

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30
JUNE 2021**

**ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2021**

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

**TO THE SHAREHOLDERS OF
ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
Kingdom of Saudi Arabia**

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of **Arabia Insurance Cooperative Company (the "Company")** as at 30 June 2021, and the related interim condensed statements of income, comprehensive income for the three and six month periods ended, and changes in shareholders' equity and cash flows for the six month period ended and a summary of significant accounting policies and other explanatory notes ("interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the 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 condensed 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 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.

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16 August 2021
08 Muharram 1443H



ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021
Expressed in Saudi Riyals

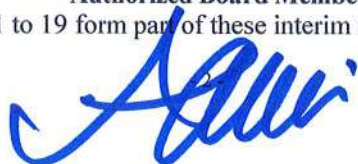
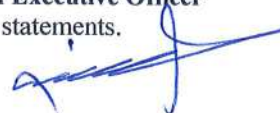
	Notes	30 June 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Cash and cash equivalents	4	106,736,281	149,327,454
Premiums and reinsurance receivables, net	5	188,413,987	141,113,737
Reinsurers' share of unearned premiums	7-2	64,606,504	42,904,729
Reinsurers' share of outstanding claims	7-1	65,288,906	33,977,846
Reinsurers' share of claims incurred but not reported	7-1	7,602,725	9,378,725
Deferred policy acquisition costs		16,525,226	11,017,762
Deferred excess of loss premiums		2,450,682	-
Investments	6	115,487,533	104,153,512
Due from related party	11	83,346	92,998
Prepayments and other assets		19,205,814	18,313,513
Right-of-use assets		4,293,333	5,371,952
Time deposits		77,245,975	63,764,208
Property and equipment, net		7,392,260	6,598,727
Statutory deposit		40,000,000	40,000,000
Return on statutory deposit		4,379,218	4,290,280
TOTAL ASSETS		719,711,790	630,305,443
LIABILITIES			
Accounts payable		23,753,312	23,683,805
Accrued expenses and other liabilities		31,164,294	28,210,537
Reinsurers' balance payables		47,677,841	29,424,459
Unearned premiums	7-2	197,629,338	140,802,544
Unearned reinsurance commission		6,287,030	3,277,777
Outstanding claims	7-1	100,669,762	80,887,169
Claims incurred but not reported	7-1	51,665,723	59,981,723
Premium deficiency reserve and other reserves	7-1	13,859,000	15,630,000
Due to related party	11	243,792	-
Provision for end of service benefits		10,901,794	10,427,777
Zakat and income tax accrued	12	5,224,962	6,281,980
Lease liability		3,838,570	4,911,126
Return on investment of accrued statutory deposit		4,379,218	4,290,280
TOTAL LIABILITIES		497,294,636	407,809,177
INSURANCE OPERATIONS' ACCUMULATED SURPLUS			
Accrued surplus distributions		2,394,503	2,252,905
Actuarial loss on defined benefit plan		(1,522,932)	(1,522,932)
TOTAL LIABILITIES & ACCUMULATED SURPLUS		498,166,207	408,539,150
SHAREHOLDERS' EQUITY			
Share Capital	13	265,000,000	265,000,000
Accumulated losses		(43,603,590)	(43,978,974)
Investment revaluation reserve		149,173	745,267
TOTAL SHAREHOLDERS' EQUITY		221,545,583	221,766,293
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		719,711,790	630,305,443

Chief Financial Officer

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

Authorized Board Member

Chief Executive Officer

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIOD ENDED 30 JUNE 2021
Expressed in Saudi Riyals

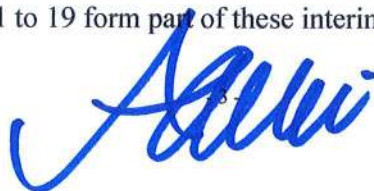
	Note	For three months period ended		For six months period ended	
		30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
REVENUES					
Gross premiums written					
- Direct		65,251,335	91,273,813	240,845,341	212,193,989
Reinsurance premiums ceded					
- Foreign		(17,432,068)	(37,713,467)	(61,338,365)	(54,954,703)
- Local		(9,543,741)	(1,323,120)	(18,688,955)	(4,068,728)
Excess of loss expenses		(1,225,344)	(1,080,000)	(2,450,688)	(2,160,000)
Net premiums written		37,050,182	51,157,226	158,367,333	151,010,558
Changes in unearned premiums, net		26,465,347	11,688,131	(35,125,019)	(30,619,342)
Net premiums earned		63,515,529	62,845,357	123,242,314	120,391,216
Reinsurance commission earned		5,611,083	2,257,339	10,874,045	5,363,096
Other income		-	-	1,488,265	-
NET REVENUES		69,126,612	65,102,696	135,604,624	125,754,312
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		(65,987,418)	(48,294,940)	(128,122,081)	(108,567,920)
Reinsurers' share of claims paid		11,422,379	18,250,966	23,530,065	38,074,383
Net claims paid		(54,565,039)	(30,043,974)	(104,592,016)	(70,493,537)
Changes in outstanding claims, net		7,883,520	(4,143,177)	11,528,467	(3,582,015)
Changes in claims incurred but not reported, net		3,342,000	9,152,001	6,540,000	10,573,000
Net claims incurred		(43,339,519)	(25,035,150)	(86,523,549)	(63,502,552)
Policy acquisition costs		(8,849,773)	(4,777,126)	(15,321,635)	(9,235,901)
Changes in premium deficiency reserve and other reserves		2,613,000	(11,083,000)	1,771,000	(13,172,200)
Other underwriting expenses		-	(6,671,609)	-	(6,671,609)
TOTAL UNDERWRITING COSTS AND EXPENSES		(49,576,292)	(47,566,885)	(100,074,184)	(92,582,262)
NET UNDERWRITING INCOME		19,550,320	17,535,811	35,530,440	33,172,050
OTHER OPERATING (EXPENSES) / INCOME					
Reverse for doubtful debts		(5,150,246)	2,619,610	(2,615,670)	3,002,365
General and administrative expenses		(15,430,856)	(16,967,547)	(32,491,515)	(35,482,951)
Commission income on deposits		191,084	667,113	424,026	1,611,466
Gains on sold available for sale investments	6	1,537,538	-	1,537,538	768,858
Dividend income		979,154	946,304	1,752,095	1,919,737
TOTAL OTHER OPERATING EXPENSES / (INCOME)		(17,873,326)	(12,734,520)	(31,393,526)	(28,180,525)
Total income for the period before zakat and income tax		1,676,994	4,801,291	4,136,914	4,991,525
Zakat and income tax	12	(1,500,000)	(1,500,000)	(3,619,932)	(3,000,000)
Net income / (loss) for the period after zakat and income tax		176,994	3,301,291	516,982	1,991,525
Income for the period attributed to the insurance operations		-	(159,044)	(141,598)	(159,044)
INCOME FOR THE PERIOD ATTRIBUTED TO THE SHAREHOLDERS		176,994	3,142,247	375,384	1,832,481
Basic earnings / (loss) per share	15	0.01	0.12	0.01	0.07

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

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




ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIOD ENDED 30 JUNE 2021**

Expressed in Saudi Riyals

	For the three months period ended		For the six months period ended	
	30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
Income for the period attributed to the shareholders	176,994	3,301,291	516,982	1,991,525
Other comprehensive income:				
<i>Items may be reclassified to statements of income in subsequent periods</i>				
- Available for sale investments				
- Net change in fair value	(1,006,058)	701,772	(596,094)	(319,305)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(829,064)	4,003,063	(79,112)	1,672,220
Total comprehensive income attributed to the insurance operations	-	(159,044)	(141,598)	(159,044)
Total comprehensive income / (loss) attributable to the shareholders	(829,064)	3,844,019	(220,710)	1,513,176

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021
Expressed in Saudi Riyals

