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

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND
LIMITED REVIEW REPORT**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS

For The Three Months Period Ended 31 March 2021

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

**TO: THE SHAREHOLDERS OF BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Buruji Cooperative Insurance Company** (the "Company") as of 31 March 2021 and the related interim condensed statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three months period then ended. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") that are 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 31 March 2021 are not prepared, in all material respects, in accordance with IAS 34 that are endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.
P. O. Box 39658
Riyadh 11557
Kingdom of Saudi Arabia

Ibrahim A. Al-Bassam
Certified Public Accountant
License No. 337



For El Sayed El Ayouty & Co.
P. O. Box 780
Jeddah 21421
Kingdom of Saudi Arabia

Mohamed El Sayed El Ayouty
Certified Public Accountant
License No. 211

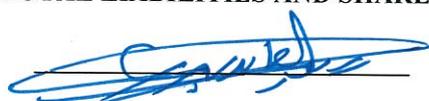


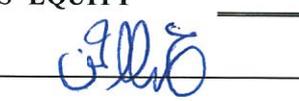
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**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
ASSETS			
Cash and cash equivalents	4	151,634,630	131,891,933
Time deposits	5	227,114,376	288,808,058
Premiums and reinsurers' receivable, net	6	49,626,686	36,267,297
Reinsurers' share of unearned premiums	10(b)	11,711,965	15,250,132
Reinsurers' share of outstanding claims	10(a)	32,882,461	34,868,873
Reinsurers' share of claims incurred but not reported	10(a)	4,953,038	5,794,590
Deferred policy acquisition costs	10(d)	4,404,571	3,733,851
Deferred excess of loss premiums		4,919,406	-
Investments	7	264,929,833	252,441,453
Prepaid expenses and other assets		32,746,959	25,015,836
Right-of-use assets	11	4,153,051	4,569,427
Property, equipment and intangible assets, net		3,320,169	3,717,353
Investment in associate	8	611,457	700,618
Statutory deposit		30,000,000	30,000,000
Statutory deposit investment returns	15	2,353,079	1,838,010
TOTAL ASSETS		825,361,681	834,897,431
LIABILITIES			
Policyholders and accounts payables		31,274,543	26,879,684
Reinsurers' balances payable		7,296,943	12,557,417
Accrued expenses and other liabilities		26,707,049	14,704,394
Lease liabilities	11	3,816,743	4,471,572
Unearned premiums	10(b)	81,128,164	91,976,873
Unearned reinsurance commission	10(c)	1,436,549	1,606,945
Outstanding claims	10(a)	117,606,835	122,744,363
Claims incurred but not reported	10(a)	36,204,455	38,964,437
Premium deficiency reserve	10(a)	25,125,470	23,753,336
Other technical reserves	10(a)	5,473,471	5,802,271
End-of-service benefits		13,771,241	16,012,358
Zakat payable	12	32,712,373	30,147,838
Statutory deposit investment returns	15	2,353,079	1,838,010
TOTAL LIABILITIES		384,906,915	391,459,498
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		1,714,863	1,714,863
Fair value reserve on available for sale investments		1,222,306	(77,723)
Accumulated actuarial loss on end-of-service benefits		(2,718,032)	(2,718,032)
TOTAL LIABILITIES & INSURANCE OPERATIONS' SURPLUS		385,126,052	390,378,606
SHAREHOLDERS' EQUITY			
Share capital	13	300,000,000	300,000,000
Statutory reserve		50,721,307	50,721,307
Retained earnings		71,407,068	79,817,669
Foreign currency translation adjustments		224,967	208,729
Fair value reserve on available for sale investments		17,882,287	13,771,122
TOTAL SHAREHOLDERS' EQUITY		440,235,629	444,518,827
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		825,361,681	834,897,431


Board Member


General Manager


Finance Manager

The accompanying notes 1 to 22 form part of these interim condensed financial statements.

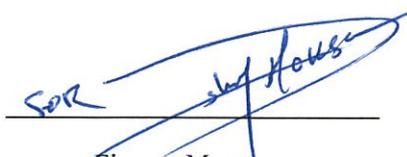
**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)

	Notes	For the three months period ended	
		31 March 2021	31 March 2020
		SAR	SAR
<u>REVENUES</u>			
Gross written premiums	10(b)	35,806,127	67,053,223
Reinsurance premiums ceded		(2,762,547)	(3,969,104)
Excess of loss premiums		(2,314,469)	(3,479,620)
Net premiums written		30,729,111	59,604,499
Changes in unearned premiums, net		7,310,542	(1,923,937)
Net premiums earned	10(b)	38,039,653	57,680,562
Reinsurance commissions	10(c)	1,843,842	3,776,704
Policy fees and other underwriting income		415,628	565,269
<u>TOTAL REVENUES</u>		40,299,123	62,022,535
<u>UNDERWRITING COSTS</u>			
Gross claims paid		(37,196,462)	(60,475,320)
Reinsurers' share of claims paid		3,899,747	5,244,812
Net claims paid		(33,296,715)	(55,230,508)
Changes in outstanding claims, net		3,151,116	(2,252,607)
Changes in claims incurred but not reported, net		1,918,430	3,764,959
Net claims incurred		(28,227,169)	(53,718,156)
Changes in premium deficiency reserves		(1,372,134)	(2,239,150)
Changes in other technical reserves		328,800	98,104
Policy acquisition costs	10(d)	(2,407,715)	(4,573,686)
Inspection and supervision fees		(249,931)	(431,768)
Other underwriting expenses		(3,991,263)	(1,752,167)
<u>TOTAL UNDERWRITING COSTS</u>		(35,919,412)	(62,616,823)
NET UNDERWRITING SURPLUS/(DEFICIT)		4,379,711	(594,288)
<u>OTHER OPERATING (EXPENSES)/INCOME</u>			
Reversal of doubtful debts provision	6	1,414,392	211,973
General and administrative expenses		(16,107,612)	(15,003,464)
Commission income on time deposits and investments		2,133,957	3,795,693
Dividend income		1,846,996	2,598,374
Realized gain on investments		1,782,003	177,178
Impairment of available for sale investments		(1,218,783)	(7,126,797)
Share of profit from associate	8	(89,161)	441,231
Other income		12,431	1,508,978
<u>TOTAL OTHER OPERATING EXPENSES, NET</u>		(10,225,777)	(13,396,834)
Total loss before surplus attribution and zakat		(5,846,066)	(13,991,122)
Surplus attributable to the insurance operations		-	-
Loss attributed to the shareholders before zakat		(5,846,066)	(13,991,122)
Zakat charge	12	(2,564,535)	(2,441,668)
Net (loss) attributed to the shareholders after zakat		(8,410,601)	(16,432,790)
Loss per share – Basic and diluted	16	(0.28)	(0.55)


Board Member


General Manager


Finance Manager

The accompanying notes 1 to 22 form part of these interim condensed financial statements.

