

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED
30 September 2022

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

The Shareholders
Saudi Arabian Cooperative Insurance Co.
(A Saudi Joint Stock Company)
Kingdom of Saudi Arabia

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Saudi Arabian Cooperative Insurance Company (A Saudi Joint Stock Company) ("the Company") as at September 30, 2022, the related interim condensed statements of income and comprehensive income for the three and nine month periods then ended, and the interim condensed statements of changes in equity and cash flows for the nine month period then ended, and the related notes which form integral part of these interim condensed financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' 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", that is 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 information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

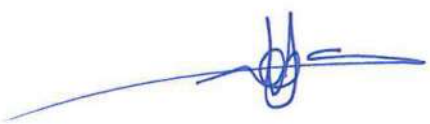
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13 Rabi ul Thani 1444H
7 November 2022 G

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)


	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Cash and cash equivalents	4	9,209,550	52,028,429
Murabaha deposits	5	387,819,149	254,965,731
Premiums and reinsurers' receivable - net	6	303,894,638	261,411,771
Reinsurers' share of unearned premiums	7b	76,522,419	27,161,652
Reinsurers' share of outstanding claims	7a	375,500,638	377,883,139
Reinsurers' share of claims incurred but not reported	7a	62,402,235	65,106,710
Deferred policy acquisition costs	7d	47,093,719	23,086,197
Available-for-sale investments	8a	1,923,080	1,923,080
Fair value through profit or loss investments	8b	322,056	92,247,362
Held-to-maturity investment	8c	77,039,459	75,942,638
Prepayments and other assets		78,533,014	72,137,583
Property and equipment		22,131,293	7,063,954
Intangible assets		11,420,926	11,594,023
Statutory deposit		30,000,000	30,000,000
Accrued income on statutory deposit		2,891,455	2,891,455
TOTAL ASSETS		1,486,703,631	1,355,443,724
LIABILITIES			
Policyholders' claims payable		29,001,392	23,039,414
Accrued expenses and other liabilities		63,924,244	97,600,348
Reinsurance balances payable		53,049,262	53,286,182
Unearned premiums	7b	447,046,282	254,129,776
Unearned reinsurance commission	7c	8,548,724	5,256,973
Outstanding claims and reserves	7a	458,152,078	446,156,975
Claims incurred but not reported	7a	151,251,214	146,966,791
Accounts payable		866,573	1,025,583
Employees' end-of-service benefits		21,621,656	23,938,250
Provision for zakat	9	7,626,253	8,416,408
Accrued commission income payable to SAMA		2,891,455	2,891,455
TOTAL LIABILITIES		1,243,979,133	1,062,708,155
EQUITY			
Share capital	10	300,000,000	300,000,000
Statutory reserve	12	29,473,371	29,473,371
Accumulated losses		(85,664,030)	(35,652,959)
Re-measurement loss of end-of-service benefits		(1,084,843)	(1,084,843)
TOTAL EQUITY		242,724,498	292,735,569
TOTAL LIABILITIES AND EQUITY		1,486,703,631	1,355,443,724

COMMITMENTS AND CONTINGENCIES

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ABDULAZIZ IBRAHIM ALRUQAIE
CHIEF FINANCIAL OFFICER


ABDULAZIZ A. ABUSSUUD
BOARD MEMBER


HASSAN ABDULLA DORAR ALI
PRESIDENT AND CEO

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

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME


For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
REVENUES					
Gross premiums written	7b	177,612,274	109,376,290	852,172,521	627,684,109
Reinsurance premiums ceded					
- Local		(2,513,097)	(1,627,356)	(71,407,088)	(46,815,170)
- International (includes premium ceded through local broker)		(16,711,810)	(15,668,639)	(142,980,239)	(118,878,625)
	7b	(19,224,907)	(17,295,995)	(214,387,327)	(165,693,795)
Excess of loss expenses					
- Local		(415,891)	(81,264)	(1,049,982)	(369,310)
- International		(13,288,545)	(10,371,480)	(25,058,578)	(18,550,147)
	7b	(13,704,436)	(10,452,744)	(26,108,560)	(18,919,457)
Net premiums written		144,682,931	81,627,551	611,676,634	443,070,857
Movement in unearned premiums, net		29,694,371	57,600,294	(143,555,739)	(14,068,474)
Net premiums earned		174,377,302	139,227,845	468,120,895	429,002,383
Reinsurance commissions	7c	4,738,324	4,471,698	14,769,312	14,554,750
Other underwriting income		170,262	100,054	1,497,600	1,075,201
NET REVENUES		179,285,888	143,799,597	484,387,807	444,632,334
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid	7a	181,372,414	111,541,502	432,404,415	383,889,644
Reinsurers' share of claims paid	7a	(25,556,073)	(6,939,722)	(55,832,924)	(79,572,381)
Net claims paid		155,816,341	104,601,780	376,571,491	304,317,263
Movement in outstanding claims, IBNR and other reserves, net		(3,949,034)	661,427	21,366,501	33,799,040
Net claims incurred	7a	151,867,307	105,263,207	397,937,992	338,116,303
Policy acquisition costs	7d	22,852,205	14,738,028	61,646,252	47,058,961
Inspection and supervision fees		1,387,418	1,148,990	6,433,145	5,888,757
TOTAL UNDERWRITING COSTS AND EXPENSES		176,106,930	121,150,225	466,017,389	391,064,021
NET UNDERWRITING INCOME		3,178,958	22,649,372	18,370,418	53,568,313
OTHER INCOME/(EXPENSES)					
Income from investments		944,847	813,580	3,480,012	4,159,850
Unrealized gain from change in fair value of FVTPL investments	8b	(3,503,674)	1,929,183	161,031	2,572,244
Realized gain on disposals of fair value of FVTPL investments	8b	4,360,741	-	13,689,788	-
Income from murabaha deposits		2,113,541	1,267,776	5,187,957	4,490,971
Other income		128,410	96,742	1,132,286	2,389,600
General and administrative expenses		(29,623,843)	(28,844,985)	(91,904,251)	(91,623,046)
Reversal of/(Provision for) doubtful debts	6	(1,373,905)	(5,546,809)	6,256,307	(13,461,299)
TOTAL OTHER EXPENSES		(26,953,883)	(30,284,513)	(61,996,871)	(91,471,680)
Total loss for the period		(23,774,926)	(7,635,141)	(43,626,453)	(37,903,367)
Surplus attributed to the insurance operations		-	-	-	-
Total loss for the period attributable to the shareholders before zakat		(23,774,926)	(7,635,141)	(43,626,453)	(37,903,367)
Zakat charge for the period	9	(2,598,000)	(2,050,856)	(6,384,618)	(4,094,771)
Total loss for the period attributable to the shareholders after zakat		(26,372,926)	(9,685,997)	(50,011,071)	(41,998,138)
Loss per share	11				
Basic and diluted (loss) per share		(0.88)	(0.32)	(1.67)	(1.40)
Weighted average number of shares in issue throughout the period (in thousands)		30,000	30,000	30,000	30,000


ABDULAZIZ IBRAHIM ALRUQAIE
 CHIEF FINANCIAL OFFICER


ABDULAZIZ A. ABUSSUL
 BOARD-MEMBER


HASSAN ABDULLA DORAR ALI
 PRESIDENT AND CEO

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

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Total loss for the period after zakat	(26,372,926)	(9,685,997)	(50,011,071)	(41,998,138)
Other comprehensive income:				
<i>Items that may be reclassified to statements of income in subsequent periods</i>				
Total comprehensive loss for the period after zakat	(26,372,926)	(9,685,997)	(50,011,071)	(41,998,138)
Total comprehensive income attributable to the insurance operations	0	-	-	-
Total comprehensive loss attributable to the shareholders after zakat	(26,372,926)	(9,685,997)	(50,011,071)	(41,998,138)



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ABDULAZIZ A. ABUSSUUD
BOARD MEMBER



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SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY


For the Nine-month period ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

	2022				
	Share capital	Statutory reserve	Accumulated losses	Re-measurement loss of employees' end-of-service benefits	Total equity
Balance at the beginning of the period (Audited)	300,000,000	29,473,371	(35,652,959)	(1,084,843)	292,735,569
Comprehensive income for the period:					
Total loss for the period attributable to the shareholders after zakat	-	-	(50,011,071)	-	(50,011,071)
Total comprehensive income for the period	-	-	(50,011,071)	-	(50,011,071)
Balance at the end of the period (Unaudited)	300,000,000	29,473,371	(85,664,030)	(1,084,843)	242,724,498


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SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

(All amounts in Saudi Riyals unless otherwise stated)

	2021			
	Share capital	Statutory reserve	Retained earnings / (accumulated losses)	Re-measurement reserve of employees' end-of-service benefits
Balance at the beginning of the period (Audited)	300,000,000	29,473,371	26,981,720	49,636
Comprehensive loss for the period:				
Total loss for the period attributable to the shareholders after zakat	-	-	(41,998,138)	-
Total comprehensive loss for the period	-	-	(41,998,138)	-
Balance at the end of the period (Unaudited)	300,000,000	29,473,371	(15,016,418)	49,636


