UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)
For the three-month and six-month periods ended
30 June 2022

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
As at 30 June 2022

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Independent auditor's report on review of condensed interim financial statements

To the shareholders of United Cooperative Assurance Company

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Cooperative Assurance Company – a Saudi Joint Stock Company (the "Company") as at 30 June 2022, the condensed interim statements of income and condensed interim comprehensive income for the three-months and six-month period then ended, condensed interim changes in equity and cash flows for the six month period then ended, and notes to the condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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 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 condensed interim financial statements as at 30 June 2022 of United Cooperative Assurance Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Material uncertainty relating to going concern

We draw attention to Note 2(b) of the condensed interim financial statements, which indicates that the Company incurred a net loss of SR 42.58 million during the period ended June 30, 2022 and, as of that date, the Company's accumulated losses amounted to SR 192.33 million which represents 48% of the share capital. Moreover, as at June 30, 2022, the solvency margin of the Company is below the minimum solvency margin requirement prescribed by Article 68(2) of the Implementing Regulations Of The Cooperative Insurance Companies Control Law. These conditions along with other matters as set forth in note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Independent auditor's report on review of condensed interim financial statements - Continued

To the shareholders of United Cooperative Assurance Company

Emphasis of matter

We draw attention to Note 2(b) disclosed in the financial statements, which further describes the circumstances and management's assessment, in relation to the disapproval of certain agenda items by the shareholders of the Company in their General Assembly Meeting held on 28 June 2022. Our conclusion is not modified in this respect.

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Jeddah, Kingdom of Saudi Arabia
Date: 29 August 2022
Corresponding to: 2 Safar,1444H

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
As at 30 June 2022

	Notes	30 June 2022 (Unaudited)	31 December 2021 (Audited)
		SAR'000	
ASSETS			
Cash and cash equivalents	4	**85,079**	87,769
Premiums and reinsurers' receivable – net	5	**232,342**	156,051
Reinsurers' share of unearned premiums	7.2	**272,919**	91,978
Reinsurers' share of outstanding claims	7.1	**25,774**	36,506
Reinsurers' share of claims incurred but not reported	7.1	**122,466**	114,849
Deferred policy acquisition costs		**25,351**	10,571
Investments	6	**234,656**	250,526
Prepaid expenses and other assets		**70,289**	60,335
Property and equipment – net		**11,222**	9,122
Intangible assets		**10,696**	9,813
Right-of-use assets – net	8.1	**7,536**	7,089
Goodwill	9	**78,400**	78,400
Statutory deposit	10	**60,000**	60,000
Accrued commission income on statutory deposit	10	**5,741**	5,396
TOTAL ASSETS		**1,242,471**	978,405

Deputy Chief Financial Officer | Chief Executive Officer | Director

The accompanying notes from 1 to 21 form an integral part of these condensed interim financial statements

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION – (continued)
As at 30 June 2022

	Notes	30 June 2022 (Unaudited)	31 December 2021 (Audited)
		SAR'000	
LIABILITIES			
Policyholders payable		**22,943**	24,100
Accrued and other liabilities		**81,361**	68,985
Reinsurers balances payable		**133,794**	95,067
Unearned premiums	7.2	**432,512**	185,439
Unearned reinsurance commission		**40,987**	15,683
Outstanding claims	7.1	**68,702**	83,964
Claims incurred but not reported	7.1	**146,665**	140,599
Premium deficiency reserve	7.1	**31,171**	25,378
Other technical reserves	7.1	**22,776**	16,176
Employees' defined benefit obligations		**8,509**	10,029
Lease liabilities	8.2	**7,148**	6,187
Surplus from insurance operation		**37,053**	37,053
Zakat and income tax payable	15	**12,056**	14,846
Accrued commission income on statutory deposit payable to SAMA	10	**5,741**	5,396
TOTAL LIABILITIES		**1,051,418**	728,902
Fair value reserve on investments - insurance operations		**(14,701)**	(3,546)
TOTAL LIABILITIES AND INSURANCE OPERATIONS RESERVE		**1,036,717**	725,356
EQUITY			
Share capital	16	**400,000**	400,000
Accumulated losses		**(192,332)**	(149,752)
Fair value reserve on investments		**(4,848)**	(133)
Re-measurement reserve of employees' defined benefit obligations		**2,934**	2,934
TOTAL EQUITY		**205,754**	253,049
TOTAL LIABILITIES AND INSURANCE OPERATIONS RESERVE AND EQUITY		**1,242,471**	978,405
Commitments and contingencies	11	**22,396**	22,396

Deputy Chief Financial Officer | Chief Executive Officer | Director

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UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF INCOME (Unaudited)
For the three-month and six-month periods ended 30 June 2022

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	**2022**	2021
	SAR'000	SAR'000	**SAR'000**	SAR'000
REVENUES				
Gross premiums written	**176,941**	91,122	**485,413**	207,262
Reinsurance premiums ceded				
- Local	**(14,044)**	(2,892)	**(35,546)**	(8,830)
- Foreign	**(90,498)**	(58,173)	**(267,655)**	(111,318)
	(104,542)	(61,065)	**(303,201)**	(120,148)
Excess of loss expenses				
- Local	**(553)**	(546)	**(1,106)**	(758)
- Foreign	**(2,439)**	(1,978)	**(4,878)**	(3,335)
	(2,992)	(2,524)	**(5,984)**	(4,093)
Net premiums written	**69,407**	27,533	**176,228**	83,021
Changes in unearned premiums, net	**(4,212)**	17,651	**(66,132)**	13,176
Net premiums earned	**65,195**	45,184	**110,096**	96,197
Reinsurance commissions earned	**9,899**	11,885	**18,857**	23,887
TOTAL REVENUES	**75,094**	57,069	**128,953**	120,084
UNDERWRITING COSTS AND EXPENSES				
Gross claims paid	**84,236**	72,601	**153,820**	155,795
Reinsurers' share of claims paid	**(19,453)**	(22,376)	**(40,297)**	(51,790)
Net claims paid	**64,783**	50,225	**113,523**	104,005
Changes in outstanding claims, net	**1,357**	4,880	**(4,530)**	8,451
Changes in claims incurred but, not reported net	**(255)**	(3,550)	**(1,551)**	(4,093)
Net claims incurred	**65,885**	51,555	**107,442**	108,363
Premium deficiency reserve	**5,815**	(5,175)	**5,794**	(5,422)
Other technical reserves	**2,815**	449	**6,600**	3,035
Policy acquisition costs	**7,895**	5,990	**14,844**	12,126
Other underwriting expenses	**1,124**	866	**2,002**	1,716
TOTAL UNDERWRITING COSTS AND EXPENSES	**83,534**	53,685	**136,682**	119,818
NET UNDERWRITING RESULT	**(8,440)**	3,384	**(7,729)**	266

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UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF INCOME (Unaudited) – (continued)
For the three-month and six-month periods ended 30 June 2022

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2022 SAR'000	2021 SAR'000	**2022 SAR'000**	2021 SAR'000
OTHER OPERATING (EXPENSES) / INCOME					
General and administrative expenses		**(16,820)**	(22,133)	**(37,246)**	(45,547)
Reversal / (provision) for doubtful receivables	5	**1,119**	10,346	**(1,008)**	7,558
Board remuneration	14.2	**(595)**	(536)	**(1,096)**	(929)
Commission income on investments		**2,131**	2,315	**4,269**	4,620
Other income		**1,890**	94	**2,230**	512
TOTAL OTHER OPERATING EXPENSES, NET		**(12,275)**	(9,914)	**(32,851)**	(33,786)
LOSS FOR THE PERIOD		**(20,715)**	(6,530)	**(40,580)**	(33,520)
NET LOSS ATTRIBUTED TO THE INSURANCE OPERATIONS		**--**	--	**--**	--
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX		**(20,715)**	(6,530)	**(40,580)**	(33,520)
Zakat	15	**--**	(1,900)	**(1,900)**	(3,800)
Income tax	15	**--**	(100)	**(100)**	(200)
		--	(2,000)	**(2,000)**	(4,000)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		**(20,715)**	(8,530)	**(42,580)**	(37,520)
Weighted average number of ordinary shares outstanding (in thousands share)		**40,000**	40,000	**40,000**	40,000
Basic and diluted loss per share for the period (SAR shares)	18	**(0.52)**	(0.21)	**(1.06)**	(0.94)

Deputy Chief Financial Officer | Chief Executive Officer | Director

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UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the three-month and six-month periods ended 30 June 2022

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2022 SAR'000	2021 SAR'000	**2022 SAR'000**	2021 SAR'000
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		**(20,715)**	(8,530)	**(42,580)**	(37,520)
Other comprehensive loss					
Items that are or may be reclassified to interim statements of income in subsequent periods					
Available-for-sale investments:					
- Net change in fair value		**(9,527)**	434	**(15,870)**	(7,505)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(30,242)**	(8,096)	**(58,450)**	(45,025)
TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTED TO THE INSURANCE OPERATIONS		**6,227**	(1,000)	**11,155**	4,485
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(24,015)**	(9,096)	**(47,295)**	(40,540)

Deputy Chief Financial Officer | Chief Executive Officer | Director

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UNITED COOPERATIVE ASSURANCE COMPANY
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2022

	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of employees' defined benefit obligations	Total equity
				SAR'000		
Balance as at 31 December 2021 (audited)	**400,000**	**--**	**(149,752)**	**(133)**	**2,934**	**253,049**
Total comprehensive loss for the period						
Net loss for the period attributable to the shareholders	**--**	**--**	**(42,580)**	**--**	**--**	**(42,580)**
Net change in fair values of available-for-sale investments	**--**	**--**	**--**	**(4,715)**	**--**	**(4,715)**
Total comprehensive loss for the period attributable to the shareholders	**--**	**--**	**(42,580)**	**(4,715)**	**--**	**(47,295)**
Balance as at 30 June 2022 (unaudited)	**400,000**	**--**	**(192,332)**	**(4,848)**	**2,934**	**205,754**

	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of employees' defined benefit obligations	Total equity
				SAR'000		
Balance as at 31 December 2020 (audited)	400,000	31,944	(108,025)	9,020	2,124	335,063
Total comprehensive (loss) / income for the period						
Net loss for the period attributable to the shareholders	--	--	(37,520)	--	--	(37,520)
Net change in fair values of available-for-sale investments	--	--	--	(3,020)	--	(3,020)
Total comprehensive loss for the period attributable to the shareholders	--	--	(37,520)	(3,020)	--	(40,540)
Balance as at 30 June 2021 (unaudited)	400,000	31,944	(145,545)	6,000	2,124	294,523

Deputy Chief Financial Officer

Chief Executive Officer

Director

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UNITED COOPERATIVE ASSURANCE COMPANY
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CONDENSED INTERIM STATEMENT OF CASHFLOWS (Unaudited)
For the six-month period ended 30 June 2022