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	For the three months period ended	
	31 March 2021 SAR	31 March 2020 SAR
Total loss for the period	(8,410,601)	(16,432,790)
Other comprehensive income/income		
<i>Items that will be reclassified to statements of income in subsequent periods</i>		
Available for sale investments:		
- Net realized gain transferred to statement of income	(1,782,003)	(177,178)
- Net change in fair value	7,193,199	(16,147,550)
Change in Foreign currency translation	16,238	
	5,427,434	(16,324,728)
<u>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</u>	(2,983,167)	(32,757,518)
Total comprehensive (loss)/income attributed to the insurance operations	1,300,031	(1,044,905)
Total comprehensive (loss) for the period attributable to the shareholders	(4,283,198)	(31,712,613)



Board Member



General Manager



Finance Manager

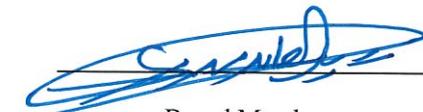
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**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

	Share Capital SAR	Statutory Reserve SAR	Retained earnings SAR	Foreign currency translation adjustments SAR	Fair value reserve on available for sale investments SAR	Total SAR
2021						
Balance as at 1 January 2021	300,000,000	50,721,307	79,817,669	208,729	13,771,122	444,518,827
Net loss for the period attributable to shareholders	-	-	(8,410,601)	-	-	(8,410,601)
Foreign currency translation adjustments	-	-	-	16,238	-	16,238
Changes in fair value of available for sale investments	-	-	-	-	4,111,165	4,111,165
Total comprehensive income attributable to shareholders	-	-	(8,410,601)	16,238	4,111,165	(4,283,198)
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at 31 March 2021	300,000,000	50,721,307	71,407,068	224,967	17,882,287	440,235,629
	Share Capital SAR	Statutory Reserve SAR	Retained earnings SAR	Foreign currency translation adjustments SAR	Fair value reserve on available for sale investments SAR	Total SAR
2020						
Balance as at 1 January 2020	300,000,000	49,573,882	75,227,968	-	13,357,554	438,159,404
Net income attributable to shareholders after zakat	-	-	5,737,126	-	-	5,737,126
Foreign currency translation adjustments	-	-	-	208,729	-	208,729
Changes in fair value of available for sale investments	-	-	-	-	413,568	413,568
Total comprehensive income attributable to shareholders	-	-	5,737,126	208,729	413,568	6,359,423
Transfer to statutory reserve	-	1,147,425	(1,147,425)	-	-	-
Balance as at 31 December 2020	300,000,000	50,721,307	79,817,669	208,729	13,771,122	444,518,827


Board Member


General Manager


Finance Manager

The accompanying notes 1 to 22 form part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

	For the three months period ended	
	31 March 2021	31 March 2020
Notes	SAR	SAR
CASH FLOWS FROM OPERATING ACTIVITIES		
Total (loss) before zakat	(5,846,066)	(13,991,122)
<i>Adjustments for non-cash items:</i>		
Depreciation of property and equipment	369,747	392,732
Loss on disposal of property and equipment	474	36,399
Reversal of doubtful debts provision	6 (1,414,392)	(211,973)
Depreciation of right-of-use assets	416,376	405,925
Interest expense on lease liability	15,313	50,140
Share of loss of associate	8 89,161	(441,231)
Provision for end-of-service indemnities	(77,931)	473,699
Realized gain from investments	(1,782,003)	(177,178)
Impairment of available for sale investments	1,218,783	7,126,797
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurers' receivable	(11,944,997)	(7,535,740)
Reinsurers' share of unearned premiums	3,538,167	5,095,491
Reinsurers' share of outstanding claims	1,986,412	1,238,733
Reinsurers' share of claims incurred but not reported	841,552	194,590
Deferred policy acquisition costs	(670,720)	(484,421)
Deferred excess of loss premiums	(4,919,406)	(5,723,696)
Prepaid expenses and other assets	(7,731,123)	2,010,449
Right-of-use assets	-	-
Policyholders and accounts payables	4,394,859	3,730,956
Reinsurers' balances payable	(5,260,474)	(7,361,924)
Accrued expenses and other liabilities	12,002,655	3,873,307
Unearned premiums	(10,848,709)	(3,171,554)
Unearned reinsurance commission	(170,396)	(185,738)
Outstanding claims	(5,137,528)	1,013,874
Claims incurred but not reported	(2,759,982)	(3,959,549)
Premium deficiency reserves	1,372,134	2,239,150
Other technical reserves	(328,800)	(98,104)
	(32,646,894)	(15,459,988)
End-of-service indemnities paid	(2,163,186)	(43,665)
Net cash (used in) from operating activities	(34,810,080)	(15,503,653)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals/(additions) in time deposits	5 61,693,682	60,963,801
Additions in investments	7(ii) (33,669,732)	(33,318,678)
Proceeds from available for sale investments	7(ii) 27,172,006	13,637,669
Additions in property, equipment and intangible assets	(83,224)	(329,579)
Proceeds from disposal of property, equipment and intangible assets	110,186	4,000
Net cash generated from investing activities	55,222,919	40,957,213
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities	(670,142)	(670,142)
Net cash used in investing activities	(670,142)	(670,142)
Net change in cash and cash equivalents	19,742,697	24,783,418
Cash and cash equivalents, beginning of the period	131,891,933	125,460,738
Cash and cash equivalents, end of the period	4 151,634,630	150,244,156
<i>Non-cash transactions:</i>		
Change in fair value of available for sale investments	5,411,195	(16,324,728)
Foreign currency translation adjustments	16,238	-


Board Member


General Manager


Finance Manager

The accompanying notes 1 to 22 form part of these interim condensed financial statements.

BURUJ COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

31 March 2021

1 GENERAL

Buruj Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010280606 dated 10 Safar 1431H, corresponding to 26 January 2010. The registered office address of the Company is P.O. Box 51855, Riyadh 11553, Kingdom of Saudi Arabia. The objective of the Company is to transact cooperative insurance business and related activities in the Kingdom of Saudi Arabia. Its principal lines of business include all classes of general insurance. The Company was listed on the Tadawul (the Saudi Arabian Stock Market) on 15 February 2010.

The Company was licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree numbered 72/M dated 28 Shawal 1429H (corresponding to 29 October 2008), pursuant to Council of Ministers resolution numbered 313 dated 27 Shawal 1429H (corresponding to 28 October 2008). On 10 Muharram 1431H (corresponding to 27 December 2009), the Ministry of Commerce and Industry issued a resolution declaring the incorporation of the Company.

On 15 Jumada Thani 1431H (corresponding to 29 May 2010), the Saudi Arabian Monetary Authority (“SAMA”) issued a formal approval to transact insurance business.

The Company launched its insurance operations on 1 July 2010 after receipt of an authorisation from SAMA to commence insurance operations as product approval and related formalities were completed.

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by SAMA. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full.

2 BASIS OF PREPARATION

(a) Basis of presentation

The interim condensed financial statements of the Company for the period ended 31 March 2021 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization of Certified Public Accountants (“SOCPA”).

The interim condensed financial statements have been prepared under the going concern basis and the historical cost basis except for the measurement at fair value of “available for sale investments”, investment in associate which is accounted for under the equity method and employees end of service benefits at present value.

The interim condensed statement of financial position, statements of income and statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 19 have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations and is not required under IFRSs. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

2 BASIS OF PREPARATION (continued)

(a) Basis of presentation (continued)

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2020.

These interim condensed financial statements are expressed in Saudi Arabian Riyals (SAR).

(b) Critical accounting judgments, estimates and assumptions

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

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

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

In response to the spread of the Covid-19 virus in the Kingdom of Saudi Arabia where the Company operates and its consequential disruption to the social and economic activities, 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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

2 BASIS OF PREPARATION (continued)

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

Other financial assets

The Company has performed an assessment in accordance with its accounting policy due to Covid-19 pandemic to determine whether there is objective evidence that a financial asset or group of financial assets are impaired. These include factors such as, significant financial difficulties of issuer or debtor, default or delinquency in payments, probability that the issuer or debtor will enter bankruptcy or other financial reorganization, etc. In case of equities, the company has performed an assessment to determine whether there is a significant decline in the fair value of available for sale financial assets below their cost. Based on these assessments, the Company believes that the COVID-19 pandemic has had no material effects impact with respect to the factors mentioned above on Company's reported results for the quarter ended 31 March 2021. The Company's management continues to monitor the situation closely.

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

Significant accounting policies

The significant accounting and risk management 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 2020.

New standards issued but not yet effective

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

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015.

