierarchy (continued)**

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2021 (Audited)					
Financial assets measured at fair value (Insurance operations)					
Available-for-sale investments					
- Government bonds	577,824	577,824	-	-	577,824
- Other bonds	91,774	91,774	-	-	91,774
- Mutual funds	19,478	19,478	-	-	19,478
	689,076	689,076	-	-	689,076
Financial assets measured at fair value (Shareholders' operations)					
Available-for-sale investments					
- Government bonds	371,235	371,235	-	-	371,235
- Other bonds	27,802	27,802	-	-	27,802
- Mutual funds	7,105	7,105	-	-	7,105
- Equities	68,165	68,165	-	-	68,165
	474,307	474,307	-	-	474,307

**12 Segmental information**

Operating segments for the purpose of segmental information 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 of Directors is measured in a manner consistent with that in the interim condensed statement of income. Segment assets and liabilities comprise operating assets and liabilities.

Segment assets do not include cash and cash equivalents, short-term deposits, premiums and reinsurers' balances receivable - net, investments, prepaid expenses and other assets, long-term deposits, property and equipment, intangible assets, due from shareholders' / insurance operations, goodwill, statutory deposit and accrued income on statutory deposit. Accordingly, they are included in unallocated assets. Segment liabilities do not include claims payable, accrued expenses and other liabilities, surplus distribution payable, reinsurers' balances payable, advance premiums, due to related party, employee benefit obligations, zakat and income tax, due to shareholders' / insurance operations, and accrued income payable to SAMA. Accordingly, they are included in unallocated liabilities.

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**12 Segmental information (continued)**

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

For management purposes, the Company is organized into business units based on their products and services and has the following reportable segments:

- Motor;
- Property and casualty;
- Health; and
- Protection.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the interim condensed financial statements.

Where intersegment transactions were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between operating segments which will then be eliminated at the level of interim condensed financial statements of the Company.

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**12 Segmental information (continued)**

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at 30 September 2022 and 31 December 2021, its total revenues, expenses, and net income for the three-month nine-month period then ended are as follows:

30 September 2022 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Assets</b>							
Reinsurers' share of unearned premiums	12	37,064	6,291	711	44,078	-	44,078
Reinsurers' share of outstanding claims	2,614	127,445	3,316	5,493	138,868	-	138,868
Reinsurers' share of claims incurred but not reported and other reserves	-	30,094	664	5,882	36,640	-	36,640
Deferred policy acquisition costs	42,872	10,097	11,861	1,092	65,922	-	65,922
Segment assets	45,498	204,700	22,132	13,178	285,508	-	285,508
Unallocated assets					1,705,057	1,028,205	2,733,262
<b>Total assets</b>					<b>1,990,565</b>	<b>1,028,205</b>	<b>3,018,770</b>
<b>Liabilities and equity</b>							
Unearned premiums	350,086	108,953	199,321	14,847	673,207	-	673,207
Unearned reinsurance commission	3	6,018	1,557	207	7,785	-	7,785
Outstanding claims	49,000	261,697	92,785	15,949	419,431	-	419,431
Claims incurred but not reported and other reserves	302,241	143,162	80,491	25,329	551,223	-	551,223
Segment liabilities	701,330	519,830	374,154	56,332	1,651,646	-	1,651,646
Unallocated liabilities and equity					338,919	1,028,205	1,367,124
<b>Total liabilities and equity</b>					<b>1,990,565</b>	<b>1,028,205</b>	<b>3,018,770</b>



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**12 Segmental information (continued)**

31 December 2021 (Audited)	Insurance operations					Shareholders' operations	Grand Total
	Motor	Property and casualty	Health	Protection	Total		
<b>Assets</b>							
Reinsurers' share of unearned premiums	712	25,384	143	94	26,333	-	26,333
Reinsurers' share of outstanding claims	4,125	105,631	1,351	9,166	120,273	-	120,273
Reinsurers' share of claims incurred but not reported and other reserves	13,793	35,475	-	5,479	54,747	-	54,747
Deferred policy acquisition costs	31,729	7,215	9,520	843	49,307	-	49,307
Segment assets	50,359	173,705	11,014	15,582	250,660	-	250,660
Unallocated assets					1,689,165	1,051,244	2,740,409
<b>Total assets</b>					<b>1,939,825</b>	<b>1,051,244</b>	<b>2,991,069</b>
<b>Liabilities and equity</b>							
Unearned premiums	274,935	81,259	153,821	7,814	517,829	-	517,829
Unearned reinsurance commission	143	3,304	10	1	3,458	-	3,458
Outstanding claims	39,176	252,927	58,613	15,898	366,614	-	366,614
Claims incurred but not reported and other reserves	413,616	157,154	61,456	22,016	654,242	-	654,242
Segment liabilities	727,870	494,644	273,900	45,729	1,542,143	-	1,542,143
Unallocated liabilities and equity					397,682	1,051,244	1,448,926
<b>Total liabilities and equity</b>					<b>1,939,825</b>	<b>1,051,244</b>	<b>2,991,069</b>

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**12 Segmental information (continued)**

For the three-month period ended 30 September 2022 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Revenues</b>							
Gross premiums written							
- Direct							
- Large corporates	105,084	33,679	82,369	-	221,132	-	221,132
- Medium corporates	29,143	11,347	2,536	20,311	63,337	-	63,337
- Small corporates	19,759	8,577	342	-	28,678	-	28,678
- Micro enterprises	736	359	-	-	1,095	-	1,095
- Retail	35,435	21,114	9,034	-	65,583	-	65,583
- Reinsurance	-	674	-	-	674	-	674
	190,157	75,750	94,281	20,311	380,499	-	380,499
Reinsurance premiums ceded							
- Foreign	(923)	(26,595)	(4,307)	(708)	(32,533)	-	(32,533)
- Local	-	(1,655)	-	-	(1,655)	-	(1,655)
	(923)	(28,250)	(4,307)	(708)	(34,188)	-	(34,188)
<b>Net premiums written</b>	189,234	47,500	89,974	19,603	346,311	-	346,311
Changes in unearned premiums	(6,691)	(3,439)	10,452	(1,058)	(736)	-	(736)
Changes in reinsurers' share of unearned premiums	(5)	5,774	(1,527)	(332)	3,910	-	3,910
<b>Net premiums earned</b>	182,538	49,835	98,899	18,213	349,485	-	349,485
Reinsurance commissions	1	2,427	1,492	126	4,046	-	4,046
<b>Total revenues</b>	182,539	52,262	100,391	18,339	353,531	-	353,531
<b>Underwriting costs and expenses</b>							
Gross claims paid	185,556	5,470	75,962	7,838	274,826	-	274,826
Reinsurers' share of claims paid	(52)	(377)	(3,600)	(2,141)	(6,170)	-	(6,170)
<b>Net claims and other benefits paid</b>	185,504	5,093	72,362	5,697	268,656	-	268,656

