Allianz Saudi Fransi Cooperative Insurance Company
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

ALLIANZ SAUDI FRANSI COOPERATIVE
INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

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PKF **Ibrahim Ahmed Al-Bassam & Co**
Certified Public Accountants - Al-Bassam & Co.
(member firm of PKF International)

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Allianz Saudi Fransi Cooperative Insurance Company (the "Company") as of 30 September 2022 and the related interim statements of income and comprehensive income for the three-month and nine-month periods then ended and the interim condensed statements of changes in equity and cash flows for the nine-month period ended 30 September 2022 and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

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Date: 10 November 2022
Corresponding to: 16 Rabi Al-Akhar 1444AH

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ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	*September 30, 2022 (Unaudited) SR*	*December 31, 2021 (Audited) SR*
ASSETS			
Cash and cash equivalents	4	**204,712,724**	160,979,644
Prepaid expenses and other assets		**216,122,637**	202,209,214
Premiums receivable, net	5	**346,541,888**	346,330,780
Reinsurers' balance receivable, net	6	**69,305,154**	83,779,407
Reinsurers' share of outstanding claims	10.1	**346,633,475**	441,962,088
Reinsurers' share of claims incurred but not reported	10.1	**54,501,572**	52,137,423
Reinsurers' share of unearned premiums	10.2	**144,379,212**	128,937,475
Deferred policy acquisition costs		**20,309,546**	20,749,602
Right-of-use assets	7.1	**4,832,616**	844,193
Financial assets at fair value through statement of income (unit linked investments)		**495,591,148**	515,227,924
Available for sale investments	8.1	**569,560,061**	552,951,331
Deferred tax assets, net	9	**12,548,200**	7,668,495
Property and equipment, net		**7,505,812**	7,968,658
Statutory deposit		**60,000,000**	60,000,000
Accrued income on statutory deposit		**1,579,858**	1,579,858
TOTAL ASSETS		**2,554,123,903**	2,583,326,092
LIABILITIES			
Accrued and other liabilities		**97,991,653**	103,619,228
Surplus distribution payable		**10,162,342**	11,816,069
Reinsurers' balances payable		**308,458,915**	246,066,437
Outstanding claims	10.1	**428,640,219**	510,039,419
Claims incurred but not reported	10.1	**112,124,043**	108,652,961
Lease liabilities	7.2	**5,980,111**	997,804
Unit linked liabilities	10.1	**484,981,118**	509,896,334
Premium deficiency reserves	10.1	**4,718,750**	5,960,779
Additional premium reserves	10.1	**8,774,839**	4,411,285
Unearned premiums	10.2	**362,476,675**	327,493,566
Unearned reinsurance commission		**2,628,473**	1,347,774
Employees' end-of-service obligations		**18,897,207**	19,030,822
Accrued income payable to SAMA		**1,579,858**	1,579,858
Zakat and income tax	15	**24,506,103**	21,120,732
TOTAL LIABILITIES		**1,871,920,306**	1,872,033,068
EQUITY			
Share capital	16.1	**600,000,000**	600,000,000
Share premium		**16,310,624**	16,310,624
Statutory reserve		**21,867,493**	21,867,493
Retained earnings		**63,869,063**	52,172,287
Actuarial reserve for end-of-service obligations		**3,392,704**	3,392,704
Fair value reserve on investments		**(23,236,287)**	17,549,916
TOTAL EQUITY		**682,203,597**	711,293,024
TOTAL LIABILITIES AND EQUITY		**2,554,123,903**	2,583,326,092
CONTINGENCIES AND COMMITMENTS	11		

Anuj Agarwal
Chief Executive Officer

Al Waleed Abdulrazak Al Dryaan
Chairman

Hani Albukhaitan
Chief Financial Officer

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

ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME

	Note	*For the three-month period ended*		*For the nine-month period ended*	
		September 30, 2022 (Unaudited) SR	*September 30, 2021 (Unaudited) SR*	***September 30, 2022 (Unaudited) SR***	*September 30, 2021 (Unaudited) SR*
REVENUES					
Gross premiums written	10.2	**149,019,810**	112,338,747	**620,907,987**	587,427,972
Reinsurance premiums ceded abroad	10.2	**(40,809,963)**	(24,376,318)	**(233,705,833)**	(255,692,801)
Reinsurance premiums ceded locally	10.2	**-**	(164,529)	**(450,153)**	(1,014,278)
Excess of loss expenses	10.2	**(3,955,926)**	(4,171,221)	**(11,867,777)**	(16,684,883)
Fee income from unit linked investments		**381,654**	355,048	**1,117,793**	1,018,392
Net premiums written		**104,635,575**	83,981,727	**376,002,017**	315,054,402
Changes in unearned premiums		**47,755,062**	62,027,944	**(34,983,109)**	(66,508,543)
Changes in reinsurers' share of unearned premiums		**(29,746,615)**	(42,509,368)	**15,441,737**	56,013,826
Net premiums earned		**122,644,022**	103,500,303	**356,460,645**	304,559,685
Reinsurance commissions		**277,494**	1,041,563	**4,475,278**	3,914,027
NET REVENUES		**122,921,516**	104,541,866	**360,935,923**	308,473,712
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		**(70,669,530)**	(105,775,793)	**(277,862,222)**	(316,989,263)
Surrenders and maturities		**(43,466,651)**	(47,341,158)	**(79,452,850)**	(133,362,490)
Expenses incurred related to claims		**(5,748,085)**	(4,452,854)	**(41,835,898)**	(10,692,089)
Reinsurers' share of claims paid		**30,114,295**	77,468,784	**141,337,901**	212,832,237
Net claims and other benefits paid		**(89,769,971)**	(80,101,021)	**(257,813,069)**	(248,211,605)
Changes in outstanding claims		**299,476**	(524,554)	**81,399,200**	8,493,392
Changes in reinsurers' share of outstanding claims		**(2,334,001)**	(329,698)	**(95,328,613)**	1,141,764
Changes in premium deficiency reserve		**1,585,394**	2,599,428	**1,242,029**	2,039,050
Changes in additional premium reserve		**(2,343,755)**	(23,583)	**(4,363,554)**	(1,915,949)
Changes in claims incurred but not reported		**3,248,305**	1,949,425	**(3,471,082)**	7,441,231
Changes in reinsurers' share of claims incurred but not reported		**(4,925,007)**	519,225	**2,364,150**	(3,644,203)
Net claims and other benefits incurred		**(94,239,559)**	(75,910,778)	**(275,970,939)**	(234,656,320)
Changes in unit linked liabilities		**7,744,576**	(2,014,292)	**24,915,215**	10,676,909
Unrealised gain on unit linked investments		**5,723,150**	11,419,125	**3,461,085**	31,863,485
Policy acquisition costs		**(12,859,297)**	(10,275,088)	**(34,970,423)**	(30,613,129)
Inspection and supervision fees		**(1,461,166)**	(2,294,069)	**(1,814,388)**	(4,311,724)
TOTAL UNDERWRITING COSTS AND EXPENSES		**(95,092,295)**	(79,075,102)	**(284,379,450)**	(227,040,779)
NET UNDERWRITING INCOME		**27,829,221**	25,466,764	**76,556,473**	81,432,933
OTHER (EXPENSES) / INCOME					
Provision for doubtful debts		**-**	-	**-**	(4,251,304)
General and administrative expenses		**(28,486,696)**	(31,000,995)	**(86,118,930)**	(85,810,424)
Investment income		**5,993,468**	4,064,155	**16,421,959**	10,881,284
Other income		**5,804,861**	(24,732)	**14,395,349**	5,240,927
TOTAL OTHER EXPENSES		**(16,688,366)**	(26,961,572)	**(55,301,622)**	(73,939,517)
NET INCOME / (LOSS) FOR THE PERIOD BEFORE ATTRIBUTION AND ZAKAT AND INCOME TAX		**11,140,854**	(1,494,808)	**21,254,851**	7,493,416
Surplus attributed to the insurance operations		**(666,637)**	432,111	**(866,776)**	(26,393)
NET INCOME / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS BEFORE ZAKAT AND INCOME TAX		**10,474,217**	(1,062,697)	**20,388,076**	7,467,023
Zakat charge for the period	15	**(2,337,628)**	(2,102,465)	**(6,928,999)**	(6,407,682)
Income tax charge for the period, net	15	**(657,350)**	(156,476)	**(1,762,300)**	(789,818)
NET INCOME / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS AFTER ZAKAT AND INCOME TAX		**7,479,239**	(3,321,638)	**11,696,776**	269,523
Earnings / (loss) per share					
Basic and diluted earnings / (loss) per share	16.2	**0.125**	(0.055)	**0.195**	0.004