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 17 Insurance Contracts

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

4 CASH AND CASH EQUIVALENTS

	31 March 2021 (Unaudited)		31 December 2020 (Audited)	
	Insurance operations SAR	Shareholders' operations SAR	Insurance operations SAR	Shareholders' operations SAR
Bank balances and cash	130,009,373	20,683,603	85,800,804	45,149,516
Deposits maturing within 3 months from the acquisition date	941,654	-	941,613	-
	130,951,027	20,683,603	86,742,417	45,149,516

Deposits are maintained with financial institutions and have a maturity of three months or less from the date of acquisition. These earn commission income at an average rate of 1.7% per annum (2020: 1.7% per annum).

Both bank balances and deposits are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology.

The carrying amounts disclosed above reasonably approximate their fair values at the reporting date.

5 TIME DEPOSITS

Time deposits are placed with local banks and financial institutions with an original maturity of more than three months from the date of acquisition and earned special commission income at an average rate of 2.43% per annum (2020: 2.09% per annum).

The carrying amounts of the time deposits reasonably approximate their fair values at the reporting date.

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

6 PREMIUMS AND REINSURERS' RECEIVABLE, NET

(a) Premiums and reinsurers' receivables comprised of the following:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Premiums receivable	48,806,566	35,568,338
<i>Less: Allowance for doubtful debts</i>	(12,441,968)	(14,059,921)
	36,364,598	21,508,417
Reinsurers' receivable	14,509,880	15,803,111
<i>Less: Allowance for doubtful debts</i>	(1,247,792)	(1,044,231)
	13,262,088	14,758,880
Total premiums and reinsurers' receivable, net	49,626,686	36,267,297

(b) The movement in allowance for doubtful policyholders' and reinsurance balances for the period/year is set out below:

31 March 2021 (Unaudited)	Policyholders SAR	Reinsurers' SAR	Total SAR
Opening balance	14,059,921	1,044,231	15,104,152
(Reversal)/charge for the period	(1,617,952)	203,560	(1,414,392)
Closing balance	12,441,969	1,247,791	13,689,760
	Policyholders SAR	Reinsurers' SAR	Total SAR
31 December 2020 (Audited)			
Opening balance	13,597,655	3,128,453	16,726,108
Reversal for the year	462,266	(2,084,222)	(1,621,956)
Closing balance	14,059,921	1,044,231	15,104,152

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(UNAUDITED) (continued)

31 March 2021

7 INVESTMENTS

(i) Investments are classified as follows:

	31 March 2021 (Unaudited)		31 December 2020 (Audited)	
	Insurance Operations SAR	Shareholders' Operations SAR	Insurance Operations SAR	Shareholders' Operations SAR
Available for sale "AFS"	55,929,285	199,000,548	52,732,939	189,708,514
Held to maturity "HTM"	-	10,000,000	-	10,000,000
Total	55,929,285	209,000,548	52,732,939	199,708,514

(a) Available for sale investments ("AFS") comprises the following:

	31 March 2021 (Unaudited)		31 December 2020 (Audited)	
	Insurance Operations SAR	Shareholders' Operations SAR	Insurance Operations SAR	Shareholders' Operations SAR
Quoted local equity securities	30,548,665	12,773,232	27,194,404	12,418,420
Units in local investment funds - (NAV)*	25,380,620	89,773,821	25,538,535	89,705,144
Quoted fixed income securities	-	76,575,308	-	68,987,144
Units in quoted local real estate funds	-	17,955,109	-	16,674,728
Unquoted local equity investment **	-	1,923,078	-	1,923,078
Total available for sale investments	55,929,285	199,000,548	52,732,939	189,708,514

* NAV: Net Asset Value as announced by asset manager.

** This represents the share in Najm for Insurance Services Company.

(b) Held to maturity ("HTM") comprises of domestic unquoted floating rate securities as follows:

	31 March 2021 (Unaudited)		31 December 2020 (Audited)	
	Insurance Operations SAR	Shareholders' Operations SAR	Insurance Operations SAR	Shareholders' Operations SAR
Sukuk "Almarai" – September 2022	-	5,000,000	-	5,000,000
Sukuk "Sipchem" – June 2021	-	5,000,000	-	5,000,000
Total held to maturity investments	-	10,000,000	-	10,000,000

The fair value of the "HTM" investments as at 31 March 2021 was not different from its carrying value. There were no movement in held to maturity investments during the period.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

7 INVESTMENTS (continued)

(ii) The movement during the period/year in the investments is as follows:

	31 March 2021 (Unaudited)		31 December 2020 (Audited)	
	Insurance Operations SAR	Shareholders' Operations SAR	Insurance Operations SAR	Shareholders' Operations SAR
Opening balance	52,732,939	199,708,514	30,561,376	197,208,569
Purchases	26,172,939	7,496,793	58,809,636	20,672,820
Disposals	(26,125,337)	(1,046,669)	(39,646,573)	(13,255,278)
Impairment	-	(1,218,783)	(164,080)	(5,531,398)
	52,780,541	204,939,855	49,560,359	199,094,713
Changes in fair value of investments	3,148,744	4,044,455	3,172,580	405,072
Foreign currency translation adjustments		16,238	-	208,729
Closing balance	55,929,285	209,000,548	52,732,939	199,708,514

8 INVESTMENT IN ASSOCIATE

The Company's interest in associate, which is unquoted, is as follows along with summarized financial information:

Gulf Warranties Insurance Services (Limited liability Company)

As of	Country of Incorporation	Assets	Liabilities	Revenue		Loss	% Interest
				SAR			
December 31, 2020	Saudi Arabia	5,643,624	3,870,711	1,480,631	(318,836)*	40%	
December 31, 2019	Saudi Arabia	4,562,157	2,970,531	543,313	(1,116,934)	40%	

Based on latest audited financial statements for the year ended 31 December 2020.

On 26 January 2020 an agreement was signed in which 60% ownership owned by Gulf Warranties – Bahrain was sold to Gulf Insurance Group K.S.C – Kuwait. The change in ownership previously obtained non-objection from the Saudi Arabian Monetary Authority (“SAMA”) on 14 November 2019.

* On 6 February 2020, the Company and Gulf Insurance Group K.S.C issued a partner's resolution to bear proportionally each by its percentage of ownership the amount of SAR 1,134,163 of the associate's general and administrative expenses for the year 2019 before issuing the associate's year end financial statements for 2019, and thus the Company absorbed the amount of SAR 453,666 as 'other expenses' presented in the interim condensed statement of income for shareholders' operations.

* On 28 December 2020, the Company and Gulf Insurance Group K.S.C issued a partner's resolution to bear proportionally each by its percentage of ownership the amount of SAR 500,000 of the associate's general and administrative expenses for the year 2020 before issuing the associate's year-end financial statements for 2020, and thus the Company absorbed the amount of SAR 200,000 as 'other expenses' presented in yearend condensed statement of income for shareholders' operations.

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Opening balance	700,618	302,011
Share of profit/(loss)	(89,161)	398,607
Closing balance	611,457	700,618

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(UNAUDITED) (continued)

31 March 2021

9 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Determination of fair value and fair value hierarchy

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

- Level 1 - quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;
- Level 2 – quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3 - valuation techniques for which any significant input is not based on observable market data.

31 March 2021 (Unaudited)	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total SAR
Available for sale				
- Equities	43,321,897	-	1,923,078	45,244,975
- Fixed income securities	76,575,308	-	-	76,575,308
- Investment and real estate funds	17,955,109	115,154,441	-	133,109,550
Held to maturity	-	-	10,000,000	10,000,000
	137,852,314	115,154,441	11,923,078	264,929,833

31 December 2020 (Audited)

Available for sale				
- Equities	39,612,824	-	1,923,078	41,535,902
- Fixed income securities	68,987,143	-	-	68,987,143
- Investment and real estate funds	16,674,728	115,243,679	-	131,918,407
Held to maturity	-	-	10,000,000	10,000,000
	125,274,695	115,243,679	11,923,078	252,441,452

Transfers between levels

During the three month period ended 31 March 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.

