

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

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

**AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

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INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED FINANCIAL INFORMATION

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

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of **Amana Cooperative Insurance Company** (the "Company") as at 31 March 2021 and the related interim statements of income, comprehensive income, changes in equity and cashflows for the three-month period then ended and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of interim financial information performed by the independent auditor of the entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the accompanying financial statements, which indicates, among other things, that as of 31 March 2021, the accumulated losses represent 70.02% (31 December 2020: 61.46%) of the Company's share capital, and as of the same date, the Company's solvency reached 38% (31 December 2020: 45%). These events and conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, various strategic options, including capital restructuring, were considered by the Board of Directors to ensure the Company's going concern. Among such strategic options, on 15 November 2020, the Company signed a Non-Binding Memorandum with Saudi Enaya Cooperative Insurance Co. ("Enaya") to assess the merger's feasibility. Further, on 18 March 2021, the Company received Capital Market Authority approval after completing the regulatory requirements as per the Capital Market Law and its Implementing Regulations to absorb losses through capital reduction from SAR 240,000,000 to SAR 130,000,000. The reduction of Capital is subject to the Company's shareholders' approval.

Furthermore, subsequent to the period ended 31 March 2021, the Company has signed a binding merger agreement with Enaya on 29 April 2021 to take the necessary steps to implement the merger under relevant applicable laws and regulations, subject to obtaining the required approvals.

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN (continued)

Based on the above, the Company's management has assessed its ability to continue as a going concern and is satisfied that the Company's operations shall continue for the foreseeable future under the normal course of business. Accordingly, the interim condensed financial information has been prepared on the going concern basis and do not include any adjustments, which may be required, if the Company is not able to continue as a going concern.

Our conclusion is not qualified in respect of this matter.

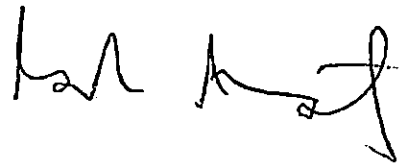
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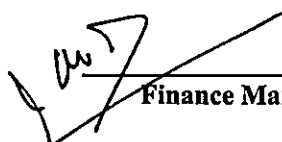


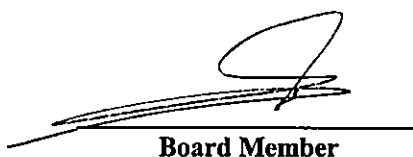
Date: 27 May 2021
corresponding to: 15 Shawwal 1442H

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

	Note	As at 31 March 2021 (Unaudited) SR '000	As at 31 December 2020 (Audited) SR '000
ASSETS			
Cash and cash equivalents	4	101,902	133,983
Short term deposits	5	40,000	40,000
Premiums and reinsurers' receivable - net	6	141,669	129,207
Reinsurers' share of unearned premiums	9(b)	2,054	2,056
Reinsurers' share of outstanding claims	9(a)	16,317	11,763
Reinsurers' share of claims incurred but not reported	9(a)	2,246	2,701
Deferred policy acquisition costs	9(d)	10,213	11,010
Available-for-sale investments	7	12,849	12,872
Held-to-maturity investments	7	49,145	49,045
Prepayments and other assets		24,509	21,511
Property and equipment		6,166	5,976
Intangible assets		808	900
Statutory deposit	13	36,000	36,000
Accrued commission income on statutory deposit	13	2,910	2,876
TOTAL ASSETS		446,788	459,900
LIABILITIES			
Policyholders claims payable		2,043	1,284
Accrued expenses and other liabilities		67,346	73,081
Reinsurance balances payable		26,641	22,550
Unearned premiums	9(b)	143,737	141,100
Unearned reinsurance commission	9(c)	435	456
Outstanding claims	9(a)	47,956	35,661
Claims incurred but not reported	9(a)	51,248	58,148
Premium deficiency reserve	9(a)	18,222	15,712
Other technical reserve	9(a)	5,056	4,795
Employees' end-of-service benefits		4,829	4,546
Surplus distribution payable		779	779
Provision for zakat and income tax	10	4,338	6,673
Accrued commission income payable to SAMA	13	2,910	2,876
TOTAL LIABILITIES		375,540	367,661
EQUITY			
Share capital	11	240,000	240,000
Accumulated losses		(168,471)	(147,503)
Actuarial loss on end-of-service benefits		(1,743)	(1,743)
Fair value reserve for available-for-sale investments		1,462	1,485
TOTAL EQUITY		71,248	92,239
TOTAL LIABILITIES AND EQUITY		446,788	459,900
Commitments and contingencies	12		