	Notes	Six-month period ended 30 June	
		2022	2021
		SAR'000	SAR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before zakat and income tax		**(40,580)**	(33,520)
Adjustments for non-cash items:			
Depreciation of property and equipment		**2,127**	1,896
Depreciation of right-of-use assets	8.1	**1,438**	1,591
Finance cost on lease liabilities	8.2	**119**	62
Loss on disposal of lease		**99**	--
Provision / (reversal) for doubtful receivables	5	**1,008**	(7,558)
Provision for employees' defined benefit obligations		**--**	1,137
		(35,789)	(36,392)
Changes in operating assets and liabilities:			
Premiums and reinsurers' receivable		**(77,299)**	(9,360)
Reinsurers' share of unearned premiums		**(180,941)**	33,797
Reinsurers' share of outstanding claims		**10,732**	2,650
Reinsurers' share of claims incurred but not reported		**(7,617)**	5,114
Deferred policy acquisition costs		**(14,780)**	797
Prepaid expenses and other assets		**(9,954)**	9,037
Policyholders payable		**(1,157)**	5,920
Accrued commission income on statutory deposit		**(345)**	(347)
Accrued and other liabilities		**12,376**	15,400
Reinsurers balances payable		**38,727**	(13,247)
Unearned premiums		**247,073**	(46,973)
Unearned reinsurance commission		**25,304**	(9,680)
Outstanding claims		**(15,262)**	5,801
Claims incurred but not reported		**6,066**	(9,207)
Premium deficiency reserve		**5,793**	(5,422)
Other technical reserves		**6,600**	3,035
Accrued commission income on statutory deposit payable to SAMA		**345**	347
		9,872	(48,730)
Employees' defined benefit obligations paid		**(1,520)**	(1,410)
Zakat and income tax paid	15	**(4,790)**	(14,904)
Net cash generated from / (used in) operating activities		**3,562**	(65,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturity of term deposit		**--**	22,656
Purchase of intangibles		**(883)**	--
Purchase of property and equipment		**(4,227)**	(4,946)
Net cash (used in) / generated from investing activities		**(5,110)**	17,710

Deputy Chief Financial Officer | Chief Executive Officer | Director

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UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CASHFLOWS (Unaudited) – (continued)
For the six-month period ended 30 June 2022

	Notes	Six-month period ended 30 June	
		2022 SAR'000	2021 SAR'000
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of lease liabilities	8.2	**(1,142)**	(1,433)
Net cash used in financing activity		**(1,142)**	(1,433)
Net changes in cash and cash equivalents		**(2,690)**	(48,767)
Cash and cash equivalents, at the beginning of the period		**87,769**	61,735
Cash and cash equivalents, at the end of the period		**85,079**	12,968
NON-CASH INFORMATION			
Net change in fair value of available-for-sale investments		**(15,870)**	(7,505)

Deputy Chief Financial Officer | Chief Executive Officer | Director

The accompanying notes from 1 to 21 form an integral part of these condensed interim financial statements

1. GENERAL

United Cooperative Assurance Company ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030179955 dated 6 Jamad-al-Thani 1429H, corresponding to 6 June 2008. Registered Office address of the Company is Al-Mukmal Centre (1st and 4th floor), Prince Saud Al Faisal Street, Al Khalidiyah District, P. O. Box 5019, Jeddah 21422, Kingdom of Saudi Arabia.

The activities of the Company are to transact cooperative insurance and reinsurance operations and related activities in the Kingdom of Saudi Arabia. On 29 Rabi Al Thani 1429H (5 May 2008), the Company received a license number (NMT/19/200812) from the Saudi Central Bank ("SAMA") which is currently valid up to 29 Dhul Hijja 1445H corresponding to 6 July 2024 to engage in insurance business in Saudi Arabia. The Company started its operations on 1 January 2009.

On 11 February 2020 corresponding to 17 Jamad-ul-Thani 1441H, the Company has received SAMA approval upon the Company's request for the cancellation of its Reinsurance License. From the date of SAMA Approval, the Company has not assumed any reinsurance business.

In accordance with the by-laws of the Company, the surplus arising from the insurance operations is distributed as follows:

Transfer to shareholders' operations	90%
Transfer to insurance operations	10%
	100%

In case of deficit arising from the insurance operations, the entire deficit is allocated and transferred to the shareholders' operations in full.

In accordance with Article 70 of SAMA implementing regulations, the Company proposes to distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with 'International Accounting Standard 34 - Interim Financial Reporting' ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants (formerly known as Saudi Organization for Certified Public Accountants).

2. BASIS OF PREPARATION – (continued)

(b) Basis of presentation and measurement

These condensed interim financial statements have been prepared under going concern basis and historical cost convention except for the measurement at fair value of investments held as available-for-sale (AFS) investment and employees' defined benefit obligations which is recognized at the present value of future obligations using the projected unit credit method. The Company's statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, short term deposits, premiums and reinsurers' receivable - net, reinsurers' share of unearned premiums, deferred policy acquisition costs, deferred excess of loss premiums, prepaid expenses and other assets, policyholders payable, reinsurers balances payable, accrued and other liabilities, unearned premiums, unearned reinsurance commission, outstanding claims, claims incurred but not reported, premium deficiency reserve, other technical reserves and Zakat and income tax payable. All other financial statement line items would generally be classified as non-current unless stated otherwise.

The Company presents its statement of financial position broadly in order of liquidity. As required by Saudi Arabian Insurance Regulations "SAMA Implementing Regulations" the Company maintains separate books of accounts for "Insurance operations" and "Shareholders' operations". Accordingly, assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors. The physical custody of all assets related to the insurance operations and shareholders' operations are held by the Company.

The condensed interim statement of financial position, condensed interim statements of income and statement of comprehensive income and condensed interim statement of cash flows of the insurance operations and shareholders' operations which are presented in note 19 have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA Implementing Regulations and is not required by IFRS as endorsed in KSA. SAMA Implementing Regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations.

In preparing the Company-level condensed interim financial statements in compliance with IAS 34, as endorsed in KSA, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

Going Concern

The Company incurred a net loss of SR 42.58 million (30 June 2021: SR 37.52 million) during the period ended June 30, 2022 and, as of that date, the Company's accumulated losses amounted to SR 192.33 million (31 December 2021: SR 149.75 million) which represents 48% of the share capital. Moreover, the solvency margin of the Company is below the minimum requirement of the Insurance implementation regulations. These events and conditions, indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management of the Company has prepared a business plan which is approved by the Board of Directors and has undertaken strategic initiatives that will ensure healthy market penetration and retention levels while remaining in compliance with applicable regulatory requirements. The measure includes business growth, better pricing strategies, altering of business mix and retention of profitmaking portfolio which has resulted in an increase in gross premium written during the period ended June 30, 2022 due to new business underwritten in motor and engineering segments.

2. BASIS OF PREPARATION – (continued)

Going Concern (continued)

The Company announced on Board of Directors' recommendation on 14 October 2021 to increase share capital by offering right shares amounting to SR 300 million to support the growth plan of the Company. The Company is in the process of obtaining the required regulatory approvals. Based on the above measures taken by the management, along with existing cash and cash equivalents and other liquid assets, the management and those charged with governance remain confident that going concern assumption is valid. Furthermore, the management does not have any intention to liquidate the Company or to cease the operations in the near future. Based on the above these condensed interim financial statements have been prepared on going concern basis.

Matters related to the General Assembly Meeting

The Company's General Assembly Meeting was held on 28 June 2022 in which the shareholders of the Company disapproved all resolutions submitted for their approval except for the approval of annual audited financial statements and appointment of external auditors for the year ending 31 December 2022. In this regard, the management of the Company on instruction of the Board of Directors, is in the process of taking necessary actions, including communications with Capital Market Authority (CMA) and Saudi Central Bank (SAMA) to seek the shareholders' approval on the unapproved items, including unapproved transactions with the members of the Board of Directors of the Company, via an imminent Extra-Ordinary General Meeting (EOGM) that will also include an agenda item for the approval of certain amendments to Company's ByLaws. The Board of Director is confident that the previously disapproved resolution would be approved in such EOGM. The management has assessed and determined that the disapproved resolutions have no material impact on the financial statements of the Company for the period ended 30 June 2022.

(c) Functional and presentation currency

These condensed interim financial statements have been presented in Saudi Arabian Riyals ("SAR"), which is also the functional currency of the Company. All financial information presented in SAR have been rounded off to the nearest thousands, except where otherwise indicated.

(d) Fiscal year

The Company follows a fiscal year ending 31 December.

(e) Critical accounting judgments estimates and assumptions

The preparation of condensed interim 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 expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2021.

(f) Seasonality of operations

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021. Based on the adoption of amendments to existing standards and in consideration of the current economic environment, the following accounting policies are applicable effective 01 January 2022, replacing, amending, or adding to the corresponding accounting policies set out in the 2021 annual financial statements.

a) Amendments to Standards

The following is a brief on the other new IFRS and amendments to IFRS, effective for annual periods beginning on or after 1 January 2022. The Company has opted not to early adopt these pronouncements and they do not have a significant impact on the financial statements of the Company.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient	As a result of the coronavirus (COVID-19) pandemic, rent concessions may have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification.	Annual periods beginning on or after 1 April 2021.
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in the statement of income. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IAS 41, 'Agriculture' and the Examples accompanying IFRS 16, 'Leases'.	Annual periods beginning on or after 1 January 2022

(b) Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's condensed interim financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at future date. The Company intends to adopt these standards when they are effective.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

(b) Standards issued but not yet effective – (continued)

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Narrow scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023
IFRS 17	Insurance Contracts	See note below
IFRS 9	Financial Instruments	See note below

IFRS 9 - Financial Instruments
This standard was published on 24 July 2014 and has replaced IAS 39. The new standard addresses the following items related to financial instruments:

a) Classification and measurement:

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

(b) Standards issued but not yet effective (continued)

IFRS 9 - Financial Instruments – (continued)

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

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

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

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

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

1. apply a temporary exemption from implementing IFRS 9 until the earlier of

- the effective date of a new insurance contract standard; or

- annual reporting periods beginning on or after 1 January 2021. On 17 March 2020, the International Accounting Standards Board ("IASB") decided to extend the effective date of IFRS 17 and the IFRS 9 temporary exemption in IFRS 4 from 1 January 2021 to 1 January 2023. Additional disclosures related to financial assets are required during the deferral period. This option is only available to entities whose activities are predominately connected with insurance and have not applied IFRS 9 previously; or

2. Adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contract standard is implemented. During the interim period, additional disclosures are required.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

The Company has performed a detailed assessment beginning 1 January 2017: (1) The carrying amount of the Company's liabilities arising from contracts within the scope of IFRS 4 (including deposit components or embedded derivatives unbundled from insurance contracts) were compared to the total carrying amount of all its liabilities; and (2) the total carrying amount of the company's liabilities connected with insurance were compared to the total carrying amount of all its liabilities. Based on these assessments the Company determined that it is eligible for the temporary exemption. Consequently, the Company has decided to defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Disclosures related to financial assets required during the deferral period are included in the Company's annual financial statements for the year ended 31 December 2021.