There was no recurring fair value measurements categorised within Level 3 of the fair value hierarchy as set out in the table above.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

10 TECHNICAL RESERVES

(a) NET OUTSTANDING CLAIMS AND RESERVES

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Gross outstanding claims	117,606,835	122,744,363
Less: Realizable value of salvage and subrogation	-	-
	117,606,835	122,744,363
Claims incurred but not reported	36,204,455	38,964,437
Premium deficiency reserve	25,125,470	23,753,336
Other technical reserves (Unallocated loss adjustment expense)	5,473,471	5,802,271
	184,410,231	191,264,407
Less:		
Reinsurers' share of outstanding claims	(32,882,461)	(34,868,873)
Reinsurers' share of claims incurred but not reported	(4,953,038)	(5,794,590)
	(37,835,499)	(40,663,463)
Net outstanding claims and other reserves	146,574,732	150,600,944

(b) MOVEMENT IN UNEARNED PREMIUMS

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	SAR	SAR	SAR	SAR	SAR	SAR
Opening balance	91,976,873	(15,250,132)	76,726,741	122,112,912	(19,851,794)	102,261,118
Premiums written during the period/year	35,806,127	(5,077,016)	30,729,111	202,251,926	(38,073,998)	164,177,928
Premiums earned during the period/year	(46,654,836)	8,615,183	(38,039,653)	(232,387,965)	42,675,660	(189,712,305)
Closing balance	81,128,164	(11,711,965)	69,416,199	91,976,873	(15,250,132)	76,726,741

(c) UNEARNED REINSURANCE COMMISSION

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
	SAR	SAR
Opening balance	1,606,945	1,803,595
Reinsurance commission received during the period/year	1,673,446	8,422,390
Reinsurance commission earned during the period/year	(1,843,842)	(8,619,040)
Closing balance	1,436,549	1,606,945

(d) MOVEMENT IN DEFERRED POLICY ACQUISITION COSTS

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
	SAR	SAR
Opening balance	3,733,851	5,958,543
Paid during the period/year	3,078,435	10,868,512
Amortised during the period/year	(2,407,715)	(13,093,204)
Closing balance	4,404,571	3,733,851

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(UNAUDITED) (continued)

31 March 2021

11 LEASES

Right-of-use assets depreciation charge and balance are as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Cost		
Opening balance	7,946,701	7,859,310
Additions	-	87,391
Deletions	-	-
Closing balance	<u>7,946,701</u>	<u>7,946,701</u>
Accumulated Depreciation		
Opening balance	3,377,274	1,623,700
Charge	416,376	1,753,574
Closing balance	<u>3,793,650</u>	<u>3,377,274</u>
Carrying Value	<u>4,153,051</u>	<u>4,569,427</u>

Lease liabilities as at period/year end are as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Non-current portion of lease liability	2,377,501	3,027,638
Current portion of lease liability	1,439,242	1,443,934
	<u>3,816,743</u>	<u>4,471,572</u>

The total interest expense on lease liabilities recognized during the period ended 31 March 2021 is SAR 15,313 (31 March 2020: SAR 50,140).

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(UNAUDITED) (continued)

31 March 2021

12 ZAKAT PAYABLE

The movement in provision during the period/year is set out below:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
At the beginning of the period/year	30,147,838	32,026,709
Provided for the period/year	2,564,535	11,327,625
Paid during the period/year	-	(13,206,496)
At the end of the period/year	32,712,373	30,147,838

Status of assessments

The Company has filed zakat returns with the General Authority of Zakat and Tax (“GAZT”) for the years from 2010 to 2019.

On review of the zakat return by GAZT for the long period ended 31 December 2010, a demand of SAR 2,256,659 was raised by the GAZT. The Company paid this demand and filed an appeal with GAZT. During 2014, GAZT revised its assessment of the zakat return for the long period ended 31 December 2010 after taking into consideration the effect of portfolio transfer and raised an additional demand of SAR 64,738. The Company paid this demand. The final assessment has not yet been carried out by the GAZT.

On review of the zakat return by the GAZT for the year 2011, a demand of SAR 2,378,604 has been raised by the GAZT. The Company paid this demand and filed an appeal with GAZT. On February 2019 GAZT revised its assessment of the zakat return to SAR 2,053,604 after taken into consideration the deduction of statutory deposit based on the decision of the Appeal Committee.

On review of the zakat return by the GAZT for the year 2012, a demand of SAR 1,979,521 has been raised by the GAZT. The Company paid this demand and filed an appeal with GAZT. The final assessments have not yet been carried out by the GAZT.

On review of the zakat return by the GAZT for the years 2013 and 2014 a demand of SAR 2,885,577 and SAR 2,885,577 respectively as initial assessments, have been raised by the GAZT. However, the Company has filed appeals with the GAZT. As the final assessments for 2013 and 2014 have been issued (in 2020) the 2013/2014 initial assessments have been cancelled automatically.

In 2020 the company received VAT assessments from GAZT for the FY 2018 and 2019 amounted 3,924,845 VAT plus 1,089,003 VAT delay penalties. Company objected against the assessment and still in procedure. Company paid the VAT assessment and cancelled the penalties as per GAZT initiatives and continue with the objection. GAZT rejected the objection and company appealed the cases in front of GSTC (High Tax Committee), the cases are still in discussion with GSTC.

In 2020 the company received zakat and WHT assessments from GAZT for the FY 2014 to 2019 amounted 14,667,767 zakat, 8,162,057 WHT and 3,823,855 WHT delay penalties. Company objected against the assessment and still in procedure. GAZT rejected the objection and company appealed the cases in front of GSTC (High Tax Committee), the cases are still in discussion with GSTC.

13 SHARE CAPITAL

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

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

31 March 2021

14 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 shares.

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 SAR 100 million
- Premium Solvency Margin
- Claims Solvency Margin

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

Management, through various scenario analyses as required by the regulator, has proactively assessed the potential of the COVID-19 by performing stress testing for various variables like: gross premium growth, employee costs, YTD loss ratio, outstanding premium provisions etc. and the related impact on the revenue, profitability, loss ratio and solvency ratio. Management has concluded that based on the preliminary stress testing performed the solvency of the Company can be reduced moderately if the current situation persists longer. As with any forecasts, the projections and likelihoods of occurrence are underpinned by significant judgement and uncertainty 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.

15 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company which is maintained with local bank designated by SAMA in accordance with the Cooperative Insurance Companies Control Law for insurance companies. This statutory deposit cannot be withdrawn without the consent of SAMA.

Accrued interest on the statutory deposit amounting to SR 2,353,079 (31 December 2020: SR 1,838,010) has been presented in the statement of financial position.

16 BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings per share for the period has been calculated by dividing the net (loss)/ income for the period after zakat by the number of issued and outstanding shares (30 million shares) at the period end.

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(UNAUDITED) (continued)

31 March 2021

17 RELATED PARTY TRANSACTIONS AND BALANCES

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

<i>Related party</i>	<i>Nature of transactions</i>	<u>Transactions for the period ended</u>		<u>Balance as at</u>	
		31 March 2021 (Unaudited) SAR	31 March 2020 (Unaudited) SAR	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Major Shareholders	Insurance premium written	2,149,039	146,493	4,441,275	3,248,096
	Claims paid	(613,279)	(3,071,292)	-	-
	Reinsurance premium ceded	(81,462)	(172,044)	(1,394,233)	(1,612,657)
Board of Directors and committees' members	Remuneration fees, allowances and other expense	(648,750)	(344,000)	(2,408,157)	(1,938,207)
	Insurance premium written	11,268,955	13,981,245	16,123,198	8,444,178
	Insurance brokerage contracts	(1,426,927)	(1,380,723)	(1,972,007)	(891,155)
Associate	General and administrative expenses	-	353,665	510,973	510,973

Balances in respect of the above transactions with related parties are included in the relevant accounts in the interim condensed statements of financial position and statement of income.