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


INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

(All amounts in Saudi Riyals unless otherwise stated)	Note	Nine-month period ended	
		30 September	
		2022 (Unaudited)	2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Total loss for the period before zakat		(43,626,453)	(37,903,367)
Adjustments for non-cash items:			
Depreciation of property and equipment		761,726	1,120,877
Amortization of intangible assets		922,702	1,348,019
Amortisation of held-to-maturity investment	8(c)	1,096,821	(877,903)
(Reversal of) / provision for doubtful debts	6	(6,256,307)	13,461,299
Provision for employees' end-of-service benefits		3,209,518	2,951,256
Unrealized gain from change in fair value of FVTPL investments	8b	(161,031)	(2,572,244)
Realized gain on disposals of fair value of FVTPL investments	8b	(13,689,788)	-
Changes in operating assets and liabilities:			
Premiums and reinsurers' receivable		(36,226,560)	(25,817,252)
Reinsurers' share of unearned premiums		(49,360,767)	(17,812,518)
Reinsurers' share of outstanding claims		2,382,501	(60,051,068)
Reinsurers' share of claims incurred but not reported		2,704,475	(17,236,743)
Deferred policy acquisition costs		(24,007,522)	(199,636)
Prepayments and other assets		(7,492,252)	(8,792,693)
Policyholders claims payable		5,961,978	(5,039,476)
Accrued and other liabilities		(33,676,104)	(13,520,941)
Reinsurance balances payable		(236,920)	(4,567,566)
Unearned premiums		192,916,506	31,880,992
Unearned reinsurance commission		3,291,751	(662,175)
Outstanding claims and reserves		11,995,103	86,018,481
Claims incurred but not reported		4,284,423	25,068,370
Accounts payable		(159,010)	(746,307)
Cash from operating activities		14,634,789	(33,950,595)
Employees' end-of-service benefits paid		(5,526,112)	(738,015)
Zakat paid	9	(7,174,773)	(9,198,273)
Net cash from operating activities		1,933,904	(43,886,883)
Additions of property and equipment		(16,003,904)	(2,778,020)
Additions of intangible assets		(1,671,585)	(3,374,855)
Addition in held-to-maturity investment			(40,000,000)
Additions in murabaha deposits		(521,976,701)	(183,000,000)
Proceed on disposal of murabaha deposits		389,123,283	258,445,188
Additions in FVTPL investments		(2,042,855)	-
Proceed on disposal of FVTPL investments		107,818,979	-
Net cash (used in) / from investing activities		(44,752,783)	29,292,313
Net change in cash and cash equivalents		(42,818,879)	(14,594,570)
Cash and cash equivalents at the beginning of the period	4	52,028,429	49,999,727
Cash and cash equivalents at the end of the period	4	9,209,550	35,405,157


ABDULAZIZ IBRAHIM ALRUQAIE
CHIEF FINANCIAL OFFICER


ABDULAZIZ A. ABUSSUUD
BOARD MEMBER


HASSAN ABDULLA DORAR ALI
PRESIDENT AND CEO

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

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Arabian Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 1010237214 dated 7 Shaban 1428H, (corresponding to 20 August 2007). The registered office address of the Company is P.O. Box 58073, Riyadh 11594, Kingdom of Saudi Arabia. The objective of the Company is to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia. The Company's principal lines of business include all classes of general and medical insurance. The Company was listed on the Saudi Stock Exchange (“Tadawul”) on 20 Shaban 1428H, (corresponding to 3 September 2007).

Following are the details of the branches of the Company and their commercial registration numbers:

Branch Name	Branch	Commercial Registration Number	Date
Saudi Arabian Cooperative Insurance Company	Jeddah	4030208674	25 Safar 1432H (31 January 2011)
Saudi Arabian Cooperative Insurance Company	Khobar	2051044793	25 Safar 1432H (31 January 2011)
Saudi Arabian Cooperative Insurance Company	Qassim	1131034133	25 Safar 1432H (31 January 2011)

The Company has been licensed to conduct insurance business in the Kingdom of Saudi Arabia under co-operative principles in accordance with Royal Decree numbered 60/M dated 18 Ramadan 1427H (corresponding to 11 October 2006), pursuant to the Council of Ministers resolution number 233 dated 16 Ramadan 1427H (corresponding to 9 October 2006).

Following the completion of the public offering on 28 May 2007, the Ministry of Commerce and Investment (“MOCI”) issued a resolution declaring the incorporation of the Company on 21 Rajab 1428H (corresponding to 5 August 2007).

On 29 Shaban 1428H (corresponding to 11 September 2007), the Saudi Central Bank (“SAMA”) issued a formal approval to transact insurance business, thus authorizing the Company to commence operations as soon as product approval and related formalities are completed.

The Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policy holders are to receive the remaining 10%. Any deficit arising on insurance operations is borne by the shareholders in full.

2 BASIS OF PREPARATION

(a) Basis of presentation and measurement

These interim condensed financials information (interim condensed financial statements) of the Company as at and for the period ended 30 September, 2022 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”), as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organisation for Chartered and Professional Accountants (SOCPA), Law of Companies and the Company's by-laws.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

2 BASIS OF PREPARATION (continued)

(a) Basis of presentation and measurement (continued)

These interim condensed financial statements are prepared under the going concern concept and the historical cost convention, except for the measurement at fair value of available-for-sale investments, fair value through profit or loss investments and measurement at present value of employees' end-of-service benefit obligations. 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: Held to maturity investments, AFS investment, Property and equipment, Intangible assets, Statutory deposit, Accrued income on statutory deposit, Employees' end-of-service benefits and Accrued commission income payable to SAMA. All other financial statement line items would generally be classified as current.

The Company presents its interim condensed statement of financial position in order of liquidity. As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the interim condensed financial statements accordingly (Note 18). Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed statement of financial position, interim condensed statement of income, interim condensed statement of comprehensive income and interim condensed statement of cash flows of the insurance operations and shareholders operations which are presented in Note 18 of the interim condensed financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations and is not required under IFRSs. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, interim condensed statements of income, interim condensed statement of comprehensive income and interim condensed statement of cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

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

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

(b) Functional and presentation currency

These interim condensed financial statements have been presented in Saudi Riyals (SR), which is also the functional currency of the Company.

(c) Critical accounting judgments, estimates and assumptions

The preparation of interim condensed financial statements requires the use of estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

2 BASIS OF PREPARATION (continued)

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

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Following are the accounting judgments and estimates that are critical in preparation of these interim condensed financial statements:

i) *The ultimate liability arising from claims made 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 IBNR 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 has also used a segmentation approach including analyzing cost per member per year for 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.

ii) *Impairment of investments*

The Company determines that financial assets are impaired when there has been a significant or prolonged decline in the fair values of the financial assets below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. A period of 12 months or longer is considered to be prolonged and a decline of 30% from original cost is considered significant as per Company policy. In making this judgement, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

iii) *Impairment of receivables*

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired.

iv) *Fair value of financial instruments*

Fair values of available-for-sale investments and fair value through profit or loss investments are based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flows using commission for items with similar terms and risk characteristics.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models used are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

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(All amounts in Saudi Riyals unless otherwise stated)

2 BASIS OF PREPARATION (continued)

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

v) *Deferred policy acquisition costs*

Certain acquisition costs related to sale of policies are recorded as deferred acquisition costs and are amortized over the related period of policy coverage. If the assumptions relating to future profitability of these policies are not realized, the amortization of these costs could be accelerated and this may also require additional impairment.

vi) *Premium deficiency reserve*

Estimation of the premium deficiency reserve, if any, is highly sensitive to a number of assumptions as to the future events and conditions. It is based on an expected loss ratio for the unexpired portion of the risks for written policies. To arrive at the estimate of the expected loss ratio, the actuary looks at the claims and premiums relationship which is expected to be realized in the future.

vii) *Impact of Covid-19*

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

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

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

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

Medical technical reserve

Based on the management’s assessment, the management believes that the Government’s decision to assume the medical treatment costs for both Saudi citizens and expatriates has helped in reducing any unfavourable impact. During the lockdown, the Company saw a decline in medical reported claims (majorly elective and non-chronic treatment claims) which resulted in a drop in claims experience. However, subsequent to the lifting of lockdown since 21 June 2020, the Company is experiencing a surge in claims which is in line with the expectations of the Company’s management. The Company’s management has duly considered the impact of surge in claims in the current estimate of future contractual cash flows of the insurance contracts in force as at 30 Septmeber 2022 for its liability adequacy test.

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2 BASIS OF PREPARATION (continued)

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

vii) Impact of Covid-19 (continued)

Motor technical reserves

In response to the Covid-19 pandemic, SAMA issued a circular 189 (the “circular”) dated 08 May 2020 to all insurance companies in the Kingdom of Saudi Arabia. Amongst other things, the circular instructed insurance companies to extend the period of validity of all existing retail motor insurance policies by further two months as well as providing a two-month additional coverage for all new retail motor policies written within one month of this circular.

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

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

The Company has performed a liability adequacy test using current estimates of future cash flows under its insurance contracts at an aggregated (or “segmented”) level for motor line of business and recorded a Premium efficiency reserve amounting to SR 19.2 million as at 30 September 2022.

Financial assets

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

Based on these assessments, the Company’s management believes that the Covid-19 pandemic has had no material effects on Company’s reported results for the period ended 30 September 2022. The Company’s management continues to monitor the situation closely.

Credit risk management

The Company has strengthened its credit risk management policies to address the fast changing and evolving risks posed by the current circumstances. These include review of credit concentrations at the granular economic sector, region and counterparty level and the Company has taken appropriate action where required. Based on the review, the Company has identified the certain sectors such as government contracting, airlines, retail sector and hospitality industry as being impacted significantly by the Covid-19 pandemic and lower oil prices.

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3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021. There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Company's annual Financial Statements, but they do not have a material effect on the Company's Interim Condensed Financial Statements. The Company has not early adopted any standard (interpretation) or amendments that has been issued but which are not yet effective.

Standards issued but not yet effective

The Company has chosen not to early adopt the amendments and revisions to the IFRSs, which have been published and are mandatory for compliance for the Company with effect from future dates.