	Share capital	Accumulated losses	Investment revaluation reserve	Total Shareholders' Equity
2021				
Balance, beginning of the period	265,000,000	(43,978,974)	745,267	221,766,293
Total comprehensive income for the period:				
Net income for the period attributable to the shareholders	-	375,384	-	375,384
Changes in fair values of available for sale investments	-	-	(596,094)	(596,094)
Total comprehensive income for the period	-	375,384	(596,094)	(220,710)
Balance, ending of the period	265,000,000	(43,603,590)	149,173	221,545,583
2020				
Balance, beginning of the period	265,000,000	(50,236,106)	1,143,431	215,907,325
Total comprehensive loss for the period:				
Net loss for the period attributable to the shareholders	-	1,832,481	-	1,832,481
Changes in fair values of available for sale investments	-	-	(319,305)	(319,305)
Total comprehensive loss for the period	-	1,832,481	(319,305)	1,513,176
Balance, ending of the period	265,000,000	(48,403,625)	824,126	217,420,501

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021
Expressed in Saudi Riyals

	Notes	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period		516,982	1,991,525
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment		1,243,023	1,070,276
Gain on sale of property and equipment		-	(3,000)
Depreciation of Right-of-use assets		1,078,619	977,049
Finance charges		89,949	117,513
Allowance for doubtful debts		2,615,670	(3,002,365)
Loss on sale of available for sale investments		(1,537,538)	(768,858)
Provision for end-of-service benefits		831,175	848,522
Accrued zakat and income tax		3,619,932	3,000,000
		<u>8,457,812</u>	<u>4,230,662</u>
<u>Changes in operating assets and liabilities:</u>			
Premiums and reinsurance receivables		(49,915,920)	(46,170,530)
Reinsurers' share of unearned premiums		(21,701,775)	1,253,817
Reinsurers' share of outstanding claims		(31,311,060)	(9,890,006)
Reinsurers' share of claims incurred but not reported		1,776,000	3,972,000
Deferred policy acquisition costs		(5,507,464)	(4,788,930)
Deferred excess loss expense		(2,450,682)	(2,160,000)
Due from related party		9,652	(9,652)
Prepaid expenses and other assets		(892,303)	(4,145,514)
Accounts payable		69,507	(5,421,468)
Accrued expenses and other liabilities		2,953,757	2,033,454
Reinsurers' balances payable		18,253,382	2,164,197
Unearned premiums		56,826,794	29,365,525
Unearned reinsurance commission		3,009,253	1,940,713
Outstanding claims		19,782,593	13,472,021
Claims incurred but not reported		(8,316,000)	(14,545,000)
Premium deficiency reserve and other reserves		(1,771,000)	13,172,200
Accrued surplus distribution		-	(500,484)
Due to related parties		243,792	(41,197)
<u>Cash used in operating activities</u>		<u>(10,483,662)</u>	<u>(16,068,192)</u>
Zakat and income tax paid		(4,676,950)	(4,353,833)
End-of-service benefits paid		(357,158)	(1,866,891)
<u>Net cash used in operating activities</u>		<u>(15,517,770)</u>	<u>(22,288,916)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Additions) / disposals in investments		(10,392,577)	7,608,427
(Additions) / disposals in time deposits		(13,481,767)	49,283,200
Additions in property and equipment		(2,036,553)	(1,215,227)
<u>Net cash from investing activities</u>		<u>(25,910,897)</u>	<u>55,676,400</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		(1,162,506)	(1,056,793)
<u>Net cash used in financing activities</u>		<u>(1,162,506)</u>	<u>(1,056,793)</u>
Net change in cash and cash equivalents		(42,591,173)	32,330,691
Cash and cash equivalents at the beginning of the period		149,327,454	66,592,662
<u>Cash and cash equivalents at the end of the period</u>	4	<u>106,736,281</u>	<u>98,923,353</u>
NON- CASH TRANSACTIONS:			
Changes in fair value of available for sale investments	6	(596,094)	(319,305)

Chief Financial Officer

Authorized Board Member

Chief Executive Officer

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

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Arabia Insurance Cooperative Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010243302 dated 18 Muharram 1429H (corresponding to 27 January 2008). The registered address of the Company is P.O. Box 28655, Riyadh 11323, Kingdom of Saudi Arabia.

The objectives of the Company is to transact cooperative insurance business and carry out related activities in the Kingdom of Saudi Arabia. Its principal activity includes all classes of general insurance, medical insurance, savings and protection. The Company was listed on the Saudi Stock Exchange (Tadawul) on 26 Muharram 1429H (corresponding to 4 February 2008). The Company started insurance and reinsurance operations on 4 Muhram 1430H (corresponding to 1 January 2009).

On 14 Jumada Thani 1435H (corresponding to 14 April 2014), the Saudi Central Bank (SAMA) issued official approval numbered 351000076885 to amend the licence issued to the Company number TMN/15/20086 to transact insurance and reinsurance activities to be restricted to insurance activities only.

The Company amended the Articles of Association in line with the amendments of the Saudi Companies Regulations issued in 1437H (2015).

2. BASIS OF PREPARATION

a) Basis of presentation:

The interim condensed financial statements of the company have been prepared in accordance with International Accounting Standard 34 - Initial Financial Report approved in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants.

The interim condensed financial statements of the company were prepared for the period ended on June 30, 2021 in accordance with International Accounting Standard 34 adopted in the Kingdom of Saudi Arabia and the Insurance Control Law and corporate regulations in the Kingdom of Saudi Arabia.

On 23 July 2019, the Saudi Central Bank (SAMA) instructed the insurance companies in the Kingdom of Saudi Arabia to account for the zakat and income taxes in the statement of income. This aligns with the IFRS and its interpretations as issued by the International Accounting Standards Board (“IASB”).

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

The financial statements are prepared on the going concern basis and on the historical cost basis, except for available-for-sale investments where they are measured at fair value and end of service benefits are measured at present value. The balance sheet is not displayed using the current / non-current classification. Nevertheless, the following balances are generally classified in circulation: cash and cash equivalents, insurance premiums receivable, reinsurance receivables, investments, deferred underwriting costs, prepaid expenses, other assets, accounts payable, reinsurers' receivables, outstanding claims, accrued expenses, other liabilities, provision for zakat, taxes, distribution of the surplus due and non-insurance premiums Earned, reimbursed share of unearned premiums, and deferred subscription costs unearned commission income,. The following balances are generally classified as non-current: end of service indemnities, statutory deposit, returns on statutory deposit, commission income payable to the Saudi Central Bank, claims incurred but not reported, and property and equipment, intangible assets, statutory deposit, end of service benefits, and right of use assets.

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021

2. BASIS OF PREPARATION (continued)

a) Basis of presentation: (continued)

The statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 16 of the financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations. Accordingly, the statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, 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 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 must be read in conjunction with the annual financial statements of the company as they are on December 31, 2020.

The interim condensed financial statements are expressed in Saudi riyals.

b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results ultimately may differ from those estimates. Moreover, the company has reviewed the main sources to estimate the uncertainty disclosed in the latest annual financial statements regarding the Coronavirus (Covid-19) pandemic, moreover, the company has considered the following:

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.

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021

3. BASIS OF PREPARATION (continued)

b) Significant accounting judgements, estimates and assumptions (continued)

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 unfavorable 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 June 2021 for its liability adequacy test.

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. There is no material impact on the two-month period of the premiums earned as on June 30, 2021, due to the absence of large amounts for the premiums that were subscribed during the one-month period.

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

ARABIA INSURANCE COOPERATIVE COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021**

3. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The significant accounting policies and risk management policies adopted in preparing these condensed interim financial statements are consistent with those that are followed in preparing the annual financial statements of the company for the year ended December 31, 2020.

New standards were issued, but not yet effective

The standards and interpretations that were issued, but were not effective until the date of issuance of the initial financial statements of the company, are disclosed below. The Company intends to adopt these standards, if required, when they become effective.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work although the date of approval is subject to the recently issued exposure draft on replacing IAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in the IAS International 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 Transfer Disclosures, issued in December 2011, move the mandatory effective date to January 1, 2015.