Compensation of key management personnel

Key management personnel of the Company include three top executives including the General Manager. The summary of compensation of key management personnel for the period is as follows:

	31 March 2021 (Unaudited) SAR	31 March 2020 (Unaudited) SAR
Short term benefits	284,145	755,250
End of service benefits	19,959	51,462
	304,104	806,712

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(UNAUDITED) (continued)

31 March 2021

18 INSURANCE OPERATING SEGMENTS

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 general and administrative expenses, allowance for doubtful debts, income on term deposits and investments, gain or loss on property, plant and equipment and investments. Accordingly, they are included in unallocated expenses or income.

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

For the three month period ended 31 March 2021	Motor SAR	Medical SAR	Property & Casualty SAR	Total SAR
<u>Gross Written Premiums</u>				
Individuals	4,176,397	-	110,086	4,286,483
Very small enterprises	405,333	7,337,500	764,057	8,506,890
Small enterprises	1,778,789	135,845	1,106,604	3,021,238
Medium sized enterprises	1,982,790	440	1,649,679	3,632,909
Large enterprises	14,002,864	4,870	2,350,873	16,358,607
Total gross written premiums	22,346,173	7,478,655	5,981,299	35,806,127

For the three month period ended 31 March 2020	Motor SAR	Medical SAR	Property & Casualty SAR	Total SAR
<u>Gross Written Premiums</u>				
Individuals	22,699,485	-	136,869	22,836,354
Very small enterprises	1,339,148	10,133,246	651,105	12,123,499
Small enterprises	2,222,205	78,836	1,640,939	3,941,980
Medium sized enterprises	2,683,140	24,631	2,055,268	4,763,039
Large enterprises	20,399,447	629	2,988,275	23,388,351
Total gross written premiums	49,343,425	10,237,342	7,472,456	67,053,223

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18 INSURANCE OPERATING SEGMENTS (continued)

For the three month period ended 31 March 2021 (Unaudited)	Motor SAR	Medical SAR	Property & Casualty SAR	Total SAR
<u>REVENUES</u>				
Gross written premiums	22,346,172	7,478,656	5,981,299	35,806,127
Reinsurance premiums ceded				
- Local	-	-	(437,711)	(437,711)
- Foreign – Direct	-	-	(415,301)	(415,301)
- Foreign – Through local reinsurance broker	-	-	(1,909,535)	(1,909,535)
Excess of loss premiums				
- Local	(162,396)	(64,932)	(112,082)	(339,410)
- Foreign – Through local reinsurance broker	(799,248)	(584,300)	(591,511)	(1,975,059)
Net premiums written	21,384,528	6,829,424	2,515,159	30,729,111
Change in unearned premiums, net	5,941,762	1,631,084	(262,304)	7,310,542
Net premiums earned	27,326,290	8,460,508	2,252,855	38,039,653
Reinsurance commissions	-	-	1,843,842	1,843,842
Policy fees and other underwriting income	78,268	57,000	280,360	415,628
<u>TOTAL REVENUES</u>	<u>27,404,558</u>	<u>8,517,508</u>	<u>4,377,057</u>	<u>40,299,123</u>
<u>UNDERWRITING COSTS</u>				
Gross claims paid	(28,522,050)	(7,612,422)	(1,061,990)	(37,196,462)
Reinsurers' share of claims paid	3,252,810	295,386	351,551	3,899,747
Net claims paid	(25,269,240)	(7,317,036)	(710,439)	(33,296,715)
Changes in outstanding claims, net	3,244,676	(32,863)	(60,697)	3,151,116
Changes in IBNR, net	1,978,942	96,038	(156,550)	1,918,430
Net claims incurred	(20,045,622)	(7,253,861)	(927,686)	(28,227,169)
Changes in premium deficiency reserves	(168,397)	(648,646)	(555,091)	(1,372,134)
Changes in other technical reserves	305,341	(358)	23,817	328,800
Policy acquisition costs	(1,141,776)	(796,820)	(469,119)	(2,407,715)
Inspection and supervision fees	(110,918)	(111,856)	(27,157)	(249,931)
Other underwriting expenses	(2,055,206)	(1,936,057)	-	(3,991,263)
<u>TOTAL UNDERWRITING COSTS</u>	<u>(23,216,578)</u>	<u>(10,747,598)</u>	<u>(1,955,236)</u>	<u>(35,919,412)</u>
NET UNDERWRITING SURPLUS/ (DEFICIT)	4,187,980	(2,230,090)	2,421,821	4,379,711
Unallocated other operating expenses				(13,870,001)
Unallocated investment income and other income				3,064,109
DEFICIT FROM INSURANCE OPERATIONS				<u>(6,426,181)</u>

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18 INSURANCE OPERATING SEGMENTS (continued)

For the three month period ended 31 March 2020 (Unaudited)	Motor SAR	Medical SAR	Property & Casualty SAR	Total SAR
<u>REVENUES</u>				
Gross written premiums	49,343,425	10,237,342	7,472,456	67,053,223
Reinsurance premiums ceded				
- Local	-	-	(626,240)	(626,240)
- Foreign – Direct	-	-	(818,636)	(818,636)
- Foreign – Through local reinsurance broker	-	-	(2,524,228)	(2,524,228)
Excess of loss premiums				
- Local	(160,319)	(45,000)	(342,813)	(548,132)
- Foreign – Through local reinsurance broker	(730,341)	(405,000)	(1,796,147)	(2,931,488)
Net premiums written	48,452,765	9,787,342	1,364,392	59,604,499
Change in unearned premiums, net	(12,566,447)	10,661,941	(19,431)	(1,923,937)
Net premiums earned	35,886,318	20,449,283	1,344,961	57,680,562
Reinsurance commissions	-	-	3,776,704	3,776,704
Policy fees and other underwriting income	501,889	-	63,380	565,269
<u>TOTAL REVENUES</u>	36,388,207	20,449,283	5,185,045	62,022,535
<u>UNDERWRITING COSTS</u>				
Gross claims paid	(27,683,474)	(29,251,065)	(3,540,781)	(60,475,320)
Reinsurers' share of claims paid	-	2,161,850	3,082,962	5,244,812
Net claims paid	(27,683,474)	(27,089,215)	(457,819)	(55,230,508)
Changes in outstanding claims, net	(5,073,038)	2,667,196	153,235	(2,252,607)
Changes in IBNR, net	3,110,860	203,398	450,701	3,764,959
Net claims incurred	(29,645,652)	(24,218,621)	146,117	(53,718,156)
Changes in premium deficiency reserves	(3,103,204)	1,112,635	(248,581)	(2,239,150)
Changes in other technical reserves	3,467	46,485	48,152	98,104
Policy acquisition costs	(1,549,287)	(2,231,500)	(792,899)	(4,573,686)
Inspection and supervision fees	(245,916)	(153,335)	(32,517)	(431,768)
Other underwriting expenses	(355,032)	(1,299,165)	(97,970)	(1,752,167)
<u>TOTAL UNDERWRITING COSTS</u>	(34,895,624)	(26,743,501)	(977,698)	(62,616,823)
NET UNDERWRITING SURPLUS/(DEFICIT)	1,492,583	(6,294,218)	4,207,347	(594,288)
Unallocated other operating expenses				(14,149,324)
Unallocated investment income and other income				3,564,634
DEFICIT FROM INSURANCE OPERATIONS				(11,178,978)

BURUJ COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

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18 INSURANCE OPERATING SEGMENTS (continued)