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


Finance Manager

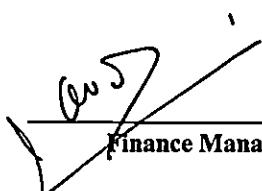

Board Member

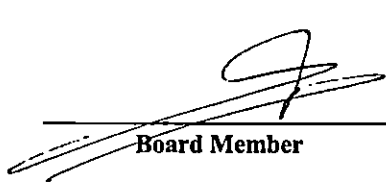

Chief Executive Officer

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

	Note	For the three-month period ended	
		31 March 2021	31 March 2020
		(Unaudited)	(Unaudited)
		SR '000	SR '000
REVENUES			
Gross premiums written	9(b)	77,978	103,397
Reinsurance premiums ceded	9(b)	(2,008)	(3,459)
Excess of loss expenses	9(b)	(9,307)	(2,347)
Net premiums written		66,663	97,591
Changes in unearned premiums - net		(2,639)	(40,556)
Net premiums earned		64,024	57,035
Reinsurance commissions	9(c)	388	752
Other underwriting income		719	3,334
NET REVENUES		65,131	61,121
UNDERWRITING COSTS AND EXPENSES			
Gross claims paid		(81,308)	(49,620)
Reinsurers' share of claims paid		20,815	12,946
Net claims paid		(60,493)	(36,674)
Changes in outstanding claims		(12,295)	3,344
Changes in reinsurers' share of outstanding claims		4,554	988
Changes in claims incurred but not reported		6,900	(7,303)
Changes in reinsurers' share of claims incurred but not reported		(455)	(1,064)
Net claims incurred		(61,789)	(40,709)
Changes in premiums deficiency reserve		(2,510)	24
Changes in other technical reserves		(261)	(104)
Policy acquisition costs	9(d)	(5,906)	(5,702)
Inspection and supervision fees		(6,546)	(3,349)
TOTAL UNDERWRITING COSTS AND EXPENSES		(77,012)	(49,840)
NET UNDERWRITING (EXPENSE) / INCOME		(11,881)	11,281
OTHER OPERATING EXPENSES			
Reversal of provision for doubtful debts		588	993
General and administrative expenses		(13,828)	(11,446)
Investment income		1,818	1,758
TOTAL OTHER OPERATING EXPENSES - NET		(11,422)	(8,695)
Total (loss) / income for the period before zakat		(23,303)	2,586
Zakat reversal / (charge)	10	2,335	(253)
Total (loss) / income for the period after zakat		(20,968)	2,333
Income attributed to the insurance operations		-	(119)
Net (loss) / income attributable to the shareholders after zakat		(20,968)	2,214
(Loss) / Earnings per share - basic and diluted for the period - adjusted (SR)	14	(0.87)	0.09
Weighted average number of shares in issue throughout the period-adjusted	14	24,000	24,000

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


Finance Manager

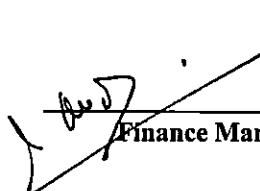

Board Member

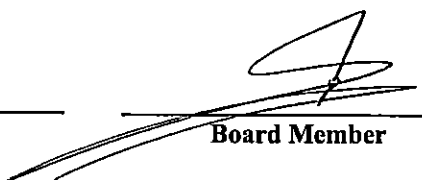

Chief Executive Officer

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

	Note	For the three-month period ended	
		31 March 2021	31 March 2020
		(Unaudited) SR '000	(Unaudited) SR '000
Net (loss) / income after zakat		(20,968)	2,333
Other comprehensive loss:			
<i>Items that will not be reclassified to statement of income in subsequent years</i>		-	-
<i>Items that may be reclassified to statements of income in subsequent years</i>			
- Change in fair value of available-for-sale investments	7	(23)	(2,163)
Total comprehensive (loss) / income		(20,991)	170
Total comprehensive income attributable to the insurance operations		-	119
Net comprehensive (loss) / income attributable to the shareholders		(20,991)	51

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


Finance Manager


Board Member


Chief Executive Officer

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

For the three-month period ended	Note	Share capital	Accumulated losses	Actuarial loss on end-of-service benefits	Fair value reserve for available-for-sale	Total
				SR '000		
Balance as at 01 January 2021 (Audited)		240,000	(147,503)	(1,743)	1,485	92,239
Comprehensive income for the period:						
Change in fair value of available-for-sale investments	7	-	-	-	(23)	(23)
Total loss for the period attributable to the shareholders		-	(20,968)	-	-	(20,968)
Total comprehensive loss for the period		-	(20,968)	-	(23)	(20,991)
Balance as at 31 March 2021 (Unaudited)		<u>240,000</u>	<u>(168,471)</u>	<u>(1,743)</u>	<u>1,462</u>	<u>71,248</u>

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


Finance Manager


Board Member

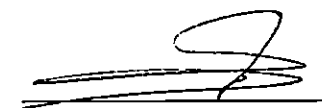

Chief Executive Officer

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

Note	Share capital	Accumulated losses	Actuarial loss on end-of-service benefits	Fair value reserve for available-for-sale investment	Total
	SR '000				
Balance as at 01 January 2020 (Audited)	240,000	(85,666)	(539)	3,060	156,855
Comprehensive loss for the period:					
Change in fair value of available-for-sale investments	-	-	-	(2,163)	(2,163)
Total income for the period attributable to the shareholders	-	2,214	-	-	2,214
Total comprehensive income / (loss) for the period	-	2,214	-	(2,163)	51
Balance as at 31 March 2020 (Unaudited)	240,000	(83,452)	(539)	897	156,906

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


Finance Manager

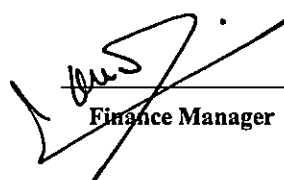

Board Member

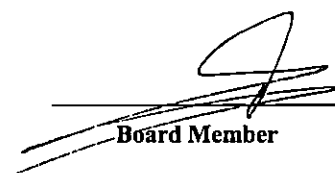

Chief Executive Officer

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

	Note	For the three-month period ended	
		31 March 2021	31 March 2020
		(Unaudited)	(Unaudited)
		SR '000	SR '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Total (loss) / income before zakat and income tax		(23,303)	2,586
Adjustments for non-cash items:			
Depreciation and amortization		417	386
Reversal of provision for doubtful debts		(588)	(993)
Amortization of held-to-maturity investments	7	(100)	(101)
Provision for employees' end-of-service benefits		283	575
		<u>(23,291)</u>	<u>2,453</u>
Changes in operating assets and liabilities:			
Premiums and reinsurers' receivable		(11,874)	(57,731)
Reinsurers' share of unearned premiums		2	237
Reinsurers' share of outstanding claims		(4,554)	(988)
Reinsurers' share of claims incurred but not reported		455	1,064
Deferred policy acquisition costs		797	(4,296)
Prepaid expenses and other assets		(2,998)	(4,050)
Policyholders claims payable		759	88
Accrued expenses and other liabilities		(5,735)	17,353
Reinsurers' balances payable		4,091	(4,746)
Unearned premiums		2,637	40,319
Unearned reinsurance commission		(21)	92
Outstanding claims		12,295	(3,344)
Claims incurred but not reported		(6,900)	7,303
Premium deficiency reserve		2,510	(24)
Other technical reserves		261	104
		<u>(31,566)</u>	<u>(6,166)</u>
Employees' end-of-service benefits paid		-	(513)
Zakat and income tax paid	10	-	-
Net cash used in operating activities		<u>(31,566)</u>	<u>(6,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Short term deposits		-	(1,374)
Purchase of available-for-sale investments		-	-
Purchase of held-to-maturity investments		-	-
Purchase of property, equipment and intangibles		(515)	(961)
Net cash used in investing activities		<u>(515)</u>	<u>(2,335)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of capital		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net change in cash and cash equivalents		<u>(32,081)</u>	<u>(9,014)</u>
Cash and cash equivalents at the beginning of the period		<u>133,983</u>	<u>44,515</u>
Cash and cash equivalents at the end of the period		<u>101,902</u>	<u>35,501</u>
Supplemental non-cash information:			
Changes in fair values of available-for-sale investments - net	7	<u>(23)</u>	<u>(2,163)</u>