However, on November 19, 2013, the International Accounting Standards Board issued IFRS 9 Financial Instruments (Hedge Accounting and Amendments to IFRS 9) amending IFRS 9 to include the new general hedge accounting model. At its February 2014 meeting, the International Accounting Standards Board decided that IFRS 9 would be effective and mandatory for annual reporting periods beginning on or after January 1, 2018, with an optional temporary exception to postpone the application of IFRS 9 until January 1, 2022. For companies whose activities are mostly associated with insurance. In line with other insurance companies in the Kingdom of Saudi Arabia, the company has postponed the application of IFRS 9 until 1 January 2023 to comply with the adoption of IFRS 17.

IFRS 17 Insurance Contracts

The International Accounting Standards Board issued IFRS 17 in May 2017. IFRS 17 will be mandatory for annual reporting periods beginning on or after January 1, 2023. Once it becomes effective, the IFRS becomes available. Financial No. 17 replaces IFRS 4 that was issued in 2005. The overall goal of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts between entities that issue insurance contracts globally. The company is in the process of evaluating the impact of IFRS 17.

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4. CASH AND CASH EQUIVALENTS

	30 June 2021 (Unaudited) SR		
	<i>Insurance operations SR</i>	<i>Shareholders' Operations SR</i>	<i>Total SR</i>
Cash on hand and in Banks	41,486,658	44,849,623	86,336,281
Time deposits	20,400,000	-	20,400,000
	<u>61,886,658</u>	<u>44,849,623</u>	<u>106,736,281</u>
	31 December 2020 (Audited) SR		
	<i>Insurance operations SR</i>	<i>Shareholders' Operations SR</i>	<i>Total SR</i>
Cash on hand and in Banks	33,351,069	36,788,541	70,139,610
Time deposits	-	79,187,844	79,187,844
	<u>33,351,069</u>	<u>115,976,385</u>	<u>149,327,454</u>

5. PREMIUMS AND REINSURANCE RECEIVABLES, NET

Premiums and reinsurance receivables comprise of the following:

	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Policyholders	238,858,454	183,112,829
Less: Provision for doubtful debt	(61,930,743)	(59,093,630)
Net premiums receivables	<u>176,927,711</u>	<u>124,019,199</u>
Reinsurance balances receivable	14,799,649	20,629,354
Less: Provision for doubtful debt	(3,313,373)	(3,534,816)
Net reinsurance balances receivable	<u>11,486,276</u>	<u>17,094,538</u>
Total premiums and reinsurance balances receivable, net	<u>188,413,987</u>	<u>141,113,737</u>

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6. INVESTMENTS

Investments comprise of the following:

	30 June 2021 (Unaudited)			31 December 2020 (Audited)		
	Insurance operations SR	Shareholders' Operations SR	Total SR	Insurance operations SR	Shareholders' Operations SR	Total SR
Investments available for sale	-	38,516,389	38,516,389	-	25,182,368	25,182,368
Investments held to maturity *	32,653,125	44,318,019	76,971,144	32,653,125	46,318,019	78,971,144
Total	32,653,125	82,834,408	115,487,533	32,653,125	71,500,387	104,153,512

* Bonds are stated in the statement of financial position at amortized cost. The fair value of investments acquired to maturity amounted to SR 80,050,627 (31 December 2020: SR 82,498,266).

- The movement in investments is as follows:

	Insurance operations	
	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Beginning balance	32,653,125	29,854,688
Additions	-	2,798,437
Ending balance	32,653,125	32,653,125

	Shareholders' operations	
	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Beginning balance	71,500,387	120,143,040
Additions	64,615,826	6,700,000
Disposals	(54,223,249)	(56,960,148)
Net additions and disposals	10,392,577	(50,260,148)
Realized profit during the period / year	1,537,538	2,015,659
Change in fair value of investments	(596,094)	(398,164)
Ending balance	82,834,408	71,500,387

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7. TECHNICAL RESERVES

7-1. Net outstanding claims and other reserves

Net outstanding claims and other reserves comprise of the following:

	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Outstanding claims	110,816,395	89,174,451
Less: Realizable value of salvage and subrogation	(10,146,633)	(8,287,282)
	100,669,762	80,887,169
Claims incurred but not reported	51,665,723	59,981,723
Premium deficiency reserve and other reserves	13,859,000	15,630,000
	65,524,723	75,611,723
Less:		
- Reinsurers' share of outstanding claims	65,288,906	33,977,846
- Reinsurers' share of claims Incurred but not reported	7,602,725	9,378,725
	72,891,631	43,356,571
	93,302,854	113,142,321

7-2. MOVEMENT IN UNEARNED PREMIUMS

Movement in unearned premiums is as follows:

	Six months' period ended 30 June 2021 (Unaudited)			Year ended 31 December 2020 (Audited)		
	Total SR	Reinsurers SR	Net SR	Total SR	Reinsurers SR	Net SR
Balance at the beginning of the period	140,802,544	(42,904,729)	97,897,815	148,601,943	(55,863,062)	92,738,881
Premium written during the period	240,845,341	(82,478,008)	158,367,333	346,431,646	(100,629,444)	245,802,202
Premium earned during the period	(184,018,547)	60,776,233	(123,242,314)	(354,231,045)	113,587,777	(240,643,268)
Balance at the end of the period	197,629,338	(64,606,504)	133,022,834	140,802,544	(42,904,729)	97,897,815

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8. COMMITMENTS AND CONTINGENCIES

a. Commitments and contingencies comprise of the following:

	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Letter of guarantee	2,738,858	2,733,449
Total	2,738,858	2,733,449

b. Litigations and lawsuits

The company operates in the insurance business and is vulnerable to lawsuits during its normal business cycle. While it is impractical to predict or know the final outcome of all lawsuits, management believes that these lawsuits (including the cases) will not have any material impact on the company's results or its financial position. The company does not have any material lawsuit on the date of preparing the interim condensed financial statements.

9. 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 transaction takes place either:

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

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

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.

Fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

30 June 2021 (Unaudited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
Financial assets measured at fair value				
Available for sale investments:				
- Mutual Funds	-	2,033,698	-	2,033,698
- Bonds	24,634,881	-	-	24,634,881
- Equity	9,924,734	-	1,923,077	11,847,811
Total	34,559,615	2,033,698	1,923,077	38,516,390

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9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2020 (Audited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR			
Financial assets measured at fair value				
Available for sale investments:				
- Mutual Funds	4,178,216	2,033,698	-	6,211,914
- Bonds	17,047,377	-	-	17,047,377
- Equity	-	-	1,923,077	1,923,077
Total	21,225,593	2,033,698	1,923,077	25,182,368

The change in the fair value of available-for-sale investments amounting to SAR 149,173 as of June 30, 2021 (December 31, 2020: SAR 745,267) is shown within the shareholders' equity in the interim condensed statement of financial position.

For the period ended June 30, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers to or from Level 3 fair value measurements.

- * The investment in shares of a local non-current company, amounting to SR 1.9 million (December 31, 2020: SR 1.9 million), represents equity investments in the capital of Najm Company for Non-Current Insurance Services at a rate of 3.85% (31 December 2020: 3.85%). Due to the lack of fair value, the investment has been recorded at cost and in the opinion of management there is no material difference between the fair value of this investment and its carrying value.

10. OPERATING SEGMENTS

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

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

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2020.

Segment assets do not include property and equipment, prepaid expenses and other assets, insurance premiums, reinsurance receivables, investments, time deposits, cash and cash equivalents, amounts due from a related party, statutory deposit, and investment returns from the statutory deposit, and thus they are included in the unallocated assets.

Segments' liabilities do not include reinsurers' receivables, end-of-service benefits provision, payables and accrued expenses and other liabilities, other provisions, surplus payable distributions, actuarial loss for specific benefit plans, accrued zakat and income tax, and due statutory deposit investment returns., and thus they are included in the unallocated liabilities.

General and administrative expenses, commission income, and other income from insurance operations were not distributed within the different sectors.