As at 31 March 2021 (Unaudited)	Motor SAR	Medical SAR	Property & Casualty SAR	Total Insurance Operations SAR
<u>Assets</u>				
Reinsurers' share of unearned premiums	-	-	11,711,965	11,711,965
Reinsurers' share of outstanding claims	7,843,918	1,140,903	23,897,640	32,882,461
Reinsurers' share of claims incurred but not reported	2,240,169	99,209	2,613,660	4,953,038
Deferred policy acquisition costs	2,149,032	1,426,599	828,940	4,404,571
Deferred excess of loss premiums	1,968,626	840,000	2,110,780	4,919,406
Total Segment assets	14,201,745	3,506,711	41,162,985	58,871,441
Unallocated assets				451,304,309
Total insurance operations assets				510,175,750
<u>LIABILITIES</u>				
Unearned premiums	46,940,988	16,900,668	17,286,508	81,128,164
Unearned reinsurance commission	-	-	1,436,549	1,436,549
Outstanding claims	75,114,835	9,434,606	33,057,394	117,606,835
Claims incurred but not reported	28,279,112	3,087,342	4,838,001	36,204,455
Premium deficiency reserve	13,378,921	10,378,987	960,562	25,125,470
Other technical reserves	3,921,813	270,359	1,281,299	5,473,471
Total Segment liabilities	168,042,669	40,071,962	58,860,313	266,974,944
Unallocated liabilities				243,200,806
Total insurance operations liabilities				510,175,750
As at December 31, 2020 (Audited)	Motor	Medical	Property & Casualty	Total Insurance Operations
<u>ASSETS</u>				
Reinsurers' share of unearned premiums	-	-	15,250,132	15,250,132
Reinsurers' share of outstanding claims	10,240,728	809,986	23,818,159	34,868,873
Reinsurers' share of claims incurred but not reported	2,474,295	94,739	3,225,556	5,794,590
Deferred policy acquisition costs	1,431,112	1,577,695	725,044	3,733,851
Total Segment assets	14,146,135	2,482,420	43,018,891	59,647,446
Unallocated assets				481,127,433
Total insurance operations assets				540,774,879
<u>LIABILITIES</u>				
Unearned premiums	52,882,750	18,531,752	20,562,371	91,976,873
Unearned reinsurance commission	-	-	1,606,945	1,606,945
Outstanding claims	80,756,321	9,070,826	32,917,216	122,744,363
Claims incurred but not reported	10,298,389	3,178,910	25,487,138	38,964,437
Premium deficiency reserve	13,617,524	9,730,343	405,469	23,753,336
Other technical reserves	4,227,154	270,001	1,305,116	5,802,271
Total Segment liabilities	161,782,138	40,781,832	82,284,255	284,848,225
Unallocated liabilities				255,926,654
Total insurance operations liabilities				540,774,879

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2021

19 SUPPLEMENTARY INFORMATION

Interim Condensed Statement of Financial Position

As at 31 March 2021 (Unaudited)

	Insurance operations	Shareholders' operations	Total
ASSETS			
Cash and cash equivalents	130,951,027	20,683,603	151,634,630
Time deposits	176,607,566	50,506,810	227,114,376
Premiums and reinsurers' receivable, net	49,626,686	-	49,626,686
Reinsurers' share of unearned premiums	11,711,965	-	11,711,965
Reinsurers' share of outstanding claims	32,882,461	-	32,882,461
Reinsurers' share of claims incurred but not reported	4,953,038	-	4,953,038
Deferred policy acquisition costs	4,404,571	-	4,404,571
Deferred excess of loss premiums	4,919,406	-	4,919,406
Investments	55,929,285	209,000,548	264,929,833
Due from insurance operations	-	162,764,781	162,764,781
Prepaid expenses and other assets	30,716,525	2,030,434	32,746,959
Right-of-use assets	4,153,051	-	4,153,051
Property, equipment and intangible assets, net	3,320,169	-	3,320,169
Investment in associate	-	611,457	611,457
Statutory deposit	-	30,000,000	30,000,000
Statutory deposit investment returns	-	2,353,079	2,353,079
TOTAL ASSETS	510,175,750	477,950,712	988,126,462
LIABILITIES			
Policyholders and accounts payables	31,274,543	-	31,274,543
Reinsurers' balances payable	7,296,943	-	7,296,943
Accrued expenses and other liabilities	24,057,418	2,649,631	26,707,049
Lease liabilities	3,816,743	-	3,816,743
Unearned premiums	81,128,164	-	81,128,164
Unearned reinsurance commission	1,436,549	-	1,436,549
Outstanding claims	117,606,835	-	117,606,835
Claims incurred but not reported	36,204,455	-	36,204,455
Premium deficiency reserve	25,125,470	-	25,125,470
Other technical reserves	5,473,471	-	5,473,471
Due to shareholders' operations	162,764,781	-	162,764,781
End-of-service benefits	13,771,241	-	13,771,241
Zakat payable	-	32,712,373	32,712,373
Statutory deposit investment returns	-	2,353,079	2,353,079
TOTAL LIABILITIES	509,956,613	37,715,083	547,671,696
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus	1,714,863	-	1,714,863
Fair value reserve on available for sale investments	1,222,306	-	1,222,306
Accumulated actuarial loss on end-of-service benefits	(2,718,032)	-	(2,718,032)
TOTAL LIABILITIES & INSURANCE OPERATIONS' SURPLUS	510,175,750	37,715,083	547,890,833
SHAREHOLDERS' EQUITY			
Share capital	-	300,000,000	300,000,000
Statutory reserve	-	50,721,307	50,721,307
Retained earnings	-	71,407,068	71,407,068
Fair value reserve on available for sale investments	-	17,882,287	17,882,287
Foreign currency translation adjustments	-	224,967	224,967
TOTAL SHAREHOLDERS' EQUITY	-	440,235,629	440,235,629
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	510,175,750	477,950,712	988,126,462

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

31 March 2021

19 SUPPLEMENTARY INFORMATION (continued)

Statement of Financial Position

As at 31 December 2020 (Audited)

	Insurance operations	Shareholders' operations	Total
ASSETS			
Cash and cash equivalents	86,742,417	45,149,516	131,891,933
Time deposits	274,302,128	14,505,930	288,808,058
Premiums and reinsurers' receivable, net	36,267,297	-	36,267,297
Reinsurers' share of unearned premiums	15,250,132	-	15,250,132
Reinsurers' share of outstanding claims	34,868,873	-	34,868,873
Reinsurers' share of claims incurred but not reported	5,794,590	-	5,794,590
Deferred policy acquisition costs	3,733,851	-	3,733,851
Deferred excess of loss premiums	-	-	-
Investments	52,732,939	199,708,514	252,441,453
Due from insurance operations	-	185,048,574	185,048,574
Prepaid expenses and other assets	22,795,872	2,219,964	25,015,836
Right-of-use assets	4,569,427	-	4,569,427
Property, equipment and intangible assets, net	3,717,353	-	3,717,353
Investment in associate	-	700,618	700,618
Statutory deposit	-	30,000,000	30,000,000
Statutory deposit investment returns	-	1,838,010	1,838,010
TOTAL ASSETS	540,774,879	479,171,126	1,019,946,005
LIABILITIES			
Policyholders and accounts payables	26,879,684	-	26,879,684
Reinsurers' balances payable	12,557,417	-	12,557,417
Accrued expenses and other liabilities	12,037,943	2,666,451	14,704,394
Lease liabilities	4,471,572	-	4,471,572
Unearned premiums	91,976,873	-	91,976,873
Unearned reinsurance commission	1,606,945	-	1,606,945
Outstanding claims	122,744,363	-	122,744,363
Claims incurred but not reported	38,964,437	-	38,964,437
Premium deficiency reserve	23,753,336	-	23,753,336
Other technical reserves	5,802,271	-	5,802,271
Due to shareholders' operations	185,048,574	-	185,048,574
End-of-service benefits	16,012,358	-	16,012,358
Zakat payable	-	30,147,838	30,147,838
Statutory deposit investment returns	-	1,838,010	1,838,010
TOTAL LIABILITIES	541,855,773	34,652,299	576,508,072
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus	1,714,863	-	1,714,863
Fair value reserve on available for sale investments	(77,725)	-	(77,725)
Accumulated actuarial loss on end-of-service benefits	(2,718,032)	-	(2,718,032)
TOTAL LIABILITIES & INSURANCE OPERATIONS' SURPLUS	540,774,879	34,652,299	575,427,178
SHAREHOLDERS' EQUITY			
Share capital	-	300,000,000	300,000,000
Statutory reserve	-	50,721,307	50,721,307
Retained earnings	-	79,817,669	79,817,669
Fair value reserve on available for sale investments	-	13,771,122	13,771,122
Foreign currency translation adjustments	-	208,729	208,729
TOTAL SHAREHOLDERS' EQUITY	-	444,518,827	444,518,827
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	540,774,879	479,171,126	1,019,946,005