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


 Finance Manager


 Board Member


 Chief Executive Officer

**AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

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

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

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

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

2 BASIS OF PREPARATION

(a) Basis of presentation and measurement

The interim condensed interim financial information (interim condensed financial statements) of the Company as at and for the period ended 31 March 2020 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization of Certified Public Accountants ("SOCPA").

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

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

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

**AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

2 BASIS OF PREPARATION (CONTINUED)

(a) Basis of presentation and measurement (continued)

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

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

(b) Functional and presentation currency

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

(c) Critical accounting judgments, estimates and assumptions

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

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2020.

Going concern

The Company's accumulated losses as of 31 March 2021 are 70.02% (31 December 2020: 61.46%) of the Company's share capital, and as of the same date, the Company's solvency reached 38% (31 December 2020: 45%). These events and conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, various strategic options, including capital restructuring, were considered by the Board of Directors to ensure the Company's going concern. Among such strategic options, on 15 November 2020, the Company has signed a Non-Binding Memorandum with Saudi Enaya Cooperative Insurance Co. ("Enaya") to assess the merger's feasibility. Further, on 18 March 2021, the Company received Capital Market Authority approval after completing the regulatory requirements as per the Capital Market Law and its Implementing Regulations to absorb losses through capital reduction from SAR 240,000,000 to SAR 130,000,000. The reduction of Capital is subject to the Company's shareholders' approval.

**AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

2 BASIS OF PREPARATION (CONTINUED)

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

Going concern (continued)

Furthermore, subsequent to the period ended 31 March 2021, the Company has signed a binding merger agreement with Enaya on 29 April 2021 to take the necessary steps to implement the merger under relevant applicable laws and regulations, subject to obtaining the required approvals. Based on the above, the management is satisfied that the Company will continue as a going concern in the

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

(a) Significant accounting policies

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020

(b) New standards issued but not yet effective

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

IFRS 9 Financial Instruments

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

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

17

IFRS 17 Insurance Contracts

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

**AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

4 CASH AND CASH EQUIVALENTS

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR '000			SR '000		
Cash at bank	33,303	18,991	52,294	35,591	17,755	53,346
Cash in hand	84	-	84	76	-	76
Deposits maturing within 3 months from acquisition date	-	49,524	49,524	-	80,561	80,561
	33,387	68,515	101,902	35,667	98,316	133,983

All banks and deposits are placed with SAMA regulated local banks with sound credit ratings under Standard and Poor's and Moody's rating methodology. The deposits earn commission at an average rate of 0.78% per annum as at 31 March 2021 (31 December 2020: 0.78%)

5 DEPOSITS

Short term deposits are placed with local banks with an original maturity of more than three months from the date of acquisition and earning profit at an average rate 4.22% per annum (31 December 2020: 4.22% per annum). Further, these deposits have maturities upto 16 November 2021. The carrying amounts of short term deposits reasonably

Short term deposit are placed with counterparties with sound credit ratings under Standard and Poor's and Moody's ratings methodology.

6 PREMIUMS AND REINSURERS' RECEIVABLE - NET

	Note	31 March 2021 (Unaudited) SR '000	31 December 2020 (Audited) SR '000
Receivables comprise of the amounts due from the following:			
Policyholders		42,106	56,484
Brokers and agents		91,318	76,641
Related parties	16	8,323	3,746
Receivables from reinsurers		49,452	42,454
		191,199	179,325
Less: provision for doubtful receivables		(49,530)	(50,118)
Premiums and reinsurers' receivable – net		141,669	129,207

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

Beginning balance	50,118	26,938
(Reversal) / charge made during the period / year	(588)	23,180
Ending balance	49,530	50,118

7 INVESTMENTS

Investments are classified as follows:

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR '000			SR '000		
Available-for-sale investments	1,923	10,926	12,849	1,923	10,949	12,872
Held-to-maturity investments	-	49,145	49,145	-	49,045	49,045
	1,923	60,071	61,994	1,923	59,994	61,917

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7 INVESTMENTS (CONTINUED)

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

7.2 Investments for shareholders' operations comprised as follows:

		31 March 2021 (Unaudited) SR '000	31 December 2020 (Audited) SR '000
Available-for-sale investments - Listed shares and REIT Funds (Domestic)	7.4	10,926	10,949
Held-to-maturity investments - Debt instruments (Domestic)	7.3	43,948	44,035
Held-to-maturity investments - Debt instruments (International)	7.3	5,197	5,010
		60,071	59,994

7.3 The investment represents sukuks earning average profit at a rate of 3.40% per annum (2020: 3.40% per annum) having maturities upto 20 April 2027.

