UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
For the three-months and nine-months period
ended 30 September 2022

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2022

INDEX **PAGE**

Independent auditor's report on review of condensed interim financial statements	1 – 2
Condensed interim statement of financial position	3 – 4
Condensed interim statement of income	5 – 6
Condensed interim statement of comprehensive income	7
Condensed interim statement of changes in equity	8
Condensed interim statement of cash flows	9 – 10
Notes to the condensed interim financial statements	11 – 55

KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P.O. Box 55078 Jeddah 21534
Kingdom of Saudi Arabia

Headquarter in Riyadh

Crowe
AlAzem, AlSudairy, AlShaikh and Partners
For Professional Consulting
P.O.Box 10504 Riyadh 11443

P. O. Box 10504 Riyadh 11443
Kingdom of Saudi Arabia

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

To the shareholders of United Cooperative Assurance Company – A Joint Stock Company

Report on the review of the Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Cooperative Assurance Company (the "Company") as at 30 September 2022, the condensed interim statements of income and condensed interim comprehensive income for the three-months and nine-months period then ended, condensed interim changes in equity and cash flows for the nine 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 September 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.

KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P.O. Box 55078 Jeddah 21534
Kingdom of Saudi Arabia

Headquarter in Riyadh

Crowe
AlAzem, AlSudairy, AlShaikh and Partners
For Professional Consulting
P.O.Box 10504 Riyadh 11443

P. O. Box 10504 Riyadh 11443
Kingdom of Saudi Arabia

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

To the shareholders of United Cooperative Assurance Company – A Joint Stock Company

Emphasis of matter

We draw attention to Note 2(b) of the condensed interim financial statements, which indicates that the Company incurred a net loss of SR 44.59 million during the period ended 30 September 2022 and, as of that date, the Company's accumulated losses amounted to SR 194.34 million which represents 49% of the share capital. 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.

Report on Other Legal and Regulatory Requirements

We draw attention to note 2(b) of the condensed interim financial statements which describes that the Company has not complied with the applicable requirement of Article 68(2) of the Implementation regulation of the Cooperative Insurance Company Control Law which prescribe the minimum solvency margin requirement for the Company.

KPMG Professional Services

Nasser Ahmed Al Shutairy
License No: 454

For Al Azem, Al Sudairy, Al Shaikh & Partners for Professional Consulting

Abdullah M. Al Azem
License No: 335

Jeddah, Kingdom of Saudi Arabia
Date: 10 November 2022
Corresponding to: 16 Rabi' al-Thani 1444H

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 September 2022

	Notes	30 September 2022 (Unaudited) SAR '000	31 December 2021 (Audited) SAR'000
ASSETS			
Cash and cash equivalents	4	**57,773**	87,769
Premiums and reinsurers' receivable – net	5	**335,030**	156,051
Reinsurers' share of unearned premiums	7.2	**337,844**	91,978
Reinsurers' share of outstanding claims	7.1	**15,697**	36,506
Reinsurers' share of claims incurred but not reported	7.1	**65,367**	114,849
Deferred policy acquisition costs		**29,382**	10,571
Investments	6	**240,993**	250,526
Prepaid expenses and other assets		**74,867**	60,335
Property and equipment – net		**10,729**	9,122
Intangible assets		**11,128**	9,813
Right-of-use assets – net	8.1	**6,857**	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		**1,329,808**	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 September 2022

	Notes	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
LIABILITIES			
Policyholders payable		**26,817**	24,100
Accrued and other liabilities		**88,698**	68,985
Reinsurers balances payable		**215,325**	95,067
Unearned premiums	7.2	**481,763**	185,439
Unearned reinsurance commission		**54,453**	15,683
Outstanding claims	7.1	**55,120**	83,964
Claims incurred but not reported	7.1	**95,043**	140,599
Premium deficiency reserve	7.1	**25,633**	25,378
Other technical reserves	7.1	**21,465**	16,176
Employees' defined benefit obligations		**8,318**	10,029
Lease liabilities	8.2	**6,192**	6,187
Surplus from insurance operation		**37,053**	37,053
Zakat and income tax payable	15(a)	**12,808**	14,846
Accrued commission income on statutory deposit payable to SAMA	10	**5,741**	5,396
TOTAL LIABILITIES		**1,134,429**	728,902
Fair value reserve on investments - insurance operations		**(9,752)**	(3,546)
TOTAL LIABILITIES AND INSURANCE OPERATIONS RESERVE		**1,124,677**	725,356
EQUITY			
Share capital	16	**400,000**	400,000
Accumulated losses		**(194,344)**	(149,752)
Fair value reserve on investments		**(3,459)**	(133)
Re-measurement reserve of employees' defined benefit obligations		**2,934**	2,934
TOTAL EQUITY		**205,131**	253,049
TOTAL LIABILITIES AND INSURANCE OPERATIONS RESERVE AND EQUITY		**1,329,808**	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 INCOME (Unaudited)
For the three-months and nine-months period ended 30 September 2022

	Notes	Three-months period ended 30 September		Nine-months period ended 30 September	
		2022 SAR'000	2021 SAR'000	2022 SAR'000	2021 SAR'000
REVENUES					
Gross premiums written	13.1	**227,848**	106,939	**713,261**	314,201
Reinsurance premiums ceded					
– Local		**(16,662)**	(13,405)	**(52,208)**	(22,235)
– Foreign		**(150,957)**	(49,666)	**(418,612)**	(160,984)
		(167,619)	(63,071)	**(470,820)**	(183,219)
Excess of loss expenses					
– Local		**(554)**	(379)	**(1,660)**	(1,137)
– Foreign		**(2,439)**	(1,667)	**(7,317)**	(5,002)
		(2,993)	(2,046)	**(8,977)**	(6,139)
Net premiums written		**57,236**	41,822	**233,464**	124,843
Changes in unearned premiums, net		**15,674**	(831)	**(50,458)**	12,345
Net premiums earned		**72,910**	40,991	**183,006**	137,188
Reinsurance commissions earned		**15,305**	10,206	**34,161**	34,093
TOTAL REVENUES		**88,215**	51,197	**217,167**	171,281
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		**98,125**	67,471	**251,945**	223,266
Reinsurers' share of claims paid		**(25,075)**	(24,959)	**(65,372)**	(76,749)
Net claims paid		**73,050**	42,512	**186,573**	146,517
Changes in outstanding claims, net		**(3,505)**	6,337	**(8,035)**	14,788
Changes in claims incurred but not reported, Net		**5,476**	(6,562)	**3,926**	(10,655)
Net claims incurred		**75,021**	42,287	**182,464**	150,650
Premium deficiency reserve		**(5,538)**	(1,344)	**255**	(6,766)
Other technical reserves		**(1,311)**	1,361	**5,289**	4,396
Policy acquisition costs		**10,921**	5,931	**25,765**	18,057
Other underwriting expenses		**1,101**	805	**3,103**	2,521
TOTAL UNDERWRITING COST AND EXPENSES		**80,194**	49,040	**216,876**	168,858
NET UNDERWRITING RESULT		**8,021**	2,157	**291**	2,423

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 INCOME (Unaudited) – (continued)
For the three-months and nine-months period ended 30 September 2022