Anuj Agarwal
Chief Executive Officer

Al Waleed Abdulrazak Al Dryaan
Chairman

Hani Albukhaitan
Chief Financial Officer

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	*For the three-month period ended*		*For the nine-month period ended*	
		September 30, 2022 (Unaudited) SR	*September 30, 2021 (Unaudited) SR*	***September 30, 2022 (Unaudited) SR***	*September 30, 2021 (Unaudited) SR*
Net income for the period attributable to the shareholders after zakat and income tax		**7,479,239**	(3,321,638)	**11,696,776**	269,523
Other comprehensive income/ (loss)					
Items that may be recycled to interim statement of income in subsequent periods					
Available for sale investments:					
- Net change in fair value	8.2	**(15,338,372)**	(638,706)	**(45,630,952)**	(5,852,733)
- Deferred tax relating to change in fair value	9	**1,628,465**	67,814	**4,844,749**	621,551
Total comprehensive loss for the period		**(6,230,668)**	(3,892,530)	**(29,089,427)**	(4,961,659)

Anuj Agarwal Chief Executive Officer	Al Waleed Abdulrazak Al Dryaan Chairman	Hani Albukhaitan Chief Financial Officer

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital SR	*Share premium SR*	*Statutory reserve SR*	*Retained earnings SR*	*Actuarial reserve for end-of-service obligations SR*	*Fair value reserve on investments SR*	*Total SR*
Balance as at 1 January 2022 (audited)	**600,000,000**	**16,310,624**	**21,867,493**	**52,172,287**	**3,392,704**	**17,549,916**	**711,293,024**
Comprehensive income /(loss) for the period:							
Net income for the period attributable to shareholders after zakat and income tax	-	-	-	11,696,776	-	-	11,696,776
Changes in fair values of available for sale investments	-	-	-	-	-	(45,630,952)	(45,630,952)
Deferred tax relating to change in fair value – Notes 9	-	-	-	-	-	4,844,749	4,844,749
Total comprehensive income / (loss) for the period	-	-	-	11,696,776	-	(40,786,203)	(29,089,427)
Balance as at 30 September 2022 (unaudited)	**600,000,000**	**16,310,624**	**21,867,493**	**63,869,063**	**3,392,704**	**(23,236,287)**	**682,203,597**
Balance as at 1 January 2021 (audited)	600,000,000	16,310,624	20,743,607	47,676,744	3,597,830	26,409,455	714,738,260
Comprehensive income / (loss) for the period:							
Net income for the period attributable to shareholders after zakat and income tax	-	-	-	269,523	-	-	269,523
Changes in fair values of available for sale investments	-	-	-	-	-	(5,852,733)	(5,852,733)
Deferred tax relating to change in fair value	-	-	-	-	-	621,551	621,551
Total comprehensive income / (loss) for the period	-	-	-	269,523	-	(5,231,182)	(4,961,659)
Balance as at 30 September 2021 (unaudited):	**600,000,000**	**16,310,624**	**20,743,607**	**47,946,267**	**3,597,830**	**21,178,273**	**709,776,601**

Anuj Agarwal
Chief Executive Officer

الوليد الدريعان

Al Waleed Abdulrazak Al Dryaan
Chairman

Hani Albukhaitan
Chief Financial Officer

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ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Note	*For the nine-month period ended* September 30, 2022 (Unaudited) SR	September 30, 2021 (Unaudited) SR
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before attribution and zakat and income tax		**21,254,851**	7,493,416
Adjustments for non-cash and other items:			
Depreciation of property and equipment		**2,865,836**	2,867,424
Amortisation of right-of-use assets	7.1	**3,101,303**	2,160,642
Amortisation of investments premium		**145,568**	412,519
Provision for doubtful reinsurance receivables		**-**	362,006
Gain on sale of property and equipment		**-**	(55,341)
Provision for doubtful debts and write-offs		**-**	3,889,298
Provision for end-of-service obligations		**2,250,902**	(3,540,512)
Unrealised gain on unit linked investments		**(3,461,085)**	(31,863,485)
Finance cost on lease liabilities	7.2	**1,547,663**	335,061
		27,705,038	(17,938,972)
Changes in operating assets and liabilities:			
Reinsurers' balances receivable		**14,474,253**	(1,694,902)
Premiums receivable		**(211,108)**	9,869,766
Reinsurers' share of unearned premiums		**(15,441,737)**	(56,013,826)
Reinsurers' share of outstanding claims		**95,328,613**	(1,141,764)
Reinsurers' share of claims incurred but not reported		**(2,364,149)**	3,644,203
Deferred policy acquisition costs		**440,056**	(115,414)
Unit linked investments		**23,097,861**	27,051,413
Prepaid expenses and other assets		**(13,913,423)**	(29,112,716)
Accrued expenses and other liabilities		**(5,627,575)**	(22,173,328)
Reinsurers' balances payable		**62,392,478**	48,681,424
Unearned premiums		**34,983,109**	66,508,543
Unearned reinsurance commission		**1,280,699**	(775,710)
Unit linked liabilities		**(24,915,216)**	(10,676,909)
Outstanding claims		**(81,399,200)**	(8,493,392)
Claims incurred but not reported		**3,471,082**	(7,441,231)
Premium deficiency reserves		**(1,242,029)**	(2,039,050)
Additional premium reserves		**4,363,554**	1,915,949
		122,422,306	54,084
End-of-service obligations paid		**(2,384,517)**	(2,228,676)
Surplus paid to policyholders		**(2,520,503)**	(3,932,272)
Zakat and income tax paid		**(5,340,884)**	(4,791,284)
Net cash generated from / (used in) operating activities		**112,176,402**	(10,898,148)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of available for sale investments	8.2	**(145,520,250)**	(142,500,000)
Proceed for sales of available for sale investments	8.2	**83,135,000**	-
Proceeds from sale of property and equipment		**-**	55,340
Purchase of property and equipment		**(2,402,990)**	(1,920,772)
Net cash used in investing activities		**(64,788,240)**	(144,365,432)
CASH FLOWS FROM FINANCING ACTIVITY			
Lease rental paid	7.2	**(3,655,082)**	(2,811,785)
Net cash used in financing activity		**(3,655,082)**	(2,811,785)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**43,733,080**	(158,075,365)
Cash and cash equivalents at the beginning of the period		**160,979,644**	325,046,225
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**204,712,724**	166,970,860
Non-cash information:			
Changes in fair value of available-for-sale investments	8.2	**(45,630,952)**	(5,852,733)
Deferred income tax	9	**4,844,749**	621,551
Addition to right-of-use assets	7.1	**7,552,417**	-