Standard/ Interpretation/ Amendment	Description	Effective from periods beginning on or after the following date
IFRS 9	Financial Instruments (refer below)	1-Jan-23
IFRS 17	Insurance Contracts (refer below)	1-Jan-23

A. IFRS 9 - Financial Instruments

This standard was published on 24 July 2014 and has replaced IAS 39. The new standard addresses the following items related to financial instruments:

a. Classification and measurement:

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. A financial asset is measured at amortized cost if both:

- i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

The financial asset is measured at fair value through other comprehensive income, and realized gains or losses are recycled through profit or loss upon sale, if both conditions are met:

- i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and for sale; and
- ii. the contractual terms of cash flows are SPPI

Assets not meeting either of these categories are measured at fair value through profit or loss. Additionally, at initial recognition, an entity can use the option to designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

For equity instruments that are not held for trading, an entity can also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the instruments (including realized gains and losses), dividends being recognized in profit or loss.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

A. IFRS 9 - Financial Instruments (continued)

a. Classification and measurement: - (continued)

Additionally, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

b. Impairment:

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the IFRS 9 approach, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

c. Hedge accounting:

IFRS 9 introduces new requirements for hedge accounting that align hedge accounting more closely with Risk Management. The requirements establish a more principles-based approach to the general hedge accounting model. The amendments apply to all hedge accounting with the exception of portfolio fair value hedges of interest rate risk (commonly referred to as "fair value macro hedges"). For these, an entity may continue to apply the hedge accounting requirements currently in IAS 39. This exception was granted largely because the IASB is addressing macro hedge accounting as a separate project.

Effective date

The published effective date of IFRS 9 was 1st January 2018. However, amendments to IFRS 4 – Insurance Contracts: Applying IFRS 9 – Financial Instruments with IFRS 4 – Insurance Contracts, published on 12th September, 2016, changes the existing IFRS 4 to allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 before the IASB's new insurance contract standard (IFRS 17 – Insurance Contracts) becomes effective. The amendments introduce two alternative options:

1. apply a temporary exemption from implementing IFRS 9 until the earlier of
 - a. the effective date of a new insurance contract standard; or
 - b. annual reporting periods beginning on or after January 1, 2023. Additional disclosures related to financial assets are required during the deferral period. This option is only available to entities whose activities are predominately connected with insurance and have not applied IFRS 9 previously; or
2. adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contract standard is implemented.

The Company has performed a detailed assessment as of reporting date:

1. The carrying amount of the Company's liabilities arising from contracts within the scope of IFRS 4 (including deposit components or embedded derivatives unbundled from insurance contracts) were compared to the total carrying amount of all its liabilities; and
2. the total carrying amount of the Company's liabilities connected with insurance were compared to the total carrying amount of all its liabilities. Based on these assessments the Company determined that it is eligible for the temporary exemption. Consequently, the Company has decided to defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Disclosures related to financial assets required during the deferral period are included in the Company's financial statements.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

A. IFRS 9 - Financial Instruments (continued)

Impact assessment

As at 30 September 2022, the Company has total financial assets and insurance related assets amounting to SR 588 million (31 December 2021: SR 570 million) and SR 679 million (31 December 2021: SR 639 million), respectively. Currently, financial assets held at amortized cost consist of cash and cash equivalents and certain other receivables amounting to SR 585 million (31 December 2021: SR 423 million). Other financial assets consist of available for sale investments amounting to SR 1.9 million (31 December 2021: SR 1.9 million). The Company expect to use the FVOCI classification of these financial assets based on the business model of the Company for debt securities and strategic nature of equity investments. However, the Company is yet to perform a detailed assessment to determine whether the debt securities meet the SPPI test as required by IFRS 9. Investment in funds classified under available for sale investments will be at FVSI under IFRS 9. Other financial assets have a fair value of SR 0.3 million as at 30 September 2022 with a fair value change during the year of SR 0.2 million.

The Company financial assets have low credit risk as at 30 September 2022 and 31 December 2021. The above is based on high-level impact assessment of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, the Company expects some effect of applying the impairment requirements of IFRS 9: However, the impact of the same is not expected to be significant. At present it is not possible to provide reasonable estimate of the effects of application of this new standard as the Company is yet to perform a detailed review.

B. IFRS 17 - Insurance Contracts

Overview

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

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

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

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

Measurement

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

The General Measurement Model (GMM) is based on the following “building blocks”:

- a. the fulfilment cash flows (FCF), which comprise:
 - probability-weighted estimates of future cash flows,
 - an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows, and
 - a risk adjustment for non-financial risk;

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

B. IFRS 17 - Insurance Contracts (continued)

Measurement - continued

- b. the Contractual Service Margin (CSM) - The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately.

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is re-measured to be the sum of:

- the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date; and
- the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

The CSM is adjusted subsequently for changes in cash flows related to future services. Since the CSM cannot be negative, changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss.

The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.

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

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

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

Effective date

The IASB issued an Exposure Draft Amendments to IFRS 17 proposing certain amendments to IFRS 17 during June 2019 and received comments from various stakeholders. The IASB is currently re-deliberating issues raised by stakeholders. For any proposed amendments to IFRS 17, the IASB will follow its normal due process for standard-setting. The effective date of IFRS 17 and the deferral of the IFRS 9 temporary exemption in IFRS 4 is currently 1 January 2021. Under the current exposure draft, it is proposed to amend the IFRS 17 effective date to reporting periods beginning on or after 1 January 2022. Further, on 17 March 2020, The (IASB) completed its discussions on the amendments to IFRS 17 and decided that the effective date of the Standard will be deferred to reporting periods beginning on or after 1 January 2023. Earlier application is permitted if both IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments have also been applied. The Company intends to apply the Standard on its effective date.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

B. IFRS 17 - Insurance Contracts (continued)

Transition

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

Presentation and Disclosures

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

Impact

The Company has performed an initial impact assessment of the application and implementation of IFRS 17. As of the date of the publication of these financial statements, the final financial impact of adopting the standard has yet to be fully assessed by the Company. The Company has undertaken an initial operational impact gap analysis and currently undergoing through detailed operational and financial impact assessment. Key gaps and their impact are as follows:

Impact Area	Summary of Impact
Financial Impact	<p>The Company has ascertained the financial impact on reported balances of year 2020. As the Company's most of insurance contracts are short-termed and short tailed entitling for premium allocation approach (PAA) which is largely similar to current account practice, no significant impact is expected. The Company has also successfully finalized the reassessment of 2020 results as part of the 1st Dry-Run orchestrated by the regulator and submitted on 30 November 2021 to SAMA.</p> <p>Based on the conducted 1st and 2nd dry runs simulation the financial impact of applying IFRS 17 compared to IFRS 4 was also not significant. The Company will solidify its view on the financial impact while completing the 3rd dry-run, planned before the end of 2022.</p>
Data impact	<p>IFRS 17 has additional data requirements (e.g. premium due date for initial recognition, premium receipt data for the LFRC, RI contracts held breakdown in to risk attaching or loss incurring for assessing contract boundaries, lower granularity to meet level of aggregation requirements and data for additional disclosures as per IFRS 17). Further extensive exercise has carried out to ensure the required data is available.</p> <p>No major data deficiencies or shortfalls were reported during the completion of the 1st and 2nd dry-runs simulation.</p>
IT systems impact	<p>Detailed assessment has been carried out of existing systems capabilities for IFRS 17 calculations, storage and reporting and whether new systems / calculation engines should be implemented. The tool has been implemented successfully and used for processing and extracting the simulated results for the 1st dry-run. In coordination with the Company's appointed advisor and appointed actuary, the Steering Committee is actively working to close any identified gaps before the due date of the 3rd dry-run simulation.</p>

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

B. IFRS 17 - Insurance Contracts (continued)

Impact (continued)

Process impact	The company has carried out an operational impact assessment exercise to assess the operational impact of implementing IFRS 17. Since, majority of the company's contracts would be measured under the premium allocation approach, the process impact is expected to be moderate. No major process impact was reported during the completion of the 1st dry-run simulation.
Impact on Reinsurance arrangements	Further assessment has carried out to confirm measurement approach for reinsurance arrangements where RI gross premium ceded does not automatically qualify for PAA.
Impact on policies and control frameworks	The Company's policies and procedures needs updating to accommodate the changes in the Company's processes and systems related to IFRS 17 implementation. Detailed exercise for the purpose has been carried out after ascertaining financial and operational gaps assessment.

The Company is currently in actual implementation phase which requires developing and designing new processes and procedures for the business including any system developments required under IFRS 17 and detailed assessment of business requirements. Following are the main areas under design phase and status of the progress is as follows:

Major areas of design phase	Summary of progress
Governance and control framework	The Company has put in place a comprehensive IFRS 17 governance program which includes establishing oversight steering committee for monitoring the progress of implementation and assigning roles and responsibilities to various stakeholders.
Operational area	The Company is in progress of designing operational aspects of the design phase which includes establishing comprehensive data policy and data dictionary. Also the Company is finalizing architectural designs for various sub-systems. The Company has progressed through assessment of business requirements and currently working on vendor selection while finalizing various process needed for transition and assessment of new resources needed.
Technical and financial area	The Company has completed various policy papers encompassing various technical and financial matters after concluding on policy decisions required under the IFRS 17 standard. The policy decisions are taken after due deliberations among various stakeholders. Currently majority of policy papers have been approved by the Company's IFRS 17 project steering committee.
Assurance plan	The Company is working along with other stakeholders to finalize the assurance plan for transitional and post-implementation periods.

The Company has started its implementation process and has set up a project team, supervised by Company's CEO. Furthermore, to assess financial and operational impact of IFRS-17, the Company has engaged its appointed actuary (Lux Actuaries) as the actuarial consultant.

The effective interpretations/improvement/amendments do have material impact on these interim condensed financial statements of the company.

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4 CASH AND CASH EQUIVALENTS

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

	30 September	31 December
	2022	2021
	(Unaudited)	(Audited)
Cash in banks	9,193,125	52,014,680
Cash on hand	16,425	13,749
	<u>9,209,550</u>	<u>52,028,429</u>

Cash in banks are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology.