These unallocated assets and liabilities are reported to decision maker and are monitored on a centralized basis.

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10. OPERATING SEGMENTS (CONTINUED)

As at 30 June 2021 (Unaudited)

As at 30 June 2021 (Unaudited)	Saudi Rivals						
	Insurance Operations						
Operating segments	Medical	Motor	Fire	Engineering	Marine	Others	Total
Assets							
Reinsurers' share of unearned premiums	8,712,518	-	34,155,635	9,222,777	2,562,795	9,952,779	64,606,504
Reinsurers’ share of outstanding claims	3,571,821	13,244,284	34,122,557	4,429,556	1,984,108	7,936,580	65,288,906
Reinsurers' share of claims incurred but not reported	4,456,000	-	2,150,000	548,000	303,000	145,725	7,602,725
Deferred policy acquisition costs	2,528,733	8,048,339	3,204,410	930,855	414,037	1,398,852	16,525,226
Unallocated assets							334,230,346
	19,269,072	21,292,623	73,632,602	15,131,188	5,263,940	19,433,936	488,253,707
Liabilities							
Unearned premiums	55,153,828	79,256,621	35,518,415	11,265,925	3,468,211	12,966,338	197,629,338
Unearned reinsurance commission	-	-	3,380,230	1,021,195	548,851	1,336,754	6,287,030
Outstanding claims	13,751,365	30,147,142	34,513,801	6,782,857	2,568,081	12,906,516	100,669,762
Claims incurred but not reported	14,948,000	32,160,000	2,447,000	1,022,000	470,000	618,723	51,665,723
Premium deficiency reserve	7,673,000	3,077,000	670,000	797,000	201,000	1,441,000	13,859,000
Unallocated liabilities							118,142,854
	91,526,193	144,640,763	76,529,446	20,888,977	7,256,143	29,269,331	488,253,707

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10. OPERATING SEGMENTS (CONTINUED)

As at 31 December 2020 (Audited)

As at 31 December 2020 (Audited)	Saudi Riyals						
	Insurance Operations						
Operating segments	Medical	Motor	Fire	Engineering	Marine	Others	Total
Assets							
Reinsurers' share of unearned premiums	13,671,458	-	13,296,780	8,576,763	1,961,860	5,397,868	42,904,729
Reinsurers' share of outstanding claims	3,953,012	13,058,874	2,160,888	4,805,533	1,968,714	8,030,825	33,977,846
Reinsurers' share of claims incurred but not reported	6,743,000	-	1,402,000	962,000	238,000	33,725	9,378,725
Deferred policy acquisition costs	3,305,485	4,766,196	1,292,324	694,692	263,427	695,638	11,017,762
Unallocated assets	-	-	-	-	-	-	299,031,954
	27,672,955	17,825,070	18,151,992	15,038,988	4,432,001	14,158,056	396,311,016
Liabilities							
Unearned premiums	56,313,429	48,353,902	15,156,801	10,146,617	2,719,528	8,112,267	140,802,544
Unearned reinsurance commission	-	-	1,237,517	967,237	674,805	398,218	3,277,777
Outstanding claims	15,331,667	40,546,318	2,224,304	7,184,389	2,777,285	12,823,206	80,887,169
Claims incurred but not reported	21,241,000	34,703,000	1,577,000	1,536,000	451,000	473,723	59,981,723
Premium deficiency reserve	12,304,000	2,107,000	4,000	108,000	-	1,107,000	15,630,000
Unallocated liabilities	-	-	-	-	-	-	95,731,803
	105,190,096	125,710,220	20,199,622	19,942,243	6,622,618	22,914,414	396,311,016

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10. OPERATING SEGMENTS (CONTINUED)

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

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	17,777,550	20,176,905	20,132,740	2,706,014	668,843	3,789,283	65,251,335
Reinsurance premiums ceded:							
Foreign	(2,016,100)	-	(11,015,072)	(1,688,087)	351,990	(3,064,799)	(17,432,068)
Local	-	-	(8,817,485)	(313,832)	(282,638)	(129,786)	(9,543,741)
Excess of loss premiums	-	(562,880)	(152,614)	(356,100)	(153,750)	-	(1,225,344)
NET PREMIUMS WRITTEN	15,761,450	19,614,025	147,569	347,995	584,445	594,698	37,050,182
Change in unearned premiums, net	11,243,180	14,117,309	467,087	129,678	36,595	471,498	26,465,347
NET PREMIUMS EARNED	27,004,630	33,731,334	614,656	477,673	621,040	1,066,196	63,515,529
Reinsurance commission	-	-	2,053,184	967,581	1,708,168	882,150	5,611,083
TOTAL REVENUE	27,004,630	33,731,334	2,667,840	1,445,254	2,329,208	1,948,346	69,126,612
Gross claims paid	(33,313,148)	(31,184,832)	-	(79,934)	(788,614)	(620,890)	(65,987,418)
Reinsurers share of claims paid	9,868,547	681,750	-	61,581	432,427	378,074	11,422,379
Net claims paid	(23,444,601)	(30,503,082)	-	(18,353)	(356,187)	242)(816,	54,565)(039,
Change in outstanding claims, net	1,123,887	6,798,960	(352,866)	(106,672)	393,951	26,260	7,883,520
Change in claims incurred but not reported, net	3,542,000	(260,000)	(85,000)	19,000	93,000	33,000	3,342,000
NET CLAIMS INCURRED	(18,778,714)	(23,964,122)	(437,866)	(106,025)	130,764	183,556)((43,339,519)
Policy acquisition costs	(1,518,425)	(4,176,714)	(1,457,439)	(446,106)	(636,197)	(614,892)	(8,849,773)
Change in premium deficiency reserve and other reserves	1,796,000	1,499,000	532,000	(638,000)	(201,000)	(375,000)	2,613,000
Total underwriting costs and expenses	(18,501,139)	(26,641,836)	(1,363,305)	(1,190,131)	(706,433)	(1,173,448)	(49,576,292)
NET UNDERWRITING INCOME	8,503,491	7,089,498	1,304,535	255,123	1,622,775	774,898	19,550,320
Other operating (expenses) / income							
Provision for doubtful debts							(5,150,246)
General and administrative expenses							(15,278,342)
Commission income on deposits							28,094
Dividend							291,900
Total other operating expenses							(20,108,594)
NET LOSS OF INSURANCE OPERATIONS'							(558,274)

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10. OPERATING SEGMENTS (CONTINUED)

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

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	31,911,850	16,506,521	20,024,663	11,558,401	3,965,189	7,307,189	91,273,813
Reinsurance premiums ceded:							
Foreign	(3,525,905)	-	(17,552,095)	(10,529,385)	(2,643,288)	(3,462,794)	(37,713,467)
Local	1,441,411	-	(1,744,063)	(337,545)	(812,366)	(316,111)	(1,323,120)
Excess of loss premiums	-	(438,750)	(131,692)	(356,058)	(153,500)	-	(1,080,000)
NET PREMIUMS WRITTEN	29,827,356	16,067,771	596,813	335,413	801,589	3,528,284	51,157,226
Change in unearned premiums, net	(150,728)	12,391,474	4,906	463,401	(558,696)	(462,226)	11,688,131
NET PREMIUMS EARNED	29,676,628	28,459,245	601,719	798,814	242,893	3,066,058	62,845,357
Reinsurance commission	-	-	714,454	793,122	416,659	333,104	2,257,339
TOTAL REVENUE	29,676,628	28,459,245	1,316,173	1,591,936	659,552	3,399,162	65,102,696
Gross claims paid	(36,835,833)	(10,529,589)	(9,274)	(749,748)	(35,174)	(135,322)	(48,294,940)
Reinsurers share of claims paid	17,762,233	-	5,592	481,007	(85,757)	87,891	18,250,966
Net claims paid	(19,073,600)	(10,529,589)	(3,682)	(268,741)	(120,931)	(47,431)	(30,043,974)
Change in outstanding claims, net	(808,221)	(2,935,570)	(777,195)	289,052	406,123	(317,366)	(4,143,177)
Change in claims incurred but not reported, net	8,046,000	1,178,000	(57,000)	21,000	65,001	(101,000)	9,152,001
NET CLAIMS INCURRED	(11,835,821)	(12,287,159)	(837,877)	41,311	350,193	(465,797)	(25,035,150)
Policy acquisition costs	(1,215,503)	(2,146,818)	(528,062)	(551,389)	(77,005)	(258,349)	(4,777,126)
Change in premium deficiency reserve	(2,739,000)	(6,098,000)	99,000	(1,113,000)	-	(1,232,000)	(11,083,000)
Other underwriting expenses	-	(1,154,137)	-	-	(5,517,472)	-	(6,671,609)
Total underwriting costs and expenses	(15,790,324)	(21,686,114)	(1,266,939)	(1,623,078)	(5,244,284)	(1,956,146)	(47,566,885)
NET UNDERWRITING INCOME	13,886,304	6,773,131	49,234	(31,142)	(4,584,732)	1,443,016	17,535,811
Other operating (expenses) / income							
Provision for doubtful debts							2,619,610
General and administrative expenses							(16,881,597)
Dividend							275,202
Total other operating expenses							(13,986,785)
NET GAIN OF INSURANCE OPERATIONS'							3,549,026