Anuj Agarwal	Al Waleed Abdulrazak Al Dryaan	Hani Albukhaitan
Chief Executive Officer	Chairman	Chief Financial Officer

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

1. General

Allianz Saudi Fransi Cooperative Insurance Company (a Joint Stock Company incorporated in the Kingdom of Saudi Arabia), the "Company", was formed pursuant to Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to October 11, 2006). The Company operates under Commercial Registration number 1010235601 dated 26 Jumada Thani 1428H corresponding to 12 July 2007. The Company operates through its six branches in the Kingdom of Saudi Arabia. The registered address of the Company's head office is as follows:

Allianz Saudi Fransi Cooperative Insurance Company
Al Safwa Commercial Building, Khurais Road
P.O. Box 3540
Riyadh 11481, Kingdom of Saudi Arabia.

The Company's ultimate parent is Allianz SE, a European financial services company headquartered in Munich, Germany.

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business include Medical, Protection and saving, Motor, Engineering, Property and Other general insurance.

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

On January 1, 2016 the Company's management approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

Seasonality of operations

The Company operates in an industry where significant seasonal or cyclical variations in operating income are experienced during the financial year.

2. Basis of preparation

(a) Basis of presentation

The interim condensed financial statements of the Company as at and for the period ended 30 September 2022 has been prepared in accordance with the International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of available-for-sale investments, financial assets at fair value through statement of income (unit linked investments) and recording of end of service benefits at present value under actuarial method. The Company's interim statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as non-current: available for sale investments, property and equipment, statutory deposit, accrued income on statutory deposit, end-of-service obligations, deffered tax assets, right of use assets and long term portion of lease liabilities. All other financial statement line items would generally be classified as current.

2. Basis of preparation (continued)

(a) Basis of presentation (continued)

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it will be able to continue as a going concern in the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and prepares the financial statements 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 interim statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 18 of the interim condensed financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive income or losses of the respective operations.

In preparing the Company's financial statements in compliance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation 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 similar transactions and events in similar circumstances.

The inclusion of separate information of the insurance operations with the financial statements of the Company in the interim statement of financial position, the statements of income, comprehensive income and cash flows as well as certain relevant notes to the financial statements represents additional supplementary information as required by the implementing regulations (Note 18).

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 at and for the year ended December 31, 2021.

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

(b) Critical accounting judgments, estimates and assumptions

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

In preparing this interim condensed financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2021. The Company has reviewed the key sources of estimation uncertainties disclosed in the last annual financial statements against the backdrop of the COVID-19 pandemic. Management will continue to assess the situation, and reflect any required changes in future reporting periods.

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

2. Basis of preparation (continued)

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

In response to the spread of the Covid-19 virus in the Country where the Company operates and its consequential disruption to the social and economic activities in those markets, the Company's management has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures and processes to ensure:

- the health and safety of its employees and the wider community where it is operating
- the continuity of its business throughout the Kingdom is protected and kept intact.

The Coronavirus pandemic continues to disrupt global markets as many geographies are beginning to experience a second / third wave of infections despite having previously controlled the outbreak through aggressive precautionary measures such as imposing restrictions on travel, lockdowns and strict social distancing rules. The Government of Kingdom of Saudi Arabia "The Government" however has managed to successfully control the outbreak to date, owing primarily to the effective measures taken by the Government. The Government has approved number of vaccines for mass immunizations.

The major impact of Covid-19 pandemic were seen in medical and motor line of business as explained below. As with any estimate, the projections and likelihoods of occurrence are underpinned by significant judgment and rapidly evolving situation and uncertainties surrounding the duration and severity of the pandemic, and therefore, the actual outcomes may be different to those projected. The impact of such uncertain economic environment is judgmental, and the Company will continue to reassess its position and the related impact on a regular basis.

Medical technical reserves

Based on the management's assessment, the management believes that the Government's decision to assume the medical treatment costs for both Saudi citizens and expatriates has helped in reducing any unfavourable impact. During the lockdown, the Company saw a decline in medical reported claims (majorly elective and non-chronic treatment claims) which resulted in a drop in claims experience. However, subsequent to the lifting of lockdown since June 21, 2020, the Company is experiencing an increase in claims which is in line with the expectations of the Company's management regarding delayed treatment.

CCHI issued a Circular 895, dated December 17, 2020 regarding the procedures, protocols and prices relating to the enforcement of Article 11. Following these procedures, government facilities were able to bill insurance companies for the claims incurred for some elements of their insured population. As instructed by the CCHI, the new protocols and procedures cover all new and renewing policies incepting from January 1, 2021. Moreover, this also cover all emergency cases for all inforce policies as of January 1, 2021. Recently CCHI issued a new circular "965", dated March 14, 2022, instructing insurance companies to bear the expenses resulting from all new suspected and confirmed infection with the coronavirus (COVID-19) for health insurance beneficiaries in line with the limits of the policy.

2. Basis of preparation (continued)

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

Financial assets

To cater for any potential impacts, the Covid-19 pandemic may have had on the financial assets of the Company, the Company has performed an assessment in accordance with its accounting policy, to determine whether there is an objective evidence that a financial asset or a group of financial assets has been impaired. For debt financial assets, these include factors such as, significant financial difficulties of issuers or debtors, default or delinquency in payments, probability that the issuer or debtor will enter bankruptcy or other financial reorganization, etc. In case of equities classified under available-for-sale, the Company has performed an assessment to determine whether there is a significant or prolonged decline in the fair value of financial assets below their cost.

Based on these assessments, the Company's management believes that the Covid-19 pandemic has had no material effects on Company's reported results for the nine-month period ended 30 September 2022. The Company's management continues to monitor the situation closely.

3. Significant accounting policies

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2021.

Standards adopted during the period

Standard, interpretation, amendments	Description	Effective date
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 recognise such sales proceeds and related cost in 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 lossmaking. Annual improvements make minor amendments to IFRS 1 , 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'	Annual periods beginning on or after 1 January 2022.