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
31 March 2021

19 SUPPLEMENTARY INFORMATION (continued)

Interim Condensed Statement of Income	For the three month period ended 31 March 2021		
	(Unaudited)		
	Insurance Operations	Shareholders' Operations	Total
	SAR	SAR	SAR
<u>REVENUES</u>			
Gross written premiums	35,806,127	-	35,806,127
Reinsurance premiums ceded	(2,762,547)	-	(2,762,547)
Excess of loss premiums	(2,314,469)	-	(2,314,469)
Net premiums written	30,729,111	-	30,729,111
Changes in unearned premiums, net	7,310,542	-	7,310,542
Net premiums earned	38,039,653	-	38,039,653
Reinsurance commissions	1,843,842	-	1,843,842
Policy fees and other underwriting income	415,628	-	415,628
<u>TOTAL REVENUES</u>	40,299,123	-	40,299,123
<u>UNDERWRITING COSTS</u>			
Gross claims paid	(37,196,462)	-	(37,196,462)
Reinsurers' share of claims paid	3,899,747	-	3,899,747
Net claims paid	(33,296,715)	-	(33,296,715)
Changes in outstanding claims, net	3,151,116	-	3,151,116
Changes in claims incurred but not reported, net	1,918,430	-	1,918,430
Net claims incurred	(28,227,169)	-	(28,227,169)
Changes in premium deficiency reserves	(1,372,134)	-	(1,372,134)
Changes in other technical reserves	328,800	-	328,800
Policy acquisition costs	(2,407,715)	-	(2,407,715)
Inspection and supervision fees	(249,931)	-	(249,931)
Other underwriting expenses	(3,991,263)	-	(3,991,263)
<u>TOTAL UNDERWRITING COSTS</u>	(35,919,412)	-	(35,919,412)
NET UNDERWRITING DEFICIT	4,379,711	-	4,379,711
OTHER OPERATING (EXPENSES)/INCOME			
Reversal of doubtful debts provision	1,414,392	-	1,414,392
General and administrative expenses	(15,284,393)	(823,219)	(16,107,612)
Commission income on deposits and investments	951,792	1,182,165	2,133,957
Dividend income	200,459	1,646,537	1,846,996
Realized gain on investments	1,848,713	(66,710)	1,782,003
Impairment of available for sale investments	-	(1,218,783)	(1,218,783)
Share of loss of associate	-	(89,161)	(89,161)
Other income/(expense)	63,145	(50,714)	12,431
<u>TOTAL OTHER OPERATING EXPENSES/INCOME</u>	(10,805,892)	580,115	(10,225,777)
Total loss before surplus attribution and zakat	(6,426,181)	580,115	(5,846,066)
Deficit attributable to shareholders	6,426,181	(6,426,181)	-
Net loss before zakat	-	(5,846,066)	(5,846,066)
Zakat charge	-	(2,564,535)	(2,564,535)
Net loss after zakat	-	(8,410,601)	(8,410,601)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (Continued)

31 March 2021

19 SUPPLEMENTARY INFORMATION (continued)

Interim Condensed Statement of Income	For the three month period ended 31 March 2020		
	(Unaudited)		
	Insurance Operations SAR	Shareholders' Operations SAR	Total SAR
REVENUES			
Gross written premiums	67,053,223	-	67,053,223
Reinsurance premiums ceded	(3,969,104)	-	(3,969,104)
Excess of loss premiums	(3,479,620)	-	(3,479,620)
Net premiums written	59,604,499	-	59,604,499
Changes in unearned premiums, net	(1,923,937)	-	(1,923,937)
Net premiums earned	57,680,562	-	57,680,562
Reinsurance commissions	3,776,704	-	3,776,704
Policy fees and other underwriting income	565,269	-	565,269
TOTAL REVENUES	62,022,535	-	62,022,535
UNDERWRITING COSTS			
Gross claims paid	(60,475,320)	-	(60,475,320)
Reinsurers' share of claims paid	5,244,812	-	5,244,812
Net claims paid	(55,230,508)	-	(55,230,508)
Changes in outstanding claims, net	(2,252,607)	-	(2,252,607)
Changes in claims incurred but not reported, net	3,764,959	-	3,764,959
Net claims incurred	(53,718,156)	-	(53,718,156)
Changes in premium deficiency reserves	(2,239,150)	-	(2,239,150)
Changes in other technical reserves	98,104	-	98,104
Policy acquisition costs	(4,573,686)	-	(4,573,686)
Inspection and supervision fees	(431,768)	-	(431,768)
Other underwriting expenses	(1,752,167)	-	(1,752,167)
TOTAL UNDERWRITING COSTS	(62,616,823)	-	(62,616,823)
NET UNDERWRITING DEFICIT	(594,288)	-	(594,288)
OTHER OPERATING (EXPENSES)/INCOME			
Reversal of doubtful debts provision	211,973	-	211,973
General and administrative expenses	(14,361,297)	(642,167)	(15,003,464)
Commission income on deposits and investments	2,568,198	1,227,495	3,795,693
Dividend income	471,053	2,127,321	2,598,374
Realized gain on investments	158,138	19,040	177,178
Impairment of available for sale investments	(1,595,399)	(5,531,398)	(7,126,797)
Share of profit of associate	-	441,231	441,231
Other income/(expense)	1,962,644	(453,666)	1,508,978
TOTAL OTHER OPERATING (EXPENSES)/INCOME	(10,584,690)	(2,812,144)	(13,396,834)
Total loss before surplus attribution and zakat	(11,178,978)	(2,812,144)	(13,991,122)
Deficit attributable to shareholders	11,178,978	(11,178,978)	-
Net loss before zakat	-	(13,991,122)	(13,991,122)
Zakat charge	-	(2,441,668)	(2,441,668)
Net loss after zakat	-	(16,432,790)	(16,432,790)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
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19 SUPPLEMENTARY INFORMATION (continued)

Interim Condensed Statement of Comprehensive Income	For the three month period ended 31 March 2021 (Unaudited)		
	Insurance Operations SAR	Shareholders' Operations SAR	Total SAR
	Net loss for the period	-	(8,410,601)
Other comprehensive loss			
<i>Items that will be reclassified to statements of income in subsequent periods</i>			
Available for sale investments:			
- Net realized gain transferred to statement of income	(1,848,713)	66,710	(1,782,003)
- Net change in fair value	3,148,744	4,044,455	7,193,199
Change in Foreign currency translation	-	16,238	16,238
	1,300,031	4,127,403	5,427,434
Total comprehensive loss for the period	1,300,031	(4,283,198)	(2,983,167)

Interim Condensed Statement of Comprehensive Income	For the three month period ended 31 March 2020 (Unaudited)		
	Insurance Operations SAR	Shareholders' Operations SAR	Insurance Operations SAR
	Net loss for the period	-	(16,432,790)
Other comprehensive loss			
<i>Items that will be reclassified to statements of income in subsequent periods</i>			
Available for sale investments:			
- Net realized gain transferred to statement of income	(158,138)	(19,040)	(177,178)
- Net change in fair value	(886,767)	(15,260,783)	(16,147,550)
	(1,044,905)	(15,279,823)	(16,324,728)
Total comprehensive loss for the period	(1,044,905)	(31,712,613)	(32,757,518)