	Notes	Three-months period ended 30 September		Nine-months period ended 30 September	
		2022 SAR'000	2021 SAR'000	2022 SAR'000	2021 SAR'000
OTHER OPERATING (EXPENSES) / INCOME					
General and administrative expenses		**(22,861)**	(18,820)	**(60,107)**	(64,367)
Reversal / (Provision) for doubtful receivables	5	**5,938**	(3,360)	**4,930**	4,198
Board remuneration	14.2	**(501)**	(537)	**(1,597)**	(1,466)
Investment income		**2,184**	2,420	**6,453**	7,134
Realized loss on investments	6	**--**	(296)	**--**	(296)
Other income		**6,208**	--	**8,438**	418
TOTAL OTHER OPERATING EXPENSES, NET		**(9,032)**	(20,593)	**(41,883)**	(54,379)
LOSS FOR THE PERIOD		**(1,011)**	(18,436)	**(41,592)**	(51,956)
NET LOSS ATTRIBUTED TO THE INSURANCE OPERATIONS		**--**	--	**--**	--
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX		**(1,011)**	(18,436)	**(41,592)**	(51,956)
Zakat	15	**(900)**	(2,000)	**(2,800)**	(5,800)
Income tax	15	**(100)**	--	**(200)**	(200)
		(1,000)	(2,000)	**(3,000)**	(6,000)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		**(2,011)**	(20,436)	**(44,592)**	(57,956)
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 / share)	18	**(0.05)**	(0.51)	**(1.11)**	(1.45)

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 COMPREHENSIVE INCOME (Unaudited)
For the three-months and nine-months period ended 30 September 2022

	Three-months period ended 30 September		Nine-months period ended 30 September	
	2022	2021	**2022**	2021
	SAR'000	SAR'000	**SAR'000**	SAR'000
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	**(2,011)**	(20,436)	**(44,592)**	(57,956)
Other comprehensive income				
Items that are or may be reclassified to interim statements of income in subsequent periods				
Available-for-sale investments: – Net change in fair value	**6,337**	(11,444)	**(9,533)**	(18,949)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**4,326**	(31,880)	**(54,125)**	(76,905)
TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTED TO THE INSURANCE OPERATIONS	**(4,949)**	4,781	**6,206**	9,266
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(623)**	(27,099)	**(47,919)**	(67,639)

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 CHANGES IN EQUITY (Unaudited)
For the nine-month period ended 30 September 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	--	--	(44,592)	--	--	(44,592)
Net change in fair values of available-for-sale investments	--	--	--	(3,326)	--	(3,326)
Total comprehensive loss for the period attributable to the Shareholders	--	--	(44,592)	(3,326)	--	(47,918)
Balance as at 30 September 2022 (unaudited)	**400,000**	**--**	**(194,344)**	**(3,459)**	**2,934**	**205,131**

	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 for the period						
Net loss for the period attributable to the shareholders	--	--	(57,956)	--	--	(57,956)
Net change in fair values of available-for-sale investments	--	--	--	(9,683)	--	(9,683)
Statutory reserve transfer	--	(31,944)	31,944	--	--	--
Total comprehensive loss for the period attributable to the shareholders	--	(31,944)	(26,012)	(9,683)	--	(67,639)
Balance as at 30 September 2021 (unaudited)	400,000	--	(134,037)	(663)	2,124	267,424

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 CASH FLOWS (Unaudited)
For the nine-months period ended 30 September 2022

	Notes	Nine-months period ended 30 September	
		2022	2021
		SAR'000	SAR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before zakat and income tax		(41,592)	(51,956)
Adjustments for non-cash items:			
Depreciation of property and equipment and intangible assets		3,163	2,939
Depreciation of right-of-use assets	8.1	2,119	2,385
Loss on disposal of lease		98	--
Finance cost on lease liabilities	8.2	186	162
Reversal for doubtful receivables	5	(4,930)	(4,198)
Provision for VAT receivable		1,000	--
Realized loss on investments	6	--	296
Provision for employees' defined benefit obligations		--	1,577
		(39,956)	(48,795)
Changes in operating assets and liabilities:			
Premiums and reinsurers' receivable		(174,049)	(2,568)
Reinsurers' share of unearned premiums		(245,866)	54,541
Reinsurers' share of outstanding claims		20,809	4,452
Reinsurers' share of claims incurred but not reported		49,482	6,894
Deferred policy acquisition costs		(18,811)	1,472
Prepaid expenses and other assets		(15,532)	8,013
Policyholders payable		2,717	21,234
Accrued commission income on statutory deposit		(345)	(492)
Accrued and other liabilities		19,713	24,416
Reinsurers balances payable		120,258	(42,981)
Unearned premiums		296,324	(66,886)
Unearned reinsurance commission		38,770	(14,093)
Outstanding claims		(28,844)	10,335
Claims incurred but not reported		(45,556)	(17,548)
Premium deficiency reserve		255	(6,766)
Other technical reserves		5,289	4,395
Accrued commission income on statutory deposit payable to SAMA		345	492
		(14,997)	(63,885)
Employees' defined benefit obligations paid		(1,711)	(1,816)
Zakat and income tax paid	15	(5,038)	(14,904)
Net cash used in operating activities		(21,746)	(80,605)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Investment	6	--	11,854
Proceeds from maturity of term deposit	4.2	--	22,656
Purchase of intangible asset		(1,315)	--
Purchase of property and equipment		(4,770)	(6,056)
Net cash (used in) / generated from investing activities		(6,085)	28,454

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited) – (continued)
For the nine-months period ended 30 September 2022

	Notes	Nine-months period ended 30 September	
		2022 SAR'000	2021 SAR'000
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of lease liabilities	8.2	(2,165)	(1,485)
Net cash used in financing activity		(2,165)	(1,485)
Net changes in cash and cash equivalents		(29,996)	(53,636)
Cash and cash equivalents, at the beginning of the period		87,769	61,735
Cash and cash equivalents, at the end of the period		57,773	8,099
NON-CASH INFORMATION			
Net change in fair value of available-for-sale investments		(9,533)	(18,949)

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-Al-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 Chartered and Professional Accountants) ("SOCPA").

(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.

2. BASIS OF PREPARATION – (continued)

(b) Basis of presentation and measurement – (continued)

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. The interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2021. The interim condensed financial statements may not be considered indicative of the expected results for the full year.

Going Concern

The Company incurred a net loss of SR 44.59 million (30 September 2021: SR 57.96 million) during the period ended 30 September 2022 and, as of that date, the Company's accumulated losses amounted to SR 194.34 million (31 December 2021: SR 149.75 million) which represents 49% of the share capital. Moreover, 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 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 30 September 2022 due to new business underwritten in motor and engineering segments.

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.

2. BASIS OF PREPARATION – (continued)

(b) Basis of presentation and measurement – (continued)

(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) Amendment to standard

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

The Company anticipates that each of the above standards and amendments will be adopted in the financial statements by its date mentioned above without having any material impact on the company's financial statement except for the following:

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. Expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

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.

c) 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.

d) 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)

b) Standards issued but not yet effective (continued)

IFRS 9 - Financial Instruments – (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 September 2022, the Company has total financial assets and insurance related assets amounting to SAR 818.3 million (31 December 2021: SAR 768.68 million) and SAR 591.4 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 95.04 million (31 December 2021: SAR 147.09 million). Other financial assets consist of available for sale investments amounting to SAR 241 million (31 December 2021: SAR 250.53 million).

As at 30 September 2022 these debt securities are measured at fair value of SAR 214.5 million (31 December 2021: SAR 223.4 million) with changes in fair value during the year of SAR 8.9 million (31 December 2021: SAR 16.23 million). Other financial assets have a fair value of SAR 26.5 million (31 December 2021: SAR 27.14 million) as at 30 September 2022 with a fair value change during the period of SAR 0.7 million (31 December 2021: SAR 0.2 million).