3. Significant accounting policies (continued)

Standards issued but not yet effective

The Company has chosen not to early adopt the following new standards which have been issued but not yet effective for the Company's accounting year beginning on January 1, 2022 and is currently assessing their impact:

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

IFRS 9, Financial Instruments (including amendments to IFRS 4, Insurance Contracts)

In July 2014, the IASB published IFRS 9 Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

In September 2016, the IASB published amendments to IFRS 4 Insurance Contracts that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2023.The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied.

The Company is eligible and have chosen to apply the deferral approach under the amendments to IFRS 4. The impact of the adoption of IFRS 9 on the Company's financial information will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. As such, it is not possible to fully assess the effect of the adoption of IFRS 9.

3. Significant accounting policies (continued)

Standards issued but not yet effective (continued)
IFRS 17 - Insurance Contracts

IFRS 17 - "Insurance Contracts", applicable for the period beginning on or after January 1, 2023 and will supersede IFRS 4 "Insurance Contracts". Earlier adoption permitted if both IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have also been applied. The Company expects a material impact on measurement and disclosure of insurance and reinsurance that will affect both the statement of income and the statement of financial position. The Company has decided not to early adopt this new standard.

Transition

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

Presentation and Disclosures

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

Impact

The Company is currently assessing the impact of the application and implementation of IFRS 17. As of the date of the publication of these financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company has undertaken a Gap Analysis and the key gaps and their impact are as follows:

Impact Area	Summary of Impact
Financial Impact	The Company will need to change the practice of revenue recognition at the level of aggregation – IFRS 17 requires to recognize losses immediately, whereas the gain (refer to contractual service margin – CSM) will be earned over the coverage period of the direct insurance contracts. This may have high financial impact. The extent and sign of the financial impact also depends on the current assumptions, methodologies and practices being followed by the Company in technical reserves calculation. The new components of Insurance Finance Income and Expenses will have a greater impact, in particular to the following areas: - liability for incurred claims for which discounting will be required - accretion of interest on the CSM where the general model will be applied. Solvency capital may also have an impact subject to the local regulations.
Data Impact	The IFRS 17 requires the Company to decide on the level of aggregation based on the following three criteria: 1. Portfolio; 2. Profitability; and 3. Issuance Year This will increase the required granularity level of the data. Hence, new data fields will be required going forward and have significant impact on the data.
IT Systems Impact	Generally, the Company will have to modify their existing systems in order to capture the new data fields and process the new accounting entries, The Company may also have to update their existing reporting process and systems, in addition to the data storage requirements.
Process Impact	The financial reporting would change significantly under IFRS 17, with significant increase in the number of disclosures required by the standard. The accounting processes and chart of accounts would need to be updated as per the IFRS 17 standard. Actuarial models and assumptions need to be aligned with the IFRS 17 requirements.
Impact on RI Arrangements	Generally, the Company will have to review their existing reinsurance arrangements to better align with the IFRS 17 requirements with their existing processes. However, it may be possible that contracts issued by the Company may have different measurement models as compared to the contracts held by the Company.
Impact on Policies & Control Frameworks	The Company will need to update their existing policies and controls frameworks in all those areas which will have an impact due to the IFRS 17 adoption.

3. Significant accounting policies (continued)

The Company has started with their implementation process and have set up a proper team, supervised by a steering committee.

A dry run was conducted on the financial statements for the year 2020 as required by SAMA's phase 4 requirement based on certain operational simpilicity. The results of IFRS 17 dry run were submitted to SAMA during 2021. The second dry run was also conducted during Q2-2022 for the year 2021 and was submitted to SAMA. The third dry run will be submitted to SAMA for the period Q2-2022 on November 15, 2022 as instructed by SAMA.

4. Cash and cash equivalents

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

	Insurance operations	
SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Bank balances and cash	**57,646,861**	40,032,921
Deposits maturing within 3 month from the acquisition date	**107,249,070**	-
	164,895,931	40,032,921

	Shareholders' operations	
	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Bank balances and cash	**39,816,793**	70,946,724
Deposits maturing within 3 month from the acquisition date	**-**	49,999,999
	39,816,793	120,946,723
Total cash and cash equivalents	**204,712,724**	160,979,644

5. Premiums receivable, net

Premiums receivable comprise amounts due from the following:

SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Policyholders	**120,530,390**	73,469,967
Brokers and agents	**243,139,569**	275,753,682
Other shareholders (Note 14)	**44,584,108**	58,819,310
	408,254,067	408,042,959
Provision for doubtful receivable	**(61,712,179)**	(61,712,179)
Premiums receivable, net	**346,541,888**	346,330,780

6. Reinsurers' balance receivable, net

SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Receivables from reinsurers	**74,692,895**	89,167,148
Provision for doubtful reinsurers' receivables	**(5,387,741)**	(5,387,741)
Reinsurers' balance receivable, net	**69,305,154**	83,779,407

7. Right-of-use assets and Lease liabilities

7.1. Right-of-use assets

The following table presents the right-of-use assets for the Company:

SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at the beginning of the period/year	**844,193**	3,730,142
Additions	**7,089,726**	-
Amortization	**(3,101,303)**	(2,885,949)
Balance at the end of the period/year	**4,832,616**	844,193

7.2. Lease liabilities

The following table represents the movement of lease liabilities for the Company:

SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at the beginning of the period/year	**997,804**	3,362,331
Additions	**7,089,726**	-
Finance costs	**1,547,663**	447,261
Lease rental payments	**(3,655,082)**	(2,811,788)
Balance at the end of the period/year	**5,980,111**	997,804

8. Available for sale investments

8.1. Investments are classified as follows

Insurance operations:	Domestic		International		Total	
	September 30, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) SR
Bonds and sukuks	**96,027,429**	129,672,955	**4,687,800**	5,151,656	**100,715,229**	134,824,611
Equities and mutual funds	**7,806,934**	7,819,802	**-**	-	**7,806,934**	7,819,802
	103,834,363	137,492,757	**4,687,800**	5,151,656	**108,522,163**	142,644,413

Shareholders' operations:	Domestic		International		Total	
	September 30, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) SR
Bonds and sukuks	**421,175,936**	393,037,289	**32,112,719**	8,367,921	**453,288,655**	401,405,210
Equities and mutual funds	**3,223,078**	3,223,078	**4,520,165**	5,678,630	**7,743,243**	8,901,708
	424,399,014	396,260,367	**36,632,884**	14,046,551	**461,037,898**	410,306,918

`Total:	Domestic		International		Total	
	September 30, 2022 (Unaudited) SR	December 31, 2021 (Audited) SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) SR	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) SR
Bonds and sukuks	**517,209,365**	522,710,244	**36,800,519**	13,519,577	**554,009,884**	536,229,821
Equities and mutual funds	**11,030,012**	11,042,880	**4,520,165**	5,678,630	**15,550,177**	16,721,510
	528,239,377	533,753,124	**41,320,684**	19,198,207	**569,560,061**	552,951,331

8. Available for sale investments (continued)

8.2. Movement in available for sale investment balance is as follows

Insurance operations:	Quoted securities	Unquoted securities	Total
		SR	
As at January 1, 2021	146,709,437	-	146,709,437
Amortisation	(254,285)	-	(254,285)
Unrealised loss on fair value	(3,810,739)	-	(3,810,739)
As at December 31, 2021	142,644,413	-	142,644,413
As of January 1, 2022	**142,644,413**	**-**	**142,644,413**
Purchases	**7,500,000**	**-**	**7,500,000**
Disposals	**(28,500,000)**	**-**	**(28,500,000)**
Amortisation	**(91,163)**	**-**	**(91,163)**
Unrealised loss on fair value	**(13,031,087)**	**-**	**(13,031,087)**
As at September 30, 2022	**108,522,163**	**-**	**108,522,163**

The cumulative unrealised loss in fair value of available for sale investments net of deferred tax impact as mentioned in Notes 9 and 15 as at September 30, 2022 amounts to SR 6,479,599 (December 31, 2021: gain of SR 5,167,946).