5 MURABAHA DEPOSITS

Murabaha deposits represents deposits with local banks that have investment grade credit ratings and have an original maturity of more than three months from date of acquisition. The deposits earn commission at rate ranging from 2.5% to 3.3% (31 December 2021: 0.8% to 3.4%) per annum.

6 PREMIUMS AND REINSURERS' RECEIVABLE - NET

Receivables comprise amounts due from the following:

	30 September	31 December
	2022	2021
	(Unaudited)	(Audited)
Policyholders	188,864,006	155,485,361
Brokers and agents	152,630,273	70,716,931
Related parties	17,600,784	79,816,404
Receivables from reinsurers	10,796,750	27,688,737
	<u>369,891,813</u>	<u>333,707,433</u>
Less:		
Provision for doubtful receivables - policyholders	(36,615,866)	(31,595,125)
Provision for doubtful receivables - brokers and agents	(16,506,413)	(18,633,885)
Provision for doubtful receivables - related parties (note 16)	(8,179,394)	(16,516,338)
Provision for doubtful receivables - receivables from reinsurers	(4,695,502)	(5,550,314)
	<u>(65,997,175)</u>	<u>(72,295,662)</u>
	<u>303,894,638</u>	<u>261,411,771</u>

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

	30 September	31 December
	2022	2021
	(Unaudited)	(Audited)
Beginning of the period/year	72,295,662	74,709,822
(Reversal) / provision made during the period/year	(6,298,487)	9,344,168
Bad debts written-back/(written-off)	42,180	(11,758,328)
End of the period/year	<u>66,039,355</u>	<u>72,295,662</u>

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7 MOVEMENT IN OUTSTANDING CLAIMS, UNEARNED PREMIUMS, UNEARNED REINSURANCE COMMISSION AND DEFERRED POLICY ACQUISITION COSTS

a) Outstanding claims and reserves

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Gross	RI share	Net	Gross	RI share	Net
Outstanding claims at end of the period/year	488,811,303	(375,500,638)	113,310,665	446,696,580	(377,883,139)	68,813,441
Other reserves at end of the period/year	12,636,167	-	12,636,167	10,861,709	-	10,861,709
Outstanding claims and reserves at end of the period/year	501,447,471	(375,500,638)	125,946,832	457,558,289	(377,883,139)	79,675,150
Less: realizable value of salvage and subrogation at end of the period/year	(43,295,393)	-	(43,295,393)	(11,401,314)	-	(11,401,314)
Outstanding claims and reserves at end of the period/year	458,152,078	(375,500,638)	82,651,439	446,156,975	(377,883,139)	68,273,836
Claims incurred but not reported at end of the period/year	151,251,214	(62,402,235)	88,848,979	146,966,791	(65,106,710)	81,860,081
	609,403,292	(437,902,873)	171,500,418	593,123,766	(442,989,849)	150,133,917
Claims paid during the period/year	432,404,415	(55,832,924)	376,571,491	550,517,916	(116,386,036)	434,131,880
Outstanding claims and reserves at beginning of the period/year	(446,156,975)	377,883,139	(68,273,836)	(385,850,240)	339,166,728	(46,683,512)
Claims incurred but not reported at beginning of the period/year	(146,966,791)	65,106,710	(81,860,081)	(117,468,630)	43,367,257	(74,101,373)
	(593,123,766)	442,989,849	(150,133,917)	(503,318,870)	382,533,985	(120,784,885)
Claims incurred during the period/year	448,683,941	(50,745,948)	397,937,992	640,322,812	(176,841,900)	463,480,912

b) Unearned premiums

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Gross	RI share	Net	Gross	RI share	Net
Unearned premiums at beginning of the period/year	254,129,776	(27,161,652)	226,968,124	265,548,157	(39,420,956)	226,127,201
Premiums written during the period/year	852,172,521	(214,387,327)	637,785,194	777,537,673	(180,871,570)	596,666,103
Excess of loss expenses during the period/year	-	(26,108,560)	(26,108,560)	-	(28,780,907)	(28,780,907)
Premiums earned during the period/year	(659,256,015)	191,135,120	(468,120,895)	(788,956,054)	221,911,781	(567,044,273)
Unearned premiums at end of the period/year	447,046,282	(76,522,419)	370,523,863	254,129,776	(27,161,652)	226,968,124

c) Unearned reinsurance commission

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning	5,256,973	6,759,142
Commission received during the period/year	18,061,063	22,014,345
Commission earned during the period/year	(14,769,312)	(23,516,514)
Balance at the end	8,548,724	5,256,973

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7 MOVEMENT IN OUTSTANDING CLAIMS, UNEARNED PREMIUMS, UNEARNED REINSURANCE COMMISSION AND DEFERRED POLICY ACQUISITION COSTS (continued)

d) Deferred policy acquisition costs	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning	23,086,197	18,459,055
Incurred during the period/year	85,653,774	65,712,766
Amortized during the period/year	(61,646,252)	(61,085,624)
Balance at the end	<u>47,093,719</u>	<u>23,086,197</u>

8 INVESTMENTS

(a) Available-for-sale investments

As at 30 September 2022 and 31 December 2021, available-for-sale investment represents SR 1.9 million in respect of the Company's share in the capital of Najm for Insurance Services Company ("Najm") which represents a 3.45% capital holding in Najm.

(b) Fair value through profit or loss investments	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning	92,247,362	90,028,540
Acquired during the period/year	2,042,855	107,351
Disposals during the period/ year	(107,818,979)	-
Unrealized gain from change in fair value	161,031	2,111,471
Realized gain on disposals during the period/year	13,689,788	-
Balance at the end	<u>322,056</u>	<u>92,247,362</u>

As at 30 September 2022, fair value through profit or loss investments represents SR 0.32 million (31 December 2021 : SR 92.25 million) in respect of quoted equity instruments of Saudi listed companies.

(c) Held-to-maturity investment

As at 30 September 2022, the Company's investment in Islamic bonds ("Sukuk"), issued by a local bank having a credit rating of "AA", amounted to SR 75 million (31 December 2021: SR 75 million) comprising of 75 Sukuk (31 December 2021: 75 Sukuk).

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period	75,942,638	35,531,657
Additions	-	40,000,000
Amortized during the period/year, net	1,096,821	410,981
Balance at the end of the period/year	<u>77,039,459</u>	<u>75,942,638</u>

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9 PROVISION FOR ZAKAT

a) Zakat payable

The movement in zakat payable during the period were as follows:

	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
Balance at beginning of the period/year	8,416,408	10,517,581
Charge for the period/year	6,384,618	7,097,100
Payments during the period/year	(7,174,773)	(9,198,273)
Balance at end of the period/year	<u>7,626,253</u>	<u>8,416,408</u>

b) Status of assessments

The Company has filed its zakat return for the financial years up to and including the year 2021 with the Zakat, Tax and Custom Authority (the "ZATCA") and received the final zakat certificate from the ZATCA.

The Company has received final assessments for the years 2008 through 2019 with no additional zakat liability.

10 SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SR 300 million at 30 September 2022 (31 December 2021: SR 300 million) consisting of 30 million shares (31 December 2021: 30 million shares) of SR 10 each. Shareholding structure of the Company is as below:

	30 September 2022 (Unaudited)		31 December 2021 (Audited)	
	Authorised, issued and paid up		Authorised, issued and paid up	
	No. of Shares	SR'000	No. of Shares	SR'000
Saudi Arabian Insurance Company B.S.C	9,000,000	90,000,000	9,000,000	90,000,000
Others	21,000,000	210,000,000	21,000,000	210,000,000
	<u>30,000,000</u>	<u>300,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>

11 BASIC AND DILUTED LOSS PER SHARE

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

The basic and diluted loss per share are as follows:

	Nine-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
Total loss for the period attributable to the shareholders after zakat	(50,011,071)	(41,998,138)
Weighted average number of shares throughout the period (thousands)	<u>30,000</u>	<u>30,000</u>
Basic and diluted loss per share	<u>(1.67)</u>	<u>(1.40)</u>

There are no diluted potential shares during the three-month period ended 30 September 2022 and 2021.

12 STATUTORY RESERVE

In accordance with the Company's By-Laws and in compliance with Article 70(2)(g) of the Insurance Implementing Regulations issued by SAMA, the Company is required to allocate 20% of its net income for the year to the statutory reserve until it equals the value of share capital. Such transfer is only made at year end. The statutory reserve is not available for distribution to shareholders until liquidation of the Company.

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13 CAPITAL MANAGEMENT

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

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The company is not in compliance with solvency margin required by SAMA.

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

As per guidelines laid out by SAMA in Article 66 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:

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

The capital structure of the Company as at 30 September 2022 consists of paid-up share capital of SR 300 million, statutory reserves of SR 29.47 million and accumulated losses of SR 85.66 million (31 December 2021: paid-up share capital of SR 300 million, statutory reserves of SR 29.47 million and accumulated losses of SR 35.65 million) in the interim condensed statement of financial position. The company is not in compliance with solvency margin required by SAMA.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- in the accessible principal market for the asset or liability, or
- in the accessible principal market, in the most advantageous accessible market for the asset or liability

The management assessed that cash and cash equivalent, accrual and other liabilities and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities,
Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable), and
Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

During the nine-month period ended 30 September 2022 and year ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

a) Carrying amounts and fair value

The following table summarizes the financial assets recorded at fair value as of 30 September 2022 and 31 December 2021 by level of the fair value hierarchy.