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

31 March 2021

19 SUPPLEMENTARY INFORMATION (continued)

Interim Condensed Statement of Cash Flows	For the three month period ended 31 March 2021 (Unaudited)		
	Insurance operations	Shareholders' operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before zakat	-	(5,846,066)	(5,846,066)
Deficit attributable to the shareholders	(6,426,181)	6,426,181	-
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment	369,747	-	369,747
Loss on disposal of property and equipment	474	-	474
Reversal of doubtful debts provision	(1,414,392)	-	(1,414,392)
Right-of-use depreciation	416,376	-	416,376
Interest expense on lease liability	15,313	-	15,313
Share of loss of associate	-	89,161	89,161
Provision for end-of-service indemnities	(77,931)	-	(77,931)
Realized gain from investments	(1,848,713)	66,710	(1,782,003)
Impairment of available for sale investments	-	1,218,783	1,218,783
<i>Changes in operating assets and liabilities:</i>			
Premiums and reinsurers' receivable	(11,944,997)	-	(11,944,997)
Reinsurers' share of unearned premiums	3,538,167	-	3,538,167
Reinsurers' share of outstanding claims	1,986,412	-	1,986,412
Reinsurers' share of claims incurred but not reported	841,552	-	841,552
Deferred policy acquisition costs	(670,720)	-	(670,720)
Deferred excess of loss premiums	(4,919,406)	-	(4,919,406)
Prepaid expenses and other assets	(7,920,653)	189,530	(7,731,123)
Policyholders and accounts payables	4,394,859	-	4,394,859
Reinsurers' balances payable	(5,260,474)	-	(5,260,474)
Accrued expenses and other liabilities	12,019,475	(16,820)	12,002,655
Unearned premiums	(10,848,709)	-	(10,848,709)
Unearned reinsurance commission	(170,396)	-	(170,396)
Outstanding claims	(5,137,528)	-	(5,137,528)
Claims incurred but not reported	(2,759,982)	-	(2,759,982)
Premium deficiency reserve	1,372,134	-	1,372,134
Other technical reserves	(328,800)	-	(328,800)
	(34,774,373)	2,127,479	(32,646,894)
End-of-service indemnities paid	(2,163,186)	-	(2,163,186)
Net cash (used in)/generated from operating activities	(36,937,559)	2,127,479	(34,810,080)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposals in time deposits	97,694,562	(36,000,880)	61,693,682
Additions in investments	(26,172,939)	(7,496,793)	(33,669,732)
Proceeds from available for sale investments	26,125,337	1,046,669	27,172,006
Additions/disposals in property and equipment	(83,223)	-	(83,223)
Proceeds from disposal of property and equipment	110,186	-	110,186
Net cash generated from/(used in) investing activities	97,673,923	(42,451,004)	55,222,919
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities	(670,142)	-	(670,142)
Due to shareholders' operations	(15,857,612)	15,857,612	-
Net cash generated from/(used in) financing activities	(16,527,754)	15,857,612	(670,142)
Net change in cash and cash equivalents	44,208,610	(24,465,913)	19,742,697
Cash and cash equivalents, beginning of the period	86,742,417	45,149,516	131,891,933
Cash and cash equivalents, end of the period	130,951,027	20,683,603	151,634,630
<i>Non-cash transactions:</i>			
Change in fair value of available for sale investments	1,300,030	4,111,165	5,411,195
Foreign currency translation adjustments	-	16,238	16,238

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(UNAUDITED) (Continued)

31 March 2021

19 SUPPLEMENTARY INFORMATION (continued)

Interim Condensed Statement of Cash Flows	For the three month period ended 31 March 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before zakat	-	(13,991,122)	(13,991,122)
<i>Adjustments for non-cash items:</i>			
Deficit attributable to the shareholders	(11,178,978)	11,178,978	-
Depreciation of property and equipment	392,732	-	392,732
Loss on disposal of property and equipment	36,399	-	36,399
Reversal of doubtful debts provision	(211,973)	-	(211,973)
Right-of-use depreciation	405,925	-	405,925
Interest expense on lease liability	50,140	-	50,140
Share of profit of associate	-	(441,231)	(441,231)
Provision for end-of-service indemnities	473,699	-	473,699
Realized gain from investments	(158,138)	(19,040)	(177,178)
Impairment of available for sale investments	1,595,399	5,531,398	7,126,797
<i>Changes in operating assets and liabilities:</i>			
Premiums and reinsurers' receivable	(7,535,740)	-	(7,535,740)
Reinsurers' share of unearned premiums	5,095,491	-	5,095,491
Reinsurers' share of outstanding claims	1,238,733	-	1,238,733
Reinsurers' share of claims incurred but not reported	194,590	-	194,590
Deferred policy acquisition costs	(484,421)	-	(484,421)
Deferred excess of loss premiums	(5,723,696)	-	(5,723,696)
Prepaid expenses and other assets	1,436,445	574,004	2,010,449
Policyholders and accounts payables	3,730,956	-	3,730,956
Reinsurers' balances payable	(7,361,924)	-	(7,361,924)
Accrued expenses and other liabilities	4,147,740	(274,433)	3,873,307
Unearned premiums	(3,171,554)	-	(3,171,554)
Unearned reinsurance commission	(185,738)	-	(185,738)
Outstanding claims	1,013,874	-	1,013,874
Claims incurred but not reported	(3,959,549)	-	(3,959,549)
Premium deficiency reserve	2,239,150	-	2,239,150
Other technical reserves	(98,104)	-	(98,104)
	(18,018,542)	2,558,554	(15,459,988)
End-of-service indemnities paid	(43,665)	-	(43,665)
Net cash generated from/(used in) operating activities	(18,062,207)	2,558,554	(15,503,653)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal in time deposits	60,963,801	-	60,963,801
Additions in investments	(22,068,378)	(11,250,300)	(33,318,678)
Proceeds from available for sale investments	2,987,013	10,650,656	13,637,669
Additions/disposals in property and equipment	(329,579)	-	(329,579)
Proceeds from disposal of property and equipment	4,000	-	4,000
Net cash (used in)/generated from investing activities	41,556,857	(599,644)	40,957,213
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities	(670,142)	-	(670,142)
Due to shareholders' operations	412,368	(412,368)	-
Net cash generated from/(used in) financing activities	(257,774)	(412,368)	(670,142)
Net change in cash and cash equivalents	23,236,876	1,546,542	24,783,418
Cash and cash equivalents, beginning of the period	70,968,861	54,491,877	125,460,738
Cash and cash equivalents, end of the period	94,205,737	56,038,419	150,244,156
<i>Non-cash transactions:</i>			
Change in fair value of available for sale investments	(1,044,905)	(15,279,823)	(16,324,728)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (Continued)

31 March 2021

20 COMPARATIVE FIGURES

Certain prior period figures have been reclassified to conform to current period presentations; however there is no impact of such reclassifications to the overall presentation of the interim condensed financial statements.

21 SUBSEQUENT EVENT

In response to the Covid-19 pandemic, SAMA issued a decree 189 (the “Decree”) dated 08 May 2020 to all insurance companies in the Kingdom of Saudi Arabia. Among various other matters relating to the insurance sector, the Decree instructs all the insurance companies to extend the period of validity of all existing retail motor insurance policies by two months as well as providing a two-month additional coverage for all new retail motor policies written within one month of this Decree and allowing insurance companies not to cancel the policy in the event the insured fails to pay the premiums. The management believes that such requirements of the Decree are a non-adjusting event and therefore the interim condensed financial information has not been adjusted.

22 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 09 May 2021 corresponding to 27 Ramadan 1442H.