Shareholders' operations:	Quoted securities	Unquoted securities	Total
		SR	
As at January 1, 2021	201,967,325	55,804,829	257,772,154
Purchases	49,500,000	123,000,000	172,500,000
Disposals/maturity	(13,575,000)	-	(13,575,000)
Amortisation	(288,887)	-	(288,887)
Unrealised (loss) / gain on fair value	(7,320,229)	1,218,880	(6,101,349)
As at December 31, 2021	230,283,209	180,023,709	410,306,918
As of January 1, 2022	**230,283,209**	**180,023,709**	**410,306,918**
Purchases	**83,020,250**	**55,000,000**	**138,020,250**
Disposals/maturity	**(54,635,000)**	**-**	**(54,635,000)**
Amortisation	**8,431**	**(62,836)**	**(54,405)**
Unrealised loss on fair value	**(20,140,174)**	**(12,459,691)**	**(32,599,865)**
As at September 30, 2022	**238,536,716**	**222,501,182**	**461,037,898**

The cumulative unrealised loss in fair value of available for sale investments net of deferred tax impact as mentioned in Notes 9 and 15 as at September 30, 2022 amounts to SR 16,756,688 (December 31, 2021: gain of SR 12,381,970).

9. Deferred tax assets, net

SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Deferred tax assets, net	**12,548,200**	7,668,495

Movement in deferred tax asset balance is as follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period/year	**7,668,495**	5,825,970
Deferred tax income - statement of income (note 15)	**34,956**	789,976
Deferred tax income - statement of comprehensive income	**4,844,749**	1,052,549
At the end of the period/year	**12,548,200**	7,668,495

This deferred tax arises on end of service obligations, provision against premium receivable, provision against reinsurance receivable, unabsorbed tax losses, fair value reserve on investments and property and equipment.

10. Technical reserves

10.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Gross outstanding claims	**451,232,240**	522,926,925
Less: Realizable value of salvage and subrogation	**(22,592,021)**	(12,887,506)
	428,640,219	510,039,419
Claims incurred but not reported	**112,124,043**	108,652,961
Premium deficiency reserves	**4,718,750**	5,960,779
Additional premium reserves	**8,774,839**	4,411,285
Unit linked liabilities	**484,981,118**	509,896,334
	1,039,238,969	1,138,960,778
Less:		
- Reinsurers’ share of outstanding claims	**(346,633,475)**	(441,962,088)
- Reinsurers’ share of claims incurred but not reported	**(54,501,572)**	(52,137,423)
	(401,135,047)	(494,099,511)
Net outstanding claims and reserves	**638,103,922**	644,861,267

10.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

	Nine month period ended September 30, 2022 (Unaudited)		
SR	**Gross**	**Reinsurance**	**Net**
Balance as at the beginning of the period	**327,493,566**	**(128,937,475)**	**198,556,091**
Premium written during the period	**620,907,987**	***(246,023,763)**	**374,884,225**
Premium earned during the period	**(585,924,878)**	**230,582,026**	**(355,342,853)**
Balance as at the end of the period	**362,476,675**	**(144,379,212)**	**218,097,463**

*This amount includes SR 233,705,833 for reinsurance premium ceded abroad, SR 450,153 for reinsurance premium ceded locally and SR 11,867,777 for excess of loss expenses.

10. Technical reserves (continued)

10.2 Movement in unearned premiums (continued)

SR	Year ended December 31, 2021 (Audited) Gross	Reinsurance	Net
Balance as at the beginning of the year	266,364,432	(103,362,771)	163,001,661
Premium written during the year	763,115,103	*(311,134,647)	451,980,456
Premium earned during the year	(701,985,969)	285,559,943	(416,426,026)
Balance as at the end of the year	327,493,566	(128,937,475)	198,556,091

*This amount includes SR 293,165,763 for reinsurance premium ceded abroad, SR 1,169,813 for reinsurance premium ceded locally and SR 16,799,071 for excess of loss expenses.

11. Contingencies and commitments

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

SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Letters of guarantee	**14,551,333**	15,982,500

b) The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its interim financial position and results as at and for the period ended September 30, 2022. There was no significant change in the status of legal proceedings as disclosed at December 31, 2021.

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 advantages accessible market for the asset or liability

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

12. Fair values of financial instruments (continued)

a. Carrying amounts and fair value

12.1 Insurance operations:

		Fair value			
SR	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
September 30, 2022					
Unit linked investments	**495,591,148**	**-**	**495,591,148**	**-**	**495,591,148**
Available for sale investments measured at fair value					
Bonds and Sukuks	**100,715,229**	**100,715,229**	**-**	**-**	**100,715,229**
Mutual Funds	**4,308,942**	**-**	**4,308,942**	**-**	**4,308,942**
Equities	**3,497,992**	**3,497,992**	**-**	**-**	**3,497,992**
Unit linked liabilities	**(484,981,118)**	**-**	**(484,981,118)**	**-**	**(484,981,118)**
	119,132,193	**104,213,221**	**14,918,972**	**-**	**119,132,193**

		Fair value			
SR	Carrying value	Level 1	Level 2	Level 3	Total
31 December 2021					
Unit linked investments	515,227,924	-	515,227,924	-	515,227,924
Available for sale investments measured at fair value					
Bonds and Sukuks	134,824,611	134,824,611	-	-	134,824,611
Mutual Funds	4,644,235	-	4,644,235	-	4,644,235
Equities	3,175,567	3,175,567	-	-	3,175,567
Unit linked liabilities	(509,896,334)	-	(509,896,334)	-	(509,896,334)
	147,976,003	138,000,178	9,975,825	-	147,976,003

12.2 Shareholders' operations:

		Fair value			
SR	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
September 30, 2022					
Available for sale investments measured at fair value					
Bonds and sukuks	**453,288,655**	**235,429,793**	**211,864,862**	**-**	**453,288,655**
Mutual funds	**4,520,165**		**4,520,165**	**-**	**4,520,165**
Equities	**3,223,078**	**-**	**-**	**3,223,078**	**3,223,078**
	461,031,898	**235,429,793**	**216,385,027**	**3,223,078**	**461,031,898**

		Fair value			
SR	Carrying value	Level 1	Level 2	Level 3	Total
31 December 2021					
Available for sale investments measured at fair value					
Bonds and Sukuk	401,405,210	224,604,579	176,800,631	-	401,405,210
Mutual funds	5,678,630	-	5,678,630	-	5,678,630
Equities	3,223,078	-	-	3,223,078	3,223,078
	410,306,918	224,604,579	182,479,261	3,223,078	410,306,918

12. Fair values of financial instruments (continued)

b. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The valuation of equities and debts securities classified under Level 1 are measured based on closing market price on Tadawul and Bloomberg. The Discounted Cash Flow Model (DCF) has been used to determine the fair value of debt securities and sukuks of shareholders' operations under level 2. This model considers the present value of net cash flows to be generated from the debt securities and sukuks discounted at the market yield of treasury bills having similar terms and adjusted for the effect of non-marketability of the debt securities and sukuks which includes Saudi sovereign curve yield and risk premium prevailing in the Saudi market. Equities amount to SR 3,223,078 represent investment in unquoted securities which are carried at cost. The fair value are not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets. The valuation of mutual funds classified under Level 2 is measured based on closing NAV disclosed on Tadawul which is based on the fair value of the underlying items at the period end.