As at 30th September 2022 (Unaudited)

	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:					
Available-for-sale investments	1,923,080	-	-	1,923,080	1,923,080
FVTPL investments	322,056	322,056	-	-	322,056
	<u>2,245,136</u>	<u>322,056</u>	<u>-</u>	<u>1,923,080</u>	<u>2,245,136</u>

As at 31 December 2021 (Audited)

	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:					
Available-for-sale investments	1,923,080	-	-	1,923,080	1,923,080
FVTPL investments	92,247,362	92,247,362	-	-	92,247,362
	<u>94,170,442</u>	<u>92,247,362</u>	<u>-</u>	<u>1,923,080</u>	<u>94,170,442</u>

The fair values of other financial assets and liabilities, not included in the table above, are not materially different from the carrying values included in the financial statements.

b) Measurement of Fair values

Available-for-sale investment represents unquoted securities amounted to SR 1.9 million in respect of the Company's share in the capital of Najm. As at 30 September 2022 and 31 December 2021, the investment has not been measured at fair value in the absence of active market or other means of measuring their fair value reliably. However, the management believes that there is no major difference between the carrying value and fair value of the investment.

15 COMMITMENTS AND CONTINGENCIES

CONTINGENCIES

a. Legal proceedings and regulations

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

COMMITMENTS

b. During 2020, the Company entered into an agreement for the construction of the commercial building on the land under deed No. 2/214 located at the Salahuddin AL-Ayyubi Road, Riyadh, Kingdom of Saudi Arabia.

The Company is committed to half of the incurred capital expenditure for the acquisition of land and construction of the building, and the transaction will be recognized as the development progresses and upon completion of the transfer of the underlying right and obligations.

The estimated remaining commitment as at balance sheet date but not recognized in the financial statement are as

	<u>30 September</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Acquisition of the Land	12,663,500	12,663,500
Construction of the Building	31,958,982	46,283,250
	<u>44,622,482</u>	<u>58,946,750</u>

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16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, key management personnel of the Company and entities controlled, jointly controlled or subsequently influenced by such parties. All transactions with such related parties are conducted on normal terms and conditions and are approved by management.

The following are the details of the major related party transactions during the period and the related balances:

Related party	Nature of transactions	Amount of transaction		Balance	
		Nine-month period ended 30		30 September	31 December
		September			
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Amounts due to related parties are as follows:					
ACE RE Gallagher Arabia Reinsurance Brokers ("Broker") (Affiliate)	Premiums ceded through Broker	54,278,177	49,605,214		
	Commission received	(34,992)	43,906		
	Claims settled	19,803,349			
	- balance(due to)/ due from			8,899,806	
	Provision for/(reversal) of doubtful debts	(1,127,574)	-	(1,127,574)	-
	-Net balance(due to)/ due from			7,772,232	42,108,084
Saudi Arabian Insurance Company B.S.C (C) (Shareholder)	Premiums ceded	300,504	148,684		
	Commission received	20,119	17,346		
	Claims settled	698,761			
	-Net balance(due to)/ due from			(18,349)	682,756
ACE Limited (Affiliate)				-	55,502
Aldawaa Medical Services Company (Affiliate)	Claims settled	3,820,356	-	-	-
	-Net balance(due to)/ due from			7,753,883	42,846,342
Amounts due from related party are as follows (note 6):					
ACE Gallagher Arabia Insurance Brokers ("Broker") (Affiliate)	Premiums received through Broker, net	145,944,020	119,431,057		
	Commission expense	11,843,014	11,056,524		
	Claims settled	15,830,330			
	- balance(due to)/ due from			8,700,978	79,816,404
	Provision for/(reversal) of doubtful debts	(9,464,517)	1,156,053	(7,051,821)	(16,516,338)
	-Net balance(due to)/ due from			1,649,157	63,300,066

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Key management personnel of the Company include all directors (executives and non-executives) and senior management. The summary of compensation of key management personnel for the period ended 30 September is as follows:

	BOD members (Non-Executive)		Top Executives including the CEO and CFO	
	Nine-month period ended 30 September			
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short-term benefits	562,500	574,500	9,457,459	7,605,356
Bonus	-	-	-	3,758,860
Employees' end-of-service benefits	-	-	662,641	610,761
	562,500	574,500	10,120,100	11,974,977

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17 SEGMENT INFORMATION

Consistent with the Company's internal reporting process, operating segments have been approved by management in respect of the Company's activities, assets and liabilities as stated below. Segment results do not include income from investments, income from murabaha deposits, other income, general and administrative expenses, and provision for doubtful debts. Accordingly, they are included in unallocated income and expenses.

Segment assets do not include cash and cash equivalents, murabaha deposits, premiums and reinsurers' receivable - net, available for sale investment, held-to-maturity investment, due from related parties, prepayments and other assets, property and equipment, intangible assets, statutory deposit and accrued income from statutory deposit. Accordingly, they are included in unallocated assets.

Segment liabilities do not include accrued and other liabilities, surplus distribution payable, reinsurance balances payable, accounts payable, employees' end-of-service benefits, provision for zakat, accrued commission income payable to SAMA. Accordingly, they are included in unallocated liabilities. All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

Operating segment	Three-month period ended 30 September 2022 (Unaudited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Revenues						
Gross premiums written						
- Individual	375	3,284	19	-	-	3,678
- Micro enterprise	2,319	2,709	983	-	-	6,011
- Small enterprises	17,608	2,995	3,709	-	-	24,312
- Medium enterprises	12,541	6,677	10,016	-	-	29,234
- Large enterprise	18,557	83,192	12,628	-	-	114,378
	51,400	98,857	27,355	-	-	177,612
Reinsurance premiums ceded						
- Local	-		(2,513)	-	-	(2,513)
- International (includes premium ceded through local broker)	-	(10)	(16,702)	-	-	(16,712)
	-	(10)	(19,215)	-	-	(19,225)
Excess of loss expenses						
- Local	-	(334)	(82)	-	-	(416)
- International	(12,026)	(780)	(483)	-	-	(13,289)
	(12,026)	(1,114)	(565)	-	-	(13,705)
Net premiums written	39,374	97,734	7,575	-	-	144,683

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17 SEGMENT INFORMATION (continued)

	Three-month period ended 30 September 2022 (Unaudited) (SR '000)					
Operating segment	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	Total
Net premiums written	39,374	97,734	7,575	-	-	144,683
Movement in unearned premiums, net	29,326	(5,396)	5,764	-	-	29,694
Net premiums earned	68,700	92,338	13,339	-	-	174,377
Reinsurance commissions	-	24	4,714	-	-	4,738
Other underwriting income	-	134	36	-	-	170
Net revenues	68,700	92,496	18,088	-	-	179,286
Underwriting costs and expenses						
Gross claims paid	(79,147)	(75,679)	(26,546)	-	-	(181,372)
Reinsurers' share of claims paid	-	29	25,527	-	-	25,556
Net claims paid	(79,147)	(75,650)	(1,019)	-	-	(155,816)
Movement in outstanding claims, IBNR and other reserves, net	18,625	(12,686)	(1,990)	-	-	3,949
Net claims incurred	(60,522)	(88,336)	(3,009)	-	-	(151,867)
Policy acquisition costs	(3,869)	(13,676)	(5,307)	-	-	(22,852)
Inspection and supervision fees	(771)	(494)	(122)	-	-	(1,387)
Total underwriting costs and expenses	(65,162)	(102,506)	(8,439)	-	-	(176,107)
Net underwriting income	3,538	(10,010)	9,649	-	-	3,179
Unallocated revenue					19,170	4,044
Unallocated expenses					(1,138)	(30,998)
Total loss for the period						(23,775)
Surplus attributed to the insurance operations						-
Total loss for the period attributable to the shareholders before zakat						(23,775)
Zakat for the period						(2,598)
Total loss for the period attributable to the shareholders after zakat						(26,373)

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17 SEGMENT INFORMATION (continued)

Operating segment	Three-month period ended 30 September 2021 (Unaudited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Revenues						
Gross premiums written						
- Individual	59	6,338	11	-	-	6,408
- Micro enterprise	1,591	2,228	774	-	-	4,593
- Small enterprises	18,124	1,585	1,499	-	-	21,208
- Medium enterprises	25,902	3,645	8,755	-	-	38,302
- Large enterprise	15,420	8,556	14,889	-	-	38,865
	61,096	22,352	25,928	-	-	109,376
Reinsurance premiums ceded						
- Local	-	-	(1,627)	-	-	(1,627)
- International (includes premium ceded through local broker)	-	43	(15,712)	-	-	(15,669)
	-	43	(17,339)	-	-	(17,296)
Excess of loss expenses						
- Local	-	(68)	(13)	-	-	(81)
- International	(9,863)	(270)	(239)	-	-	(10,371)
	(9,863)	(338)	(252)	-	-	(10,452)
Net premiums written	51,233	22,057	8,337	-	-	81,628

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17 SEGMENT INFORMATION (continued)

	Three-month period ended 30 September 2021 (Unaudited) (SR '000)				
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations
Operating segment					Total
Net premiums written	51,233	22,057	8,337	-	-
Movement in unearned premiums, net	31,109	22,536	3,955	-	-
Net premiums earned	82,342	44,593	12,292	-	-
Reinsurance commissions	-	273.00	4,199	-	-
Other underwriting income	-	75	25	-	-
Net revenues	82,342	44,941	16,516	-	-
Underwriting costs and expenses					
Gross claims paid	67,718	38,235	5,589		
Reinsurers' share of claims paid	-	(2,634)	(4,306)		
Net claims paid	67,718	35,601	1,283	-	-
Movement in outstanding claims, IBNR and other reserves, net	3,070	(1,792)	(617)		
Net claims incurred	70,788	33,809	666	-	-
Policy acquisition costs	4,709	4,695	5,334		
Inspection and supervision fees	111	916	122	-	-
Total underwriting costs and expenses	75,608	39,420	6,122	-	-
Net underwriting income	6,734	5,521	10,394	-	-
Unallocated revenue					3,412
Unallocated expenses					(358)
Total loss for the period					(7,635)
Surplus attributed to the insurance operations					-
Total loss for the period attributable to the shareholders before zakat					(7,635)
Zakat					(2,051)
Total loss for the period attributable to the shareholders after zakat					(9,686)