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

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)

Impact Area	Summary of Impact
Financial Impact	▪ During the financial impact exercised carried out as part of phase 2 of IFRS 17 implementation, the Company assessed the financial Impact of the application and implementation of IFRS 17 and concluded that impact on adoption of IFRS 17 is not significant.
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

At of the date of the publication of these condensed interim financial statements, the company has already submitted Phase 3 Implementation plan to SAMA and two unaudited dry run results using 2020 and 2021 data, respectively.

4. CASH AND CASH EQUIVALENTS

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

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Insurance operations		
Bank balances	**57,172**	87,067
Shareholders' operations		
Bank balances	**601**	702
Total	**57,773**	87,769

5. PREMIUMS AND REINSURERS' RECEIVABLE – NET

Receivables comprise amounts due from the following:

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Policyholders	**228,149**	173,797
Brokers and agents	**3,736**	7,255
Related parties (note 14.2)	**172,624**	48,582
Receivables from reinsurers	**6,176**	7,002
	410,685	236,636
Provision for doubtful receivables	**(75,655)**	(80,585)
Premiums and reinsurers' receivable – net	**335,030**	156,051

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

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Balance at the beginning of the period / year	**80,585**	89,743
Reversal during the period / year	**(4,930)**	(9,158)
Balance at the end of the period / year	**75,655**	80,585

6. INVESTMENTS

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Available-for-sale investments		
Insurance operations (note 6.1)	**80,195**	86,401
Shareholders' operations (note 6.2)	**160,798**	164,125
	240,993	250,526

6.1 Insurance operations

Movement during the period / year is as follows:

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Opening balance	**86,401**	115,088
Disposal during the period / year	**--**	(20,559)
Realized loss on disposal	**--**	(848)
Changes in fair value of investments	**(6,206)**	(7,280)
Closing balance	**80,195**	86,401
Investment in Sukuks	**79,961**	86,171
Investment in mutual funds	**234**	230
	80,195	86,401

6.2 Shareholders' operations

Movement during the period / year is as follows:

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Opening balance	**164,125**	173,278
Changes in fair value of investments	**(3,327)**	(9,153)
Closing balance	**160,798**	164,125
Investment in equity shares (Note 6.3)	**7,170**	6,686
Investment in sukuk	**134,537**	137,219
Investment in mutual funds	**19,091**	20,220
	160,798	164,125

6. INVESTMENTS - (continued)

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 September 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 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Outstanding claims	**55,120**	83,964
Claims incurred but not reported	**95,043**	140,599
	150,163	224,563
Premium deficiency reserve	**25,633**	25,378
Other technical reserves	**21,465**	16,176
	197,261	266,117
Less:		
- Reinsurers' share of outstanding claims	**(15,697)**	(36,506)
- Reinsurers' share of claims incurred but not reported	**(65,367)**	(114,849)
	(81,064)	(151,355)
Net outstanding claims and reserves	**116,197**	114,762

7.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

	Nine-months period ended 30 September 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	**713,261**	**(479,797)**	**233,464**
Premium earned during the period	**(416,937)**	**233,931**	**(183,006)**
Balance as at the end of the period	**481,763**	**(337,844)**	**143,919**

7. TECHNICAL RESERVES - (continued)

	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 September 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	**2,119**	3,206
Deletions during the period / year	**(3,944)**	(924)
At end of the period / year	**2,509**	4,334
Net book value	**6,857**	7,089

8.2 LEASE LIABILTIES

	30 September 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)**	(1,946)
Finance cost	**186**	257
Payments during period / year	**(2,165)**	(3,289)
At end of the period / year	**6,192**	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.

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 September 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 September 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 September 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	**23,396**	23,396

a. The Company has capital commitments outstanding as at 30 September 2022 amounting to SAR 17.1 million (31 December 2021: SAR 19.9 million) in respect of software development project.

b. As at 30 September 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 22.1 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.

12. FAIR VALUES OF FINANCIAL INSTRUMENTS – (continued)

30 September 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	**234**	**--**	**--**	**234**
- Shareholders' operations	**5,247**	**19,091**	**--**	**24,338**
Debt securities				
- Insurance operations	**--**	**79,962**	**--**	**79,962**
- Shareholders' operations	**--**	**134,537**	**--**	**134,537**
	5,481	**233,590**	**--**	**239,071**

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.

There were no transfers between level 1 and level 2 during the period ended 30 September 2022.

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 condensed interim statement of income. 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.

13. OPERATING SEGMENTS – (continued)

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 September 2022 and 31 December 2021, its total revenues, expenses, and net income for the nine-month periods ended 30 September 2022 and 30 September 2021, are as follows:

13. OPERATING SEGMENTS – (continued)

	As at 30 September 2022 (Unaudited) SAR'000							
	Medical	**Motor**	**Energy**	**Engineering**	**Others**	**Total insurance operations**	**Shareholders' operations**	**Total**
Assets								
Reinsurers' share of unearned Premiums	**14**	**40,848**	**67,843**	**207,698**	**21,441**	**337,844**	**--**	**337,844**
Reinsurers' share of outstanding claims	**2,695**	**6,072**	**--**	**911**	**6,019**	**15,697**	**--**	**15,697**
Reinsurers' share of claims incurred but not reported	**--**	**7,642**	**22,857**	**10,852**	**24,016**	**65,367**	**--**	**65,367**
Deferred policy acquisition costs	**3,338**	**9,424**	**--**	**15,638**	**982**	**29,382**	**--**	**29,382**
Unallocated assets						**572,867**	**308,651**	**881,518**
Total assets						**1,021,157**	**308,651**	**1,329,808**
Liabilities								
Unearned premiums	**44,255**	**136,140**	**68,684**	**208,930**	**23,754**	**481,763**	**--**	**481,763**
Unearned reinsurance commission	**--**	**9,457**	**--**	**42,390**	**2,606**	**54.453**	**--**	**54.453**
Outstanding claims	**23,884**	**22,292**	**--**	**1,177**	**7,767**	**55,120**	**--**	**55,120**
Claims incurred but not reported	**5,150**	**25,331**	**23,248**	**11,520**	**29,794**	**95,043**	**--**	**95,043**
Premium deficiency reserve	**5,020**	**20,613**	**--**	**--**	**--**	**25,633**	**--**	**25,633**
Other technical reserves	**855**	**18,848**	**581**	**303**	**878**	**21,465**	**--**	**21,465**
Unallocated liabilities and insurance operations reserve						**370,015**	**21,185**	**391,200**
Total liabilities and insurance operations reserve						**1,103,492**	**21,185**	**1,124,677**