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy:

	Shareholder operations	
SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Balance at the beginning of the period/year	**3,223,078**	3,223,078
Purchases	**-**	-
Unrealised gain on fair value of available for sale investments	**-**	-
Balance at the end of the period/year	**3,223,078**	3,223,078

Sensitivity Analysis

The sensitivity to a 1% increase in the breakup value of shares with all other variables constant on the fair value of the level 3 available for sale investments is SR 26,330 and sensitivity to 1% decrease in the risk adjusted discount rate with all other variables constant on the fair value of the level 3 available for sale investments is SR 26,330.

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 their performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the 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 December 31, 2021.

Segment assets do not include cash and cash equivalents, prepaid expenses , right of use assets and other assets, available for sale investments, reinsurance balances, property and equipment, statutory deposit and accrued income on statutory deposit. Accordingly, they are included in unallocated assets. Segment liabilities do not include accrued and other liabilities, surplus distribution payable, reinsurers' balances payable, premium deficiency reserve, additional premium reserve, end-of-service obligations, zakat and income tax and accrued income payable to SAMA. Accordingly, they are included in unallocated liabilities.

The unallocated assets and unallocated liabilities are reported to chief operating decision maker on the cumulative basis and not reported under the related segments.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities as at September 30, 2022 and December 31, 2021, its total revenues, expenses, and net income for the nine months period then ended, are as follows:

Motor	:	Motor
Medical	:	Medical
Property and casualty	:	Fire, burglary, money, construction, liability and marine
Protection and saving	:	Group retirement and individual protection and saving

13. Operating Segments (continued)

	Motor	*Medical*	*Property and Casualty*	*Protection and Saving*	*Insurance Operations*	*Shareholders' Operations*	*Total*
	SR	***SR***	***SR***	***SR***	***SR***	***SR***	***SR***
As at September 30, 2022 (Unaudited)							
Assets							
Premiums receivable, gross	154,307,883	163,123,440	80,394,592	10,428,152	408,254,067	-	408,254,067
Provision for doubtful debts	-	-	-	-	(61,712,179)	-	(61,712,179)
Reinsurers' share of outstanding claims	1,458,568	23,719,571	307,799,399	13,655,937	346,633,475	-	346,633,475
Reinsurers' share of claims incurred but not reported	51,032	23,607,602	17,105,605	13,737,334	54,501,572	-	54,501,572
Reinsurers' share of unearned premiums	-	47,232,990	60,958,636	36,187,586	144,379,212	-	144,379,212
Deferred policy acquisition costs	9,983,433	5,303,443	6,283,832	(1,261,162)	20,309,546	-	20,309,546
Financial assets at fair value through statement of income (unit linked investments)	-	-	-	495,591,148	495,591,148	-	495,591,148
Unallocated assets							
Other assets					435,253,595	710,913,467	1,146,167,062
Total assets							2,554,123,903
Liabilities and Equity							
Outstanding claims	41,181,306	42,108,604	326,019,081	19,331,228	428,640,219	-	428,640,219
Claims incurred but not reported	20,969,863	47,038,388	24,394,069	19,721,723	112,124,043	-	112,124,043
Premium deficiency reserve	-	4,718,750	-	-	4,718,750	-	4,718,750
Additional premium reserves	500,000	3,931,316	3,396,619	946,903	8,774,839	-	8,774,839
Unearned premium	102,597,550	111,220,911	95,859,510	52,798,705	362,476,675	-	362,476,675
Unearned reinsurance commission	-	-	2,613,181	15,292	2,628,473	-	2,628,473
Unit linked liabilities	-	-	-	484,981,118	484,981,118	-	484,981,118
Unallocated liabilities					439,506,592	28,069,596	467,576,187
Equity					(640,275)	682,843,874	682,203,599
Total liabilities and equity							2,554,123,903

13. Operating Segments (continued)

	Motor	*Medical*	*Property and Casualty*	*Protection and Saving*	*Insurance Operations*	*Shareholders' Operations*	*Total*
	SR	*SR*	*SR*	*SR*	*SR*	*SR*	*SR*
As at December 31, 2021 (Audited)							
Assets							
Premiums receivable, gross	117,867,610	155,801,302	122,456,519	11,917,528	408,042,959	-	408,042,959
Provision for doubtful debts					(61,712,179)	-	(61,712,179)
Reinsurers' share of outstanding claims	2,245,361	22,366,067	400,264,029	17,086,631	441,962,088	-	441,962,088
Reinsurers' share of claims incurred but not reported	74,936	9,612,928	28,187,224	14,262,335	52,137,423	-	52,137,423
Reinsurers' share of unearned premiums	-	44,782,756	63,734,509	20,420,210	128,937,475	-	128,937,475
Deferred policy acquisition costs	10,643,656	4,868,612	6,237,912	(1,000,578)	20,749,602	-	20,749,602
Financial assets at fair value through statement of income (unit linked investments)	-	-	-	515,227,924	515,227,924	-	515,227,924
Unallocated assets							
Other assets					351,837,096	726,143,704	1,077,980,800
Total assets							2,583,326,092
Liabilities and Equity							
Outstanding claims	29,613,026	38,966,804	418,599,165	22,860,424	510,039,419	-	510,039,419
Claims incurred but not reported	32,723,271	20,443,101	36,548,059	18,938,530	108,652,961	-	108,652,961
Premium deficiency reserve							
Additional premium reserves							
Unearned premium	104,817,559	93,803,085	100,235,288	28,637,634	327,493,566	-	327,493,566
Unearned reinsurance commission	-	-	1,334,717	13,057	1,347,774	-	1,347,774
Unit linked liabilities	-	-	-	509,896,334	509,896,334	-	509,896,334
Unallocated liabilities					390,577,805	24,025,209	414,603,014
Equity					9,174,529	702,118,495	711,293,024
Total liabilities and equity							2,583,326,092