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17 SEGMENT INFORMATION (continued)

Operating segment	Nine-month period ended 30 September 2022 (Unaudited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Revenues						
Gross premiums written						
- Individual	478	12,725	421	-	-	13,624
- Micro enterprise	10,717	11,707	6,051	-	-	28,475
- Small enterprises	82,959	12,944	9,351	-	-	105,254
- Medium enterprises	65,290	41,273	28,205	-	-	134,768
- Large enterprise	94,013	258,644	217,394	-	-	570,052
	<u>253,457</u>	<u>337,293</u>	<u>261,422</u>	<u>-</u>	<u>-</u>	<u>852,173</u>
Reinsurance premiums ceded						
- Local	-	-	(71,407)	-	-	(71,407)
- International (includes premium ceded through local broker)	-	(322)	(142,658)	-	-	(142,980)
	<u>-</u>	<u>(322)</u>	<u>(214,065)</u>	<u>-</u>	<u>-</u>	<u>(214,387)</u>
Excess of loss expenses						
- Local	-	(909)	(141)	-	-	(1,050)
- International	(19,681)	(3,078)	(2,300)	-	-	(25,059)
	<u>(19,681)</u>	<u>(3,987)</u>	<u>(2,441)</u>	<u>-</u>	<u>-</u>	<u>(26,109)</u>
Net premiums written	233,776	332,985	44,917	-	-	611,677

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17 SEGMENT INFORMATION (continued)

	Nine-month period ended 30 September 2022 (Unaudited) (SR '000)					
Operating segment	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	Total
Net premiums written	233,776	332,985	44,917	-	-	611,677
Movement in unearned premiums, net	(3,905)	(129,967)	(9,684)	-	-	(143,556)
Net premiums earned	229,871	203,019	35,233	-	-	468,121
Reinsurance commissions	-	70	14,700	-	-	14,770
Other underwriting income	125	1,045	327	-	-	1,497
Net revenues	229,996	204,134	50,260	-	-	484,388
Underwriting costs and expenses						
Gross claims paid	(205,757)	(164,042)	(62,606)	-	-	(432,405)
Reinsurers' share of claims paid	-	641	55,192	-	-	55,833
Net claims paid	(205,757)	(163,401)	(7,414)	-	-	(376,572)
Movement in outstanding claims, IBNR and other reserves, net	20,006	(39,314)	(2,059)	-	-	(21,367)
Net claims incurred	(185,751)	(202,715)	(9,473)	-	-	(397,938)
Policy acquisition costs	(12,061)	(33,498)	(16,086)	-	-	(61,645)
Inspection and supervision fees	(3,507)	(1,665)	(1,261)	-	-	(6,433)
Total underwriting costs and expenses	(201,319)	(237,878)	(26,820)	-	-	(466,017)
Net underwriting income	28,677	(33,744)	23,440	-	-	18,371
Unallocated revenue					19,170	23,651
Unallocated expenses					(1,138)	(85,648)
Total loss for the period						(43,626)
Surplus attributed to the insurance operations						-
Total loss for the period attributable to the shareholders before zakat						(43,626)
Zakat						(6,385)
Total loss for the period attributable to the shareholders after zakat						(50,011)

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

17 SEGMENT INFORMATION (continued)

Operating segment	Nine-month period ended 30 September 2021 (Unaudited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Revenues						
Gross premiums written						
- Individual	789	39,710	46	-	-	40,545
- Micro enterprise	7,137	5,650	7,505	-	-	20,292
- Small enterprises	56,664	7,271	5,788	-	-	69,723
- Medium enterprises	135,029	26,830	24,155	-	-	186,014
- Large enterprise	99,009	44,104	167,997	-	-	311,110
	298,628	123,565	205,491	-	-	627,684
Reinsurance premiums ceded						
- Local	-	-	(46,815)	-	-	(46,815)
- International (includes premium ceded through local broker)	-	(290)	(118,589)	-	-	(118,879)
	-	(290)	(165,404)	-	-	(165,694)
Excess of loss expenses						
- Local	-	(295)	(74)	-	-	(369)
- International	(15,291)	(1,164)	(2,095)	-	-	(18,550)
	(15,291)	(1,459)	(2,169)	-	-	(18,919)
Net premiums written	283,337	121,816	37,918	-	-	443,071
Movement in unearned premiums, net	(31,681)	24,254	(6,641)	-	-	(14,068)
Net premiums earned	251,656	146,070	31,277	-	-	429,003
Reinsurance commissions	-	1,079	13,476	-	-	14,555
Other underwriting income	305	373	397	-	-	1,075
Net revenues	251,961	147,522	45,150	-	-	444,633

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(All amounts in Saudi Riyals unless otherwise stated)

17 SEGMENT INFORMATION (Continued)

	Nine-month period ended 30 September 2021 (Unaudited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Operating segment						
Underwriting costs and expenses						
Gross claims paid	193,385	111,217	79,288	-	-	383,890
Reinsurers' share of claims paid	-	(5,522)	(74,051)	-	-	(79,573)
Net claims paid	193,385	105,695	5,237	-	-	304,317
Movement in outstanding claims, IBNR and other reserves, net	32,744	(642)	1,697	-	-	33,799
Net claims incurred	226,129	105,053	6,934	-	-	338,116
Policy acquisition costs	14,103	17,400	15,556	-	-	47,059
Inspection and supervision fees	3,674	1,421	794	-	-	5,889
Total underwriting costs and expenses	243,906	123,874	23,284	-	-	391,064
Net underwriting income	8,055	23,648	21,866	-	-	53,569
Unallocated revenue					9,414	13,613
Unallocated expenses					(1,026)	(105,085)
Total loss for the period						(37,903)
Surplus attributed to the insurance operations						-
Total loss for the period attributable to the shareholders before zakat						(37,903)
Zakat						(4,095)
Total loss for the period attributable to the shareholders after zakat						(41,998)

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(All amounts in Saudi Riyals unless otherwise stated)

17 SEGMENT INFORMATION (Continued)

Operating segment	As at 30 September 2022 (Unaudited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Assets						
Reinsurers' share of outstanding claims	-	5,658	369,843	-	-	375,501
Reinsurers' share of claims incurred but not reported	-	6,935	55,467	-	-	62,402
Reinsurers' share of unearned premiums	-	112	76,410	-	-	76,522
Deferred policy acquisition costs	6,911	25,309	14,874	-	-	47,094
Segment assets	6,911	38,015	516,594	-	-	561,520
Unallocated assets					359,007	925,184
Total assets						1,486,704
Liabilities and equity						
Outstanding claims and reserves	21,948	47,790	388,414	-	-	458,152
Claims incurred but not reported	33,685	56,668	60,899	-	-	151,251
Unearned premiums	134,320	218,169	94,558	-	-	447,046
Unearned reinsurance commission	-	33	8,515	-	-	8,549
Segment liabilities	189,953	322,660	552,386	-	-	1,064,998
Unallocated liabilities and surplus					11,384	178,981.13
Total equity					242,724	242,724
Total liabilities and equity						1,486,704

Unallocated assets at 30 September 2022 consists mainly of murabaha deposits of SR 387.82 million, premiums and reinsurers' receivable - net of SR 303.89 million, cash and cash equivalents of SR 9.21 million, Available-for-sale investment of SR 1.92 million, FVTPL investment of SR 0.32 million, Held-to-maturity investment of SR 77.039 million.

Unallocated liabilities and surplus at 30 September 2022 consists mainly of accrued and other liabilities of SR 63.92 million, Policyholders' claim payable of SR 29 million, employees' end-of-service benefits of SR 21.62 million.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

17 SEGMENT INFORMATION (Continued)

Operating segment	As at 31 December 2021 (Audited) (SR '000)					Total
	Medical	Motor	Property & casualty	Protection & savings	Shareholders' operations	
Assets						
Reinsurers' share of outstanding claims	-	5,729	372,154	-	-	377,883
Reinsurers' share of claims incurred but not reported	-	5,842	59,264	-	-	65,107
Reinsurers' share of unearned premiums	-	26	27,136	-	-	27,162
Deferred policy acquisition costs	6,862	12,452	3,772	-	-	23,086
Segment assets	6,862	24,049	462,326	-	-	493,238
Unallocated assets					351,843	862,206
Total assets						1,355,444
Liabilities						
Outstanding claims and reserves	32,567	25,832	387,758	-	-	446,157
Claims incurred but not reported	43,072	38,290	65,605	-	-	146,967
Unearned premiums	130,415	88,044	35,670	-	-	254,130
Unearned reinsurance commission	-	10	5,247	-	-	5,257
Segment liabilities	206,054	152,176	494,280	-	-	852,511
Unallocated liabilities and surplus					12,333	210,198
Total equity					293,820	292,736
Total liabilities						1,355,444

Unallocated assets at 31 December 2021 consists mainly of murabaha deposits of SR 254.97 million, premiums and reinsurers' receivable - net of SR 261.41 million, cash and cash equivalents of SR 52.03 million, Available-for-sale investment of SR 1.92 million, FVTPL investment of SR 92.24 million, Held-to-maturity investment of SR 75.94 million and other assets of SR 124 million.