Impact assessment

As at 30 June 2022, the Company has total financial assets and insurance related assets amounting to SAR 811 million (31 December 2021: SAR 768.68 million) and SAR 580 million (31 December 2021: SAR 409.9 million), respectively. Currently, financial assets held at amortized cost consist of cash and cash equivalents and certain other receivables amounting to SAR 100.8 million (31 December 2021: SAR 147.09 million). Other financial assets consist of available for sale investments amounting to SAR 239.6 million (31 December 2021: SAR 250.53 million).

As at 30 June 2022 these debt securities are measured at fair value of SAR 207.4 million (31 December 2021: SAR 223.4 million) with changes in fair value during the year of SAR 15.9 million (31 December 2021: SAR 16.23 million). Other financial assets have a fair value of SAR 27.2 million (31 December 2021: SAR 27.14 million) as at 30 June 2022 with a fair value change during the period of SAR 0.1 million (31 December 2021: SAR 0.2 million).

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

IFRS 17 – Insurance Contracts

The CSM is adjusted subsequently for changes in cash flows related to future services but the CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss. The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

IFRS 17 – Insurance Contracts (continued)

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

Effective date
The IASB issued an Exposure Draft Amendments to IFRS 17 during June 2019 and received comments from various stakeholders. The IASB is currently re-deliberating issues raised by stakeholders. For any proposed amendments to IFRS 17, the IASB will follow its normal due process for standard-setting. The effective date of IFRS 17 and the deferral of the IFRS 9 temporary exemption in IFRS 4, is currently January 1, 2023. Earlier application is permitted if both IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments have also been applied. The Company intends to apply the standard on its effective date.

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

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

Impact
The Company has completed the design of IFRS 17 requirements. As of the date of the publication of these condensed interim financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company has undertaken a Gap Analysis, and the key areas of Gaps are as follows:

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

IFRS 17 – Insurance Contracts (continued)

Impact Area	Summary of Impact
Financial Impact	Company is still assessing full financial impact
Data Impact / IT Systems	▪ Conceptual design of New chart of accounts has been developed for PAA/ GMM / VFA ▪ Actuarial and accounting data requirements have been developed at more granular level ▪ Discount rates will need to be stored for group of contracts and tracked for interest accretion calculation under GMM / VFA ▪ Embedded risk adjustment calculation in the actuarial system. Confidence interval numbers to be sourced for risk adjustment. ▪ Conceptual design for identification of key inputs for onerous contracts test as well as defining 'facts and circumstance' for PAA contracts has been developed ▪ Conceptual design for calculation and tracking of contractual service margin
Process Impact	▪ Conceptual design for Finance, actuarial, underwriting and IT processes has been built suitable for IFRS 17 together with new set of governance framework. New controls dealing with IFRS 17 will be developed during the implementation phase ▪ New reconciliation processes to be put in place between accounting, actuarial and underwriting data sources ▪ Conceptual design for new accounting policies each suitable for measurement model and technical decisions have been identified for each area ▪ Monitor terms and conditions attaching to insurance contracts ▪ Conceptual design for new expense allocation process, acquisition costs, claims settlement costs and underwriting costs has been put in place to identify profitability at a contract level. ▪ System to track coverage period for future products need to be put in place
Impact on Policies & Control Frameworks	▪ New Steering committee for IFRS 17 has been established ▪ Project plan for design and implementation has been set up at activities level

The Company has started with their implementation process and have set up a steering implementation committee to monitor the implementation. The Company submitted IFRS 17 Phase 3 "Design of Implementation plan Plan" report to SAMA in May April 2021 to comply with the regulatory requirement for the design phase, where all the methodologies and policy decisions have been documented and concluded. SAMA has issued instructions to the Company for Phase 4 "Dry Runs" in July 2021 where the results of second dry run needs to be submitted by 31 May 2022. The Company was required to prepare the complete set of financial statement under IFRS 17 based on FY 2020 data, and provide comparison between IFRS 17 and IFRS 4 under the first dry run, which was due on November 30th, 2021. The Company has successfully submitted the results as per the 1st dry run. The results of the 2nd dry run need to be submitted by 31 May 2022 based upon the FY 2021.The management has successfully submitted the 2nd Dry Run results to SAMA.

4. CASH AND CASH EQUIVALENTS

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

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Insurance operations		
Bank balances	**84,525**	87,067
Shareholders' operations		
Bank balances	**554**	702
Total	**85,079**	87,769

5. PREMIUMS AND REINSURERS' RECEIVABLE – NET

Receivables comprise amounts due from the following:

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Policyholders	**255,966**	173,797
Brokers and agents	**2,565**	7,255
Related parties (note 14.2)	**49,296**	48,582
Receivables from reinsurers	**6,108**	7,002
	313,935	236,636
Provision for doubtful receivables	**(81,593)**	(80,585)
Premiums and reinsurers' receivable – net	**232,342**	156,051

Movement in the provision for doubtful receivables during the period / year was as follows:

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Balance at the beginning of the period / year	**80,585**	89,743
Provision charge / (reversal) during the period / year	**1,008**	(9,158)
Balance at the end of the period / year	**81,593**	80,585

6. INVESTMENTS

Available-for-sale investments	**30 June 2022 (Unaudited) SAR'000**	31 December 2021 (Audited) SAR'000
Insurance operations (note 6.1)	**75,246**	86,401
Shareholders' operations (note 6.2)	**159,410**	164,125
	234,656	250,526

6.1 Insurance operations

Movement during the period / year is as follows:	**30 June 2022 (Unaudited) SAR'000**	31 December 2021 (Audited) SAR'000
Opening balance	**86,401**	115,088
Disposals during the period / year	**--**	(20,559)
Realized loss on disposals of investments	**--**	(848)
Changes in fair value of investments	**(11,155)**	(7,280)
Closing balance	**75,246**	86,401
Investment in sukuk	**75,016**	86,171
Investment in mutual funds	**230**	230
	75,246	86,401

6.2 Shareholders' operations

Movement during the period / year is as follows:	**30 June 2022 (Unaudited) SAR'000**	31 December 2021 (Audited) SAR'000
Opening balance	**164,125**	173,278
Changes in fair value of investments	**(4,715)**	(9,153)
Closing balance	**159,410**	164,125
Investment in equity shares (Note 6.3)	**7,601**	6,686
Investment in sukuk	**132,400**	137,219
Investment in mutual funds	**19,409**	20,220
	159,410	164,215

6.3. This includes 3.85% (31 December 2021: 3.85%) shareholding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company which is carried at cost. In the absence of reliable financial information, management believes that fair values cannot be ascertained reliably. Therefore, this investment has been carried at cost. During the period ended 30 June 2022, the Company received bonus shares from Najm for Insurance Services Company which had no impact on shareholding interest of 3.85%.

7. TECHNICAL RESERVES

7.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Outstanding claims	**68,702**	83,964
Claims incurred but not reported	**146,665**	140,599
	215,367	224,563
Premium deficiency reserve	**31,171**	25,378
Other technical reserves	**22,776**	16,176
	269,314	266,117
Less:		
- Reinsurers' share of outstanding claims	**(25,774)**	(36,506)
- Reinsurers' share of claims incurred but not reported	**(122,466)**	(114,849)
	(148,240)	(151,355)
Net outstanding claims and reserves	**121,074**	114,762

7.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

	Six-month period ended 30 June 2022 (Unaudited)		
	Gross	**Reinsurance**	**Net**
	SAR'000		
Balance as at the beginning of the period	**185,439**	**(91,978)**	**93,461**
Premium written / (ceded) during the period	**485,413**	**(309,185)**	**176,228**
Premium earned during the period	**(238,340)**	**128,244**	**(110,096)**
Balance as at the end of the period	**432,512**	**(272,919)**	**159,593**

	Year ended 31 December 2021 (Audited)		
	Gross	Reinsurance	Net
	SAR'000		
Balance as at the beginning of the year	302,452	(209,598)	92,854
Premium written / (ceded) during the year	409,756	(234,476)	175,280
Premium earned during the year	(526,769)	352,096	(174,673)
Balance as at the end of the year	185,439	(91,978)	93,461

8. LEASES

8.1 RIGHT-OF-USE ASSETS – NET

Building	**30 June 2022 (Unaudited) SAR'000**	31 December 2021 (Audited) SAR'000
Cost:		
At beginning of the period / year	**11,423**	9,608
Additions during the period / year	**4,116**	4,768
Deletion during the period / year	**(6,173)**	(2,953)
At end of the period / year	**9,366**	11,423
Accumulated depreciation:		
At beginning of the period / year	**4,334**	2,052
Additions during the period / year	**1,438**	3,206
Deletions during the period / year	**(3,942)**	(924)
At end of the period / year	**1,830**	4,334
Net book value	**7,536**	7,089

8.2 LEASE LIABILTIES

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
At beginning of the period / year	**6,187**	6,397
Additions during the period / year	**4,116**	4,768
Deletions during the period / year	**(2,132)**	--
Finance cost	**119**	257
Derecognize during the year	**--**	(1,946)
Payments during period / year	**(1,142)**	(3,289)
At end of the period / year	**7,148**	6,187

9. GOODWILL

Effective 31 December 2008, the Company acquired the insurance operations of UCA Insurance Bahrain BSC ('the seller') in the Kingdom of Saudi Arabia for a total consideration of SAR 656.9 million with a goodwill of SAR 78.4 million. The goodwill amount payable to the seller was paid in full subsequent to 2008, after obtaining SAMA approvals.

The Company tests whether goodwill has suffered any impairment on an annual basis. Determining whether goodwill is impaired requires an estimation of the recoverable amount based on a value in use calculation using discounted cash flows (DCF) projections from financial budgets prepared by the management for next five years. Cash flows beyond five years' period are extrapolated using the estimated long-term growth rate.

9. GOODWILL - (continued)

The assumptions used in arriving at the recoverable amount using the DCF involve a considerable degree of estimation on the part of management. Actual conditions may differ from assumptions and thus actual cash flows may be different to those expected with a potential material effect on the recoverability of amounts. The most recent assessment performed by the management on 31 December 2021 did not result in any impairment. Further, based on the results for the period ended 30 June 2022, management believes there is no revision required in the financial budget used for the goodwill impairment assessment performed on 31 December 2021. The significant assumptions used in determination of value in use calculations were weighted average cost of capital and long-term growth rate, estimated at 15% and 2%, respectively.