13. Operating Segments (continued)

	For the nine month period ended September 30, 2022						
	Motor	*Medical*	*Property and Casualty*	*Protection and Saving*	Insurance operations	Shareholders' operations	Total
REVENUES							
Gross written premiums – retail	55,301,249	-	5,529,014	33,478,495	94,308,758	-	94,308,758
Gross written premiums – corporate	49,964,105	163,444,068	102,854,518	100,948,703	417,211,394	-	417,211,394
Gross written premiums – very small entities	3,857,664	-	4,227,062	76,356	8,161,082	-	8,161,082
Gross written premiums – small entities	18,294,725	-	19,310,967	257,671	37,863,364	-	37,863,364
Gross written premiums – medium entities	28,805,307	-	33,293,187	1,264,895	63,363,389	-	63,363,389
Gross premiums written	156,223,050	163,444,067	165,214,749	136,026,120	620,907,987	-	620,907,987
Reinsurance premiums ceded abroad	-	(71,881,648)	(106,588,000)	(55,236,185)	(233,705,833)	-	(233,705,833)
Reinsurance premiums ceded local	-	-	(450,153)	-	(450,153)	-	(450,153)
Excess of loss expenses	(1,309,151)	-	(10,558,626)	-	(11,867,777)	-	(11,867,777)
Fee income from unit linked investments	-	-	-	1,117,793	1,117,793	-	1,117,793
Net premiums written	154,913,899	91,562,419	47,617,971	81,907,728	376,002,017	-	376,002,017
Changes in unearned premiums	2,220,010	(17,417,828)	4,375,779	(24,161,071)	(34,983,109)	-	(34,983,109)
Changes in reinsurers' share of unearned Premiums	-	2,450,234	(2,775,874)	15,767,376	15,441,737	-	15,441,737
Net premiums earned	157,133,909	76,594,825	49,217,876	73,514,034	356,460,645	-	356,460,645
Reinsurance commissions	-	-	4,464,890	10,389	4,475,278	-	4,475,278
NET REVENUES	157,133,909	76,594,825	53,682,766	73,524,422	360,935,923	-	360,935,923
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid	(111,150,269)	(97,937,270)	(26,620,562)	(42,154,121)	(277,862,222)	-	(277,862,222)
Surrenders and maturities	-	-	-	(79,452,850)	(79,452,850)	-	(79,452,850)
Expenses incurred related to claims	(13,226,326)	-	(28,609,572)	-	(41,835,898)	-	(41,835,898)
Reinsurers' share of claims paid	1,332,753	57,168,133	49,498,160	33,338,855	141,337,901	-	141,337,901
Net claims and other benefits paid	(123,043,842)	(40,769,137)	(5,731,973)	(88,268,116)	(257,813,069)	-	(257,813,069)
Changes in outstanding claims	(11,568,280)	(3,141,800)	92,580,083	3,529,196	81,399,200	-	81,399,200
Changes in reinsurers' share of outstanding claims	(786,793)	1,353,504	(92,464,631)	(3,430,693)	(95,328,613)	-	(95,328,613)
Change in premium deficiency reserves	158,232	(974,244)	-	2,058,041	1,242,029	-	1,242,029
Changes in additional premium reserves	(500,000)	(1,988,126)	(1,248,207)	(627,221)	(4,363,554)	-	(4,363,554)
Changes in claims incurred but not Reported	11,753,408	(26,595,289)	12,153,992	(783,193)	(3,471,082)	-	(3,471,082)
Changes in reinsurers' share of claim incurred but not reported	(23,905)	13,994,672	(11,081,617)	(525,001)	2,364,150	-	2,364,150
Net claims and other benefits incurred	(124,011,179)	(58,120,420)	(5,792,353)	(88,046,987)	(275,970,939)	-	(275,970,939)
Changes in unit linked liabilities	-	-	-	24,915,215	24,915,215	-	24,915,215
Unrealised gain on unit linked investments	-	-	-	3,461,085	3,461,085	-	3,461,085
Policy acquisition costs	(16,243,775)	(6,153,318)	(11,044,627)	(1,528,702)	(34,970,423)	-	(34,970,423)
Inspection and supervision fees	(268,128)	(783,347)	(346,776)	(416,137)	(1,814,388)	-	(1,814,388)
TOTAL UNDERWRITING COSTS AND EXPENSES	(140,523,082)	(65,057,085)	(17,183,756)	(61,615,526)	(284,379,450)	-	(284,379,450)
NET UNDERWRITING INCOME	16,610,827	11,537,740	36,499,010	11,908,896	76,556,473	-	76,556,473
Unallocated							
OTHER (EXPENSES) / INCOME							
Provision for doubtful debts					-	-	-
General and administrative expenses					(86,148,803)	29,873	(86,118,930)
Investment income					3,864,744	12,557,215	16,421,959
Other income					14,395,349	-	14,395,349
TOTAL OTHER EXPENSES					(67,888,710)	12,587,088	(55,301,622)
Net income for the period before attribution and zakat and income tax					8,667,763	12,587,088	21,254,851