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**12 Segmental information (continued)**

For the three-month period ended 30 September 2022 (Unaudited) (continued)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
Changes in outstanding claims	(6,836)	21,601	(7,154)	(8,082)	(471)	-	(471)
Changes in reinsurers' share of outstanding claims	43	(22,954)	(129)	3,957	(19,083)	-	(19,083)
Changes in claims incurred but not reported and other reserves	(8,757)	(23,830)	24,169	6,808	(1,610)	-	(1,610)
Changes in reinsurers' share of claims incurred but not reported and other reserves	-	7,756	(614)	(2,238)	4,904	-	4,904
<b>Net claims and other benefits incurred</b>	<b>169,954</b>	<b>(12,334)</b>	<b>88,634</b>	<b>6,142</b>	<b>252,396</b>	<b>-</b>	<b>252,396</b>
Policy acquisition costs	22,652	6,630	8,026	922	38,230	-	38,230
<b>Total underwriting costs and expenses</b>	<b>192,606</b>	<b>(5,704)</b>	<b>96,660</b>	<b>7,064</b>	<b>290,626</b>	<b>-</b>	<b>290,626</b>
<b>Net underwriting income</b>	<b>(10,067)</b>	<b>57,966</b>	<b>3,731</b>	<b>11,275</b>	<b>62,905</b>	<b>-</b>	<b>62,905</b>
<b>Other operating expenses</b>							
General and administrative expenses	(23,379)	(6,386)	(12,665)	(2,347)	(44,777)	(382)	(45,159)
Other income - net	-	-	-	-	12,182	6,961	19,143
<b>Total other operating expenses, net</b>	<b>(23,379)</b>	<b>(6,386)</b>	<b>(12,665)</b>	<b>(2,347)</b>	<b>(32,595)</b>	<b>6,579</b>	<b>(26,016)</b>
<b>Total income before surplus attribution, zakat and income tax</b>							<b>36,889</b>
Surplus attributed to the insurance operations							(3,031)
<b>Total income for the period attributable to the shareholders</b>							<b>33,858</b>
Zakat expense							(5,920)
Income tax credit							(1,503)
<b>Total income for the period attributable to the shareholders</b>							<b>26,435</b>



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**12 Segmental information (continued)**

For the three-month period ended 30 September 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Revenues</b>							
Gross premiums written							
- Direct							
- Large corporates	30,547	38,491	76,346	-	145,384	-	145,384
- Medium corporates	45,816	2,950	5,469	17,592	71,827	-	71,827
- Small corporates	4,828	7,039	464	-	12,331	-	12,331
- Micro enterprises	923	315	-	-	1,238	-	1,238
- Retail	101,207	10,393	3,535	-	115,135	-	115,135
- Reinsurance	-	15,507	-	-	15,507	-	15,507
	183,321	74,695	85,814	17,592	361,422	-	361,422
Reinsurance premiums ceded							
- Foreign	(904)	(24,473)	(20)	(4,319)	(29,716)	-	(29,716)
- Local	-	(1,548)	-	(3,197)	(4,745)	-	(4,745)
	(904)	(26,021)	(20)	(7,516)	(34,461)	-	(34,461)
<b>Net premiums written</b>	182,417	48,674	85,794	10,076	326,961	-	326,961
Changes in unearned premiums	(8,224)	(4,975)	11,161	(287)	(2,325)	-	(2,325)
Changes in reinsurers' share of unearned premiums	10	(780)	(3,536)	(197)	(4,503)	-	(4,503)
<b>Net premiums earned</b>	174,203	42,919	93,419	9,592	320,133	-	320,133
Reinsurance commissions	-	3,181	715	70	3,966	-	3,966
<b>Total revenues</b>	174,203	46,100	94,134	9,662	324,099	-	324,099
<b>Underwriting costs and expenses</b>							
Gross claims paid	135,567	5,221	87,828	10,275	238,891	-	238,891
Reinsurers' share of claims paid	(324)	(248)	(2,799)	(5,314)	(8,685)	-	(8,685)
<b>Net claims and other benefits paid</b>	135,243	4,973	85,029	4,961	230,206	-	230,206

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**12 Segmental information (continued)**

For the three-month period ended 30 September 2021 (Unaudited) (continued)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
Changes in outstanding claims	10,105	2,125	(9,157)	(3,528)	(455)	-	(455)
Changes in reinsurers' share of outstanding claims	(278)	19	1,079	1,195	2,015	-	2,015
Changes in claims incurred but not reported and other reserves	(19,005)	(24,468)	13,277	(2,118)	(32,314)	-	(32,314)
Changes in reinsurers' share of claims incurred but not reported and other reserves	-	11,993	(1)	1,710	13,702	-	13,702
<b>Net claims and other benefits incurred</b>	126,065	(5,358)	90,227	2,220	213,154	-	213,154
Policy acquisition costs	17,112	7,706	6,221	2,383	33,422	-	33,422
<b>Total underwriting costs and expenses</b>	143,177	2,348	96,448	4,603	246,576	-	246,576
<b>Net underwriting income</b>	31,026	43,752	(2,314)	5,059	77,523	-	77,523
<b>Other operating (expenses)/ income</b>							
General and administrative expenses	(22,681)	(5,563)	(12,177)	(1,242)	(41,663)	(492)	(42,155)
Other income - net	-	-	-	-	9,075	5,491	14,566
<b>Total other operating expenses, net</b>	(22,681)	(5,563)	(12,177)	(1,242)	(32,588)	4,999	(27,589)
<b>Total income before surplus attribution, zakat and income tax</b>							49,934
Surplus attributed to the insurance operations							(4,494)
<b>Total income for the period attributable to the shareholders</b>							45,440
Zakat expense							(475)
Income tax expense							(3,441)
<b>Total income for the period attributable to the shareholders</b>							41,524