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10. OPERATING SEGMENTS (CONTINUED)

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

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	63,562,852	97,118,793	46,146,725	10,861,069	8,021,895	15,134,007	240,845,341
Reinsurance premiums ceded:							
Foreign	(7,325,518)	-	(29,919,133)	(7,673,397)	(4,589,878)	(11,830,439)	(61,338,365)
Local	-	-	(15,091,486)	(1,108,460)	(1,910,297)	(578,712)	(18,688,955)
Excess of loss premiums	-	(1,125,760)	(305,229)	(712,199)	(307,500)	-	(2,450,688)
NET PREMIUMS WRITTEN	56,237,334	95,993,033	830,877	1,367,013	1,214,220	2,724,856	158,367,333
Change in unearned premiums, net	(3,799,339)	(30,902,720)	497,241	(473,293)	(147,748)	(299,160)	(35,125,019)
NET PREMIUMS EARNED	995,52,437	65,090,313	1,328,118	893,720	1,066,472	2,425,696	123,242,314
Reinsurance commission	-	-	3,563,944	2,869,722	3,170,720	1,269,659	10,874,045
Other underwriting income	-	-	24,744	510,579	-	952,942	1,488,265
TOTAL REVENUE	52,437,995	65,090,313	4,916,806	4,274,021	4,237,192	4,648,297	135,604,624
Gross claims paid	(64,635,369)	(59,505,990)	(919,756)	(937,662)	(1,042,575)	(1,080,729)	(128,122,081)
Reinsurers share of claims paid	19,755,523	901,590	901,254	651,303	597,483	722,912	23,530,065
Net claims paid	(44,879,846)	(58,604,400)	(18,502)	(286,359)	(445,092)	(357,817)	(104,592,016)
Change in outstanding claims, net	1,199,111	10,584,587	(327,828)	25,554	224,598	(177,555)	11,528,467
Change in claims incurred but not reported, net	4,006,000	2,543,000	(122,000)	100,000	46,000	(33,000)	6,540,000
NET CLAIMS INCURRED	(39,674,735)	(45,476,813)	(468,330)	(160,805)	(174,494)	(568,372)	(86,523,549)
Policy acquisition costs	(3,015,150)	(7,373,677)	(2,497,841)	(668,886)	(763,848)	(1,002,233)	(15,321,635)
Change in premium deficiency reserve	4,631,000	(970,000)	(666,000)	(689,000)	(201,000)	(334,000)	1,771,000
Total underwriting costs and expenses	(38,058,885)	(53,820,490)	(3,632,171)	(1,518,691)	(1,139,342)	(1,904,605)	(100,074,184)
NET UNDERWRITING INCOME	110,14,379	11,269,823	1,284,635	2,755,330	3,097,850	2,743,692	35,530,440
Other operating (expenses) / income							
Provision for doubtful debts							(2,615,670)
General and administrative expenses							(32,148,847)
Commission income							66,251
Dividend							583,802
Total other operating expenses							(34,114,464)
NET GAIN OF INSURANCE OPERATIONS'							1,415,976

ARABIA INSURANCE COOPERATIVE COMPANY

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NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2021
10. OPERATING SEGMENTS (CONTINUED)

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

Operating segments	Medical	Motor	Fire	Saudi Riyals Engineering	Marine	Others	Total
Revenue							
Gross premiums written							
- Direct	59,305,739	93,278,600	22,635,198	19,910,870	5,642,900	11,420,682	212,193,989
Reinsurance premiums ceded:							
Foreign	(9,794,667)	-	(19,608,803)	(15,672,940)	(3,842,031)	(6,036,262)	(54,954,703)
Local	(125,779)	-	(1,948,811)	(990,034)	(446,994)	(557,110)	(4,068,728)
Excess of loss premiums	-	(877,500)	(263,385)	(712,115)	(307,000)	-	(2,160,000)
NET PREMIUMS WRITTEN	49,385,293	92,401,100	814,199	2,535,781	1,046,875	4,827,310	151,010,558
Change in unearned premiums, net	7,849,574	(36,803,524)	364,819	(1,121,099)	(340,602)	(568,510)	(30,619,342)
NET PREMIUMS EARNED	57,234,867	55,597,576	1,179,018	1,414,682	706,273	4,258,800	120,391,216
Reinsurance commission	-	-	1,305,943	2,125,253	1,249,926	681,974	5,363,096
TOTAL REVENUE	57,234,867	55,597,576	2,484,961	3,539,935	1,956,199	4,940,774	125,754,312
Gross claims paid	(75,077,067)	(29,023,318)	(146,624)	(1,664,520)	(1,349,616)	(1,306,775)	(108,567,920)
Reinsurers share of claims paid	34,949,502	160,500	130,099	1,191,646	790,533	852,103	38,074,383
Net claims paid	(40,127,565)	(28,862,818)	(16,525)	(472,874)	(559,083)	(454,672)	(70,493,537)
Change in outstanding claims, net	(78,241)	(3,104,913)	(773,189)	90,480	813,574	(529,726)	(3,582,015)
Change in claims incurred but not reported, net	1,278,000	8,006,000	50,000	229,000	180,000	830,000	10,573,000
NET CLAIMS INCURRED	(38,927,806)	(23,961,731)	(739,714)	(153,394)	434,491	(154,398)	(63,502,552)
Policy acquisition costs	(2,514,989)	(3,786,355)	(1,043,153)	(1,094,700)	(244,650)	(552,054)	(9,235,901)
Change in premium deficiency reserve	641,000	(12,650,000)	1,664,000	(833,200)	-	(1,994,000)	(13,172,200)
Other underwriting expenses	-	(1,154,137)	-	-	(5,517,472)	-	(6,671,609)
Total underwriting costs and expenses	(40,801,795)	(41,552,223)	(118,867)	(2,081,294)	(5,327,631)	(2,700,452)	(92,582,262)
NET UNDERWRITING INCOME	16,433,072	14,045,353	2,366,094	1,458,641	(432,3371)	2,240,322	33,172,050
Other operating (expenses) / income							
Provision for doubtful debts							3,002,365
General and administrative expenses							(35,148,380)
Commission income							14,000
Dividend							550,403
Total other operating expenses							(31,581,612)
NET GAIN OF INSURANCE OPERATIONS'							1,590,438

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11. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties represent the main shareholders, directors, and senior management employees of the company, the companies that they are their main owners, and any other companies that are subject to their control or are jointly controlled or have effective control over them. Pricing policies and terms of these transactions are approved by the company's management and the Board of Directors. Details of major related party transactions and their balances are as follows:

Related party	Nature of transactions	30 June 2021 (Unaudited) SR	30 June 2020 (Unaudited) SR
Board of Directors and the companies they represent	- Gross Premiums written	5,484,794	4,028,892
	- Claims paid	314,653	1,531,795
Arabia Insurance Company - Lebanon (shareholder)	- Expenses paid by Arabia Insurance Company behalf on behalf of the Company	253,444	41,197
Jordan Insurance Company - (shareholder)	- Reinsurance operations, net	-	5,659

The above transactions with the related parties resulted in the following balances:

	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Arabia Insurance Company – Lebanon – Shareholder	(243,792)	9,652
Jordan Insurance Company – Shareholder	83,346	83,346
Board members and the companies they represent	6,371,720	3,176,156
Reinsurance balance due from Jordan Insurance Company	546,767	538,655

Compensation of key management personnel

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

	30 June 2021 (Unaudited) SR	30 June 2020 (Unaudited) SR
Short-term benefits	2,078,790	1,814,607
End of service benefit	86,351	72,593
	2,165,141	1,887,200

12. ZAKAT AND INCOME TAX ACCRUED

Zakat charge for the period

The zakat provision consists of the zakat charged during the period in the amount of SR 3,442,004 (June 30, 2020: SAR 3,000,000). The zakat provision is calculated on the Saudi shareholders' share of the capital at 68.6% (2020: 68.6%).

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12. ZAKAT AND INCOME TAX ACCRUED (continued)

Income tax charge for the period

Income tax provision consists of income tax charged during the period in an amount of 186,671 Saudi riyals (June 30, 2020: zero Saudi riyals). Income tax is calculated on the share of capital by non-Saudi shareholders at a rate of 28.41% (2020: 31.4%).

Status of assessment

The company submitted its tax and zakat returns to the Zakat, Tax and Customs Authority for all years up to the fiscal year ending on December 31, 2020, and the company has received a restricted certificate for the fiscal year ending December 31, 2020.

Zakat, Income Tax and Withholding Tax

The Company has not received any decisions regarding the lawsuits submitted before the First Committee for Settling Tax Disputes and Violations, which relates to withholding tax assessments for the years: 2015, 2016 and 2017, not even regarding its appeal against the decision of the First Committee issued against the Company regarding its grievance on the zakat and tax assessments relating 2013 and 2014.

On 2 June, the Company received two letters from the Authority providing it with the requirements for an examination of zakat and income tax for the years 2019 and 2020, as well as another request on 22 June to provide the Authority with the requirements for the VAT examination for the year 2020, and the Company responded to these requests within the deadline granted by the Authority.

VAT

During the second quarter, the Company received the decision issued by the First Committee for Settling Tax Disputes on 25 April 2021, according to which the Company's lawsuit against the Zakat, Tax and Customs Authority submitted by the Company was rejected as a result of the Authority's evaluation of the VAT returns for the years: 2018 and 2019, and the Company appealed in light of this before the Second Committee for Settling Tax Disputes on 17 June 2021.

13. SHARE CAPITAL

The authorized, issued and fully paid up share capital is SR 265 million and consists of 26.5 million shares with a par value of SR 10 per share (31 December 2020: SR 265 million and consists of 26.5 million shares with par value of SR 10 per share). The Board of Directors' resolution of 20 December 2018 recommended an increase in the Company's capital by SR 265 million Saudi Riyal through the issue of preference rights shares. This decision will be followed by all the laws stipulated in the relevant laws and regulations. The company announced that it had submitted, on April 25, 2021, the application file for the approval of the capital increase to the Capital Market Authority.

14. CAPITAL MANAGEMENT

Objectives are set by the company to maintain good capital ratios in order to support its business objectives and increase shareholder value.

A firm manages its capital requirements by assessing deficiencies between the authorized and required levels of capital on a regular basis.

Adjustments are made to current capital levels in light of changes in market conditions and the risk characteristics of the Company's activities. To maintain or adjust capital, the company may adjust dividends paid to shareholders or issue shares.

In the opinion of the Board of Directors, the company has fully complied with the capital requirements imposed from abroad during the reported financial period.

15. EARNINGS PER SHARE

The earnings per share for the three and six-month period ending June 30, 2021 and June 30, 2020 is calculated by dividing the net profit / (loss) of the period attributed to shareholders by the average number of shares issued for the period.

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FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2021**
16. SUPPLEMENTARY INFORMATION
- STATEMENT OF FINANCIAL POSITION

	In Saudi Riyals					
	30 June 2021 (Unaudited)			31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Assets						
Cash and cash equivalents	61,886,658	44,849,623	106,736,281	33,351,069	115,976,385	149,327,454
Premiums and reinsurers' receivable – net	188,413,987	-	188,413,987	141,113,737	-	141,113,737
Reinsurers' share of unearned premium	64,606,504	-	64,606,504	42,904,729	-	42,904,729
Reinsurers' share of outstanding claims	65,288,906	-	65,288,906	33,977,846	-	33,977,846
Reinsurers' share of claims incurred but not reported	7,602,725	-	7,602,725	9,378,725	-	9,378,725
Deferred policy acquisition cost	16,525,226	-	16,525,226	11,017,762	-	11,017,762
Deferred excess of loss premiums	2,450,682	-	2,450,682	-	-	-
Investments	32,653,125	82,834,408	115,487,533	32,653,125	71,500,387	104,153,512
Amounts due from shareholders' operations	18,807,500	-	18,807,500	41,909,640	-	41,909,640
Due from a related party	83,346	-	83,346	92,998	-	92,998
Prepaid expenses and other assets	18,249,455	956,359	19,205,814	17,590,706	722,807	18,313,513
Right of use assets	4,293,333	-	4,293,333	5,371,952	-	5,371,952
Term deposits	-	77,245,975	77,245,975	20,350,000	43,414,208	63,764,208
Property and equipment, net	7,392,260	-	7,392,260	6,598,727	-	6,598,727
Statutory deposit	-	40,000,000	40,000,000	-	40,000,000	40,000,000
Return on statutory deposit	-	4,379,218	4,379,218	-	4,290,280	4,290,280
Total assets	488,253,707	250,265,583	738,519,290	396,311,016	275,904,067	672,215,083
Liabilities						
Accounts payable	23,753,312	-	23,753,312	23,683,805	-	23,683,805
Accrued expenses and other liabilities	30,855,974	308,320	31,164,294	26,554,663	1,655,874	28,210,537
Reinsurance balances payable	47,677,841	-	47,677,841	29,424,459	-	29,424,459
Unearned insurance premiums	197,629,338	-	197,629,338	140,802,544	-	140,802,544
Unearned reinsurance commissions	6,287,030	-	6,287,030	3,277,777	-	3,277,777
Outstanding claims	100,669,762	-	100,669,762	80,887,169	-	80,887,169
Claims incurred but not reported	51,665,723	-	51,665,723	59,981,723	-	59,981,723
Premium deficiency reserve	13,859,000	-	13,859,000	15,630,000	-	15,630,000
Due to a related party	243,792	-	243,792	-	-	-
End of service benefits	10,901,794	-	10,901,794	10,427,777	-	10,427,777
Zakat and income tax payable	-	5,224,962	5,224,962	-	6,281,980	6,281,980
Lease liability	3,838,570	-	3,838,570	4,911,126	-	4,911,126
Return on statutory deposit	-	4,379,218	4,379,218	-	4,290,280	4,290,280
Amounts due to insurance operations	-	18,807,500	18,807,500	-	41,909,640	41,909,640
Total liabilities	487,382,136	28,720,000	516,102,136	395,581,043	54,137,774	449,718,817
Cumulative surplus						
Accumulated surplus payable	2,394,503	-	2,394,503	2,252,905	-	2,252,905
Actuarial loss on defined benefit plan	(1,522,932)	-	(1,522,932)	(1,522,932)	-	(1,522,932)
Total liabilities and accrued surplus	488,253,707	28,720,000	516,973,707	396,311,016	54,137,774	450,448,790
Shareholders' equity						
Equity capital	-	265,000,000	265,000,000	-	265,000,000	265,000,000
Accumulated losses	-	(43,603,590)	(43,603,590)	-	(43,978,974)	(43,978,974)
Investment of available-for-sale revaluation reserve	-	149,173	149,173	-	745,267	745,267
Total shareholders' equity	-	221,545,583	221,545,583	-	221,766,293	221,766,293
Total liabilities and shareholders' equity	488,253,707	250,265,583	738,519,290	396,311,016	275,904,067	672,215,083