Based on the management assessment of value in use, the management believes that no reasonable possible change in any of the above assumptions would cause the carrying value to materially exceed its recoverable amount at the reporting date.

10. STATUTORY DEPOSIT

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Statutory deposit	**60,000**	60,000

In compliance with Article 58 of the Implementing Regulations of the Saudi Central Bank ("SAMA"), the Company deposited an amount equivalent to 15% of its paid up share capital, amounting to SAR 60 million in a bank designated by the Saudi Central Bank ("SAMA"). This statutory deposit cannot be withdrawn without the consent of SAMA and commission accruing on this deposit is payable to SAMA.

In accordance with instructions received from SAMA vide their circular dated 1 March 2016, the Company has disclosed the commission due on the statutory deposit as an asset and a liability in these condensed interim financial positions.

11. COMMITMENTS AND CONTINGENCIES

	30 June 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Letters of guarantee issued in favour of ZATCA	**22,096**	22,096
Letters of guarantee issued in favour of non-government customers	**300**	300
Total	**22,396**	22,396

a. The Company has capital commitments outstanding as at 30 June 2022 amounting to SAR 17.6 million (31 December 2021: SAR 19.9 million) in respect of software development project.

b. As at 30 June 2022, the Company's bankers have given guarantees to non-government customers amounting to SAR 0.3 million (2021: SAR 0.3 million) in respect of motor insurance and to the ZATCA amounting to SAR 22.1 million (2021: SAR 22.09 million) in respect of a disputed assessment order (also see note 15) which is deposited with a bank and is included in prepaid expenses and other assets.

c. Note 15 for the status of open zakat and income tax assessments.

12. 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 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 advantageous accessible market for the asset or liability.

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

Determination of fair value and fair value hierarchy

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

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

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

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

The following table shows the fair values of financial assets, 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 not measured at fair value if the carrying amount is a reasonable approximation to fair value. The fair value is also the carrying value of these financial assets.

30 June 2022 (Unaudited)

	Level 1	Level 2	Level 3	Total
	SAR' 000	**SAR' 000**	**SAR' 000**	**SAR' 000**
Financial assets measured at fair value				
Equity securities and mutual funds				
- Insurance operations	**230**	**--**	**--**	**230**
- Shareholders' operations	**5,678**	**19,409**	**--**	**25,087**
Debt securities				
- Insurance operations	**--**	**75,016**	**--**	**75,016**
- Shareholders' operations	**--**	**132,400**	**--**	**132,400**
	5,908	**226,825**	**--**	**232,733**

12. FAIR VALUES OF FINANCIAL INSTRUMENTS – (continued)

31 December 2021 (Audited)

	Level 1	Level 2	Level 3	Total
	SAR' 000	SAR' 000	SAR' 000	SAR' 000
Financial assets measured at fair value				
Equity securities and mutual funds				
- Insurance operations	230	--	--	230
- Shareholders' operations	4,763	20,220	--	24,983
Debt securities				
- Insurance operations	--	86,171	--	86,171
- Shareholders' operations	--	137,219	--	137,219
	4,993	243,610	--	248,603

Available-for-sale investments includes an amount of SAR 1.9 million (31 December 2021: SAR 1.9 million) which is carried at cost as its fair value cannot be measured reliably, accordingly SAR 1.9 million has not been considered in Level 1, Level 2 and Level 3.

13. 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 of Directors is measured in a manner consistent with that in the 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 31 December 2021.

Segment assets do not include cash and cash equivalents, short-term deposits, net premiums and reinsurers' receivable, prepaid expenses and other assets, investments, property and equipment, intangible assets, right-of-use assets and goodwill. Accordingly, they are included in unallocated assets. Segment liabilities do not include policyholders' payables, reinsurers' balances payable, lease liabilities, zakat and income tax payable, surplus from insurance operations accrued and other liabilities and employees' defined benefit obligations. Accordingly, they are included in unallocated liabilities.

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

Segment performance is evaluated on the basis of underwriting results from each segment and therefore, operating expenses are not allocated to each segment and are monitored at the Company level.

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

13. OPERATING SEGMENTS – (continued)

	As at 30 June 2022 (Unaudited) SAR'000							
	Medical	**Motor**	**Energy**	**Engineering**	**Others**	**Total insurance operations**	**Shareholders' operations**	**Total**
Assets								
Reinsurers' share of unearned premiums	**--**	**42,643**	**70,303**	**142,129**	**17,844**	**272,919**	**--**	**272,919**
Reinsurers' share of outstanding claims	**3,398**	**5,804**	**--**	**1,674**	**14,898**	**25,774**	**--**	**25,774**
Reinsurers' share of claims incurred but not reported	**33**	**9,038**	**22,406**	**47,900**	**43,089**	**122,466**	**--**	**122,466**
Deferred policy acquisition costs	**4,198**	**11,206**	**--**	**9,105**	**842**	**25,351**	**--**	**25,351**
Unallocated assets						**490,234**	**305,727**	**795,961**
Total assets						**936,744**	**305,727**	**1,242,471**
Liabilities								
Unearned premiums	**53,615**	**142,150**	**71,534**	**143,422**	**21,791**	**432,512**	**--**	**432,512**
Unearned reinsurance commission	**--**	**9,894**	**--**	**28,353**	**2,740**	**40,987**	**--**	**40,987**
Outstanding claims	**25,909**	**23,030**	**--**	**2,373**	**17,390**	**68,702**	**--**	**68,702**
Claims incurred but not reported	**3,814**	**22,029**	**22,799**	**49,128**	**48,895**	**146,665**	**--**	**146,665**
Premium deficiency reserve	**5,173**	**24,638**	**934**	**--**	**426**	**31,171**	**--**	**31,171**
Other technical reserves	**838**	**18,628**	**570**	**1,258**	**1,482**	**22,776**	**--**	**22,776**
Unallocated liabilities and insurance operations reserve						**274,044**	**19,860**	**293,904**
Total liabilities and insurance operations reserve						**1,016,857**	**19,860**	**1,036,717**

13. OPERATING SEGMENTS – (continued)

	As at 31 December 2021 (Audited) SAR'000							
	Medical	Motor	Energy	Engineering	Others	Total insurance operations	Shareholders' operations	Total
Assets								
Reinsurers' share of unearned premiums	--	15,752	--	54,912	21,314	91,978	--	91,978
Reinsurers' share of outstanding claims	795	7,613	--	5,901	22,197	36,506	--	36,506
Reinsurers' share of claims incurred but not reported	64	8,480	22,066	39,928	44,311	114,849	--	114,849
Deferred policy acquisition costs	3,955	3,602	--	1,513	1,501	10,571	--	10,571
Unallocated assets						414,656	309,845	724,501
Total assets						668,560	309,845	978,405
Liabilities								
Unearned premiums	50,708	52,521	--	55,946	26,264	185,439	--	185,439
Unearned reinsurance commission	--	3,007	--	8,722	3,954	15,683	--	15,683
Outstanding claims	21,885	28,884	--	6,905	26,290	83,964	--	83,964
Claims incurred but not reported	2,863	23,624	22,452	41,270	50,390	140,599	--	140,599
Premium deficiency reserve	5,825	18,974	--	--	579	25,378	--	25,378
Other technical reserves	690	12,168	561	1,118	1,639	16,176	--	16,176
Unallocated liabilities and insurance operations reserve						235,706	22,411	258,117
Total liabilities and insurance operations reserve						702,945	22,411	725,356

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 June 2022 (Unaudited)					
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Energy*** ***SAR'000***	***Engineering*** ***SAR'000***	***Others*** ***SAR'000***	***Total*** ***SAR'000***
REVENUES						
Gross premiums written						
- Individual	**174**	**47,719**	**--**	**--**	**--**	**47,893**
- Micro enterprises	**5,912**	**1,364**	**--**	**19**	**202**	**7,497**
- Small enterprises	**8,839**	**13,386**	**--**	**56**	**2,410**	**24,691**
- Medium enterprises	**6,440**	**399**	**--**	**1,535**	**326**	**8,700**
- Large enterprises	**129**	**4,628**	**65,833**	**15,582**	**1,988**	**88,160**
	21,494	**67,496**	**65,833**	**17,192**	**4,926**	**176,941**
Reinsurance premiums ceded						
- Local	**--**	**(6,749)**	**--**	**(6,944)**	**(351)**	**(14,044)**
- Foreign	**(54)**	**(12,666)**	**(64,700)**	**(9,535)**	**(3,543)**	**(90,498)**
	(54)	**(19,415)**	**(64,700)**	**(16,479)**	**(3,894)**	**104,542**
Excess of loss expenses						
- Local	**(255)**	**(154)**	**--**	**--**	**(144)**	**(553)**
- Foreign	**(1,022)**	**(727)**	**--**	**--**	**(690)**	**(2,439)**
	(1,277)	**(881)**	**--**	**--**	**(834)**	**(2,992)**
Net premiums written	**20,163**	**47,200**	**1,133**	**713**	**198**	**69,407**
Changes in unearned premiums, net	**5,564**	**(9,648)**	**(804)**	**(125)**	**801**	**(4,212)**
Net premiums earned	**25,727**	**37,552**	**329**	**588**	**999**	**65,195**
Reinsurance commissions earned	**--**	**3,533**	**841**	**4,065**	**1,460**	**9,899**
TOTAL REVENUES	**25,727**	**41,085**	**1,170**	**4,653**	**2,459**	**75,094**
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**22,255**	**59,714**	**--**	**814**	**1,453**	**84,236**
Reinsurers' share of claims paid	**(79)**	**(17,632)**	**--**	**(609)**	**(1,133)**	**(19,453)**
Net claims paid	**22,176**	**42,082**	**--**	**205**	**320**	**64,783**
Changes in outstanding claims, net	**2,639**	**(1,448)**	**--**	**12**	**154**	**1,357**
Changes in claims incurred but not reported, net	**(1,540)**	**1,785**	**(5)**	**(206)**	**(289)**	**(255)**
Net claims incurred	**23,275**	**42,419**	**(5)**	**11**	**185**	**65,885**
Premium deficiency reserve	**(2,615)**	**9,540**	**660**	**--**	**(1,770)**	**5,815**
Other technical reserves	**18**	**2,859**	**(7)**	**15**	**(70)**	**2,815**
Policy acquisition costs	**1,948**	**4,376**	**(54)**	**1,250**	**375**	**7,895**
Other underwriting expenses	**419**	**244**	**329**	**88**	**44**	**1,124**
TOTAL UNDERWRITING COSTS AND EXPENSES / (INCOME)	**23,045**	**59,438**	**923**	**1,364**	**(1,236)**	**83,534**
NET UNDERWRITING RESULT	**2,682**	**(18,353)**	**247**	**3,289**	**3,695**	**(8,440)**