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

		31 March 2021 (Unaudited) SR '000	31 December 2020 (Audited) SR '000
Opening balance		10,949	17,375
Change in fair value of available-for-sale investments		(23)	(4,851)
Transferred from fair value reserve to income for the year		-	648
Disposals at cost		-	(2,223)
Closing balance		10,926	10,949

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

Opening balance	49,045	48,640
Amortization for the period / year	100	405
Closing balance	49,145	49,045

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

8 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

(a) Determination of fair value and fair value hierarchy

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

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

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8 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Carrying amounts and fair value

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

	31 March 2021 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	SR '000	SR '000	SR '000	SR '000	SR '000
<u>Available for sale investments</u>					
- Shares and REIT Funds	12,849	10,926	-	1,923	12,849
	<u>12,849</u>	<u>10,926</u>	<u>-</u>	<u>1,923</u>	<u>12,849</u>
	31 December 2020 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	SR '000	SR '000	SR '000	SR '000	SR '000
<u>Available for sale investments</u>					
- Shares and REIT Funds	12,872	10,949	-	1,923	12,872
	<u>12,872</u>	<u>10,949</u>	<u>-</u>	<u>1,923</u>	<u>12,872</u>

There were no transfers between Levels during the three-month period ended 31 March 2021 and the year ended 31 December 2020.

(c) Measurement of fair value

Available-for-sale investment level 3 represents unquoted securities amounted to SR 1.9 million in respect of the Company's share in the capital of Najm. As at 31 December 2020 and 31 December 2019, the investment has not been measured at fair value in the absence of active market or other means of measuring their fair value reliably. However, the management believes that there is no major difference between the carrying value and fair value of the investment.

9 TECHNICAL RESERVES

(a) Net Outstanding Claims and Reserves

	31 March 2021 (Unaudited) SR '000	31 December 2020 (Audited) SR '000
Outstanding claims	47,956	35,661
Claims incurred but not reported	51,248	58,148
Premium deficiency reserve	18,222	15,712
Other technical reserves	5,056	4,795
	<u>122,482</u>	<u>114,316</u>
Less:		
Reinsurers' share of outstanding claims	(16,317)	(11,763)
Reinsurers' share of claims incurred but not reported	(2,246)	(2,701)
	<u>(18,563)</u>	<u>(14,464)</u>
Net outstanding claims and other reserves	<u>103,919</u>	<u>99,852</u>

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9 TECHNICAL RESERVES (CONTINUED)

(b) Movement in unearned premiums	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	SR '000			SR '000		
Opening balance	141,100	(2,056)	139,044	100,911	(4,866)	96,045
Premiums written during the period / year	77,978	(2,008)	75,970	329,519	(5,361)	324,158
Excess of loss expense	-	(9,307)	(9,307)	-	(44,637)	(44,637)
Premiums earned during the period / year	(75,341)	11,317	(64,024)	(289,330)	52,808	(236,522)
Closing balance	<u>143,737</u>	<u>(2,054)</u>	<u>141,683</u>	<u>141,100</u>	<u>(2,056)</u>	<u>139,044</u>

(c) Unearned reinsurance commission	31 March	31 December
	2021	2020
	(Unaudited)	(Audited)
	SR '000	SR '000
Opening balance	456	1,057
Reinsurance commission received during the period / year	367	1,391
Reinsurance commission earned during the period / year	(388)	(1,992)
Closing balance	<u>435</u>	<u>456</u>

(d) Movement in deferred policy acquisition costs

Opening balance	11,010	8,328
Incurred during the period / year	5,109	27,523
Amortized during the period / year	(5,906)	(24,841)
Closing balance	<u>10,213</u>	<u>11,010</u>

10 ZAKAT PAYABLE

Opening balance	6,673	2,859
Charge for the period / year	426	822
(Reversal) / Charge for prior periods / year	(2,761)	3,742
	(2,335)	4,564
Paid during the period / year	-	(750)
Closing balance	<u>4,338</u>	<u>6,673</u>

The Company has filed its zakat return to General Authority for Zakat and Tax ("GAZT") until 2020. All the assessments up to the year 2016 have been settled with GAZT, and a final clearance certificate has been obtained. During the year 2020, GAZT issued zakat assessment for the years 2017 and 2018, amounting to 6.2 million. The Company has filed objection against the assessment and believes that the liability can be reduced to 3.7 million with a very high probability. On May 4, 2020, the Company also received assessments along with penalties in respect of Value Added Tax ("VAT") for the years 2018 and 2019 amounting to 1.6 million. The Company objected to the penalties which have been reversed by GAZT and are under process for refund.

11 SHARE CAPITAL

The authorized, issued and paid up share capital of the Company is SR 240 million at 31 March 2021 (31 December 2020: SR 240 million) consisting of 24 million shares (31 December 2020: 24 million shares) of SR 10 each. The Company has secured CMA approval to absorb/losses through its share capital on 18 March 2021. The purpose of reducing share capital is to increase the solvency and improve the Company's financial position.

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12 COMMITMENTS AND CONTINGENCIES

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

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
	SR '000	SR '000
Capital work in progress	<u>2,782</u>	<u>3,829</u>

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

13 STATUTORY DEPOSIT

Statutory deposit represents 15% of the paid up capital of the Company which is maintained with local bank designated by SAMA in accordance with the Cooperative Insurance Companies Control Law for insurance companies. This statutory deposit cannot be withdrawn without the consent of SAMA.

Accrued interest on the statutory deposit amounting to SR 2.91 million (31 December 2020: SR 2.88 million) has been presented in the interim condensed statement of financial position.

14 EARNINGS / (LOSS) PER SHARE

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

	<u>Number of shares in '000</u>	
	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Basic and diluted loss per share	<u>24,000</u>	<u>24,000</u>
Weighted average number of shares throughout the period (thousands)	<u>(0.87)</u>	<u>0.09</u>
	<u>24,000</u>	<u>24,000</u>

15 CAPITAL MANAGEMENT

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

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

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

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

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16 RELATED PARTY TRANSACTIONS AND BALANCES