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 September 2022 (Unaudited)					
	Medical	***Motor***	***Energy***	***Engineering***	***Others***	***Total***
	SAR'000	***SAR'000***	***SAR'000***	***SAR'000***	***SAR'000***	***SAR'000***
REVENUES						
Gross premiums written						
- Individual	**2,685**	**50,661**	**--**	**--**	**38**	**53,384**
- Micro enterprises	**6,510**	**1,283**	**--**	**18**	**307**	**8,118**
- Small enterprises	**976**	**3,368**	**--**	**119**	**2,301**	**6,764**
- Medium enterprises	**4,407**	**27**	**--**	**821**	**2,722**	**7,977**
- Large enterprises	**2,186**	**3,438**	**32,917**	**109,749**	**3,315**	**151,605**
	16,764	**58,777**	**32,917**	**110,707**	**8,683**	**227,848**
Reinsurance premiums ceded						
- Local	**--**	**(5,875)**	**--**	**(10,385)**	**(402)**	**(16,662)**
- Foreign	**(54)**	**(11,470)**	**(32,350)**	**(99,685)**	**(7,398)**	**(150,957)**
	(54)	**(17,345)**	**(32,350)**	**(110,070)**	**(7,800)**	**(167,619)**
Excess of loss expenses						
- Local	**(256)**	**(154)**	**--**	**--**	**(144)**	**(554)**
- Foreign	**(1,022)**	**(727)**	**--**	**--**	**(690)**	**(2,439)**
	(1,278)	**(881)**	**--**	**--**	**(834)**	**(2,993)**
Net premiums written	**15,432**	**40,551**	**567**	**637**	**49**	**57,236**
Changes in unearned premiums, net	**9,375**	**4,215**	**391**	**60**	**1,633**	**15,674**
Net premiums earned	**24,807**	**44,766**	**958**	**697**	**1,682**	**72,910**
Reinsurance commissions earned	**--**	**4,427**	**421**	**9,180**	**1,277**	**15,305**
TOTAL REVENUES	**24,807**	**49,193**	**1,379**	**9,877**	**2,959**	**88,215**
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**24,019**	**73,451**	**--**	**556**	**99**	**98,125**
Reinsurers' share of claims paid	**(35)**	**(23,938)**	**--**	**(514)**	**(588)**	**(25,075)**
Net claims paid	**23,984**	**49,513**	**--**	**42**	**(489)**	**73,050**
Changes in outstanding claims, net	**(1,322)**	**(1,006)**	**--**	**(433)**	**(744)**	**(3,505)**
Changes in claims incurred but not reported, net	**1,369**	**4,697**	**(2)**	**(560)**	**(28)**	**5,476**
Net claims incurred	**24,031**	**53,204**	**(2)**	**(951)**	**(1,261)**	**75,021**
Premium deficiency reserve	**(153)**	**(4,025)**	**(934)**	**--**	**(426)**	**(5,538)**
Other technical reserves	**17**	**220**	**11**	**(955)**	**(604)**	**(1,311)**
Policy acquisition costs	**1,970**	**5,187**	**--**	**3,387**	**377**	**10,921**
Other underwriting expenses	**404**	**294**	**165**	**199**	**39**	**1,101**
TOTAL UNDERWRITING COSTS AND EXPENSES	**26,269**	**54,880**	**(760)**	**1,680**	**(1,875)**	**80,194**
NET UNDERWRITING RESULT	**(1,462)**	**(5,687)**	**2,139**	**8,197**	**4,834**	**8,021**

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 September 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						**(22,861)**
Reversal for doubtful receivables						**5,938**
Board remuneration						**(501)**
Commission income on investments						**2,184**
Realized gain on investments						
Other Income						**6,208**
TOTAL OTHER OPERATING EXPENSES, NET						**(9,032)**
LOSS FOR THE PERIOD						**(1,011)**
Net income for the period attributable to insurance operations						**--**
Net loss for the period attributable to the shareholders before zakat and income tax						**(1,011)**
Zakat						**(900)**
Income tax						**(100)**
						(1,000)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						**(2,011)**

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 September 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	--	4,106	--	--	--	4,106
- Micro enterprises	3,949	2,890	--	--	790	7,629
- Small enterprises	17,226	7,630	--	274	673	25,803
- Medium enterprises	7,161	3,064	--	4,556	4,586	19,367
- Large enterprises	807	12	24,154	18,016	7,045	50,034
	29,143	17,702	24,154	22,846	13,094	106,939
Reinsurance premiums ceded						
- Local	(7)	(1,771)	--	(11,179)	(448)	(13,405)
- Foreign	(54)	(3,451)	(23,738)	(11,008)	(11,415)	(49,666)
	(61)	(5,222)	(23,738)	(22,187)	(11,863)	(63,071)
Excess of loss expenses						
- Local	(167)	(107)	--	--	(105)	(379)
- Foreign	(311)	(608)	--	--	(748)	(1,667)
	(478)	(715)	--	--	(853)	(2,046)
Net premiums written	28,604	11,765	416	659	378	41,822
Changes in unearned premiums, net	(11,292)	9,909	38	240	274	(831)
Net premiums earned	17,312	21,674	454	899	652	40,991
Reinsurance commissions earned	--	2,321	380	4,634	2,871	10,206
TOTAL REVENUES	17,312	23,995	834	5,533	3,523	51,197
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	13,336	45,768	--	132	8,235	67,471
Reinsurers' share of claims paid	(3,302)	(13,705)	--	(71)	(7,881)	(24,959)
Net claims paid	10,034	32,063	--	61	354	42,512
Changes in outstanding claims, net	5,617	(1,197)	--	(49)	1,966	6,337
Changes in claims incurred but not reported, net	(194)	(6,085)	23	(251)	(55)	(6,562)
Net claims incurred	15,457	24,781	23	(239)	2,265	42,287
Premium deficiency reserve	622	647	(44)	(2,717)	148	(1,344)
Other technical reserves	311	937	33	11	69	1,361
Policy acquisition costs	1,525	3,039	--	717	650	5,931
Other underwriting expenses	309	169	121	128	78	805
TOTAL UNDERWRITING COSTS AND EXPENSES	18,224	29,573	133	(2,100)	3,210	49,040
NET UNDERWRITING RESULT	(912)	(5,578)	701	7,633	313	2,157

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 September 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						(18,820)
Provision for doubtful receivables						(3,360)
Board remuneration						(537)
Investment Income						2,420
Realized gain on investments						--
Other Expense						(296)
TOTAL OTHER OPERATING EXPENSES, NET						(20,593)
LOSS FOR THE PERIOD						(18,436)
Net income for the period attributable to insurance operations						--
Net loss for the period attributable to the shareholders before zakat and income tax						(18,436)
Zakat						(2,000)
Income tax						--
						(2,000)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						(20,436)

13. OPERATING SEGMENTS – (continued)

	Nine-month period ended 30 September 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	**2,905**	**125,996**	**--**	**--**	**95**	**128,996**
- Micro enterprises	**19,022**	**9,700**	**--**	**37**	**905**	**29,664**
- Small enterprises	**23,832**	**26,734**	**--**	**210**	**9,817**	**60,593**
- Medium enterprises	**17,688**	**1,913**	**--**	**8,699**	**3,984**	**32,284**
- Large enterprises	**6,201**	**68,951**	**142,103**	**233,399**	**11,070**	**461,724**
	69,648	**233,294**	**142,103**	**242,345**	**25,871**	**713,261**
Reinsurance premiums ceded						
- Local	**--**	**(23,325)**	**--**	**(27,234)**	**(1,649)**	**(52,208)**
- Foreign	**(143)**	**(45,536)**	**(139,657)**	**(213,001)**	**(20,275)**	**(418,612)**
	(143)	**(68,861)**	**(139,657)**	**(240,235)**	**(21,924)**	**(470,820)**
Excess of loss expenses						
- Local	**(768)**	**(462)**	**--**	**--**	**(430)**	**(1,660)**
- Foreign	**(3,066)**	**(2,181)**	**--**	**--**	**(2,070)**	**(7,317)**
	(3,834)	**(2,643)**	**--**	**--**	**(2,500)**	**(8,977)**
Net premiums written	**65,671**	**161,790**	**2,446**	**2,110**	**1,447**	**233,464**
Changes in unearned premiums – net	**6,468**	**(58,523)**	**(840)**	**(199)**	**2,636**	**(50,458)**
Net premiums earned	**72,139**	**103,267**	**1,606**	**1,911**	**4,083**	**183,006**
Reinsurance commissions earned	**--**	**10,146**	**1,682**	**17,769**	**4,564**	**34,161**
TOTAL REVENUES	**72,139**	**113,413**	**3,288**	**19,680**	**8,647**	**217,167**
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**66,835**	**170,974**	**--**	**2,133**	**12,003**	**251,945**
Reinsurers' share of claims paid	**(949)**	**(52,657)**	**--**	**(1,678)**	**(10,088)**	**(65,372)**
Net claims paid	**65,886**	**118,317**	**--**	**455**	**1,915**	**186,573**
Changes in outstanding claims, Net	**99**	**(5,051)**	**--**	**(738)**	**(2,345)**	**(8,035)**
Changes in claims incurred but not reported – net	**2,351**	**2,544**	**6**	**(674)**	**(301)**	**3,926**
Net claims incurred	**68,336**	**115,810**	**6**	**(957)**	**(731)**	**182,464**
Premium deficiency reserve	**(805)**	**1,639**	**--**	**--**	**(579)**	**255**
Other technical reserves	**165**	**6,680**	**20**	**(815)**	**(761)**	**5,289**
Policy acquisition costs	**5,788**	**12,507**	**(54)**	**6,282**	**1,242**	**25,765**
Other underwriting expenses	**1,178**	**681**	**710**	**392**	**142**	**3,103**
TOTAL UNDERWRITING COSTS AND EXPENSES	**74,662**	**137,317**	**682**	**4,902**	**(687)**	**216,876**
NET UNDERWRITING RESULT	**(2,523)**	**(23,904)**	**2,606**	**14,778**	**9,334**	**291**