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 June 2022 (Unaudited)					
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Energy*** ***SAR'000***	***Engineering*** ***SAR'000***	***Others*** ***SAR'000***	***Total*** ***SAR'000***
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses						**(16,820)**
Reversal for doubtful receivables						**1,119**
Board remuneration						**(595)**
Investment Income						**2,131**
Other Income						**1,890**
TOTAL OTHER OPERATING EXPENSES, NET						**(12,275)**
LOSS FOR THE PERIOD						**(20,715)**
Net income for the period attributable to insurance operations						**--**
Net loss for the period attributable to the shareholders before zakat and income tax						**(20,715)**
Zakat						**--**
Income tax						**--**
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						**(20,715)**

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 June 2021 (Unaudited)					
	Medical SAR'000	*Motor SAR'000*	*Energy SAR'000*	*Engineering SAR'000*	*Others SAR'000*	*Total SAR'000*
REVENUES						
Gross premiums written						
- Individual	-	1,924	--	--	--	1,924
- Micro enterprises	3,107	945	--	707	1,077	5,836
- Small enterprises	6,932	2,131	--	258	2,726	12,047
- Medium enterprises	2,302	11,007	--	1,711	19,961	34,981
- Large enterprises	3,268	17	24,154	1,620	7,275	36,334
	15,609	16,024	24,154	4,296	31,039	91,122
Reinsurance premiums ceded						
- Local	(24)	(1,623)	--	(457)	(788)	(2,892)
- Foreign	(127)	(3,109)	(23,738)	(2,818)	(28,381)	(58,173)
	(151)	(4,732)	(23,738)	(3,275)	(29,169)	(61,065)
Excess of loss expenses						
- Local	(334)	(107)	--	--	(105)	(546)
- Foreign	(621)	(608)	--	--	(749)	(1,978)
	(955)	(715)	--	--	(854)	(2,524)
Net premiums written	14,503	10,577	416	1,021	1,016	27,533
Changes in unearned premiums, net	(2,182)	19,104	(172)	(27)	928	17,651
Net premiums earned	12,321	29,681	244	994	1,944	45,184
Reinsurance commissions earned	-	3,318	380	4,842	3,345	11,885
TOTAL REVENUES	12,321	32,999	624	5,836	5,289	57,069
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	13,886	57,064	--	986	665	72,601
Reinsurers' share of claims paid	(4,473)	(16,748)	--	(601)	(554)	(22,376)
Net claims paid	9,413	40,316	--	385	111	50,225
Changes in outstanding claims, net	1,239	2,924	--	6	711	4,880
Changes in claims incurred but not reported, net	(186)	(3,057)	(1)	(216)	(90)	(3,550)
Net claims incurred	10,466	40,183	(1)	175	732	51,555
Premium deficiency reserve	259	(8,425)	398	2,717	(124)	(5,175)
Other technical reserves	(19)	498	(1)	(26)	(3)	449
Policy acquisition costs	1,226	3,242	--	799	723	5,990
Other underwriting expenses	267	242	121	135	101	866
TOTAL UNDERWRITING COSTS AND EXPENSES	12,199	35,740	517	3,800	1,429	53,685
NET UNDERWRITING RESULT	122	(2,741)	107	2,036	3,860	3,384

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 June 2021 (Unaudited)					
	Medical SAR'000	*Motor SAR'000*	*Energy SAR'000*	*Engineering SAR'000*	*Others SAR'000*	*Total SAR'000*
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses						(22,133)
Provision for doubtful receivables						10,346
Board remuneration						(536)
Commission income on investments						2,315
Realized gain on investments						--
Other income						94
TOTAL OTHER OPERATING EXPENSES, NET						(9,914)
LOSS FOR THE PERIOD						(6,530)
Net income for the period attributable to insurance operations						--
Net loss for the period attributable to the shareholders before zakat and income tax						(6,530)
Zakat						(1,900)
Income tax						(100)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						(8,530)

13. OPERATING SEGMENTS – (continued)

	Six-month period ended 30 June 2022 (Unaudited)					
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Energy*** ***SAR'000***	***Engineering*** ***SAR'000***	***Others*** ***SAR'000***	***Total*** ***SAR'000***
REVENUES						
Gross premiums written						
- Individual	**220**	**75,335**	**--**	**--**	**57**	**75,612**
- Micro enterprises	**12,512**	**8,417**	**--**	**19**	**598**	**21,546**
- Small enterprises	**22,856**	**23,366**	**--**	**91**	**7,516**	**53,829**
- Medium enterprises	**13,281**	**1,886**	**--**	**7,878**	**1,262**	**24,307**
- Large enterprises	**4,015**	**65,513**	**109,186**	**123,650**	**7,755**	**310,119**
	52,884	**174,517**	**109,186**	**131,638**	**17,188**	**485,413**
Reinsurance premiums ceded						
- Local	**--**	**(17,450)**	**--**	**(16,849)**	**(1,247)**	**(35,546)**
- Foreign	**(89)**	**(34,066)**	**(107,307)**	**(113,316)**	**(12,877)**	**(267,655)**
	(89)	**(51,516)**	**(107,307)**	**(130,165)**	**(14,124)**	**(303,201)**
Excess of loss expenses						
- Local	**(512)**	**(308)**	**--**	**--**	**(286)**	**(1,106)**
- Foreign	**(2,044)**	**(1,454)**	**--**	**--**	**(1,380)**	**(4,878)**
	(2,556)	**(1,762)**	**--**	**--**	**(1,666)**	**(5,984)**
Net premiums written	**50,239**	**121,239**	**1,879**	**1,473**	**1,398**	**176,228**
Changes in unearned premiums – net	**(2,907)**	**(62,738)**	**(1,231)**	**(259)**	**1,003**	**(66,132)**
Net premiums earned	**47,332**	**58,501**	**648**	**1,214**	**2,401**	**110,096**
Reinsurance commissions earned	**--**	**5,719**	**1,261**	**8,589**	**3,288**	**18,857**
TOTAL REVENUES	**47,332**	**64,220**	**1,909**	**9,803**	**5,689**	**128,953**
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**42,816**	**97,523**	**--**	**1,577**	**11,904**	**153,820**
Reinsurers' share of claims paid	**(914)**	**(28,719)**	**--**	**(1,164)**	**(9,500)**	**(40,297)**
Net claims paid	**41,902**	**68,804**	**--**	**413**	**2,404**	**113,523**
Changes in outstanding claims, net	**1,420**	**(4,046)**	**--**	**(304)**	**(1,600)**	**(4,530)**
Changes in claims incurred but not reported – net	**939**	**(2,153)**	**6**	**(113)**	**(230)**	**(1,551)**
Net claims incurred	**44,261**	**62,605**	**6**	**(4)**	**574**	**107,442**
Premium deficiency reserve	**(652)**	**5,664**	**934**	**--**	**(152)**	**5,794**
Other technical reserves	**148**	**6,460**	**9**	**140**	**(157)**	**6,600**
Policy acquisition costs	**3,818**	**7,320**	**(54)**	**2,895**	**865**	**14,844**
Other underwriting expenses	**774**	**387**	**545**	**193**	**103**	**2,002**
TOTAL UNDERWRITING COSTS AND EXPENSES	**48,349**	**82,436**	**1,440**	**3,224**	**1,233**	**136,682**
NET UNDERWRITING RESULT	**(1,017)**	**(18,216)**	**469**	**6,579**	**4,456**	**(7,729)**

13. OPERATING SEGMENTS – (continued)

	Six-month period ended 30 June 2022 (Unaudited)					
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Energy*** ***SAR'000***	***Engineering*** ***SAR'000***	***Others*** ***SAR'000***	***Total*** ***SAR'000***
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses						**(37,246)**
Provision for doubtful receivables						**(1,008)**
Board remuneration						**(1,096)**
Commission income on income						**4,269**
Other income						**2,230**
TOTAL OTHER OPERATING EXPENSES – NET						**(32,851)**
LOSS FOR THE PERIOD						**(40,580)**
Net income for the period attributable to insurance operations						**--**
Net loss for the period attributable to the shareholders before zakat and income tax						**(40,580)**
Zakat						**(1,900)**
Income tax						**(100)**
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						**(42,580)**

13. OPERATING SEGMENTS – (continued)

***13.1 Additional information**

	Six-month period ended 30 June 2022 (Unaudited)			
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Property and casualty*** ***SAR'000***	***Total*** ***SAR'000***
REVENUES				
Gross premiums written				
- Individual	**220**	**75,335**	**57**	**75,612**
- Micro enterprises	**12,512**	**8,417**	**617**	**21,546**
- Small enterprises	**22,856**	**23,366**	**7,607**	**53,829**
- Medium enterprises	**13,281**	**1,886**	**9,140**	**24,307**
- Large enterprises	**4,015**	**65,513**	**240,591**	**310,119**
	52,884	**174,517**	**258,012**	**485,413**

	Three-month period ended 30 June 2022 (Unaudited)			
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Property and casualty*** ***SAR'000***	***Total*** ***SAR'000***
REVENUES				
Gross premiums written				
- Individual	**174**	**47,719**	**--**	**47,893**
- Micro enterprises	**5,912**	**1,364**	**221**	**7,497**
- Small enterprises	**8,839**	**13,386**	**2,466**	**24,691**
- Medium enterprises	**6,440**	**399**	**1,861**	**8,700**
- Large enterprises	**129**	**4,628**	**83,403**	**88,160**
	21,494	**67,496**	**87,951**	**176,941**