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**12 Segmental information (continued)**

For the nine-month period ended 30 September 2022 (Unaudited)	Insurance operations				Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection		
<b>Revenues</b>						
Gross premiums written						
- Direct						
- Large corporates	221,480	88,154	305,838	-	615,472	615,472
- Medium corporates	136,876	61,684	13,072	51,384	263,016	263,016
- Small corporates	105,702	32,623	1,802	-	140,127	140,127
- Micro enterprises	5,032	2,938	18	-	7,988	7,988
- Retail	136,896	47,958	25,335	-	210,189	210,189
- Reinsurance	-	9,199	-	-	9,199	9,199
	605,986	242,556	346,065	51,384	1,245,991	1,245,991
Reinsurance premiums ceded						
- Foreign	(1,385)	(74,330)	(19,197)	(8,823)	(103,735)	(103,735)
- Local	-	(11,371)	-	-	(11,371)	(11,371)
	(1,385)	(85,701)	(19,197)	(8,823)	(115,106)	(115,106)
<b>Net premiums written</b>	604,601	156,855	326,868	42,561	1,130,885	1,130,885
Changes in unearned premiums	(75,152)	(27,693)	(45,500)	(7,033)	(155,378)	(155,378)
Changes in reinsurers' share of unearned premiums	(700)	11,681	6,148	616	17,745	17,745
<b>Net premiums earned</b>	528,749	140,843	287,516	36,144	993,252	993,252
Reinsurance commissions	(5)	7,890	3,186	636	11,707	11,707
<b>Total revenues</b>	528,744	148,733	290,702	36,780	1,004,959	1,004,959

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**12 Segmental information (continued)**

For the nine-month period ended 30 September 2022 (Unaudited) (continued)	Insurance operations				Shareholders' operations	Grand total	
	Motor	Property and casualty	Health	Protection			Total
<b>Underwriting costs and expenses</b>							
Gross claims paid	540,933	52,573	217,920	17,701	829,127	-	829,127
Reinsurers' share of claims paid	(1,347)	(21,862)	(8,510)	(7,217)	(38,936)	-	(38,936)
<b>Net claims and other benefits paid</b>	<b>539,586</b>	<b>30,711</b>	<b>209,410</b>	<b>10,484</b>	<b>790,191</b>	<b>-</b>	<b>790,191</b>
Changes in outstanding claims	9,824	8,771	34,171	51	52,817	-	52,817
Changes in reinsurers' share of outstanding claims	1,511	(21,813)	(1,965)	3,672	(18,595)	-	(18,595)
Changes in claims incurred but not reported and other reserves	(111,375)	(13,991)	19,035	3,313	(103,018)	-	(103,018)
Changes in reinsurers' share of claims incurred but not reported and other reserves	13,793	5,381	(664)	(403)	18,107	-	18,107
<b>Net claims and other benefits incurred</b>	<b>453,339</b>	<b>9,059</b>	<b>259,987</b>	<b>17,117</b>	<b>739,502</b>	<b>-</b>	<b>739,502</b>
Policy acquisition costs	61,898	21,893	21,689	3,586	109,066	-	109,066
<b>Total underwriting costs and expenses</b>	<b>515,237</b>	<b>30,952</b>	<b>281,676</b>	<b>20,703</b>	<b>848,568</b>	<b>-</b>	<b>848,568</b>
<b>Net underwriting income</b>	<b>13,507</b>	<b>117,781</b>	<b>9,026</b>	<b>16,077</b>	<b>156,391</b>	<b>-</b>	<b>156,391</b>

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**12 Segmental information (continued)**

For the nine-month period ended 30 September 2022 (Unaudited) (continued)	Insurance operations				Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection		
<b>Other operating (expenses)/income</b>						
General and administrative expenses	(68,675)	(18,293)	(37,343)	(4,694)	(129,005)	(130,507)
Other income - net	-	-	-	-	33,724	65,489
<b>Total other operating expenses - net</b>	<b>(68,675)</b>	<b>(18,293)</b>	<b>(37,343)</b>	<b>(4,694)</b>	<b>32,222</b>	<b>(65,018)</b>
<b>Total income before surplus attribution, zakat and income tax</b>						<b>91,373</b>
Surplus attributed to the insurance operations						<b>(5,915)</b>
<b>Total income for the period attributable to the shareholders</b>						<b>85,458</b>
Zakat expense						<b>(16,655)</b>
Income tax credit						<b>90</b>
<b>Total income for the period attributable to the shareholders</b>						<b>68,893</b>

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**12 Segmental information (continued)**

For the nine-month period ended 30 September 2021 (Unaudited)	Insurance operations				Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection		
<b>Revenues</b>						
Gross premiums written						
- Direct						
- Large corporates	264,860	93,511	261,553	-	619,924	619,924
- Medium corporates	136,180	42,086	24,845	51,685	254,796	254,796
- Small corporates	22,339	24,148	2,453	-	48,940	48,940
- Micro enterprises	4,247	3,112	-	-	7,359	7,359
- Retail	170,414	41,270	13,833	-	225,517	225,517
- Reinsurance	-	18,242	-	-	18,242	18,242
	598,040	222,369	302,684	51,685	1,174,778	1,174,778
Reinsurance premiums ceded						
- Foreign	362	(71,284)	(14,068)	(14,308)	(99,298)	(99,298)
- Local	-	(9,123)	-	(8,515)	(17,638)	(17,638)
	362	(80,407)	(14,068)	(22,823)	(116,936)	(116,936)
<b>Net premiums written</b>	598,402	141,962	288,616	28,862	1,057,842	1,057,842
Changes in unearned premiums	(72,957)	(24,200)	(4,681)	(1,893)	(103,731)	(103,731)
Changes in reinsurers' share of unearned premiums	10	3,437	2,561	(146)	5,862	5,862
<b>Net premiums earned</b>	525,455	121,199	286,496	26,823	959,973	959,973
Reinsurance commissions	1,161	8,929	2,377	289	12,756	12,756
<b>Total revenues</b>	526,616	130,128	288,873	27,112	972,729	972,729