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16. SUPPLEMENTARY INFORMATION – (continued)
- STATEMENT OF INCOME

	In Saudi Riyals					
	For the three month period ended 30 June 2021 (Unaudited)			For the three month period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
REVENUES						
Gross premiums written						
- Direct	65,251,335	-	65,251,335	91,273,813	-	91,273,813
Reinsurance premiums ceded						
- Foreign	(17,432,068)	-	(17,432,068)	(37,713,467)	-	(37,713,467)
- Local	(9,543,741)	-	(9,543,741)	(1,323,120)	-	(1,323,120)
Excess of loss expenses	(1,225,344)	-	(1,225,344)	(1,080,000)	-	(1,080,000)
Net premiums written	37,050,182	-	37,050,182	51,157,226	-	51,157,226
Changes in unearned premiums, net	26,465,347	-	26,465,347	11,688,131	-	11,688,131
Net premiums earned	63,515,529	-	63,515,529	62,845,357	-	62,845,357
Reinsurance commission earned	5,611,083	-	5,611,083	2,257,339	-	2,257,339
TOTAL REVENUES	69,126,612	-	69,126,612	65,102,696	-	65,102,696
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(65,987,418)	-	(65,987,418)	(48,294,940)	-	(48,294,940)
Reinsurers' share of claims paid	11,422,379	-	11,422,379	18,250,966	-	18,250,966
Net claims paid	(54,565,039)	-	(54,565,039)	(30,043,974)	-	(30,043,974)
Changes in outstanding claims, net	7,883,520	-	7,883,520	(4,143,177)	-	(4,143,177)
Changes in claims incurred but not reported, net	3,342,000	-	3,342,000	9,152,001	-	9,152,001
Net claims incurred	(43,339,519)	-	(43,339,519)	(25,035,150)	-	(25,035,150)
Policy acquisition costs	(8,849,773)	-	(8,849,773)	(4,777,126)	-	(4,777,126)
Changes in premium deficiency reserve	2,613,000	-	2,613,000	(11,083,000)	-	(11,083,000)
Other underwriting expenses	-	-	-	(6,671,609)	-	(6,671,609)
Total underwriting costs and expenses	(49,576,292)	-	(49,576,292)	(47,566,885)	-	(47,566,885)
NET UNDERWRITING INCOME	19,550,320	-	19,550,320	17,535,811	-	17,535,811
OPERATING (EXPENSES) / INCOME						
Provision for doubtful debts	(5,150,246)	-	(5,150,246)	2,619,610	-	2,619,610
General and administrative expenses	(15,278,342)	(152,514)	(15,430,856)	(16,881,597)	(85,950)	(16,967,547)
Commission income	28,094	162,990	191,084	-	667,113	667,113
Gain on sale of available for sale investments	-	1,537,538	1,537,538	-	-	-
Dividend income	291,900	687,254	979,154	275,202	671,102	946,304
Total other operating (expenses) / income	(20,108,594)	2,235,268	(17,873,326)	(13,986,785)	1,252,265	(12,734,520)
Total profit / (loss) for the period	(558,274)	2,235,268	1,676,994	3,549,026	1,252,265	4,801,291
Income / (Loss) for the period attributed to the shareholders	558,274	(558,274)	-	(3,389,982)	3,389,982	-
Net income / (loss) for the period before zakat and income tax	-	1,676,994	1,676,994	159,044	4,642,247	4,801,291
Zakat and income tax	-	(1,500,000)	(1,500,000)	-	(1,500,000)	(1,500,000)
Net income / (loss) after zakat and income tax	-	176,994	176,994	159,044	3,142,247	3,301,291

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16. SUPPLEMENTARY INFORMATION – (continued)
- STATEMENT OF INCOME

	In Saudi Riyals					
	For the six month period ended 30 June 2021 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
REVENUES						
Gross premiums written						
- Direct	240,845,341	-	240,845,341	212,193,989	-	212,193,989
Reinsurance premiums ceded						
- Foreign	(61,338,365)	-	(61,338,365)	(54,954,703)	-	(54,954,703)
- Local	(18,688,955)	-	(18,688,955)	(4,068,728)	-	(4,068,728)
Excess of loss expenses	(2,450,688)	-	(2,450,688)	(2,160,000)	-	(2,160,000)
Net premiums written	158,367,333	-	158,367,333	151,010,558	-	151,010,558
Changes in unearned premiums, net	(35,125,019)	-	(35,125,019)	(30,619,342)	-	(30,619,342)
Net premiums earned	123,242,314	-	123,242,314	120,391,216	-	120,391,216
Reinsurance commission earned	10,874,045	-	10,874,045	5,363,096	-	5,363,096
Other income	1,488,265	-	1,488,265	-	-	-
TOTAL REVENUES	135,604,624	-	135,604,624	125,754,312	-	125,754,312
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(128,122,081)	-	(128,122,081)	(108,567,920)	-	(108,567,920)
Reinsurers' share of claims paid	23,530,065	-	23,530,065	38,074,383	-	38,074,383
Net claims paid	(104,592,016)	-	(104,592,016)	(70,493,537)	-	(70,493,537)
Changes in outstanding claims, net	11,528,467	-	11,528,467	(3,582,015)	-	(3,582,015)
Changes in claims incurred but not reported, net	6,540,000	-	6,540,000	10,573,000	-	10,573,000
Net claims incurred	(86,523,549)	-	(86,523,549)	(63,502,552)	-	(63,502,552)
Policy acquisition costs	(15,321,635)	-	(15,321,635)	(9,235,901)	-	(9,235,901)
Changes in premium deficiency reserve	1,771,000	-	1,771,000	(13,172,200)	-	(13,172,200)
Other underwriting expenses	-	-	-	(6,671,609)	-	(6,671,609)
Total underwriting costs and expenses	(100,074,184)	-	(100,074,184)	(92,582,262)	-	(92,582,262)
NET UNDERWRITING INCOME	35,530,440	-	35,530,440	33,172,050	-	33,172,050
OPERATING (EXPENSES) / INCOME						
Provision for doubtful debts	(2,615,670)	-	(2,615,670)	3,002,365	-	3,002,365
General and administrative expenses	(32,148,847)	(342,668)	(32,491,515)	(35,148,380)	(334,571)	(35,482,951)
Commission income	66,251	357,775	424,026	14,000	1,597,466	1,611,466
Gain on sale of available for sale investments	-	1,537,538	1,537,538	-	768,858	768,858
Dividend income	583,802	1,168,293	1,752,095	550,403	1,369,334	1,919,737
Total other operating (expenses) / income	(34,114,464)	2,720,938	(31,393,526)	(31,581,612)	3,401,087	(28,180,525)
Total profit / (loss) for the period	1,415,976	2,720,938	4,136,914	1,590,438	3,401,087	4,991,525
Income / (Loss) for the period attributed to the shareholders	(1,274,378)	1,274,378	-	(1,431,394)	1,431,394	-
Net income / (loss) for the period before zakat and income tax	141,598	3,995,316	4,136,914	159,044	4,832,481	4,991,525
Zakat and income tax	-	(3,619,932)	(3,619,932)	-	(3,000,000)	(3,000,000)
Net income / (loss) after zakat and income tax	141,598	375,384	516,982	159,044	1,832,481	1,991,525