13. OPERATING SEGMENTS – (continued)

	Six-month period ended 30 June 2021 (Unaudited)					
	Medical SAR'000	*Motor SAR'000*	*Energy SAR'000*	*Engineering SAR'000*	*Others SAR'000*	*Total SAR'000*
REVENUES						
Gross premiums written						
- Individual	--	3,191	--	--	--	3,191
- Micro enterprises	9,667	6,078	--	707	4,223	20,675
- Small enterprises	20,713	12,173	829	357	8,452	42,524
- Medium enterprises	11,755	26,383	--	5,546	26,162	69,846
- Large enterprises	3,952	301	48,785	3,786	14,202	71,026
	46,087	48,126	49,614	10,396	53,039	207,262
Reinsurance premiums ceded						
- Local	(78)	(4,914)	-	(1,025)	(2,813)	(8,830)
- Foreign	(388)	(9,294)	(48,766)	(7,470)	(45,400)	(111,318)
	(466)	(14,208)	(48,766)	(8,495)	(48,213)	(120,148)
Excess of loss expenses						
- Local	(334)	(214)	--	--	(210)	(758)
- Foreign	(621)	(1,216)	--	--	(1,498)	(3,335)
	(955)	(1,430)	--	--	(1,708)	(4,093)
Net premiums written	44,666	32,488	848	1,901	3,118	83,021
Changes in unearned premiums, net	(21,941)	35,969	(491)	243	(604)	13,176
Net premiums earned	22,725	68,457	357	2,144	2,514	96,197
Reinsurance commissions earned	-	6,680	805	10,326	6,076	23,887
TOTAL REVENUES	22,725	75,137	1,162	12,470	8,590	120,084
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	25,333	123,519	--	1,507	5,436	155,795
Reinsurers' share of claims paid	(10,433)	(36,167)	--	(907)	(4,283)	(51,790)
Net claims paid	14,900	87,352	--	600	1,153	104,005
Changes in outstanding claims, net	5,444	2,960	--	(82)	129	8,451
Changes in claims incurred but not reported, net	384	(3,915)	(1)	(448)	(113)	(4,093)
Net claims incurred	20,728	86,397	(1)	70	1,169	108,363
Premium deficiency reserve	519	(9,219)	742	2,717	(181)	(5,422)
Other technical reserves	73	3,001	(1)	(19)	(19)	3,035
Policy acquisition costs	2,352	6,441	--	1,671	1,662	12,126
Other underwriting expenses	497	490	248	288	193	1,716
TOTAL UNDERWRITING COSTS AND EXPENSES	24,169	87,110	988	4,727	2,824	119,818
NET UNDERWRITING RESULT	(1,444)	(11,973)	174	7,743	5,766	266

13. OPERATING SEGMENTS – (continued)

	Six-month period ended 30 June 2021 (Unaudited)					
	Medical SAR'000	*Motor SAR'000*	*Energy SAR'000*	*Engineering SAR'000*	*Others SAR'000*	*Total SAR'000*
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses						(45,547)
Provision for doubtful receivables						7,558
Board remuneration						(929)
Investment income						4,620
Other income						512
TOTAL OTHER OPERATING EXPENSES, NET						(33,786)
LOSS FOR THE PERIOD						(33,520)
Net income for the period attributable to insurance operations						--
Net loss for the period attributable to the shareholders' before zakat and income tax						(33,520)
Zakat						(3,800)
Income tax						(200)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						(37,520)

***13.1 Additional information**

	Six-month period ended 30 June 2021 (Unaudited)			
	Medical SAR'000	*Motor SAR'000*	*Property and casualty SAR'000*	*Total SAR'000*
REVENUES				
Gross premiums written				
- Individual	--	3,191	--	3,191
- Micro enterprises	9,667	6,078	4,930	20,675
- Small enterprises	20,713	12,173	9,638	42,524
- Medium enterprises	11,755	26,383	31,708	69,846
- Large enterprises	3,952	301	66,713	71,026
	46,087	48,126	113,049	207,262

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 June 2021 (Unaudited)			
	Medical SAR'000	*Motor SAR'000*	*Property and casualty SAR'000*	*Total SAR'000*
REVENUES				
Gross premiums written				
- Individual	--	1,924	--	1,924
- Micro enterprises	3,107	945	1,784	5,836
- Small enterprises	6,932	2,131	2,984	12,047
- Medium enterprises	2,302	11,007	21,672	34,981
- Large enterprises	3,268	17	33,049	36,334
	15,609	16,024	59,489	91,122

14. 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.

14.1 TRANSACTIONS WITH RELATED PARTIES

The following are the details of the significant related parties' transactions during the period:

	Nature of transactions	**Three-month period ended 30 June**		**Six-month period ended 30 June**	
		***2022 SAR'000* (Unaudited)**	*2021 SAR'000* (Unaudited)	***2022 SAR'000* (Unaudited)**	*2021 SAR'000* (Unaudited)
Major shareholders					
Haji Hussien Ali Reza	Premium written	**704**	1,642	**3,891**	3,847
	Payments received and claims paid	**(972)**	(2,299)	**(2,035)**	(5,361)
Saudi Bin Laden – Group	Premium written	**1,654**	17,027	**133,372**	20,365
	Payments received and claims paid	**(124,328)**	(8,430)	**(135,986)**	(17,117)
Construction Product Company	Premium written	**1,688**	1,392	**8,652**	6,872
	Payments received and claims paid	**(4,327)**	(22,054)	**(7,180)**	(23,234)

14. RELATED PARTY TRANSACTIONS AND BALANCES – (continued)

14.1 TRANSACTIONS WITH RELATED PARTIES – (continued)

	Nature of transactions	Three-month period ended 30 June		Six-month period ended 30 June	
		2022	*2021*	***2022***	*2021*
		SAR'000	*SAR'000*	***SAR'000***	*SAR'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Entities controlled, jointly controlled or significantly influenced by related parties					
United Commercial Agencies	Payment made on behalf of company	--	--	--	697
	Payments received and claims paid	--	--	--	(142)
Middle East Group	Premium written	--	--	--	22
	Payments received and claims paid	--	(3)	--	(16)

14.2 RELATED PARTIES BALANCES

	Six-month ended 30 June 2022 (Unaudited)	Year ended 31 December 2021 (Audited)
	SAR'000	
Premium receivable		
Haji Hussien Ali Reza	**6,689**	4,833
Saudi Bin Laden – Group	**37,258**	39,872
Construction Product Company	**5,290**	3,818
Law Office of Hassan Mahassni	**55**	55
	49,292	48,578
Other balances		
United Commercial Agencies	**4**	4
	49,296	48,582

Other balances are included in prepayments and other assets, policyholders payables and accrued expenses and other liabilities.

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.

14. RELATED PARTY TRANSACTIONS AND BALANCES – (continued)

14.2 RELATED PARTIES BALANCES – (continued)

The following table shows the annual salaries, remuneration and allowances obtained by the key management personnel for the period ended 30 June 2022 and 30 June 2021:

	Six-month period ended 30 June	
	2022	*2021*
	SAR'000	*SAR'000*
	(Unaudited)	(Unaudited)
Salaries and other allowances	**2,864**	2,906
End of service indemnities	**126**	194
	2,990	3,100
Remuneration to those charged with governance	**1,096**	929

15. ZAKAT AND INCOME TAX

a. Provision for zakat and income tax

The zakat and income tax payable by the Company has been calculated in accordance with zakat and income tax regulations in the Kingdom of Saudi Arabia.

The movement in the zakat and income tax payable is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	SAR'000	
Balance at the beginning of the period / year	**13,546**	20,850
Charge for the current period / year	**1,900**	7,600
Paid during the period / year	**(4,790)**	(14,904)
Balance at the end of the period / year	**10,656**	13,546

The movement in the income tax payable is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	SAR'000	
Balance at the beginning of the period / year	**1,300**	900
Charge for the period / year	**100**	400
Balance at the end of the period / year	**1,400**	1,300
Total	**12,056**	14,846

15. ZAKAT AND INCOME TAX – (continued)

a. Provision for zakat and income tax – (continued)

The differences between the financial and the zakatable/taxable results are mainly due to certain adjustments in accordance with the relevant fiscal regulations. Zakat base has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the Zakat, tax and customs authority (ZATCA) could be different from the declarations filed by the Company.

b. Status of zakat assessments

The Zakat is applicable on 99% of the shareholders while income tax on 1% of the shareholders. The Company has filed its zakat and income tax declarations for the years ended 31 December 2009 to 2021 and obtained restricted zakat and tax certificates.

Assessment years 2005, 2006, 2007 and 2008
During 2017, the Company received the zakat assessments for the years 2005 to 2008 from the ZATCA with regards to the insurance operations transferred from UCA Insurance Bahrain BSC claiming zakat liability amounting to SAR 6.01 million and withholding tax liability amounting to SAR 16.09 million. Management has filed an objection against the above assessments and is confident of receiving a favorable outcome. Further, the Company has issued a bank guarantee in favor of ZATCA amounting to SAR 22.09 million (2020: SAR 22.09 million) against such assessments. Management is of the view that any additional liability as a result of these assessments will eventually be charged to the shareholders of the UCA Insurance Bahrain BSC.

Years 2009 – 2011
The Company has filed its Zakat/tax declarations for the years ended 31 December 2009 to 2011 and obtained the necessary Zakat/tax certificates. ZATCA issued the amended assessment based on the decision of the Preliminary Objection Committee and claimed additional Zakat and tax and withholding tax for a total of SAR 27,096,603. The Company settled the said differences. The Company had finalized its Zakat, tax and withholding tax status for the said years.

Years 2012 and 2013
The Company has filed its Zakat/tax declarations for the years ended 31 December 2012 and 2013 and obtained the necessary Zakat/tax certificates. ZATCA issued an assessment for the years 2012 and 2013 claiming additional Zakat Tax and withholding tax liability of SAR 15,840,058. The Company will proceed for final settlement with the Dispute Resolution Committee and expect to settle about SAR 7,046,592.

Years 2014 to 2018
The Company has filed its Zakat/tax declarations for the years ended 31 December 2014 to 2018 and obtained the necessary Zakat/tax certificates. ZATCA issued an assessment for the years 2014, 2015 and 2018 claiming additional Zakat and withholding tax liability in addition to the delay fine. The Company had finalized its Zakat, tax and withholding tax for the said years.

Year 2016 and 2017
ZTCA issued an assessment claiming additional Zakat, tax and delay fine for the years 2016 and 2017. The Company had finalized its Zakat, tax and withholding tax for the said years.

15. ZAKAT AND INCOME TAX – (continued)

b. Provision for zakat and income tax – (continued)

Year 2019 - 2020

The Company filed the Zakat return for the years 2019 – 2020. The ZATCA has not yet finalized the study of the return for the said year. ZATCA issued a final assessment for the years 2019 and 2020, which resulted in additional Zakat liability for the year 2019 of SR 1.44 million and tax liability SR 0.02 million and credit balance for the year 2020 of SR 1.73 million due to the refund the Zakat on the Sukuk based on (MR 2218). The Company has filed and objection for the said years against the ZATCA's amendments. ZATCA rejected the Company's objection and accordingly the Company escalated the case to the Committee for Resolution of Tax Violations and Disputes ("CRTVD") through the General Secretariat of Tax Committee (GSTC) portal in order assign a hearing session. The management based on the Zakat advisor opinion believes that the Company's view shall prevail.