(Continued)



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**12 Segmental information (continued)**

For the nine-month period ended 30 September 2021 (Unaudited) (continued)	Insurance operations				Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection		
<b>Underwriting costs and expenses</b>						
Gross claims paid	416,129	18,553	282,977	25,238	742,897	-
Reinsurers' share of claims paid	(785)	(7,965)	(8,594)	(13,024)	(30,368)	-
<b>Net claims and other benefits paid</b>	415,344	10,588	274,383	12,214	712,529	-
Changes in outstanding claims	27,919	84,163	(10,564)	5,506	107,024	-
Changes in reinsurers' share of outstanding claims	(866)	(59,362)	(393)	(5,516)	(66,137)	-
Changes in claims incurred but not reported and other reserves	(76,838)	(22,372)	580	2,318	(96,312)	-
Changes in reinsurers' share of claims incurred but not reported and other reserves	100	14,708	588	(1,923)	13,473	-
<b>Net claims and other benefits incurred</b>	365,659	27,725	264,594	12,599	670,577	-
Policy acquisition costs	48,093	21,293	18,444	6,916	94,746	-
<b>Total underwriting costs and expenses</b>	413,752	49,018	283,038	19,515	765,323	-
<b>Net underwriting income</b>	112,864	81,110	5,835	7,597	207,406	-

(Continued)

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**12 Segmental information (continued)**

For the nine-month period ended 30 September 2021 (Unaudited) (continued)	Insurance operations				Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection		
<b>Other operating (expenses) income</b>						
General and administrative expenses	(65,201)	(15,039)	(35,550)	(3,329)	(119,119)	(1,481)
Other income - net	-	-	-	-	32,554	16,903
<b>Total other operating expenses - net</b>	(65,201)	(15,039)	(35,550)	(3,329)	(86,565)	15,422
<b>Total income before surplus attribution, zakat and income tax</b>						136,263
Surplus attributed to the insurance operations						(12,084)
<b>Total income for the period attributable to the shareholders</b>						124,179
Zakat expense						(8,647)
Income tax expense						(9,365)
<b>Total income for the period attributable to the shareholders</b>						106,167

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**13 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 three-month and nine-month periods ended 30 September 2022 and 2021, and the related balances:

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
<b><u>Major shareholders</u></b>				
Gross premiums from major shareholders	-	362	-	5,121
Reinsurance premiums ceded to major shareholders	-	21,559	-	61,287
Reinsurance commissions from major shareholders	-	337	-	4,170
Net claims paid to major shareholders	-	1,956	-	8,914
Reinsurers' share of gross claims paid to major shareholders	-	3,534	-	14,316
Expenses charged by major shareholders	134	292	2,917	1,757
<b><u>Entities controlled, jointly controlled or significantly influenced by related parties</u></b>				
Gross premiums from other related parties	19,184	19,913	22,325	22,193
Net claims paid to other related parties	4,230	3,807	11,983	15,430

The compensation of key management personnel during the three-month and nine-month periods is as follows:

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Salaries and benefits	3,731	2,509	8,857	7,504
Employee benefit obligations	146	152	1,054	456
	3,877	2,661	9,911	7,960

Board of Directors fees for the three-month and nine-month periods ended 30 September 2022 were Saudi Riyals 0.4 million and Saudi Riyals 1.1 million, respectively (three month and nine-month periods ended 30 September 2021: Saudi Riyals 0.3 million and 0.7 million, respectively).

The transactions with related parties are carried out at commercial terms and conditions. Compensation to key management personnel is on employment terms and as per the By-laws of the Company.

Due to a related party represents amounts payable to Gulf Insurance Group (Gulf) B.S.C (c).



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**14 Zakat and income tax**

*Status of assessments*

The Company has filed its Zakat and Income Tax returns with the Zakat, Tax and Custom Authority ("ZATCA") up to 2021. The Company has finalised its zakat and tax status with the ZATCA for all years up to 31 December 2015.

During 2021, the ZATCA issued assessments of zakat and income tax for the years 2016 through 2018 with additional liability amounting to Saudi Riyals 21.7 million. The Company has filed an appeal with the General Secretariat of Tax Committees ("GSTC") against the ZATCA's assessments. The review and decision of the GSTC is awaited. Furthermore, the ZATCA has issued assessments for zakat and income tax for the years 2019 and 2020 with additional liability amounting to Saudi Riyals 5.6 million. The Company has filed an objection with the ZATCA in relation to these assessments. The review and decision of the ZATCA is awaited. Final assessment for year 2021 is still awaited.

Management is of the view that the level of existing provisions for zakat and income tax is sufficient to account for any potential additional liabilities arising out of the final assessments, once issued.

**15 Other income - net**

	<b>Three-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Insurance operations:</b>				
Commission income on deposits	3,186	2,425	9,801	8,557
Commission income on investments	6,031	6,441	18,232	19,680
Realized gains/(loss) on disposals of investments	-	7	(201)	7
Amortization and accretion on investments	81	51	247	257
<b>Total deposits and investments income</b>	<b>9,298</b>	<b>8,924</b>	<b>28,079</b>	<b>28,501</b>
Interest on leases	(188)	(211)	(558)	(626)
Hajj/ Umrah/ Manafeth & other income/(loss)	3,072	362	4,244	4,679
<b>Total</b>	<b>12,182</b>	<b>9,075</b>	<b>31,765</b>	<b>32,554</b>
<b>Shareholders' operations:</b>				
Commission income on deposits	3,004	2,223	9,066	6,379
Commission income on investments	4,033	3,217	11,557	8,341
Realized gains on disposals of investments	1	-	13,403	2,071
Amortization and accretion on investments	(77)	51	(302)	112
<b>Total deposits and investments income</b>	<b>6,961</b>	<b>5,491</b>	<b>33,724</b>	<b>16,903</b>
<b>Total other income - net</b>	<b>19,143</b>	<b>14,566</b>	<b>65,489</b>	<b>49,457</b>

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**16 Share capital**

The authorized, issued and paid-up capital of the Company is Saudi Riyals 500 million at 30 September 2022 (31 December 2021: Saudi Riyals 500 million) consisting of 50 million shares (31 December 2021: 50 million shares) of Saudi Riyals 10 each.