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

DUE FROM RELATED PARTIES	<i>Amounts of transactions</i>		<i>Balances as at</i>	
	31 March 2021 <i>(Unaudited)</i> SR '000	31 March 2020 <i>(Unaudited)</i> SR '000	31 March 2021 <i>(Unaudited)</i> SR '000	31 December 2020 <i>(Audited)</i> SR '000
<i>Entities controlled, jointly controlled or significantly influenced by related parties</i>				
El Seif companies group				
- Insurance premium written	4,320	30,049	7,932	3,304
- Paid claims	3,646	5,204	-	-
	<u>7,966</u>	<u>35,253</u>	<u>7,932</u>	<u>3,304</u>
El Tukhy companies group				
- Insurance premium written	-	-	356	356
- Paid claims	2	-	-	-
	<u>2</u>	<u>-</u>	<u>356</u>	<u>356</u>
Al Durra Al Raeda Co				
- Insurance premium written	39	-	20	71
- Paid claims	-	-	-	-
	<u>39</u>	<u>-</u>	<u>20</u>	<u>71</u>
Naif Al Sudairy				
- Insurance premium written	-	-	15	15
- Paid claims	-	-	-	-
	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Abdulrahman Al Sakran				
- Insurance premium written	-	-	-	-
- Paid claims	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Globe-Med				
- volume rebate	-	-	8,500	7,500
	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>7,500</u>
Total	<u>8,007</u>	<u>35,253</u>	<u>16,823</u>	<u>11,246</u>
Less: provision for doubtful receivables			<u>(845)</u>	<u>(304)</u>
Due from related parties, net			<u>15,978</u>	<u>10,942</u>

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16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

	31 March 2021 (Unaudited) SR '000	31 December 2020 (Audited) SR '000
Opening balance	304	408
Charge / (reversal) during the period / year	541	(104)
Closing balance	<u>845</u>	<u>304</u>

DUE TO RELATED PARTIES

	<u>Amounts of transactions</u>		<u>Balances as at</u>	
	31 March 2021 (Unaudited) SR '000	31 March 2020 (Unaudited) SR '000	31 March 2021 (Unaudited) SR '000	31 December 2020 (Audited) SR '000
Board of Directors & related committee				
Bonus and other allowances	363	363	1,811	1,563
Globe-Med (Group entity)				
Administration fees for handling medical claims and others	1,961	3,604	2,317	356
	<u>2,324</u>	<u>3,967</u>	<u>4,128</u>	<u>1,919</u>

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

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

	31 March 2021 (Unaudited) SR '000	31 March 2020 (Unaudited) SR '000
Salaries and other allowances	951	1,009
End of service indemnities	49	42
	<u>1,000</u>	<u>1,051</u>

17 SEGMENT INFORMATION

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

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

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17 SEGMENT INFORMATION (CONTINUED)

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

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

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17 SEGMENT INFORMATION (CONTINUED)

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

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17 SEGMENT INFORMATION (CONTINUED)

	For the three month period ended 31 March 2021 (Unaudited)						
	SR '000						
Operating segment	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations	Total
Other operating (expenses) / income							
Reversal of provision for doubtful debts	-	-	-	588	588	-	588
General and administrative expenses	-	-	-	(13,463)	(13,463)	(365)	(13,828)
Investment income	-	-	-	-	-	1,818	1,818
Realized gain from sale of available for sale investments	-	-	-	-	-	-	-
Total other operating (expenses) / income	-	-	-	(12,875)	(12,875)	1,453	(11,422)
Total (loss) / income before zakat	(1,785)	(8,315)	(1,781)	(12,875)	(24,756)	1,453	(23,303)
Zakat reversal / (charge)	-	-	-	-	-	2,335	2,335
Net income / (loss) after zakat	(1,785)	(8,315)	(1,781)	(12,875)	(24,756)	3,788	(20,968)
Total income for the period attributed to the insurance operations	-	-	-	-	-	-	-
Surplus / (deficit) transferred to shareholders	1,785	8,315	1,781	12,875	24,756	(24,756)	-
Net loss attributable to the shareholders after zakat	-	-	-	-	-	(20,968)	(20,968)

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17 SEGMENT INFORMATION (CONTINUED)

	For the three month period ended 31 March 2020 (Unaudited)						
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations	Total
Operating segment							
Revenues							
Gross premiums written							
- Corporate	52,519	5,387	5,708	-	63,614	-	63,614
- Medium	14,751	895	116	-	15,762	-	15,762
- Small	7,705	193	179	-	8,077	-	8,077
- Very small	15,521	23	14	-	15,558	-	15,558
- Individual	-	386	-	-	386	-	386
Gross premiums written	90,496	6,884	6,017	-	103,397	-	103,397
Reinsurance premiums ceded							
- Local	-	-	(66)	-	(66)	-	(66)
- International (includes premium ceded through local broker)	-	-	(3,393)	-	(3,393)	-	(3,393)
Excess of loss expenses	(932)	(204)	(1,211)	-	(2,347)	-	(2,347)
Net premiums written	89,564	6,680	1,347	-	97,591	-	97,591
Changes in gross unearned premiums - net	(34,248)	(4,035)	(2,273)	-	(40,556)	-	(40,556)
Net premiums earned	55,316	2,645	(926)	-	57,035	-	57,035
Reinsurance commissions	-	-	752	-	752	-	752
Other underwriting income	2,823	512	(1)	-	3,334	-	3,334
Total revenues	58,139	3,157	(175)	-	61,121	-	61,121

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17 SEGMENT INFORMATION (CONTINUED)

	For the three month period ended 31 March 2020 (Unaudited)						Total
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations	
Operating segment							
Underwriting costs and expenses							
Gross claims paid	(48,255)	(1,210)	(155)	-	(49,620)	-	(49,620)
Reinsurers' share of claims paid	12,695	121	130	-	12,946	-	12,946
Net claims paid	(35,560)	(1,089)	(25)	-	(36,674)	-	(36,674)
Changes in outstanding claims	4,403	(574)	(485)	-	3,344	-	3,344
Changes in reinsurance share of outstanding claims	516	5	467	-	988	-	988
Changes in claims incurred but not reported	(7,368)	(44)	109	-	(7,303)	-	(7,303)
Changes in reinsurance share of claims incurred but not reported	(783)	(132)	(149)	-	(1,064)	-	(1,064)
Net claims incurred	(38,792)	(1,834)	(83)	-	(40,709)	-	(40,709)
Changes in premiums deficiency reserve	(177)	103	98	-	24	-	24
Changes in other technical reserves	(15)	(15)	(74)	-	(104)	-	(104)
Policy acquisition costs	(4,954)	(286)	(462)	-	(5,702)	-	(5,702)
Inspection and supervision fees	(3,235)	(94)	(20)	-	(3,349)	-	(3,349)
Total underwriting costs and expenses	(47,173)	(2,126)	(541)	-	(49,840)	-	(49,840)
Net underwriting income / (loss)	10,966	1,031	(716)	-	11,281	-	11,281