VAT assessment

On 25 August 2020, the Company received an assessment from ZATCA to pay additional principal VAT of SAR 12.28 million for the years 2018 and 2019 as well as additional fines of SAR 20.25 million for those years. In order to avoid incurring additional fines the Company paid the principal VAT on 28 October 2020 without prejudice to its position and objected to the items issued for the evaluation. On 20 February 2021, the Company filed an appeal with the General Secretariat of Tax Committees (GSTC) against the decision of the ZATCA for which management is confident of a favorable outcome. The objected items are zero rated supplies, self-invoicing, and reinsurance commission. The fines imposed on the assessments amounting to SAR 20.25 million for the years 2018 and 2019 were subsequently canceled as the Company has taken advantage of ZATCA's initiative to stabilize the economy and boost the private sector. The Company has booked a provision against VAT on zero rated supplies. On other objected items, the Company's tax consultant is confident of a favorable outcome.

16. SHARE CAPITAL

As at 30 June 2022 and 31 December 2021, the authorised, subscribed and paid up share capital of the Company is SAR 400,000,000, divided into 40,000,000 shares of SAR 10 each.

17. CAPITAL MANAGEMENT

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

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares. The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings or accumulated losses (refer note 2b).

18. BASIC AND DILUTED LOSS PER SHARE

Loss per share for the period has been calculated by dividing the net loss for the period by the weighted average number of issued and outstanding shares for the period.

19. SUPPLEMENTARY INFORMATION

As required by the Implementing Regulations of SAMA, the condensed interim statement of financial position, condensed interim statement of income, condensed interim statement of comprehensive income and condensed interim statement of cash flows separately for insurance operations and shareholders' operations are as follows:

a) Condensed interim statement of financial position

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Insurance operations	**Share-holders' operations**	**Total**	Insurance operations	Share-holders' operations	Total
	SAR'000					
ASSETS						
Cash and cash equivalents	**84,525**	**554**	**85,079**	87,067	702	87,769
Premiums and reinsurers' receivable – net	**232,342**	**--**	**232,342**	156,051	--	156,051
Reinsurers' share of unearned premiums	**272,919**	**--**	**272,919**	91,978	--	91,978
Reinsurers' share of outstanding claims	**25,774**	**--**	**25,774**	36,506	--	36,506
Reinsurers' share of claims incurred but not reported	**122,466**	**--**	**122,466**	114,849	--	114,849
Deferred policy acquisition costs	**25,351**	**--**	**25,351**	10,571	--	10,571
Investments	**75,246**	**159,410**	**234,656**	86,401	164,125	250,526
Due from shareholder operations	**83,043**	**--**	**83,043**	37,315	--	37,315
Prepaid expenses and other assets	**68,667**	**1,622**	**70,289**	59,113	1,222	60,335
Property and equipment – net	**6,046**	**--**	**6,046**	9,122	--	9,122
Intangible assets	**15,872**	**--**	**15,872**	9,813	--	9,813
Right-of-use asset – net	**7,536**	**--**	**7,536**	7,089	--	7,089
Goodwill	**--**	**78,400**	**78,400**	--	78,400	78,400
Statutory deposit	**--**	**60,000**	**60,000**	--	60,000	60,000
Accrued commission income on statutory deposit	**--**	**5,741**	**5,741**	--	5,396	5,396
	1,019,787	**305,727**	**1,325,514**	705,875	309,845	1,015,720
Less: Inter-operations eliminations	**(83,043)**	**--**	**(83,043)**	(37,315)	--	(37,315)
TOTAL ASSETS	**936,744**	**305,727**	**1,242,471**	668,560	309,845	978,405

19. SUPPLEMENTARY INFORMATION – (continued)

a) Condensed interim statement of financial position – (continued)

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Insurance operations	**Share-holders' operations**	**Total**	Insurance operations	Share-holders' operations	Total
	SAR'000					
LIABILITIES						
Policyholders payable	**22,943**	**--**	**22,943**	24,100	--	24,100
Accrued and other liabilities	**79,298**	**2,063**	**81,361**	66,816	2,169	68,985
Reinsurers balances payable	**133,794**	**--**	**133,794**	95,067	--	95,067
Unearned premiums	**432,512**	**--**	**432,512**	185,439	--	185,439
Unearned reinsurance commission	**40,987**	**--**	**40,987**	15,683	--	15,683
Outstanding claims	**68,702**	**--**	**68,702**	83,964	--	83,964
Claims incurred but not reported	**146,665**	**--**	**146,665**	140,599	--	140,599
Premium deficiency reserve	**31,171**	**--**	**31,171**	25,378	--	25,378
Other technical reserves	**22,776**	**--**	**22,776**	16,176	--	16,176
Due to Insurance' operations	**--**	**83,043**	**83,043**	--	37,315	37,315
Employees' defined benefit obligations	**8,509**	**--**	**8,509**	10,029	--	10,029
Lease liabilities	**7,148**	**--**	**7,148**	6,187	--	6,187
Insurance operations' surplus	**37,053**	**--**	**37,053**	37,053	--	37,053
Zakat and income tax payable	**--**	**12,056**	**12,056**	--	14,846	14,846
Accrued commission income on statutory deposit payable to SAMA	**--**	**5,741**	**5,741**	--	5,396	5,396
	1,031,558	**102,903**	**1,134,461**	706,491	59,726	766,217
Less: Inter-operations eliminations	**--**	**(83,043)**	**(83,043)**	--	(37,315)	(37,315)
	1,031,558	**19,860**	**1,051,418**	706,491	22,411	728,902
Fair value reserve on investments - insurance operations	**(14,701)**	**--**	**(14,701)**	(3,546)	--	(3,546)
TOTAL LIABILITIES AND INSURANCE OPERATIONS RESERVE	**1,016,857**	**19,860**	**1,036,717**	702,945	22,411	725,356
EQUITY						
Share capital	**--**	**400,000**	**400,000**	--	400,000	400,000
Accumulated losses	**--**	**(192,332)**	**(192,332)**	--	(149,752)	(149,752)
Fair value reserve on investments	**--**	**(4,848)**	**(4,848)**	--	(133)	(133)
Re-measurement reserve of employees' defined benefit obligations	**2,934**	**--**	**2,934**	2,934	--	2,934
TOTAL EQUITY	**2,934**	**202,820**	**205,754**	2,934	250,115	253,049
TOTAL LIABILITIES, INSURANCE OPERATIONS RESERVE AND EQUITY	**1,019,791**	**222,680**	**1,242,471**	705,879	272,526	978,405

19. SUPPLEMENTARY INFORMATION – (continued)

b) Condensed interim statement of income

	Three-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
REVENUES						
Gross premiums written	**176,941**	--	**176,941**	91,122	--	91,122
Reinsurance premiums ceded						
- Local	**(14,044)**	--	**(14,044)**	(2,892)	--	(2,892)
- Foreign	**(90,498)**	--	**(90,498)**	(58,173)	--	(58,173)
	(104,542)	--	**(104,542)**	(61,065)	--	(61,065)
Excess of loss expenses						
- Local	**(553)**	--	**(553)**	(546)	--	(546)
- Foreign	**(2,439)**	--	**(2,439)**	(1,978)	--	(1,978)
	(2,992)	--	**(2,992)**	(2,524)	--	(2,524)
Net premiums written	**69,407**	--	**69,407**	27,533	--	27,533
Changes in unearned premiums, net	**(4,212)**	--	**(4,212)**	17,651	--	17,651
Net premiums earned	**65,195**	--	**65,195**	45,184	--	45,184
Reinsurance commissions earned	**9,899**	--	**9,899**	11,885	--	11,885
TOTAL REVENUES	**75,094**	--	**75,094**	57,069	--	57,069
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**84,236**	--	**84,236**	72,601	--	72,601
Reinsurers' share of claims paid	**(19,453)**	--	**(19,453)**	(22,376)	--	(22,376)
Net claims	**64,783**	--	**64,783**	50,225	--	50,225
Changes in outstanding claims, net	**1,357**	--	**1,357**	4,880	--	4,880
Changes in claims incurred but not reported, net	**(225)**	--	**(225)**	(3,550)	--	(3,550)
Net claims incurred	**65,885**	--	**65,885**	51,555	--	51,555
Premium deficiency reserve	**5,815**	--	**5,815**	(5,175)	--	(5,175)
Other technical reserves	**2,815**	--	**2,815**	449	--	449
Policy acquisition costs	**7,895**	--	**7,895**	5,990	--	5,990
Other underwriting expenses	**1,124**	--	**1,124**	866	--	866
TOTAL UNDERWRITING COSTS AND EXPENSES	**83,534**	--	**83,534**	53,685	--	53,685
NET UNDERWRITING RESULT	**(8,440)**	--	**(8,400)**	3,384	--	3,384

19. SUPPLEMENTARY INFORMATION – (continued)

b) Condensed interim statement of income – (continued)

	Three-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses	**(16,147)**	**(673)**	**(16,820)**	(20,788)	(1,345)	(22,133)
Provision for doubtful receivables	**1,119**	**--**	**1,119**	10,346	--	10,346
Board remuneration	**--**	**(595)**	**(595)**	--	(536)	(536)
Commission income on investments	**894**	**1,237**	**2,131**	1,115	1,200	2,315
Other income	**1,890**	**--**	**1,890**	--	94	94
TOTAL OTHER OPERATING (EXPENSES) / INCOME, NET	**(12,244)**	**(31)**	**(12,275)**	(9,327)	(587)	(9,914)
LOSS FOR THE PERIOD	**(20,684)**	**(31)**	**(20,715)**	(5,943)	(587)	(6,530)
SHAREHOLDERS' ABSORPTION OF LOSS / (INCOME)	**20,684**	**(20,684)**	**--**	5,943	(5,943)	--
NET LOSS FOR THE PERIOD AFTER SHAREHOLDERS' APPROPRIATIONS BEFORE ZAKAT AND INCOME TAX	**--**	**(20,715)**	**(20,715)**	--	(6,530)	(6,530)
Zakat	--	--	--	--	(1,900)	(1,900)
Income tax	--	--	--	--	(100)	(100)
NET LOSS FOR THE PERIOD	**--**	**(20,715)**	**(20,715)**	--	(8,530)	(8,530)
Loss per share (Expressed in SAR per share)						
Weighted average number of ordinary shares outstanding (in thousands shares)		**40,000**			40,000	
Basic and diluted loss per share for the period (SAR / shares)		**(0.52)**			(0.21)	

19. SUPPLEMENTARY INFORMATION – (continued)

c) Condensed interim statement of comprehensive income

	Three-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
NET LOSS FOR THE PERIOD						
Other comprehensive loss	**--**	**(20,715)**	**(20,715)**	--	(8,530)	(8,530)
Items that are or may be reclassified to condensed interim statement of income in subsequent periods						
Available-for-sale investments:						
- Net change in fair value	**(6,227)**	**(3,300)**	**(9,527)**	1,000	(566)	434
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**(6,227)**	**(24,015)**	**(30,242)**	1,000	(9,096)	(8,096)