Shareholding structure of the Company as at 30 September 2022 and 31 December 2021 is as below. The shareholders of the Company are subject to zakat and income tax.

	<b>No. of shares (thousands)</b>	<b>Saudi Riyals (thousands)</b>
Gulf Insurance Group (Gulf) B.S.C (c).	<b>25,000</b>	<b>250,000</b>
General public	<b>25,000</b>	<b>250,000</b>
	<b>50,000</b>	<b>500,000</b>

**17 Statutory reserve**

In accordance with By-laws of the Company and Article 70(2)(g) of the Insurance Implementing Regulations issued by SAMA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

**18 Performance share reserve**

AXA Group (the "Group") has introduced a performance share based plan for employees of AXA entities world-wide which is designed to reward them for their role in achievement of the Group's long-term objectives. This scheme incentivizes employees after completion of certain number of years with the Company, with shares of AXA Societe Anonyme ("AXA SA") without any cost to employees. These shares are issued outside the Kingdom of Saudi Arabia and employees have the right to receive at the settlement date, a certain number of AXA SA shares based on the achievement of performance criteria defined by AXA SA and vesting period. The Company absorbs the cost of these shares under a group recharge arrangement, paid directly to AXA S.A.

During 2022, AXA SA. has terminated all scheme subsequent to the Company's acquisition by Gulf Insurance Group K.S.C.P. As a result, Saudi Riyals 2.5 million has been transferred to retained earnings.



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**19 Capital management**

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements as set out in the Law. The Company's current paid-up share capital is in accordance with Article 3 of the Law;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

As per Article 66 of the Regulations, the Company shall maintain a solvency margin equivalent to the highest of the following Nine methods:

- Minimum capital requirement of Saudi Riyals 300 million;
- Premium solvency margin; or
- Claims solvency margin.

The Company's management, through various scenario analyses as required by SAMA, has assessed the potential impact of Covid-19 on the Company's solvency margin by performing stress testing for various variables such as gross premium growth, increase in employee cost, year-to-date loss ratios, outstanding premium provisions etc. and the related impact on the revenue, profitability, loss ratios and solvency ratios. The Company's management has concluded that, based on completion of required SAMA forms, the solvency margin of the Company is adequate at 30 September 2022. As the situation is fluid and rapidly evolving, the Company will continue to reassess its position and the related impact on a regular basis.

**20 Goodwill on acquisition of insurance portfolio**

This represents goodwill recognised on acquisition of insurance portfolio and net assets of AXA Saudi Arabia Holding W.L.L. (formerly: "AXA Insurance Saudi Arabia B.S.C (c)"). The Company received approval from SAMA on 15 Dhul-Qadah 1433H (corresponding to 1 October 2012) to transfer the insurance portfolio from AXA Saudi Arabia Holding W.L.L. (formerly AXA Insurance Saudi Arabia B.S.C.c) at a total consideration of Saudi Riyals 106.6 million. During 2015, the Company met payment conditions imposed by SAMA and received approval for payment of Saudi Riyals 50.0 million in respect of initial consideration to AXA Saudi Arabia Holding W.L.L. which was recognized as goodwill being the excess of consideration paid and the net assets acquired. The remaining amount of Saudi Riyals 56.6 million which was recorded as contingent liability was accordingly relinquished.



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**21 Supplementary information**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operation	Total
<b>Assets</b>						
Cash and cash equivalents	337,377	-	337,377	89,521	-	89,521
Short-term deposits	169,682	317,458	487,140	408,798	236,023	644,821
Premiums and reinsurers' balances receivable - net	274,333	-	274,333	299,811	-	299,811
Reinsurers' share of unearned premiums	44,078	-	44,078	26,333	-	26,333
Reinsurers' share of outstanding claims	138,868	-	138,868	120,273	-	120,273
Reinsurers' share of claims incurred but not reported and other reserves	36,640	-	36,640	54,747	-	54,747
Deferred policy acquisition costs	65,922	-	65,922	49,307	-	49,307
Investments	731,366	516,124	1,247,490	767,848	534,307	1,302,155
Prepaid expenses and other assets	32,449	14,523	46,972	23,577	6,278	29,855
Deferred tax asset	-	4,183	4,183	-	-	-
Long-term deposits	120,722	50,000	170,722	145,721	70,000	215,721
Right-of-use assets	18,500	-	18,500	20,479	-	20,479
Property and equipment	16,015	-	16,015	19,518	-	19,518
Intangible assets	23,624	-	23,624	12,247	-	12,247
Due from shareholders' / insurance operations	(19,010)	19,010	-	(98,355)	98,355	-
Goodwill	-	50,000	50,000	-	50,000	50,000
Statutory deposit	-	50,000	50,000	-	50,000	50,000
Accrued income on statutory deposit	-	6,906	6,906	-	6,281	6,281
<b>Total assets</b>	<b>1,990,566</b>	<b>1,028,204</b>	<b>3,018,770</b>	<b>1,939,825</b>	<b>1,051,244</b>	<b>2,991,069</b>

(Continued)