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

17 SEGMENT INFORMATION (CONTINUED)

	For the three month period ended 31 March 2020 (Unaudited)						
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations	Total
Operating segment							
Other operating (expenses) / income							
Reversal of provision for doubtful debts	-	-	-	993	993	-	993
General and administrative expenses	(8,835)	(672)	(1,580)	-	(11,087)	(359)	(11,446)
Dividends and investment income	-	-	-	-	-	1,758	1,758
Realized loss from sale of available-for-sale Investments	-	-	-	-	-	-	-
Total other operating (expenses) / income	(8,835)	(672)	(1,580)	993	(10,094)	1,399	(8,695)
Total (loss) / income before zakat	2,131	359	(2,296)	993	1,187	1,399	2,586
Zakat charge	-	-	-	-	-	(253)	(253)
Total income / (loss) after zakat	2,131	359	(2,296)	993	1,187	1,146	2,333
Total income for the period attributed to the insurance operations	-	-	-	(119)	(119)	-	(119)
Surplus / (deficit) transferred to shareholders	(2,131)	(359)	2,296	(874)	(1,068)	1,068	-
Net income / (loss) attributable to the shareholders after zakat	-	-	-	-	-	2,214	2,214

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

17 SEGMENT INFORMATION (CONTINUED)

	As at 31 March 2021 (Unaudited)						Total
	Medical	Motor	Property & casualty	Unallocated	Total - Insurance operations	Shareholders' operations	
Operating segment							
Assets							
Cash and cash equivalents	-	-	-	33,387	33,387	68,515	101,902
Premiums and reinsurers' receivable - net	76,165	27,890	3,849	33,765	141,669	-	141,669
Reinsurers' share of unearned premiums	-	-	2,054	-	2,054	-	2,054
Reinsurers' share of outstanding claims	4,117	2,834	9,366	-	16,317	-	16,317
Reinsurers' share of claims incurred but not reported	6	78	2,162	-	2,246	-	2,246
Deferred policy acquisition costs	8,194	1,687	332	-	10,213	-	10,213
Investments	-	-	-	1,923	1,923	60,071	61,994
Unallocated assets	-	-	-	30,409	30,409	79,984	110,393
Total assets	88,482	32,489	17,763	99,484	238,218	208,570	446,788
Liabilities							
Policyholders claims payable	475	696	872	-	2,043	-	2,043
Reinsurers' balances payable	-	-	-	26,641	26,641	-	26,641
Unearned premiums	99,472	41,233	3,032	-	143,737	-	143,737
Unearned reinsurance commission	-	-	435	-	435	-	435
Outstanding claims	26,372	10,543	11,041	-	47,956	-	47,956
Claims incurred but not reported	44,355	4,126	2,767	-	51,248	-	51,248
Premium deficiency reserve	10,219	8,003	-	-	18,222	-	18,222
Other technical reserve	4,274	367	415	-	5,056	-	5,056
Unallocated liabilities	-	-	-	70,296	70,296	9,906	80,202
Total liabilities	185,167	64,968	18,562	96,937	365,634	9,906	375,540

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

17 SEGMENT INFORMATION (CONTINUED)

	As at 31 December 2020 (Audited)						
	Medical	Motor	Property & casualty	Unallocated	Total Insurance operations	Shareholders' operations	Total
SR '000							
Operating segment							
Assets							
Cash and cash equivalents	-	-	-	35,667	35,667	98,316	133,983
Premiums and reinsurers' receivable - net	84,247	16,332	3,831	24,797	129,207	-	129,207
Reinsurers' share of unearned premiums	-	-	2,056	-	2,056	-	2,056
Reinsurers' share of outstanding claims	9,944	1,658	161	-	11,763	-	11,763
Reinsurers' share of claims incurred but not reported	43	242	2,416	-	2,701	-	2,701
Deferred policy acquisition costs	9,649	1,123	238	-	11,010	-	11,010
Investments	-	-	-	1,923	1,923	59,994	61,917
Unallocated assets	-	-	-	28,305	28,305	78,958	107,263
Total assets	103,883	19,355	8,702	90,692	222,632	237,268	459,900
Liabilities							
Policyholders claims payable	412	-	872	-	1,284	-	1,284
Reinsurers' balances payable	-	-	-	22,550	22,550	-	22,550
Unearned premiums	120,771	17,727	2,602	-	141,100	-	141,100
Unearned reinsurance commission	-	-	456	-	456	-	456
Outstanding claims	28,907	6,543	211	-	35,661	-	35,661
Claims incurred but not reported	51,286	3,667	3,195	-	58,148	-	58,148
Premium deficiency reserve	12,163	3,549	-	-	15,712	-	15,712
Other technical reserves	4,355	255	185	-	4,795	-	4,795
Unallocated liabilities	-	-	-	76,232	76,232	11,723	87,955
Total liabilities	217,894	31,741	7,521	98,782	355,938	11,723	367,661