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2021**

16. SUPPLEMENTARY INFORMATION – (continued)

- STATEMENT OF COMPREHENSIVE INCOME

	In Saudi Riyals					
	For the three month period ended 30 June 2021 (Unaudited)			For the three month period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Net income / (loss) for the period	-	176,994	176,994	159,044	3,142,247	3,301,291
Other comprehensive income:						
<i>Items that may or may not be reclassified subsequently to the interim condensed statement of income:</i>						
<i>Items that can be reclassified subsequently to the statement of income:</i>						
Available-for-sale investments:						
- Net change in fair value	-	(1,006,058)	(1,006,058)	-	701,772	701,772
<u>Total comprehensive income for the period</u>	-	(1,006,058)	(1,006,058)	-	701,772	701,772
<u>Total comprehensive income / (loss) for the period</u>	-	(829,064)	(829,064)	159,044	3,844,019	4,003,063

	In Saudi Riyals					
	For the six month period ended 30 June 2021 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Net income / (loss) for the period	141,598	375,384	516,982	159,044	1,832,481	1,991,525
Other comprehensive income:						
<i>Items that may or may not be reclassified subsequently to the interim condensed statement of income:</i>						
<i>Items that can be reclassified subsequently to the statement of income:</i>						
Available-for-sale investments:						
- Net change in fair value	-	(596,094)	(596,094)	-	(319,305)	(319,305)
<u>Total comprehensive income for the period</u>	-	(596,094)	(596,094)	-	(319,305)	(319,305)
<u>Total comprehensive income / (loss) for the period</u>	141,598	(220,710)	(79,112)	159,044	1,513,176	1,672,220

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2021**
16. SUPPLEMENTARY INFORMATION – (continued)
- STATEMENT OF CASH FLOWS

	In Saudi Riyals					
	Period Ended June 30, 2021 (Unaudited)			Period Ended June 30, 2020 (Unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit / (loss) for the period	141,598	375,384	516,982	159,044	1,832,481	1,991,525
<i>Adjustments for non-cash items:</i>	-	-	-	-	-	-
Depreciation of property equipment	1,243,023	-	1,243,023	1,070,276	-	1,070,276
Gain from sale property and equipment	-	-	-	-	(768,858)	(768,858)
Gain from sale of available for sale investments	-	(1,537,538)	(1,537,538)	(3,000)	-	(3,000)
Depreciation of right of use assets	1,078,619	-	1,078,619	977,049	-	977,049
Finance charges	89,949	-	89,949	117,513	-	117,513
Provision of allowance for doubtful debts	2,615,670	-	2,615,670	(3,002,365)	-	(3,002,365)
Impairment loss on available for sale investment	-	-	-	-	-	-
Provision for end-of-service indemnities	831,175	-	831,175	848,522	-	848,522
Zakat and income tax accrued	-	3,619,932	3,619,932	-	3,000,000	3,000,000
	6,000,034	2,457,778	8,457,812	167,039	4,063,623	4,230,662
Changes in operating assets and liabilities:						
Premiums and reinsurance receivables	(49,915,920)	-	(49,915,920)	(46,170,530)	-	(46,170,530)
Reinsurers share of unearned premiums	(21,701,775)	-	(21,701,775)	1,253,817	-	1,253,817
Reinsurers share of outstanding claims	(31,311,060)	-	(31,311,060)	(9,890,006)	-	(9,890,006)
Reinsurers' share of claims incurred but not reported	1,776,000	-	1,776,000	3,972,000	-	3,972,000
Deferred policy acquisition costs	(5,507,464)	-	(5,507,464)	(4,788,930)	-	(4,788,930)
Deferred excess of loss premiums	(2,450,682)	-	(2,450,682)	(2,160,000)	-	(2,160,000)
Due from related parties	9,652	-	9,652	(9,652)	-	(9,652)
Prepaid expenses and other assets	(658,751)	(233,552)	(892,303)	(4,199,074)	53,560	(4,145,514)
Accounts payable	69,507	-	69,507	(5,421,468)	-	(5,421,468)
Accrued expenses and other liabilities	4,301,311	(1,347,554)	2,953,757	2,023,454	10,000	2,033,454
Reinsurer's balances payable	18,253,382	-	18,253,382	2,164,197	-	2,164,197
Unearned insurance premiums	56,826,794	-	56,826,794	29,365,525	-	29,365,525
Uninsured reinsurance commissions	3,009,253	-	3,009,253	1,940,713	-	1,940,713
Outstanding claims	19,782,593	-	19,782,593	13,472,021	-	13,472,021
Claims incurred but not reported	(8,316,000)	-	(8,316,000)	(14,545,000)	-	(14,545,000)
Premium deficiency reserve and other reserves	(1,771,000)	-	(1,771,000)	13,172,200	-	13,172,200
Accrued surplus distributions	-	-	-	(500,484)	-	(500,484)
Amounts due to related parties	243,792	-	243,792	(41,197)	-	(41,197)
Net cash from / (used in) operating activities	(11,360,334)	876,672	(10,483,662)	(20,195,375)	4,127,183	(16,068,192)
Zakat and income tax paid	-	(4,676,950)	(4,676,950)	-	(4,353,833)	(4,353,833)
End of service indemnities paid	(357,158)	-	(357,158)	(1,866,891)	-	(1,866,891)
Net cash (used in) / from operating activities	(11,717,492)	(3,800,278)	(15,517,770)	(22,062,266)	(226,650)	(22,288,916)
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions / (disposals) in investments	-	(10,392,577)	(10,392,577)	-	7,608,427	7,608,427
Additions / (disposals) in term deposits	20,350,000	(33,831,767)	(13,481,767)	10,000,000	39,283,200	49,283,200
Additions in property and equipment	(2,036,553)	-	(2,036,553)	(1,215,227)	-	(1,215,227)
Net cash from / (used in) investing activities	18,313,447	(44,224,344)	(25,910,897)	8,784,773	46,891,627	55,676,400
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / to shareholders'	23,102,140	(23,102,140)	-	32,504,970	(32,504,970)	-
Right of use assets paid	(1,162,506)	-	(1,162,506)	(1,056,793)	-	(1,056,793)
Net cash (used in) / from financing activities	21,939,634	(23,102,140)	(1,162,506)	31,448,177	(32,504,970)	(1,056,793)
Net change in cash and cash equivalents	28,535,589	(71,126,762)	(42,591,173)	18,170,684	14,160,007	32,330,691
Cash and cash equivalents at the beginning of the period	33,351,069	115,976,385	149,327,454	24,006,060	42,586,602	66,592,662
Cash and cash equivalents at the end of the period	61,886,658	44,849,623	106,736,281	42,176,744	56,746,609	98,923,353
NON-CASH INFORMATION						
Changes in fair value of available for sale investments	-	(596,094)	(596,094)	-	(319,305)	(319,305)

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FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2021****17. PREMIUMS WRITTEN BY TYPE OF CUSTOMERS**

For the three month period ended 30 June 2021					
Gross written premiums	Medical	Motors	Property and accidents	Protection and Savings	Total
Individual clients	2,447,877	8,088,294	1,326,547	-	11,862,718
Very small size entities	658,512	313,835	(84,334)	-	888,013
Small size Entities	2,902,604	769,613	2,212,586	-	5,884,803
Medium size entities	1,255,860	3,424,587	10,851,904	185,614	15,717,965
Large size entities	10,512,697	7,580,576	12,804,563	-	30,897,836
Total	17,777,550	20,176,905	27,111,266	185,614	65,251,335

For the six month period ended 30 June 2021					
Gross written premiums	Medical	Motors	Property and accidents	Protection and Savings	Total
Individual clients	7,829,866	16,604,662	1,619,981	-	26,054,509
Very small size entities	2,134,690	352,867	389,571	-	2,877,128
Small size Entities	6,113,842	1,948,293	7,611,418	2,828	15,676,381
Medium size entities	5,293,783	22,927,986	18,428,574	527,195	47,177,538
Large size entities	42,190,671	55,284,985	51,584,129	-	149,059,785
Total	63,562,852	97,118,793	79,633,673	530,023	240,845,341

18. COMPARATIVE FIGURES

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

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on August 11, 2021 corresponding to Muharram 3, 1443 AH.