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (continued)**

	<b>30 September 2022 (Unaudited)</b>			<b>31 December 2021 (Audited)</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Liabilities and equity</b>						
Claims payable, accrued expenses and other liabilities	188,583	861	189,444	200,218	1,249	201,467
Surplus distribution payable	35,089	-	35,089	33,976	-	33,976
Reinsurers' balances payable	70,906	-	70,906	68,929	-	68,929
Advance premiums	37,917	-	37,917	30,055	-	30,055
Unearned premiums	673,207	-	673,207	517,829	-	517,829
Unearned reinsurance commission	7,785	-	7,785	3,458	-	3,458
Outstanding claims	419,431	-	419,431	366,614	-	366,614
Claims incurred but not reported and other reserves	551,223	-	551,223	654,242	-	654,242
Lease liabilities	16,781	-	16,781	19,407	-	19,407
Due to a related party	3,214	-	3,214	2,353	-	2,353
Employee benefit obligations	30,707	-	30,707	31,633	-	31,633
Zakat and income tax	-	62,607	62,607	-	58,806	58,806
Accrued income payable to SAMA	-	6,906	6,906	-	6,281	6,281
<b>Total liabilities</b>	<b>2,034,843</b>	<b>70,374</b>	<b>2,105,217</b>	<b>1,928,714</b>	<b>66,336</b>	<b>1,995,050</b>
<b>Equity</b>						
Share capital	-	500,000	500,000	-	500,000	500,000
Statutory reserve	-	118,481	118,481	-	104,702	104,702
Performance share reserve	-	-	-	-	2,514	2,514
Retained earnings	-	368,491	368,491	-	360,863	360,863
Re-measurement reserve of employee benefit obligations	-	(1,579)	(1,579)	-	-	-
Fair value reserve on investments	(44,277)	(27,563)	(71,840)	11,111	16,829	27,940
<b>Total equity</b>	<b>(44,277)</b>	<b>957,830</b>	<b>913,553</b>	<b>11,111</b>	<b>984,908</b>	<b>996,019</b>
<b>Total liabilities and equity</b>	<b>1,990,566</b>	<b>1,028,204</b>	<b>3,018,770</b>	<b>1,939,825</b>	<b>1,051,244</b>	<b>2,991,069</b>

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
<b>Revenues</b>						
Gross premiums written						
- Direct	379,825	-	379,825	345,915	-	345,915
- Reinsurance	674	-	674	15,507	-	15,507
	<b>380,499</b>	<b>-</b>	<b>380,499</b>	<b>361,422</b>	<b>-</b>	<b>361,422</b>
Reinsurance premiums ceded:						
- Foreign	(32,533)	-	(32,533)	(29,716)	-	(29,716)
- Local	(1,655)	-	(1,655)	(4,745)	-	(4,745)
	<b>(34,188)</b>	<b>-</b>	<b>(34,188)</b>	<b>(34,461)</b>	<b>-</b>	<b>(34,461)</b>
<b>Net premiums written</b>	<b>346,311</b>	<b>-</b>	<b>346,311</b>	<b>326,961</b>	<b>-</b>	<b>326,961</b>
Changes in unearned premiums	(736)	-	(736)	(2,325)	-	(2,325)
Changes in reinsurers' share of unearned premiums	3,910	-	3,910	(4,503)	-	(4,503)
<b>Net premiums earned</b>	<b>349,485</b>	<b>-</b>	<b>349,485</b>	<b>320,133</b>	<b>-</b>	<b>320,133</b>
Reinsurance commissions	4,046	-	4,046	3,966	-	3,966
<b>Total revenues</b>	<b>353,531</b>	<b>-</b>	<b>353,531</b>	<b>324,099</b>	<b>-</b>	<b>324,099</b>
<b>Underwriting costs and expenses</b>						
Gross claims paid	274,826	-	274,826	238,891	-	238,891
Reinsurers' share of claims paid	(6,170)	-	(6,170)	(8,685)	-	(8,685)
<b>Net claims and other benefits paid</b>	<b>268,656</b>	<b>-</b>	<b>268,656</b>	<b>230,206</b>	<b>-</b>	<b>230,206</b>
Changes in outstanding claims	(471)	-	(471)	(455)	-	(455)
Changes in reinsurers' share of outstanding claims	(19,083)	-	(19,083)	2,015	-	2,015
Changes in claims incurred but not reported and other reserves	(1,610)	-	(1,610)	(32,314)	-	(32,314)
Changes in reinsurers' share of claims incurred but not reported and other reserves	4,904	-	4,904	13,702	-	13,702
Net claims and other benefits incurred	252,396	-	252,396	213,154	-	213,154
Policy acquisition costs	38,230	-	38,230	33,422	-	33,422
<b>Total underwriting costs and expenses</b>	<b>290,626</b>	<b>-</b>	<b>290,626</b>	<b>246,576</b>	<b>-</b>	<b>246,576</b>
<b>Net underwriting income</b>	<b>62,905</b>	<b>-</b>	<b>62,905</b>	<b>77,523</b>	<b>-</b>	<b>77,523</b>

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited) (continued)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
<b>Other operating (expenses)/ income (continued)</b>						
General and administrative expenses	(44,777)	(382)	(45,159)	(41,663)	(492)	(42,155)
Other income - net	12,182	6,961	19,143	9,075	5,491	14,566
<b>Total other operating expenses - net</b>	<b>(32,595)</b>	<b>6,579</b>	<b>(26,016)</b>	<b>(32,588)</b>	<b>4,999</b>	<b>(27,589)</b>
<b>Total income before surplus appropriation, zakat and income tax</b>	<b>30,310</b>	<b>6,579</b>	<b>36,889</b>	<b>44,935</b>	<b>4,999</b>	<b>49,934</b>
Zakat expense	-	(5,920)	(5,920)	-	(475)	(475)
Income tax expense	-	(1,503)	(1,503)	-	(3,441)	(3,441)
<b>Total income/(loss) for the period</b>	<b>30,310</b>	<b>(844)</b>	<b>29,466</b>	<b>44,935</b>	<b>1,083</b>	<b>46,018</b>
<b>Surplus transferred to shareholders' operations</b>	<b>(27,279)</b>	<b>27,279</b>	<b>-</b>	<b>(40,441)</b>	<b>40,441</b>	<b>-</b>
<b>Total income for the period after transfer of insurance operations surplus</b>	<b>3,031</b>	<b>26,435</b>	<b>29,466</b>	<b>4,494</b>	<b>41,524</b>	<b>46,018</b>