Unallocated liabilities and surplus at 31 December 2021 consists mainly of accrued and other liabilities of SR 97.60 million, reinsurance balances payable of SR 53.29 million, employees' end-of-service benefits of SR 23.94 million and other liabilities of SR 35.28 million.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

As at 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION

18.1 Statement of financial position

	Insurance Operations		Shareholders' Operations		Total	
	30 September	31 December	30 September	31 December	30 September	31 December
	2022	2021	2022	2021	2022	2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS						
Cash and cash equivalents	8,925,096	41,770,297	284,454	10,258,132	9,209,550	52,028,429
Murabaha deposits	139,406,097	96,523,796	248,413,052	158,441,935	387,819,149	254,965,731
Premiums and reinsurers' receivable - net	303,894,638	261,411,771	-	-	303,894,638	261,411,771
Reinsurers' share of unearned premiums	76,522,419	27,161,652	-	-	76,522,419	27,161,652
Reinsurers' share of outstanding claims and reserves	375,500,638	377,883,139	-	-	375,500,638	377,883,139
Reinsurers' share of claims incurred but not reported	62,402,235	65,106,710	-	-	62,402,235	65,106,710
Deferred policy acquisition costs	47,093,719	23,086,197	-	-	47,093,719	23,086,197
Available for sale investment	1,923,080	1,923,080	-	-	1,923,080	1,923,080
Fair value through profit or loss investments	322,056	161,027	-	92,086,335	322,056	92,247,362
Held-to-maturity investment	19,444,237	20,073,680	57,595,222	55,868,958	77,039,459	75,942,638
Prepayments and other assets	73,034,201	69,841,769	5,498,813	2,295,814	78,533,014	72,137,583
Property and equipment	7,807,025	7,063,954	14,324,268	-	22,131,293	7,063,954
Intangible assets	11,420,926	11,594,023	-	-	11,420,926	11,594,023
Statutory deposit	-	-	30,000,000	30,000,000	30,000,000	30,000,000
Accrued income from statutory deposit	0	-	2,891,455	2,891,455	2,891,455	2,891,455
TOTAL ASSETS	<u>1,127,696,368</u>	<u>1,003,601,095</u>	<u>359,007,263</u>	<u>351,842,629</u>	<u>1,486,703,631</u>	<u>1,355,443,724</u>

Above stated assets do not include "Due from insurance operations" amounting to SR 104,898,484 (31 December 2021: 46,773,614) to be consistent with total assets presented in the statement of financial position.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

As at 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION (continued)

18.1 Statement of financial position (continued)

	Insurance Operations		Shareholders' Operations		Total	
	30 September	31 December	30 September	31 December	30 September	31 December
	2022	2021	2022	2021	2022	2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
LIABILITIES						
Policyholders' claims payable	29,001,392	23,039,414	-	-	29,001,392	23,039,414
Accrued and other liabilities	63,924,244	97,600,348	-	-	63,924,244	97,600,348
Reinsurance balances payable	53,049,262	53,286,182	-	-	53,049,262	53,286,182
Unearned premiums	447,046,282	254,129,776	-	-	447,046,282	254,129,776
Unearned reinsurance commission	8,548,724	5,256,973	-	-	8,548,724	5,256,973
Outstanding claims and reserves	458,152,078	446,156,975	-	-	458,152,078	446,156,975
Claims incurred but not reported	151,251,214	146,966,791	-	-	151,251,214	146,966,791
Accounts payable	-	-	866,573	1,025,583	866,573	1,025,583
Employees' end-of-service benefits	21,621,656	23,938,250	-	-	21,621,656	23,938,250
Provision for zakat	-	-	7,626,253	8,416,408	7,626,253	8,416,408
Accrued commission income payable to SAMA	-	-	2,891,455	2,891,455	2,891,455	2,891,455
TOTAL LIABILITIES	1,232,594,852	1,050,374,709	11,384,281	12,333,446	1,243,979,133	1,062,708,155
EQUITY						
Share capital	-	-	300,000,000	300,000,000	300,000,000	300,000,000
Statutory reserve	-	-	29,473,371	29,473,371	29,473,371	29,473,371
Accumulated losses	-	-	(85,664,030)	(35,652,959)	(85,664,030)	(35,652,959)
Re-measurement loss of end-of-service benefits	-	-	(1,084,843)	(1,084,843)	(1,084,843)	(1,084,843)
TOTAL EQUITY	-	-	242,724,498	292,735,569	242,724,498	292,735,569
TOTAL LIABILITIES AND EQUITY	1,232,594,852	1,050,374,709	254,108,779	305,069,015	1,486,703,631	1,355,443,724

Above stated liabilities do not include "Due to shareholders' operations" amounting to SR 104,898,484 (31 December 2021: 46,773,614) to be consistent with total liabilities presented in the statement of financial position.

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION (continued)

18.2 Interim condensed statement of income

	Three-month period ended 30 September (Unaudited)					
	Insurance Operations		Shareholders' Operations		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Gross premiums written	177,612,274	109,376,290	-	-	177,612,274	109,376,290
Reinsurance premiums ceded						
- Local	(2,513,097)	(1,627,356)	-	-	(2,513,097)	(1,627,356)
- International (includes premium ceded through local broker)	(16,711,810)	(15,668,639)	-	-	(16,711,810)	(15,668,639)
	(19,224,907)	(17,295,995)	-	-	(19,224,907)	(17,295,995)
Excess of loss/ stop loss expenses						
- Local	(415,891)	(81,264)	-	-	(415,891)	(81,264)
- International	(13,288,545)	(10,371,480)	-	-	(13,288,545)	(10,371,480)
	(13,704,436)	(10,452,744)	-	-	(13,704,436)	(10,452,744)
Net premiums written	144,682,931	81,627,551	-	-	144,682,931	81,627,551
Movement in unearned premiums, net	29,694,371	57,600,294	-	-	29,694,371	57,600,294
Net premiums earned	174,377,302	139,227,845	-	-	174,377,302	139,227,845
Reinsurance commissions	4,738,324	4,471,698	-	-	4,738,324	4,471,698
Other underwriting income	170,262	100,054	-	-	170,262	100,054
NET REVENUES	179,285,888	143,799,597	-	-	179,285,888	143,799,597
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	181,372,414	111,541,502	-	-	181,372,414	111,541,502
Reinsurers' share of claims paid	(25,556,073)	(6,939,722)	-	-	(25,556,073)	(6,939,722)
Net claims paid	155,816,341	104,601,780	-	-	155,816,341	104,601,780
Movement in outstanding claims, net	(3,949,034)	661,427	-	-	(3,949,034)	661,427
Net claims incurred	151,867,307	105,263,207	-	-	151,867,307	105,263,207
Policy acquisition costs	22,852,205	14,738,028	-	-	22,852,205	14,738,028
Inspection and supervision fees	1,387,418	1,148,990	-	-	1,387,418	1,148,990
TOTAL UNDERWRITING COSTS AND EXPENSES	176,106,930	121,150,225	-	-	176,106,930	121,150,225
NET UNDERWRITING INCOME	3,178,958	22,649,372	-	-	3,178,958	22,649,372

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18 SUPPLEMENTARY INFORMATION (continued)

18.2 Interim condensed statement of income (continued)

	Three-month period ended 30 September (Unaudited)					
	Insurance Operations		Shareholders' Operations		Total	
	2022	2021	2022	2021	2022	2021
OTHER INCOME/(EXPENSES)						
Income from investments	269,809	143,019	675,038	670,561	944,847	813,580
Unrealised gain on fair value through profit or loss investments	35,657	-	(3,539,331)	1,929,183	(3,503,674)	1,929,183
Realized gain on disposals of fair value of FVTPL investments	-	-	4,360,741	-	4,360,741	-
Income from murabaha deposits	805,675	455,978	1,307,866	811,798	2,113,541	1,267,776
Other income	128,410	96,742	-	-	128,410	96,742
General and administrative expenses	(29,255,245)	(28,487,023)	(368,598)	(357,962)	(29,623,843)	(28,844,985)
Provision for doubtful debts	(1,373,905)	(5,546,809)	-	-	(1,373,905)	(5,546,809)
TOTAL OTHER INCOME/(EXPENSES)	(29,389,599)	(33,338,093)	2,435,716	3,053,580	(26,953,883)	(30,284,513)
Total (loss)/income for the period	(26,210,642)	(10,688,721)	2,435,716	3,053,580	(23,774,926)	(7,635,141)
Total (loss)/income for the period attributed to shareholders						
before zakat	26,210,642	10,688,721	(26,210,642)	(10,688,721)	-	-
Total (loss)/income for the period before zakat	-	-	(23,774,926)	(7,635,141)	(23,774,926)	(7,635,141)
Zakat charge for the period	-	-	(2,598,000)	(2,050,855)	(2,598,000)	(2,050,855)
Total (loss)/income for the period after zakat	-	-	(26,372,926)	(9,685,996)	(26,372,926)	(9,685,996)

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18 SUPPLEMENTARY INFORMATION (continued)