19. SUPPLEMENTARY INFORMATION – (continued)

d) Condensed interim statement of income

	Six-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
REVENUES						
Gross premiums written	**485,413**	--	**485,413**	207,262	--	207,262
Reinsurance premiums ceded						
- Local	**(35,546)**	--	**(35,546)**	(8,830)	--	(8,830)
- Foreign	**(267,655)**	--	**(267,655)**	(111,318)	--	(111,318)
	(303,201)	--	**(303,201)**	(120,148)	--	(120,148)
Excess of loss expenses						
- Local	**(1,106)**	--	**(1,106)**	(758)	--	(758)
- Foreign	**(4,878)**	--	**(4,878)**	(3,335)	--	(3,335)
	(5,984)	--	**(5,984)**	(4,093)	--	(4,093)
Net premiums written	**176,228**	--	**176,228**	83,021	--	83,021
Changes in unearned premiums, net	**(66,132)**	--	**(66,132)**	13,176	--	13,176
Net premiums earned	**110,096**	--	**110,096**	96,197	--	96,197
Reinsurance commissions earned	**18,857**	--	**18,857**	23,887	--	23,887
TOTAL REVENUES	**128,953**	--	**128,953**	120,084	--	120,084
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**153,820**	--	**153,820**	155,795	--	155,795
Reinsurers' share of claims paid	**(40,297)**	--	**(40,297)**	(51,790)	--	(51,790)
Net claims	**113,523**	--	**113,523**	104,005	--	104,005
Changes in outstanding claims, net	**(4,530)**	--	**(4,530)**	8,451	--	8,451
Changes in claims incurred but not reported, net	**(1,551)**	--	**(1,551)**	(4,093)	--	(4,093)
Net claims incurred	**107,442**	--	**107,442**	108,363	--	108,363
Premium deficiency reserve	**5,794**	--	**5,794**	(5,422)	--	(5,422)
Other technical reserves	**6,600**	--	**6,600**	3,035	--	3,035
Policy acquisition costs	**14,844**	--	**14,844**	12,126	--	12,126
Other underwriting expenses	**2,002**	--	**2,002**	1,716	--	1,716
TOTAL UNDERWRITING COSTS AND EXPENSES	**136,682**	--	**136,682**	119,818	--	119,818
NET UNDERWRITING RESULT	**(7,729)**	--	**(7,729)**	266	--	266

19. SUPPLEMENTARY INFORMATION – (continued)

d) Condensed interim statement of income- (Continued)

	Six-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses	**(35,756)**	**(1,490)**	**(37,246)**	(43,417)	(2,130)	(45,547)
(Provision) / reversal for doubtful receivables	**(1,008)**	**--**	**(1,008)**	7,558	--	7,558
Board remuneration	**--**	**(1,096)**	**(1,096)**	--	(929)	(929)
Investment income	**1,794**	**2,475**	**4,269**	2,229	2,391	4,620
Other income	**2,230**	**--**	**2,230**	418	94	512
TOTAL OTHER OPERATING (EXPENSES) / INCOME, NET	**(32,740)**	**(111)**	**(32,851)**	(33,212)	(574)	(33,786)
(LOSS) / INCOME FOR THE PERIOD	**(40,469)**	**(111)**	**(40,580)**	(32,946)	(574)	(33,520)
SHAREHOLDERS' ABSORPTION OF (INCOME) / LOSS	**40,469**	**(40,469)**	**--**	32,946	(32,946)	--
NET LOSS FOR THE PERIOD AFTER SHAREHOLDERS' APPROPRIATIONS BEFORE ZAKAT AND INCOME TAX	**--**	**(40,580)**	**(40,580)**	--	(33,520)	(33,520)
Zakat	**--**	**(1,900)**	**(1,900)**	--	(3,800)	(3,800)
Income tax	**--**	**(100)**	**(100)**	--	(200)	(200)
	--	**(2,000)**	**(2,000)**	--	(4,000)	(4,000)
NET LOSS FOR THE PERIOD	**--**	**(42,580)**	**(42,580)**	--	(37,520)	(37,520)
Loss per share (Expressed in SAR per share)						
Weighted average number of ordinary shares outstanding (in thousands)		**40,000**			40,000	
Basic and diluted loss per share for the period (SAR / share)		**(1.06)**			(0.94)	

19. SUPPLEMENTARY INFORMATION – (continued)

e) Condensed interim statement of comprehensive income

	Six-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
NET LOSS FOR THE PERIOD						
Other comprehensive loss	**--**	**(42,580)**	**(42,580)**	--	(37,520)	(37,520)
Items that are or may be reclassified to condensed interim statement of income in subsequent periods						
Available-for-sale investments:						
- Net change in fair value	**(11,155)**	**(4,715)**	**(15,870)**	(4,485)	(3,020)	(7,505)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(11,155)**	**(47,295)**	**(58,450)**	(4,485)	(40,540)	(45,025)

19. SUPPLEMENTARY INFORMATION – (continued)

f) Condensed interim statement of cash flows

	Six-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss for the period before zakat and income tax	**--**	**(40,580)**	**(40,580)**	--	(33,520)	(33,520)
Adjustments for non-cash items:						
Depreciation of property and equipment	**2,127**	**--**	**2,127**	1,896	--	1,896
Depreciation of right-of-use assets	**1,438**	**--**	**1,438**	1,591	--	1,591
Finance cost on lease liabilities	**119**	**--**	**119**	62	--	62
Loss on disposal of lease	**99**	**--**	**99**	--	--	--
Provision / (reversal) for doubtful receivables	**1,008**	**--**	**1,008**	(7,558)	--	(7,558)
Provision for employees' defined benefit obligations	**--**	**--**	**--**	1,137	--	1,137
	4,791	**(40,580)**	**(35,789)**	(2,872)	(33,520)	(36,392)
Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable	**(77,299)**	**--**	**(77,299)**	(9,360)	--	(9,360)
Reinsurers' share of unearned premiums	**(180,941)**	**--**	**(180,941)**	33,797	--	33,797
Reinsurers' share of outstanding claims	**10,732**	**--**	**10,732**	2,650	--	2,650
Reinsurers' share of claims incurred but not reported	**(7,617)**	**--**	**(7,617)**	5,114	--	5,114
Deferred policy acquisition costs	**(14,780)**	**--**	**(14,780)**	797	--	797
Prepaid expenses and other assets	**(9,554)**	**(400)**	**(9,954)**	9,622	(585)	9,037
Accrued commission on statutory deposit	**--**	**(345)**	**(345)**	--	(347)	(347)
Policyholders and accounts payables	**(1,157)**	**--**	**(1,157)**	5,920	--	5,920
Accrued and other liabilities	**12,482**	**(106)**	**12,376**	14,428	972	15,400
Reinsurers balances payable	**38,727**	**--**	**38,727**	(13,247)	--	(13,247)
Unearned premiums	**247,073**	**--**	**247,073**	(46,973)	--	(46,973)
Unearned reinsurance commission	**25,304**	**--**	**25,304**	(9,680)	--	(9,680)
Outstanding claims	**(15,262)**	**--**	**(15,262)**	5,801	--	5,801
Claims incurred but not reported	**6,066**	**--**	**6,066**	(9,207)	--	(9,207)
Premium deficiency reserve	**5,793**	**--**	**5,793**	(5,422)	--	(5,422)
Other technical reserves	**6,600**	**--**	**6,600**	3,035	--	3,035
Accrued commission on statutory deposit payable to SAMA	**--**	**345**	**345**	--	347	347
Due to shareholders operations	**(45,728)**	**--**	**(45,728)**	(38,677)	--	(38,677)
Due from insurance operations	**--**	**45,728**	**45,728**	--	38,677	38,677
	5,230	**4,642**	**9,872**	(54,274)	5,544	(48,730)
Employees' defined benefit obligations paid	**(1,520)**	**--**	**(1,520)**	(1,410)	--	(1,410)
Zakat and income tax paid	**--**	**(4,790)**	**(4,790)**	--	(14,904)	(14,904)
Net cash generated from / (used in) operating activities	**3,710**	**(148)**	**3,562**	(55,684)	(9,360)	(65,044)

19. SUPPLEMENTARY INFORMATION – (continued)

e) Condensed interim statement of cash flows

	Six-month period ended 30 June (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from Maturity of term deposit	**--**	**--**	**--**	22,656	--	22,656
Purchase of intangibles	**(883)**	**--**	**(883)**	--	--	--
Purchase of property and equipment	**(4,227)**	**--**	**(4,227)**	(4,946)	--	(4,946)
Net cash (used in) / generated from investing activities	**(5,110)**	**--**	**(5,110)**	17,710	--	17,710
CASH FLOWS FROM FINANCING ACTIVITY						
Payments of lease liabilities	**(1,142)**	**--**	**(1,142)**	(1,433)	--	(1,433)
Net cash used in financing activity	**(1,142)**	**--**	**(1,142)**	(1,433)	--	(1,433)
Net changes in cash and cash equivalents	**(2,542)**	**(148)**	**(2,690)**	(39,407)	(9,360)	(48,767)
Cash and cash equivalents, at the beginning of the period	**87,067**	**702**	**87,769**	51,356	10,379	61,735
Cash and cash equivalents, at the end of the period	**84,525**	**554**	**85,079**	11,949	1,019	12,968
NON-CASH INFORMATION						
Net change in fair value of available-for-sale investments	**(11,155)**	**(4,715)**	**(15,870)**	(4,485)	(3,020)	(7,505)

20. IMPACT OF COVID-19

In response to the spread of the Covid-19 in the Kingdom of Saudi Arabia where the Company operates and its resulting disruptions to the social and economic activities in those markets over the last two years, management continues to proactively assess its impacts on its operations. In particular, the Company is closely monitoring the current surge in cases due to the outbreak of a new variant - Omicron. The preventive measures taken by the Company in April 2020 are still in effect including the creation of ongoing crisis management teams and processes, to ensure the health and safety of its employees, customers and the wider community as well as to ensure the continuity of its operations. Employee health continues to be a key area of focus with programs being implemented to assist with increasing awareness, identification, support and monitoring of employee health. A majority of the employees of the Company have been fully vaccinated for at least two doses of vaccine and the management is working on a plan to encourage booster shots in line with the government initiatives related to Covid-19.

The management of the Company believes that any potential lockdown measures being reintroduced will not materially affect the underlying demand for the Company's insurance products and forecast.

Based on these factors, management believes that the Covid-19 pandemic has had no material effect on the Company's reported financial results for the period ended 30 June 2022 including the significant accounting judgements and estimates.

The Company continues to monitor the surge of the new variant closely although at this time management is not aware of any factors that are expected to change the impact of the pandemic on the Company's operations during 2022 or beyond.

21. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements have been approved by the Board of Directors on 17 August 2022 corresponding to 19 Muharram 1444.