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
Total income for the period after transfer of insurance operations surplus	3,031	26,435	29,466	4,494	41,524	46,018
<b>Other comprehensive income / (loss)</b>						
<i>Items that will not be reclassified to the interim condensed statement of income in subsequent period</i>						
Re-measurement losses on employee benefit obligations	-	(1,579)	(1,579)	-	-	-
<b>Other comprehensive income:</b>						
<i>Items that will be reclassified to the interim condensed statement of income in subsequent period</i>						
Net change in fair value of available-for-sale investments	(14,792)	(14,503)	(29,295)	(3,161)	381	(2,780)
<b>Total comprehensive income for the period</b>	<b>(11,761)</b>	<b>10,353</b>	<b>(1,408)</b>	<b>1,333</b>	<b>41,905</b>	<b>43,238</b>

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED 30 September (Unaudited)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
<b>REVENUES</b>						
Gross premiums written						
Direct	1,236,792	-	1,236,792	1,156,536	-	1,156,536
Reinsurance	9,199	-	9,199	18,242	-	18,242
	1,245,991	-	1,245,991	1,174,778	-	1,174,778
Reinsurance premiums ceded						
Foreign	(103,735)	-	(103,735)	(99,298)	-	(99,298)
Local	(11,371)	-	(11,371)	(17,638)	-	(17,638)
	(115,106)	-	(115,106)	(116,936)	-	(116,936)
<b>Net premiums written</b>	<b>1,130,885</b>	<b>-</b>	<b>1,130,885</b>	<b>1,057,842</b>	<b>-</b>	<b>1,057,842</b>
Changes in unearned premiums	(155,378)	-	(155,378)	(103,731)	-	(103,731)
Changes in reinsurers' share of unearned premiums	17,745	-	17,745	5,862	-	5,862
<b>Net premiums earned</b>	<b>993,252</b>	<b>-</b>	<b>993,252</b>	<b>959,973</b>	<b>-</b>	<b>959,973</b>
Reinsurance commissions	11,707	-	11,707	12,756	-	12,756
<b>Total revenues</b>	<b>1,004,959</b>	<b>-</b>	<b>1,004,959</b>	<b>972,729</b>	<b>-</b>	<b>972,729</b>



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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited) (continued)**

	2022			2021		
	Insurance Operations	Share- holders' operations	Total	Insurance operations	Share- holders' operations	Total
<b>Underwriting costs and expenses</b>						
Gross claims paid	829,127	-	829,127	742,897	-	742,897
Reinsurers' share of claims paid	(38,936)	-	(38,936)	(30,368)	-	(30,368)
<b>Net claims and other benefits paid</b>	<b>790,191</b>	<b>-</b>	<b>790,191</b>	<b>712,529</b>	<b>-</b>	<b>712,529</b>
Changes in outstanding claims	52,817	-	52,817	107,024	-	107,024
Changes in reinsurers' share of outstanding claims	(18,595)	-	(18,595)	(66,137)	-	(66,137)
Changes in claims incurred but not reported and other reserves	(103,018)	-	(103,018)	(96,312)	-	(96,312)
Changes in reinsurers' share of claims incurred but not reported and other reserves	18,107	-	18,107	13,473	-	13,473
<b>Net claims and other benefits incurred</b>	<b>739,502</b>	<b>-</b>	<b>739,502</b>	<b>670,577</b>	<b>-</b>	<b>670,577</b>
Policy acquisition costs	109,066	-	109,066	94,746	-	94,746
<b>Total underwriting costs and expenses</b>	<b>848,568</b>	<b>-</b>	<b>848,568</b>	<b>765,323</b>	<b>-</b>	<b>765,323</b>
<b>Net underwriting income</b>	<b>156,391</b>	<b>-</b>	<b>156,391</b>	<b>207,406</b>	<b>-</b>	<b>207,406</b>

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF INCOME**

**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited) (continued)**

	<b>2022</b>			<b>2021</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Other operating (expenses) income</b>						
General and administrative expenses	(129,005)	(1,502)	(130,507)	(119,119)	(1,481)	(120,600)
Other income- net	31,765	33,724	65,489	32,554	16,903	49,457
<b>Total other operating expenses, net</b>	<b>(97,240)</b>	<b>32,222</b>	<b>(65,018)</b>	<b>(86,565)</b>	<b>15,422</b>	<b>(71,143)</b>
<b>Total income before surplus attribution, zakat and income tax</b>	<b>59,151</b>	<b>32,222</b>	<b>91,373</b>	<b>120,841</b>	<b>15,422</b>	<b>136,263</b>
Zakat expense	-	(16,655)	(16,655)	-	(8,647)	(8,647)
Income tax credit/(expense)	-	90	90	-	(9,365)	(9,365)
<b>Total income/ (loss) for the period</b>	<b>59,151</b>	<b>15,657</b>	<b>74,808</b>	<b>120,841</b>	<b>(2,590)</b>	<b>118,251</b>
<b>Surplus transferred to shareholders' operations</b>	<b>(53,236)</b>	<b>53,236</b>	<b>-</b>	<b>(108,757)</b>	<b>108,757</b>	<b>-</b>
<b>Total income for the period after transfer of insurance operations surplus</b>	<b>5,915</b>	<b>68,893</b>	<b>74,808</b>	<b>12,084</b>	<b>106,167</b>	<b>118,251</b>

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
Total income for the period after transfer of insurance operations surplus	5,915	68,893	74,808	12,084	106,167	118,251
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified to the interim condensed statement of income in subsequent period</i>						
Re-measurement losses on employee benefit obligations	-	(1,579)	(1,579)	-	-	-
<i>Items that will be reclassified to the interim condensed statement of income in subsequent period</i>						
Net change in fair value of available-for-sale investments	(55,388)	(44,392)	(99,780)	(10,384)	10,211	(173)
<b>Total comprehensive income for the period</b>	<b>(49,473)</b>	<b>22,922</b>	<b>(26,551)</b>	<b>1,700</b>	<b>116,378</b>	<b>118,078</b>