18.2 Interim condensed statement of income (continued)

	Nine-month period ended 30 September (Unaudited)					
	Insurance Operations		Shareholders' Operations		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Gross premiums written	852,172,521	627,684,109	-	-	852,172,521	627,684,109
Reinsurance premiums ceded	-	-	-	-	-	-
- Local	(71,407,088)	(46,815,170)	-	-	(71,407,088)	(46,815,170)
- International (includes premium ceded through local broker)	(142,980,239)	(118,878,625)	-	-	(142,980,239)	#####
	(214,387,327)	(165,693,795)	-	-	(214,387,327)	#####
Excess of loss/ stop loss expenses						
- Local	(1,049,982)	(369,310)	-	-	(1,049,982)	(369,310)
- International	(25,058,578)	(18,550,147)	-	-	(25,058,578)	(18,550,147)
	(26,108,560)	(18,919,457)	-	-	(26,108,560)	(18,919,457)
Net premiums written	611,676,634	443,070,857	-	-	611,676,634	443,070,857
Movement in unearned premiums, net	(143,555,739)	(14,068,474)	-	-	(143,555,739)	(14,068,474)
Net premiums earned	468,120,895	429,002,383	-	-	468,120,895	429,002,383
Reinsurance commissions	14,769,312	14,554,750	-	-	14,769,312	14,554,750
Other underwriting income	1,497,600	1,075,201	-	-	1,497,600	1,075,201
NET REVENUES	484,387,807	444,632,334	-	-	484,387,807	444,632,334
UNDERWRITING COSTS AND EXPENSES	-	-	-	-	-	-
Gross claims paid	432,404,415	383,889,644	-	-	432,404,415	383,889,644
Reinsurers' share of claims paid	(55,832,924)	(79,572,381)	-	-	(55,832,924)	(79,572,381)
Net claims paid	376,571,491	304,317,263	-	-	376,571,491	304,317,263
Movement in outstanding claims, net	21,366,501	33,799,040	-	-	21,366,501	33,799,040
Net claims incurred	397,937,992	338,116,303	-	-	397,937,992	338,116,303
Policy acquisition costs	61,646,252	47,058,961	-	-	61,646,252	47,058,961
Inspection and supervision fees	6,433,145	5,888,757	-	-	6,433,145	5,888,757
TOTAL UNDERWRITING COSTS AND EXPENSES	466,017,389	391,064,021	-	-	466,017,389	391,064,021
NET UNDERWRITING INCOME	18,370,418	53,568,313	-	-	18,370,418	53,568,313

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For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION (continued)

18.2 Interim condensed statement of income (continued)

	Nine-month period ended 30 September (Unaudited)					
	Insurance Operations		Shareholders' Operations		Total	
	2022	2021	2022	2021	2022	2021
OTHER INCOME/(EXPENSES)						
Income from investments	591,719	435,168	2,888,293	3,724,682	3,480,012	4,159,850
Unrealised loss on fair value through profit or loss investments	161,031	-	-	2,572,244	161,031	643,061
Realized gain on disposals of fair value of FVTPL investments	519,490	-	13,170,298	-	13,689,788	
Income from murabaha deposits	2,076,055	1,373,482	3,111,901	3,117,489	5,187,957	4,490,971
Other income	1,132,286	2,389,600	-	-	1,132,286	2,389,600
General and administrative expenses	(90,766,556)	(90,597,454)	(1,137,696)	(1,025,592)	(91,904,251)	(91,623,046)
Provision for doubtful debts	6,256,307	(13,461,299)	-	-	6,256,307	(13,461,299)
TOTAL OTHER INCOME/(EXPENSES)	(80,029,667)	(99,860,503)	18,032,796	8,388,823	(61,996,871)	(91,471,680)
Total (loss)/income for the period	(61,659,249)	(46,292,190)	18,032,797	8,388,823	(43,626,453)	(37,903,367)
Total (loss)/income for the period attributed to shareholders before zakat	61,659,249	46,292,190	(61,659,249)	(46,292,190)	-	-
Total (loss)/income for the period before zakat	-	-	(43,626,452)	(37,903,367)	(43,626,453)	(37,903,367)
Zakat charge for the period	-	-	(6,384,618)	(4,094,771)	(6,384,618)	(4,094,771)
Total (loss)/income for the period after zakat	-	-	(50,011,070)	(41,998,138)	(50,011,071)	(41,998,138)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION (continued)

18.3 Statement of comprehensive income

	Three-month period ended 30 September (Unaudited)					
	Insurance Operations		Shareholders' Operations		Total	
	2022	2021	2022	2021	2022	2021
Total loss for the period	-	-	(26,372,926)	(9,685,997)	(26,372,926)	(9,685,997)
Other comprehensive income:						
Items that may be reclassified to statement of insurance operations' surplus in subsequent period:	-	-	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(26,372,926)</u>	<u>(9,685,997)</u>	<u>(26,372,926)</u>	<u>(9,685,997)</u>

	Nine-months period ended 30 September (Unaudited)					
	Insurance Operations		Shareholders' Operations		Total	
	2022	2021	2022	2021	2022	2021
Total loss for the period	-	-	(50,011,071)	(41,998,138)	(50,011,071)	(41,998,138)
Other comprehensive income:						
Items that may be reclassified to statement of insurance operations' surplus in subsequent periods:	-	-	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(50,011,071)</u>	<u>(41,998,138)</u>	<u>(50,011,071)</u>	<u>(41,998,138)</u>

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION (continued)

18.4 Statement of cash flows

18.4 Statement of cash flows	Note	Nine-month period ended 30 September (Unaudited)					
		Insurance Operations		Shareholders' Operations		Total	
		2022	2021	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES							
Total income/(loss) for the period before zakat		-	(46,292,190)	(43,626,453)	8,388,823	(43,626,453)	(37,903,367)
Adjustments for non-cash items:							
Depreciation of property and equipment		761,726	1,120,877	-	-	761,726	1,120,877
Amortization of intangible assets		922,702	1,348,019	-	-	922,702	1,348,019
Amortisation of held-to-maturity investment		1,096,821	(877,903)			1,096,821	(877,903)
(Reversal of)/Provision for doubtful debts	6	(6,256,307)	13,461,299	-	-	(6,256,307)	13,461,299
Provision for employees' end-of-service benefits		3,209,518	2,951,256	-	-	3,209,518	2,951,256
Unrealized gain from change in fair value of FVTPL investments	8b	(161,031)	-	-	-	(161,031)	-
Realized gain on disposals of fair value of FVTPL investments	8b	(519,491)	-	(13,170,298)	(2,572,244)	(13,689,788)	(2,572,244)
Changes in operating assets and liabilities:							
Premiums and reinsurers' receivable		(36,226,560)	(25,817,252)	-	-	(36,226,560)	(25,817,252)
Reinsurers' share of unearned premiums		(49,360,767)	(17,812,518)	-	-	(49,360,767)	(17,812,518)
Reinsurers' share of outstanding claims		2,382,501	(60,051,068)	-	-	2,382,501	(60,051,068)
Reinsurers' share of claims incurred but not reported		2,704,475	(17,236,743)	-	-	2,704,475	(17,236,743)
Deferred policy acquisition costs		(24,007,522)	(199,636)	-	-	(24,007,522)	(199,636)
Prepayments and other assets		(4,289,253)	(8,916,183)	(3,202,999)	123,490	(7,492,252)	(8,792,693)
Policyholders claims payable		5,961,978	(5,039,476)	-	-	5,961,978	(5,039,476)
Accrued and other liabilities		(33,676,104)	(13,520,941)	-	-	(33,676,104)	(13,520,941)
Reinsurance balances payable		(236,920)	(4,567,566)	-	-	(236,920)	(4,567,566)
Unearned premiums		192,916,506	31,880,992	-	-	192,916,506	31,880,992
Unearned reinsurance commission		3,291,751	(662,175)	-	-	3,291,751	(662,175)
Outstanding claims and reserves		11,995,103	86,018,481	-	-	11,995,103	86,018,481
Claims incurred but not reported		4,284,423	25,068,370	-	-	4,284,423	25,068,370
Accounts payable		(0)	-	(159,010)	(746,307)	(159,010)	(746,307)
Net cash from operating activities		74,793,549	(39,144,357)	(60,158,760)	5,193,762	14,634,789	(33,950,595)

SAUDI ARABIAN COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(CONTINUED)

For the three-month and nine-month periods ended 30 September 2022

(All amounts in Saudi Riyals unless otherwise stated)

18 SUPPLEMENTARY INFORMATION (continued)

18.4 Statement of cash flows (continued)

	Note	Nine-month period ended 30 September (Unaudited)					
		Insurance Operations		Shareholders' Operations		Total	
		2022	2021	2022	2021	2022	2021
Surplus paid to policy holders		-	-	-	-	-	-
Employees' end-of-service benefits paid		(5,526,112)	(738,015)	-	-	(5,526,112)	(738,015)
Zakat paid		-	-	(7,174,773)	(9,198,273)	(7,174,773)	(9,198,273)
Net cash generated from operating activities		69,267,437	(39,882,372)	(67,333,533)	(4,004,511)	1,933,904	(43,886,883)
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions of property and equipment		(1,679,636)	(2,778,020)	(14,324,268)	-	(16,003,904)	(2,778,020)
Additions of intangible assets		(1,671,585)	(3,374,855)	-	-	(1,671,585)	(3,374,855)
Additions in murabaha deposits		(376,984,258)	-	(144,992,443)	-	(521,976,701)	-
Addition in held-to-maturity investment		-	-	-	(40,000,000)	-	(40,000,000)
Proceed on disposal of murabaha deposits		230,681,348	-	158,441,935	-	389,123,283	-
Additions in FVTPL investments		(2,042,855)	(45,000,000)	-	(138,000,000)	(2,042,855)	(183,000,000)
Proceed on disposal of FVTPL investments		92,707,335	71,445,188	15,111,644	187,000,000	107,818,979	258,445,188
Net cash (used in)/generated from investing activities		(58,989,650)	20,292,313	14,236,867	9,000,000	(44,752,783)	29,292,313
CASH FLOWS FROM FINANCING ACTIVITY							
Due to shareholders' operations, net		(43,122,987)	(931,728)	43,122,987	931,728	-	-
Net cash used in financing activity		(43,122,987)	(931,728)	43,122,987	931,728	-	-
Net change in cash and cash equivalents		(32,845,200)	(20,521,787)	(9,973,678)	5,927,217	(42,818,879)	(14,594,570)
Cash and cash equivalents at the beginning of the period	4	41,770,297	47,691,162	10,258,132	2,308,565	52,028,429	49,999,727
Cash and cash equivalents at the end of the period	4	8,925,096	27,169,375	284,454	8,235,782	9,209,550	35,405,157

19 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements was authorized for issue in accordance with a resolution of the Board of Directors on 10 Rabi. II 1444H (corresponding to 4 November 2022).