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

18 SUPPLEMENTARY INFORMATION

18.1 Interim condensed statement of financial position

	As at 31 March 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance	Shareholders'	Total	Insurance	Shareholders'	Total
	Operations	Operations		Operations	Operations	
	SR '000			SR '000		
ASSETS						
Cash and cash equivalents	33,387	68,515	101,902	35,667	98,316	133,983
Short term deposits	-	40,000	40,000	-	40,000	40,000
Premiums and reinsurers' receivable - net	141,669	-	141,669	129,207	-	129,207
Reinsurers' share of unearned premiums	2,054	-	2,054	2,056	-	2,056
Reinsurers' share of outstanding claims	16,317	-	16,317	11,763	-	11,763
Reinsurers' share of claims incurred but not reported	2,246	-	2,246	2,701	-	2,701
Deferred policy acquisition costs	10,213	-	10,213	11,010	-	11,010
Available-for-sale investments	1,923	10,926	12,849	1,923	10,949	12,872
Held-to-maturity investments	-	49,145	49,145	-	49,045	49,045
Due from shareholders' operations	125,673	-	125,673	131,563	-	131,563
Prepayments and other assets	23,435	1,074	24,509	21,429	82	21,511
Property and equipment	6,166	-	6,166	5,976	-	5,976
Intangible assets	808	-	808	900	-	900
Long term deposits	-	-	-	-	-	-
Statutory deposit	-	36,000	36,000	-	36,000	36,000
Accrued commission income on statutory deposit	-	2,910	2,910	-	2,876	2,876
TOTAL ASSETS	363,891	208,570	572,461	354,195	237,268	591,463

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

18 SUPPLEMENTARY INFORMATION (CONTINUED)

18.1 Interim condensed statement of financial position (continued)

	As at 31 March 2021 (Unaudited)			As at 31 December 2020 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
LIABILITIES						
Policyholders claims payable	2,043	-	2,043	1,284	-	1,284
Accrued expenses and other liabilities	64,688	2,658	67,346	70,907	2,174	73,081
Reinsurance balances payable	26,641	-	26,641	22,550	-	22,550
Unearned premiums	143,737	-	143,737	141,100	-	141,100
Unearned reinsurance commission	435	-	435	456	-	456
Outstanding claims	47,956	-	47,956	35,661	-	35,661
Claims incurred but not reported	51,248	-	51,248	58,148	-	58,148
Premium deficiency reserve	18,222	-	18,222	15,712	-	15,712
Other technical reserve	5,056	-	5,056	4,795	-	4,795
Due to insurance operation	-	125,673	125,673	-	131,563	131,563
Employees' end-of-service benefits	4,829	-	4,829	4,546	-	4,546
Surplus distribution payable	779	-	779	779	-	779
Provision for zakat and income tax	-	4,338	4,338	-	6,673	6,673
Accrued commission income payable to SAMA	-	2,910	2,910	-	2,876	2,876
TOTAL LIABILITIES	365,634	135,579	501,213	355,938	143,286	499,224
EQUITY						
Share capital	-	240,000	240,000	-	240,000	240,000
Accumulated losses	-	(168,471)	(168,471)	-	(147,503)	(147,503)
Actuarial loss on end-of-service benefits	(1,743)	-	(1,743)	(1,743)	-	(1,743)
Fair value reserve for available-for-sale investments	-	1,462	1,462	-	1,485	1,485
TOTAL EQUITY	(1,743)	72,991	71,248	(1,743)	93,982	92,239
TOTAL LIABILITIES AND EQUITY	363,891	208,570	572,461	354,195	237,268	591,463

AMANA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

18 SUPPLEMENTARY INFORMATION (CONTINUED)

18.2 Interim condensed statement of income

	For the three month period ended 31 March 2021 (Unaudited)			For the three month period ended 31 March 2020 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
REVENUES						
Gross premiums written	77,978	-	77,978	103,397	-	103,397
Reinsurance premiums ceded						
- Local	(22)	-	(22)	(66)	-	(66)
- Foreign	(1,986)	-	(1,986)	(3,393)	-	(3,393)
Excess of loss expenses	(9,307)	-	(9,307)	(2,347)	-	(2,347)
Net premiums written	66,663	-	66,663	97,591	-	97,591
Changes in unearned premiums	(2,639)	-	(2,639)	(40,556)	-	(40,556)
Net premiums earned	64,024	-	64,024	57,035	-	57,035
Reinsurance commissions	388	-	388	752	-	752
Other underwriting income	719	-	719	3,334	-	3,334
NET REVENUES	65,131	-	65,131	61,121	-	61,121
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(81,308)	-	(81,308)	(49,620)	-	(49,620)
Reinsurers' share of claims paid	20,815	-	20,815	12,946	-	12,946
Net claims paid	(60,493)	-	(60,493)	(36,674)	-	(36,674)
Changes in outstanding claims	(12,295)	-	(12,295)	3,344	-	3,344
Changes in reinsurers' share of outstanding claims	4,554	-	4,554	988	-	988
Changes in claims incurred but not reported	6,900	-	6,900	(7,303)	-	(7,303)
Changes in reinsurers' share of claims incurred but not reported	(455)	-	(455)	(1,064)	-	(1,064)
Net claims incurred	(61,789)	-	(61,789)	(40,709)	-	(40,709)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

18 SUPPLEMENTARY INFORMATION (CONTINUED)

18.2 Interim condensed statement of income (continued)

	For the three month period ended 31 March 2021 (Unaudited)			For the three month period ended 31 March 2020 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
Changes in premiums deficiency reserve	(2,510)	-	(2,510)	24	-	24
Changes in other technical reserves	(261)	-	(261)	(104)	-	(104)
Policy acquisition costs	(5,906)	-	(5,906)	(5,702)	-	(5,702)
Inspection and supervision fees	(6,546)	-	(6,546)	(3,349)	-	(3,349)
TOTAL UNDERWRITING COSTS AND EXPENSES	(77,012)	-	(77,012)	(49,840)	-	(49,840)
NET UNDERWRITING (LOSS) / INCOME	(11,881)	-	(11,881)	11,281	-	11,281
OTHER OPERATING (EXPENSES) / INCOME						
Reversal of provision for doubtful debts	588	-	588	993	-	993
General and administrative expenses	(13,463)	(365)	(13,828)	(11,087)	(359)	(11,446)
Dividends and investment income	-	1,818	1,818	-	1,758	1,758
Realized loss from sale of available-for-sale investments	-	-	-	-	-	-
TOTAL OTHER OPERATING (EXPENSES) / INCOME	(12,875)	1,453	(11,422)	(10,094)	1,399	(8,695)
Total (loss) / income before zakat	(24,756)	1,453	(23,303)	1,187	1,399	2,586
Zakat reversal / (charge)	-	2,335	2,335	-	(253)	(253)
Net income / (loss) after zakat	(24,756)	3,788	(20,968)	1,187	1,146	2,333
Total income for the period attributed to the insurance operations	-	-	-	(119)	-	(119)
Surplus / (deficit) transferred to shareholders	24,756	(24,756)	-	(1,068)	1,068	-
Net (loss) / income attributable to the shareholders after zakat	-	(20,968)	(20,968)	-	2,214	2,214