13. OPERATING SEGMENTS – (continued)

	Nine-month period ended 30 September 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						**(60,107)**
Provision for doubtful receivables						**4,930**
Board remuneration						**(1,597)**
Commission income on investments						**6,453**
Realized gain on investment						**--**
Other income						**8,438**
TOTAL OTHER OPERATING EXPENSES – NET						**(41,883)**
LOSS FOR THE PERIOD						**(41,592)**
Net income for the period attributable to insurance operations						**--**
Net loss for the period attributable to the shareholders before zakat and income tax						**(41,592)**
Zakat						**(2,800)**
Income tax						**(200)**
						(3,000)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						**(44,392)**

13. OPERATING SEGMENTS – (continued)

***13.1 Additional information**

	Nine-month period ended 30 September 2022 (Unaudited)			
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Property and Casualty*** ***SAR'000***	***Total*** ***SAR'000***
REVENUES				
Gross premiums written				
- Individual	**2,905**	**125,996**	**95**	**128,996**
- Micro enterprises	**19,022**	**9,700**	**942**	**29,664**
- Small enterprises	**23,832**	**26,734**	**10,027**	**60,593**
- Medium enterprises	**17,688**	**1,913**	**12,683**	**32,284**
- Large enterprises	**6,201**	**68,951**	**386,572**	**461,724**
	69,648	**233,294**	**410,319**	**713,261**

	Three-month period ended 30 September 2022 (Unaudited)			
	Medical ***SAR'000***	***Motor*** ***SAR'000***	***Property and Casualty*** ***SAR'000***	***Total*** ***SAR'000***
REVENUES				
Gross premiums written				
- Individual	**2,685**	**50,661**	**38**	**53,384**
- Micro enterprises	**6,510**	**1,283**	**325**	**8,118**
- Small enterprises	**976**	**3,368**	**2,420**	**6,764**
- Medium enterprises	**4,407**	**27**	**3,543**	**7,977**
- Large enterprises	**2,186**	**3,438**	**145,981**	**151,605**
	16,764	**58,777**	**152,307**	**227,848**

13. OPERATING SEGMENTS – (continued)

	Nine-month period ended 30 September 2021 (Unaudited)					
	Medical	*Motor*	*Energy*	*Engineering*	*Others*	*Total*
	SAR'000	*SAR'000*	*SAR'000*	*SAR'000*	*SAR'000*	*SAR'000*
REVENUES						
Gross premiums written						
- Individual	--	7,297	--	--	--	7,297
- Micro enterprises	13,616	8,968	--	707	5,013	28,304
- Small enterprises	37,939	19,803	829	631	9,125	68,327
- Medium enterprises	18,916	29,447	--	10,102	30,748	89,213
- Large enterprises	4,759	313	72,939	21,802	21,247	121,060
	75,230	65,828	73,768	33,242	66,133	314,201
Reinsurance premiums ceded						
- Local	(85)	(6,685)	-	(12,204)	(3,261)	(22,235)
- Foreign	(442)	(12,745)	(72,504)	(18,478)	(56,815)	(160,984)
	(527)	(19,430)	(72,504)	(30,682)	(60,076)	(183,219)
Excess of loss expenses						
- Local	(501)	(321)	--	--	(315)	(1,137)
- Foreign	(932)	(1,824)	--	--	(2,246)	(5,002)
	(1,433)	(2,145)	--	--	(2,561)	(6,139)
Net premiums written	73,270	44,253	1,264	2,560	3,496	124,843
Changes in unearned premiums, net	(33,233)	(45,878)	(453)	483	(330)	(12,345)
Net premiums earned	40,037	90,131	811	3,043	3,166	137,188
Reinsurance commissions earned	--	9,001	1,185	14,960	8,947	34,093
TOTAL REVENUES	40,037	99,132	1,996	18,003	12,113	171,281
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	38,669	169,287	--	1,639	13,671	223,266
Reinsurers' share of claims paid	(13,735)	(49,872)	--	(978)	(12,164)	(76,749)
Net claims paid	24,934	119,415	--	661	1,507	146,517
Changes in outstanding claims, net	11,061	1,763	--	(131)	2,095	14,788
Changes in claims incurred but not reported, net	190	(10,000)	22	(699)	(168)	(10,655)
Net claims incurred	36,185	111,178	22	(169)	3,434	150,650
Premium deficiency reserve	1,141	(8,572)	698	--	(33)	(6,766)
Other technical reserves	384	3,938	32	(8)	50	4,396
Policy acquisition costs	3,877	9,480	--	2,388	2,312	18,057
Other underwriting expenses	806	659	369	416	271	2,521
TOTAL UNDERWRITING COSTS AND EXPENSES	42,393	116,683	1,121	2,627	6,034	168,858
NET UNDERWRITING RESULT	(2,356)	(17,551)	875	15,376	6,079	2,423

13. OPERATING SEGMENTS – (continued)

	Nine-month period ended 30 September 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						(64,367)
Provision for doubtful receivables						4,198
Board remuneration						(1,466)
Investment Income						7,134
Realized loss on investments						(296)
Other income						418
TOTAL OTHER OPERATING EXPENSES, NET						(54,379)
LOSS FOR THE PERIOD						(51,956)
Net income for the period attributable to insurance operations						--
Net loss for the period attributable to the shareholders' before zakat and income tax						(51,956)
Zakat						(5,800)
Income tax						(200)
						(6,000)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS						(57,956)

*****13.1 Additional information

	Nine-month period ended 30 September 2021 (Unaudited)			
	Medical SAR'000	*Motor SAR'000*	*Property and Casualty SAR'000*	*Total SAR'000*
REVENUES				
Gross premiums written				
- Individual	--	7,297	--	7,297
- Micro enterprises	13,616	8,968	5,720	28,304
- Small enterprises	37,939	19,803	10,585	68,327
- Medium enterprises	18,916	29,447	40,850	89,213
- Large enterprises	4,759	313	115,988	121,060
	75,230	65,828	173,143	314,201

13. OPERATING SEGMENTS – (continued)

	Three-month period ended 30 September 2021 (Unaudited)			
	Medical SAR'000	*Motor SAR'000*	*Property and Casualty SAR'000*	*Total SAR'000*
REVENUES				
Gross premiums written				
- Individual	--	4,106	--	4,106
- Micro enterprises	3,949	2,890	790	7,629
- Small enterprises	17,226	7,630	947	25,803
- Medium enterprises	7,161	3,064	9,142	19,367
- Large enterprises	807	12	49,215	50,034
	29,143	17,702	60,094	106,939