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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited)**

	2022			2021		
	Insurance operations	Share- holders' operations	Total	Insurance operations	Share- holders' operations	Total
<b>Cash flows from operating activities</b>						
Total income before surplus attribution, zakat and income tax	5,915	85,458	91,373	120,841	15,422	136,263
<b>Adjustments for non-cash items:</b>						
Depreciation of property and equipment	4,797	-	4,797	5,163	-	5,163
Depreciation of right-of-use assets	1,979	-	1,979	1,981	-	1,981
Amortization of intangible assets	2,774	-	2,774	4,381	-	4,381
Interest on lease	558	-	558	626	-	626
Provision for doubtful debts	4,504	-	4,504	2,940	-	2,940
Accretion of discount on available-for- sale investments	(877)	(354)	(1,231)	(951)	(249)	(1,200)
Loss on disposal of investments	201	(13,402)	(13,201)	(7)	(2,071)	(2,078)
Amortization of premium on available- for-sale investments	615	655	1,270	679	136	815
Amortization of premium on held-to- maturity investments	15	-	15	9	-	9
Performance share reserve	-	-	-	-	1,159	1,159
Provision for employee benefit obligations	462	(1,579)	(1,117)	6,894	-	6,894
<b>Changes in operating assets and liabilities:</b>						
Premiums and reinsurers' balances receivable - net	20,974	-	20,974	(107,734)	-	(107,734)
Reinsurers' share of unearned premiums	(17,745)	-	(17,745)	(5,862)	-	(5,862)
Reinsurers' share of outstanding claims	(18,595)	-	(18,595)	(66,137)	-	(66,137)
Reinsurers' share of claims incurred but not reported and other reserves	18,107	-	18,107	13,473	-	13,473
Deferred policy acquisition costs	(16,615)	-	(16,615)	(11,923)	-	(11,923)

(Continued)

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited) (continued)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
Prepaid expenses and other assets	(8,872)	(8,245)	(17,117)	(4,650)	(7,760)	(12,410)
Accrued income on statutory deposit	-	(625)	(625)	-	(271)	(271)
Claims paid, accrued and other liabilities	(11,635)	(388)	(12,023)	(15,173)	(2,040)	(17,213)
Surplus distribution paid	(4,802)	-	(4,802)	(1,687)	-	(1,687)
Reinsurers' balances payable	1,977	-	1,977	16,708	-	16,708
Advance premiums	7,862	-	7,862	1,446	-	1,446
Unearned premiums	155,378	-	155,378	103,731	-	103,731
Unearned reinsurance commission	4,327	-	4,327	2,352	-	2,352
Outstanding claims	52,817	-	52,817	107,024	-	107,024
Claims incurred but not reported and other reserves	(103,019)	-	(103,019)	(96,312)	-	(96,312)
Due to a related party	861	-	861	(2,574)	-	(2,574)
Employee benefit obligations paid	(1,388)	-	(1,388)	(6,705)	-	(6,705)
Zakat and income tax paid	-	(16,947)	(16,947)	-	(19,559)	(19,559)
Interest paid	-	-	-	(626)	-	(626)
Accrued income payable to SAMA	-	625	625	-	271	271
Due from/to shareholders' / insurance operations	(79,345)	79,345	-	(72,579)	72,579	-
<b>Net cash (used in) generated from operating activities</b>	<b>21,230</b>	<b>124,543</b>	<b>145,773</b>	<b>(4,672)</b>	<b>57,617</b>	<b>52,945</b>

(Continued)

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**21 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

**FO FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER (Unaudited) (continued)**

	2022			2021		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
<b>Cash flows from investing activities</b>						
Withdrawals/(placements) in short-term deposits, net	239,116	(81,435)	157,681	(48,352)	(1,160)	(49,512)
Proceeds from disposals of short-term deposits	-	-	-	-	65,850	65,850
Placements in long-term deposits, net	(113,928)	(82,973)	(196,901)	(141,544)	(115,692)	(257,236)
Proceeds from disposals of investments	95,068	69,865	164,933	6,955	12,140	19,095
Proceeds from disposal of long-term deposits	24,999	20,000	44,999	-	-	-
Purchase of property and equipment	(1,294)	-	(1,294)	(3,853)	-	(3,853)
Purchase of intangible assets	(14,151)	-	(14,151)	(4,735)	-	(4,735)
<b>Net cash generated from/(used in) investing activities</b>	<b>229,810</b>	<b>(74,543)</b>	<b>155,267</b>	<b>(191,529)</b>	<b>(38,862)</b>	<b>(230,391)</b>
<b>Cash flows from financing activity</b>						
Principal elements of lease payments	(3,184)	-	(3,184)	(2,557)	-	(2,557)
Performance share reserve - settlement	-	-	-	-	(581)	(581)
Dividend settlements	-	(50,000)	(50,000)	-	-	-
	<b>(3,184)</b>	<b>(50,000)</b>	<b>(53,184)</b>	<b>(2,557)</b>	<b>(581)</b>	<b>(3,138)</b>
Net increase/(decrease) in cash and cash equivalents	247,856	-	247,856	(198,758)	18,174	(180,584)
Cash and cash equivalents, beginning of the period	89,521	-	89,521	278,949	52,087	331,036
<b>Cash and cash equivalents, end of the period</b>	<b>337,377</b>	<b>-</b>	<b>337,377</b>	<b>80,191</b>	<b>70,261</b>	<b>150,452</b>
<b>Supplemental non-cash information:</b>						
Changes in fair value of available-for-sale investments	(55,387)	(44,393)	(99,780)	(10,384)	10,211	(173)
Premiums and reinsurers' balances receivable written off	-	-	-	6,240	-	6,240



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**22. Dividend declared**

On 17 March 2022, the Board of Directors of the Company has recommended the distribution of cash dividends Saudi Riyals 50 million for the 2021 fiscal year, which was approved by shareholders in the Ordinary General Assembly meeting held on 15 May 2022.

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

The interim condensed financial statements have been approved by the Board of Directors on 2 November 2022.