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

18 SUPPLEMENTARY INFORMATION (CONTINUED)

18.3 Interim condensed statement of comprehensive income

	For the three months period ended 31 March 2021 (Unaudited)			For the three months period ended 31 March 2020 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
Net income / (loss) after zakat	-	(20,968)	(20,968)	-	2,214	2,214
Other comprehensive income / (loss) :						
<i>Items that will not be reclassified to statement of income in subsequent years</i>	-	-	-	-	-	-
<i>Items that may be reclassified to statement of insurance operations' surplus in subsequent years</i>						
- Change in fair value of available-for-sale investments	-	(23)	(23)	-	(2,163)	(2,163)
Total comprehensive (loss) / income for the period	-	(20,991)	(20,991)	-	51	51
Total comprehensive income attributable to the insurance operations	-	-	-	-	-	-
Net comprehensive (loss) / income attributable to the shareholders		(20,991)	(20,991)	-	51	51

**AMANA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
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18 SUPPLEMENTARY INFORMATION (CONTINUED)

18.4 Interim condensed statement of cash flows

	For the three month period ended 31			For the three month period ended 31 March		
	March 2021 (Unaudited)			2020 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	SR '000			SR '000		
CASH FLOWS FROM OPERATING ACTIVITIES						
Total (loss) / income before zakat	-	(23,303)	(23,303)	119	2,467	2,586
Adjustments for non-cash items:						
Depreciation and amortization	417	-	417	386	-	386
Reversal of provision for doubtful debts	(588)	-	(588)	(993)	-	(993)
Amortization of held-to-maturity investments	-	(100)	(100)	-	(101)	(101)
Provision for employees' end-of-service benefits	283	-	283	575	-	575
	112	(23,403)	(23,291)	87	2,366	2,453
Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable	(11,874)	-	(11,874)	(57,731)	-	(57,731)
Reinsurers' share of unearned premiums	2	-	2	237	-	237
Reinsurers' share of outstanding claims	(4,554)	-	(4,554)	(988)	-	(988)
Reinsurers' share of claims incurred but not reported	455	-	455	1,064	-	1,064
Deferred policy acquisition costs	797	-	797	(4,296)	-	(4,296)
Due from shareholders	5,890	-	5,890	11,017	-	11,017
Prepaid expenses and other assets	(2,006)	(992)	(2,998)	(4,385)	335	(4,050)
Policyholders claims payable	759	-	759	88	-	88
Accrued expenses and other liabilities	(6,219)	484	(5,735)	17,040	313	17,353
Reinsurers' balances payable	4,091	-	4,091	(4,746)	-	(4,746)
Unearned premiums	2,637	-	2,637	40,319	-	40,319
Unearned reinsurance commission	(21)	-	(21)	92	-	92
Outstanding claims	12,295	-	12,295	(3,344)	-	(3,344)
Claims incurred but not reported	(6,900)	-	(6,900)	7,303	-	7,303
Premium deficiency reserve	2,510	-	2,510	(24)	-	(24)
Other technical reserves	261	-	261	104	-	104
Due to insurance operation	-	(5,890)	(5,890)	-	(11,017)	(11,017)
	(1,765)	(29,801)	(31,566)	1,837	(8,003)	(6,166)

AMANA COOPERATIVE INSURANCE COMPANY
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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

18 SUPPLEMENTARY INFORMATION (CONTINUED)

18.4 Interim condensed statement of cash flows

	For the three month period ended 31			For the three month period ended 31 March		
	March 2021 (Unaudited)			2020 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
SR '000			SR '000			
Employees' end-of-service benefits paid	-	-	-	(513)	-	(513)
Net cash used in operating activities	(1,765)	(29,801)	(31,566)	1,324	(8,003)	(6,679)
CASH FLOWS FROM INVESTING ACTIVITIES						
Short term deposits	-	-	-	-	(1,374)	(1,374)
Purchase of available-for-sale investments	-	-	-	-	-	-
Purchase of held-to-maturity investments	-	-	-	-	-	-
Purchase of property, equipment and intangibles	(515)	-	(515)	(961)	-	(961)
Net cash used in investing activities	(515)	-	(515)	(961)	(1,374)	(2,335)
CASH FLOWS FROM FINANCING ACTIVITY						
Proceeds from issuance of capital	-	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-	-
Net change in cash and cash equivalents	(2,280)	(29,801)	(32,081)	363	(9,377)	(9,014)
Cash and cash equivalents at the beginning of the period	35,667	98,316	133,983	21,230	23,285	44,515
Cash and cash equivalents at the end of the period	33,387	68,515	101,902	21,593	13,908	35,501
Supplemental non-cash information:						
Changes in fair values of available-for-sale investments - net	-	(23)	(23)	-	(2,163)	(2,163)

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(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

19 EVENTS AFTER THE REPORTING DATE

Subsequent to the period ended 31 March 2021, the Company has signed a binding merger agreement with Enaya Cooperative Insurance Co. on 29 April 2021 to take necessary steps to implement the merger between the two Companies under the Companies Law issued by the Ministry of Commerce, the Merger and Acquisition Regulations and the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority, the Listing Rules issued by Saudi Stock Exchange (Tadawul) and the implementing regulations issued by Saudi Central Bank (SAMA).

20 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 19 May 2021 (corresponding to 7 Shawwal 1442H).