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 September**		**Nine-month period ended 30 September**	
		***2022 SAR'000* (Unaudited)**	*2021 SAR'000* (Unaudited)	***2022 SAR'000* (Unaudited)**	*2021 SAR'000* (Unaudited)
Major shareholders					
Haji Hussien Ali Reza	Premium written	**1,330**	901	**5,221**	4,748
	Payments received and claims paid	**552**	(173)	**(2,587)**	(5,534)
Saudi Bin Laden – Group	Premium written	**124,896**	5,497	**258,269**	25,862
	Payments received and claims paid	**(3,961)**	(27,315)	**(139,270)**	(44,432)
Construction Product Company	Premium written	**200**	52	**8,853**	6,924
	Payments received and claims paid	**737**	(17)	**(6,444)**	(23,251)

14. RELATED PARTY TRANSACTIONS AND BALANCES – (continued)

14.1 TRANSACTIONS WITH RELATED PARTIES – (continued)

	Nature of transactions	Three-month period ended 30 September		Nine-month period ended 30 September	
		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					
Law Office of Hassan Mahassni	Premium written	**--**	--	**--**	--
	Payments received and claims paid	**--**	--	**(142)**	(142)
Middle East Group	Premium written	**--**	--	**--**	--
	Payments received and claims paid	**--**	--	**(16)**	(16)

14.2 RELATED PARTIES BALANCES

	Balance receivable / (payable) as at	
	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
	SAR'000	
Premium receivable		
Haji Hussien Ali Reza	**7,467**	4,833
Saudi Bin Laden – Group	**158,871**	39,872
Construction Product Company	**6,227**	3,818
Law Office of Hassan Mahassni	**55**	55
Middle East Group	**--**	--
	172,620	48,578
Other balances		
United Commercial Agencies	**4**	4

Other balances are included in prepayments and other assets, policy holders' 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 September 2022 and 30 September 2021:

	Nine-months period ended 30 September	
	2022 SAR'000 (Unaudited)	2021 SAR'000 (Unaudited)
Salaries and other allowances	**1,434**	4,348
End of service indemnities	**177**	255
	1,611	4,603
Remuneration to those charged with governance	**1,597**	1,466

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

The movement in the zakat payable is as follows:

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Balance at the beginning of the period / year	**13,546**	20,850
Charge for the current period / year	**2,800**	7,600
Paid during the period / year	**(5,038)**	(14,904)
Balance at the end of the period / year	**11,308**	13,546

15. ZAKAT AND INCOME TAX – (continued)

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

The movement in the income tax payable is as follows:

	30 September 2022 (Unaudited) SAR'000	31 December 2021 (Audited) SAR'000
Balance at the beginning of the period / year	**1,300**	900
Charge for the period / year	**200**	400
Balance at the end of the period / year	**1,500**	1,300
Total	**12,808**	14,846

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 (2021: 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.

15. ZAKAT AND INCOME TAX – (continued)

b. Status of zakat assessments – (continued)

Years 2009 – 2011

The 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 SR 27.09 million. 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 15,84 million. The Company will proceed for final settlement with the Dispute Resolution Committee and expect to settle about SAR 7.05 million.

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

ZATCA 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.

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 committee has issued their verdict in partially accepting the Company's objection and rejecting the remaining items which result in a total Zakat saving of SR 0.48 million due to the acceptance of the deferred policy acquisition cost. However, the dispute is not disclosed yet, hence, both ZATCA and the Company may appeal against the "CRTVD" verdict within 30 days from receiving the official verdict

15. ZAKAT AND INCOME TAX – (continued)

b. Status of zakat assessments – (continued)

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 September 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.

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 September 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	**57,172**	**601**	**57,773**	87,067	702	87,769
Premiums and reinsurers' receivable – net	**335,030**	**--**	**335,030**	156,051	--	156,051
Reinsurers' share of unearned premiums	**337,844**	**--**	**337,844**	91,978	--	91,978
Reinsurers' share of outstanding claims	**15,697**	**--**	**15,697**	36,506	--	36,506
Reinsurers' share of claims incurred but not reported	**65,367**	**--**	**65,367**	114,849	--	114,849
Deferred policy acquisition costs	**29,382**	**--**	**29,382**	10,571	--	10,571
Investments	**80,195**	**160,798**	**240,993**	86,401	164,125	250,526
Due from shareholder operations	**85,270**	**--**	**85,270**	37,315	--	37,315
Prepaid expenses and other assets	**71,756**	**3,111**	**74,867**	59,113	1,222	60,335
Property and equipment – net	**10,729**	**--**	**10,729**	9,122	--	9,122
Intangible assets	**11,128**	**--**	**11,128**	9,813	--	9,813
Right-of-use asset – net	**6,857**	**--**	**6,857**	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
	1,106,427	**308,651**	**1,415,078**	705,875	309,845	1,015,720
Less: Inter-operations eliminations	**(85,270)**	**--**	**(85,270)**	(37,315)	--	(37,315)
TOTAL ASSETS	**1,021,157**	**308,651**	**1,329,808**	668,560	309,845	978,405

19. SUPPLEMENTARY INFORMATION – (continued)

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

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Insurance operations	**Share-holders' operations**	**Total**	Insurance operations	Share-holders' operations	Total
	SAR'000					
LIABILITIES						
Policyholders payable	**26,817**	**--**	**26,817**	24,100	--	24,100
Accrued and other liabilities	**86,062**	**2,636**	**88,698**	66,816	2,169	68,985
Reinsurers balances payable	**215,325**	**--**	**215,325**	95,067	--	95,067
Unearned premiums	**481,763**	**--**	**481,763**	185,439	--	185,439
Unearned reinsurance commission	**54,453**	**--**	**54,453**	15,683	--	15,683
Outstanding claims	**55,120**	**--**	**55,120**	83,964	--	83,964
Claims incurred but not reported	**95,043**	**--**	**95,043**	140,599	--	140,599
Premium deficiency reserve	**25,633**	**--**	**25,633**	25,378	--	25,378
Other technical reserves	**21,465**	**--**	**21,465**	16,176	--	16,176
Due to Insurance' operations	**--**	**85,270**	**85,270**	--	37,315	37,315
Employees' defined benefit obligations	**8,318**	**--**	**8,318**	10,029	--	10,029
Lease liabilities	**6,192**	**--**	**6,192**	6,187	--	6,187
Insurance operations' surplus	**37,053**	**--**	**37,053**	37,053	--	37,053
Zakat and income tax payable	**--**	**12,808**	**12,808**	--	14,846	14,846
Accrued commission income on statutory deposit payable to SAMA	**--**	**5,741**	**5,741**	--	5,396	5,396
	1,113,244	**106,455**	**1,219,699**	706,491	59,726	766,217
Less: Inter-operations eliminations	**--**	**(85,270)**	**(85,270)**	--	(37,315)	(37,315)
	1,113,244	**21,185**	**1,134,429**	706,491	22,411	728,902
Fair value reserve on investments - insurance Operations	**(9,752)**	**--**	**(9,752)**	(3,546)	--	(3,546)
TOTAL LIABILITIES AND INSURANCE OPERATIONS RESERVE	**1,103,492**	**21,185**	**1,124,677**	702,945	22,411	725,356
EQUITY						
Share capital	**--**	**400,000**	**400,000**	--	400,000	400,000
Accumulated losses	**--**	**(194,344)**	**(194,344)**	--	(149,752)	(149,752)
Fair value reserve on investments	**--**	**(3,459)**	**(3,459)**	--	(133)	(133)
Re-measurement reserve of employees' defined benefit obligations	**2,934**	**--**	**2,934**	2,934	--	2,934
TOTAL EQUITY	**2,934**	**202,197**	**205,131**	2,934	250,115	253,049
TOTAL LIABILITIES, INSURANCE OPERATIONS RESERVE AND EQUITY	**1,106,426**	**223,382**	**1,329,808**	705,879	272,526	978,405

19. SUPPLEMENTARY INFORMATION – (continued)

b) Condensed interim statement of income

	Three-month period ended 30 September (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
REVENUES						
Gross premiums written	**227,848**	--	**227,848**	106,939	--	106,939
Reinsurance premiums ceded						
- Local	**(16,662)**	--	**(16,662)**	(13,405)	--	(13,405)
- Foreign	**(150,957)**	--	**(150,957)**	(49,666)	--	(49,666)
	(167,619)	--	**(167,619)**	(63,071)	--	(63,071)
Excess of loss expenses						
- Local	**(554)**	--	**(554)**	(379)	--	(379)
- Foreign	**(2,439)**	--	**(2,439)**	(1,667)	--	(1,667)
	(2,993)	--	**(2,993)**	(2,046)	--	(2,046)
Net premiums written	**57,236**	--	**57,236**	41,822	--	41,822
Changes in unearned premiums, net	**15,674**	--	**15,674**	(831)	--	(831)
Net premiums earned	**72,910**	--	**72,910**	40,991	--	40,991
Reinsurance commissions earned	**15,305**	--	**15,305**	10,206	--	10,206
TOTAL REVENUES	**88,215**	--	**88,215**	51,197	--	51,197
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**98,125**	--	**98,125**	67,471	--	67,471
Reinsurers' share of claims paid	**(25,075)**	--	**(25,075)**	(24,959)	--	(24,959)
Net claims	**73,050**	--	**73,050**	42,512	--	42,512
Changes in outstanding claims, net	**(3,505)**	--	**(3,505)**	6,337	--	6,337
Changes in claims incurred but not reported, Net	**5,476**	--	**5,476**	(6,562)	--	(6,562)
Net claims incurred	**75,021**	--	**75,021**	42,287	--	42,287
Premium deficiency reserve	**(5,538)**	--	**(5,538)**	(1,344)	--	(1,344)
Other technical reserves	**(1,311)**	--	**(1,311)**	1,361	--	1,361
Policy acquisition costs	**10,921**	--	**10,921**	5,931	--	5,931
Other underwriting expenses	**1,101**	--	**1,101**	805	--	805
TOTAL UNDERWRITING COSTS AND EXPENSES	**80,914**	--	**80,914**	49,040	--	49,040
NET UNDERWRITING RESULT	**8,021**	--	**8,021**	2,157	--	2,157

19. SUPPLEMENTARY INFORMATION – (continued)

b) Condensed interim statement of income – (continued)

	Three-month period ended 30 September (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	**(22,070)**	**(791)**	**(22,861)**	(17,883)	(937)	(18,820)
(Reversal) / Provision for doubtful receivables	**5,938**	**--**	**5,938**	(3,360)	--	(3,360)
Board remuneration	**--**	**(501)**	**(501)**	--	(537)	(537)
Investment Income	**920**	**1,264**	**2,184**	1,232	1,188	2,420
Realized loss on investments	**--**	**--**	**--**	(296)	--	(296)
Other income	**6,208**	**--**	**6,208**	--	--	--
TOTAL OTHER OPERATING (EXPENSES) / INCOME, NET	**(9,004)**	**(28)**	**(9,032)**	(20,307)	(286)	(20,593)
LOSS FOR THE PERIOD	**(983)**	**(28)**	**(1,011)**	(18,150)	(286)	(18,436)
SHAREHOLDERS' ABSORPTION OF LOSS / (INCOME)	**983**	**(983)**	**--**	18,150	(18,150)	--
NET LOSS FOR THE PERIOD AFTER SHAREHOLDERS' APPROPRIATIONS BEFORE ZAKAT AND INCOME TAX	**--**	**(1,011)**	**(1,011)**	--	(18,436)	(18,436)
Zakat	**--**	**(900)**	**(900)**	--	(2,000)	(2,000)
Income tax	**--**	**(100)**	**(100)**	--	--	--
NET LOSS FOR THE PERIOD	**--**	**(2,011)**	**(2,011)**	--	(20,436)	(20,436)
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)		**(0.05)**			(0.51)	

19. SUPPLEMENTARY INFORMATION – (continued)

c) Condensed interim statement of comprehensive income

	Three-month period ended 30 September (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
NET LOSS FOR THE PERIOD	**--**	**(2,011)**	**(2,011)**	--	(20,436)	(20,436)
Other comprehensive income						
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	**4,949**	**1,388**	**6,337**	(4,781)	(6,663)	(11,444)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**4,949**	**(623)**	**4,326**	(4,781)	(27,099)	(31,880)

19. SUPPLEMENTARY INFORMATION – (continued)

d) Condensed interim statement of income

	Nine-month period ended 30 September (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
REVENUES						
Gross premiums written	**713,261**	--	**713,261**	314,201	--	314,201
Reinsurance premiums ceded						
- Local	**(52,208)**	--	**(52,208)**	(22,235)	--	(22,235)
- Foreign	**(418,612)**	--	**(418,612)**	(160,984)	--	(160,984)
	(470,820)	--	**(470,820)**	(183,219)	--	(183,219)
Excess of loss expenses						
- Local	**(1,660)**	--	**(1,660)**	(1,137)	--	(1,137)
- Foreign	**(7,317)**	--	**(7,317)**	(5,002)	--	(5,002)
	(8,977)	--	**(8,977)**	(6,139)	--	(6,139)
Net premiums written	**233,464**	--	**233,464**	124,843	--	124,843
Changes in unearned premiums, net	**(50,458)**	--	**(50,458)**	12,345	--	12,345
Net premiums earned	**183,006**	--	**183,006**	137,188	--	137,188
Reinsurance commissions earned	**34,161**	--	**34,161**	34,093	--	34,093
TOTAL REVENUES	**217,167**	--	**217,167**	171,281	--	171,281
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**251,945**	--	**251,945**	223,266	--	223,266
Reinsurers' share of claims paid	**(65,372)**	--	**(65,372)**	(76,749)	--	(76,749)
Net claims	**186,573**	--	**186,573**	146,517	--	146,517
Changes in outstanding claims, net	**(8,035)**	--	**(8,035)**	14,788	--	14,788
Changes in claims incurred but not reported, net	**3,926**	--	**3,926**	(10,655)	--	(10,655)
Net claims incurred	**182,464**	--	**182,464**	150,650	--	150,650
Premium deficiency reserve	**255**	--	**255**	(6,766)	--	(6,766)
Other technical reserves	**5,289**	--	**5,289**	4,396	--	4,396
Policy acquisition costs	**25,765**	--	**25,765**	18,057	--	18,057
Other underwriting expenses	**3,103**	--	**3,103**	2,521	--	2,521
TOTAL UNDERWRITING COSTS AND EXPENSES	**216,876**	--	**216,876**	168,858	--	168,858
NET UNDERWRITING RESULT	**291**	--	**291**	2,423	--	2,423

19. SUPPLEMENTARY INFORMATION – (continued)

d) Condensed interim statement of income- (Continued)

	Nine-month period ended 30 September (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	**(57,826)**	**(2,281)**	**(60,107)**	(61,300)	(3,067)	(64,367)
Reversal for doubtful receivables	**4,930**	**--**	**4,930**	4,198	--	4,198
Board remuneration	**--**	**(1,597)**	**(1,597)**	--	(1,466)	(1,466)
Investment Income	**2,713**	**3,740**	**6,453**	3,461	3,673	7,134
Realized loss on investments	**--**	**--**	**--**	(296)	--	(296)
Other income	**8,438**	**--**	**8,438**	418	--	418
TOTAL OTHER OPERATING (EXPENSES) / INCOME, NET	**(41,745)**	**(138)**	**(41,883)**	(53,519)	(860)	(54,379)
LOSS FOR THE PERIOD	**(41,454)**	**(138)**	**(41,592)**	(51,096)	(860)	(51,956)
SHAREHOLDERS' ABSORPTION OF (INCOME) / LOSS	**41,454**	**(41,454)**	**--**	51,096	(51,096)	--
NET LOSS FOR THE PERIOD AFTER SHAREHOLDERS' APPROPRIATIONS BEFORE ZAKAT AND INCOME TAX	**--**	**(41,592)**	**(42,592)**	--	(51,956)	(51,956)
Zakat	**--**	**(2,800)**	**(2,800)**	--	(5,800)	(5,800)
Income tax	**--**	**(200)**	**(200)**	--	(200)	(200)
	--	**(3,000)**	**(3,000)**	--	(6,000)	(6,000)
NET LOSS FOR THE PERIOD	**--**	**(44,592)**	**(44,592)**	--	(57,956)	(57,956)
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)		**(1.11)**			(1.45)	

19. SUPPLEMENTARY INFORMATION – (continued)

e) Condensed interim statement of comprehensive income

	Nine-months period ended 30 September (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
NET LOSS FOR THE PERIOD	**--**	**(44,592)**	**(44,592)**	--	(57,956)	(57,956)
Other comprehensive income						
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	**(6,206)**	**(3,327)**	**(9,533)**	(9,266)	(9,683)	(18,949)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	**(6,206)**	**(47,919)**	**(54,125)**	(9,266)	(67,639)	(76,905)

19. SUPPLEMENTARY INFORMATION – (continued)

f) Condensed interim statement of cash flows

	Nine-months period ended 30 September (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	--	**(41,592)**	**(41,592)**	--	(51,956)	(51,956)
Adjustments for non-cash items:						
Depreciation of property and equipment	**3,163**	--	**3,163**	2,939	--	2,939
Depreciation of right-of-use assets	**2,119**	--	**2,119**	2,385	--	2,385
Finance cost on Lease Liabilities	**186**	--	**186**	162	--	162
Loss on disposal of lease	**98**	--	**98**	--	--	--
Reversal for doubtful receivables	**(4,930)**	--	**(4,930)**	(4,198)	--	(4,198)
Provision for VAT receivable	**1,000**	--	**1,000**	--	--	--
Realized gain on investments	--	--	--	296	--	296
Provision for employees' defined benefit obligations	--	--	--	1,577	--	1,577
	1,636	**(41,592)**	**(39,956)**	3,161	(51,956)	(48,795)
Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable	**(174,049)**	--	**(174,049)**	(2,568)	--	(2,568)
Reinsurers' share of unearned premiums	**(245,866)**	--	**(245,866)**	54,541	--	54,541
Reinsurers' share of outstanding claims	**20,809**	--	**20,809**	4,452	--	4,452
Reinsurers' share of claims incurred but not reported	**49,482**	--	**49,482**	6,894	--	6,894
Deferred policy acquisition costs	**(18,811)**	--	**(18,811)**	1,472	--	1,472
Prepaid expenses and other assets	**(13,643)**	**(1,889)**	**(15,532)**	9,572	(1,559)	8,013
Accrued commission on statutory deposit	--	**(345)**	**(345)**	--	(492)	(492)
Policyholders payables	**2,717**	--	**2,717**	21,234	--	21,234
Accrued and other liabilities	**19,246**	**467**	**19,713**	23,493	923	24,416
Reinsurers balances payable	**120,258**	--	**120,258**	(42,981)	--	(42,981)
Unearned premiums	**296,324**	--	**296,324**	(66,886)	--	(66,886)
Unearned reinsurance commission	**38,770**	--	**38,770**	(14,093)	--	(14,093)
Outstanding claims	**(28,844)**	--	**(28,844)**	10,335	--	10,335
Claims incurred but not reported	**(45,556)**	--	**(45,556)**	(17,548)	--	(17,548)
Premium deficiency reserve	**255**	--	**255**	(6,766)	--	(6,766)
Other technical reserves	**5,289**	--	**5,289**	4,395	--	4,395
Accrued commission on statutory deposit payable to SAMA	--	**345**	**345**	--	492	492
Due from shareholders operations	**(47,951)**	--	**(47,956)**	(58,232)	--	(58,232)
Due to Insurance Operations	--	**47,951**	**47,956**	--	58,232	58,232
	(19,934)	**4,937**	**(14,997)**	(69,525)	5,640	(63,885)
Employees' defined benefit obligations paid	**(1,711)**	--	**(1,711)**	(1,816)	--	(1,816)
Zakat and income tax paid	--	**(5,038)**	**(5,038)**	--	(14,904)	(14,904)
Net cash used in operating activities	**(21,645)**	**(101)**	**(21,746)**	(71,341)	(9,264)	(80,605)

19. SUPPLEMENTARY INFORMATION – (continued)

f) Condensed interim statement of cash flows

	Nine-months period ended 30 September (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2022 Total**	Insurance operations	Share-holders' operations	2021 Total
	SAR'000					
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	**--**	**--**	**--**	--	--	--
Proceeds from sale of investments	--	--	--	11,854	--	11,854
Short term deposits	--	--	--	22,656	--	22,656
Purchase of intangibles	**(1,315)**	**--**	**(1,315)**			
Purchase of property and equipment	**(4,770)**	**--**	**(4,770)**	(6,056)	--	(6,056)
Net cash generated from / (used in) investing activities	**(6,085)**	**--**	**(6,085)**	28,454	--	28,454
CASH FLOWS FROM A FINANCING ACTIVITY						
Payments of lease liabilities	**(2,165)**	**--**	**(2,165)**	(1,485)	--	(1,485)
Net cash used in financing activity	**(2,165)**	**--**	**(2,165)**	(1,485)	--	(1,485)
Net changes in cash and cash equivalents	**(29,895)**	**(101)**	**(29,996)**	(44,372)	(9,264)	(53,636)
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	**57,172**	**601**	**57,773**	6,984	1,115	8,099
NON-CASH INFORMATION						
Net change in fair value of available-for-sale investments	**(6,206)**	**(3,327)**	**(9,533)**	(9,266)	(9,683)	(18,949)

20. IMPACT OF COVID-19

In response to the outbreak of novel coronavirus ("Covid-19 pandemic") and its spread across mainland China and then globally caused disruptions to businesses and economic activities including the KSA over the last two years, hence management continues to proactively assess its impact on the Company's operations. Globally, there has been significant drop in the number of registered cases including the KSA. As a result, restrictions related to Covid-19 pandemic such as social distancing, travel bans, requirement for travellers to present a negative PCR or rapid antigen test on arrival test have been lifted. 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 September 2022 including the significant accounting judgements, estimates and assumptions. The Company continues to monitor the Covid-19 pandemic situation closely although at this time management is not aware of any factors that are expected to change the impact of the Covid-19 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 3 November 2022 corresponding to 9 Rabi' al-Thani 1444H.