13. Operating Segments (continued)

	For the three month period ended September 30, 2022						
	Motor	*Medical*	*Property & Casualty*	*Protection and Saving*	**Insurance operations**	**Shareholders' operations**	**Total**
REVENUES							
Gross written premiums – retail	**15,677,087**	**-**	**2,200,157**	**10,285,852**	**28,163,096**	**-**	**28,163,096**
Gross written premiums – corporate	**16,747,003**	**51,638,983**	**17,419,328**	**8,426,212**	**94,231,526**	**-**	**94,231,526**
Gross written premiums – very small entities	**987,964**	**-**	**1,122,379**	**-**	**2,110,343**	**-**	**2,110,343**
Gross written premiums – small entities	**4,820,580**	**-**	**5,594,502**	**60,503**	**10,475,586**	**-**	**10,475,586**
Gross written premiums – medium entities	**6,666,603**	**-**	**7,173,603**	**199,053**	**14,039,259**	**-**	**14,039,259**
Gross premiums written	**44,899,237**	**51,638,983**	**33,509,970**	**18,971,620**	**149,019,810**	**-**	**149,019,810**
Reinsurance premiums ceded abroad	**-**	**(21,200,315)**	**(19,014,846)**	**(594,801)**	**(40,809,963)**	**-**	**(40,809,963)**
Reinsurance premiums ceded local	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Excess of loss expenses	**(436,384)**	**-**	**(3,519,542)**	**-**	**(3,955,926)**	**-**	**(3,955,926)**
Fee income from unit linked investments	**-**	**-**	**-**	**381,654**	**381,654**	**-**	**381,654**
Net premiums written	**44,462,854**	**30,438,667**	**10,975,581**	**18,758,473**	**104,635,575**	**-**	**104,635,575**
Changes in unearned premiums	**11,265,416**	**(3,909,848)**	**23,223,679**	**17,175,814**	**47,755,062**	**-**	**47,755,062**
Changes in reinsurers' share of unearned Premiums	**-**	**(580,865)**	**(17,306,095)**	**(11,859,656)**	**(29,746,615)**	**-**	**(29,746,615)**
Net premiums earned	**55,728,270**	**25,947,955**	**16,893,166**	**24,074,631**	**122,644,022**	**-**	**122,644,022**
Reinsurance commissions	**-**	**-**	**273,456**	**4,038**	**277,494**	**-**	**277,494**
NET REVENUES	**55,728,270**	**25,947,955**	**17,166,622**	**24,078,670**	**122,921,516**	**-**	**122,921,516**
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid	**(38,137,986)**	**(29,499,639)**	**(2,961,703)**	**(70,202)**	**(70,669,530)**	**-**	**(70,669,530)**
Surrenders and maturities	**-**	**-**	**-**	**(43,466,651)**	**(43,466,651)**	**-**	**(43,466,651)**
Expenses incurred related to claims	**(5,373,798)**	**-**	**(374,287)**	**-**	**(5,748,085)**	**-**	**(5,748,085)**
Reinsurers' share of claims paid	**1,096,350**	**16,844,431**	**1,455,932**	**10,717,582**	**30,114,295**	**-**	**30,114,295**
Net claims and other benefits paid	**(42,415,434)**	**(12,655,208)**	**(1,880,058)**	**(32,819,271)**	**(89,769,971)**	**-**	**(89,769,971)**
Changes in outstanding claims	**(2,541,206)**	**(2,462,343)**	**2,003,146**	**3,299,878**	**299,476**	**-**	**299,476**
Changes in reinsurers' share of outstanding claims	**(1,096,600)**	**1,169,230**	**466,512**	**(2,873,143)**	**(2,334,001)**	**-**	**(2,334,001)**
Change in premium deficiency reserves	**-**	**767,842**	**-**	**817,552**	**1,585,394**	**-**	**1,585,394**
Changes in additional premium reserves	**(500,000)**	**(492,818)**	**(870,513)**	**(480,424)**	**(2,343,755)**	**-**	**(2,343,755)**
Changes in claims incurred but not Reported	**3,116,508**	**(13,176,199)**	**9,742,630**	**3,565,366**	**3,248,305**	**-**	**3,248,305**
Changes in reinsurers' share of claim incurred but not reported	**(4,204)**	**5,960,061**	**(8,189,421)**	**(2,691,443)**	**(4,925,007)**	**-**	**(4,925,007)**
Net claims and other benefits incurred	**(43,440,936)**	**(20,889,435)**	**1,272,296**	**(31,181,484)**	**(94,239,559)**	**-**	**(94,239,559)**
Changes in unit linked liabilities	**-**	**-**	**-**	**7,744,576**	**7,744,576**	**-**	**7,744,576**
Unrealised gain on unit linked investments	**-**	**-**	**-**	**5,723,150**	**5,723,150**	**-**	**5,723,150**
Policy acquisition costs	**(7,119,727)**	**(2,095,632)**	**(3,473,040)**	**(170,898)**	**(12,859,297)**	**-**	**(12,859,297)**
Inspection and supervision fees	**(280,823)**	**(715,937)**	**(283,668)**	**(180,737)**	**(1,461,166)**	**-**	**(1,461,166)**
TOTAL UNDERWRITING COSTS AND EXPENSES	**(50,841,486)**	**(23,701,005)**	**(2,484,412)**	**(18,065,393)**	**(95,092,295)**	**-**	**(95,092,295)**
NET UNDERWRITING INCOME	**4,886,784**	**2,246,950**	**14,682,209**	**6,013,277**	**27,829,221**	**-**	**27,829,221**
Unallocated							
OTHER (EXPENSES) / INCOME							
Provision for doubtful debts					**-**	**-**	**-**
General and administrative expenses					**(28,516,569)**	**29,873**	**(28,486,696)**
Investment income					**1,548,855**	**4,444,613**	**5,993,468**
Other income					**5,804,861**	**-**	**5,804,861**
TOTAL OTHER EXPENSES					**(21,162,852)**	**4,474,486**	**(16,688,366)**
Net income for the period before attribution and zakat and income tax					**6,666,368**	**4,474,486**	**11,140,854**

13. Operating Segments (continued)

	For the nine month period ended September 30, 2021						
	Motor	*Medical*	*Property and Casualty*	*Protection and Saving*	Insurance operations	Shareholders' operations	Total
REVENUES							
Gross written premiums – retail	37,863,199	-	725,882	37,895,372	76,484,453	-	76,484,453
Gross written premiums – corporate	38,882,737	137,446,995	160,723,525	84,539,940	421,593,197	-	421,593,197
Gross written premiums – very small entities	2,595,489	5,752	7,624,463	189,321	10,415,025	-	10,415,025
Gross written premiums – small entities	16,870,414	2,932	10,075,263	652,743	27,601,352	-	27,601,352
Gross written premiums – medium entities	25,790,247	2,726	24,012,035	1,528,937	51,333,945	-	51,333,945
Gross premiums written	122,002,088	137,458,405	203,161,167	124,806,311	587,427,972	-	587,427,972
Reinsurance premiums ceded abroad	6,001	(71,128,750)	(137,213,509)	(47,356,543)	(255,692,801)	-	(255,692,801)
Reinsurance premiums ceded local			(1,014,278)		(1,014,278)	-	(1,014,278)
Excess of loss expenses	(1,938,139)	-	(14,746,744)	-	(16,684,883)	-	(16,684,883)
Fee income from unit linked investments				1,018,392	1,018,392	-	1,018,392
Net premiums written	120,069,950	66,329,655	50,186,637	78,468,160	315,054,402	-	315,054,402
Changes in unearned premiums	3,351,336	(4,038,367)	(41,449,547)	(24,371,965)	(66,508,543)	-	(66,508,543)
Changes in reinsurers' share of unearned Premiums	(191,426)	705,769	38,027,410	17,472,073	56,013,826	-	56,013,826
Net premiums earned	123,229,860	62,997,056	46,764,500	71,568,268	304,559,685	-	304,559,685
Reinsurance commissions	339	(0)	3,656,426	257,262	3,914,027	-	3,914,027
NET REVENUES	123,230,199	62,997,056	50,420,925	71,825,530	308,473,712	-	308,473,712
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid	(92,710,370)	(126,307,214)	(97,971,679)	-	(316,989,263)	-	(316,989,263)
Surrenders and maturities	-	-	-	(133,362,490)	(133,362,490)	-	(133,362,490)
Expenses incurred related to claims	(6,672,187)	-	(4,019,902)	-	(10,692,089)	-	(10,692,089)
Reinsurers' share of claims paid	608,561	81,854,768	98,093,935	32,274,973	212,832,237	-	212,832,237
Net claims and other benefits paid	(98,773,996)	(44,452,447)	(3,897,645)	(101,087,516)	(248,211,605)	-	(248,211,605)
Changes in outstanding claims	21,986,127	(8,936,542)	2,556,290	(7,112,484)	8,493,392	-	8,493,392
Changes in reinsurers' share of outstanding claims	90,954	4,860,367	(9,301,607)	5,492,051	1,141,764	-	1,141,764
Change in premium deficiency reserves	1,189,888	1,036,101	1,385,708	(1,572,648)	2,039,050	-	2,039,050
Changes in additional premium reserves	-	675,374	(2,239,418)	(351,905)	(1,915,949)	-	(1,915,949)
Changes in claims incurred but not Reported	(3,651,115)	19,904,484	(8,877,913)	65,775	7,441,231	-	7,441,231
Changes in reinsurers' share of claim incurred but not reported	118,932	(13,457,977)	9,502,862	191,980	(3,644,203)	-	(3,644,203)
Net claims and other benefits incurred	(79,039,210)	(40,370,639)	(10,871,722)	(104,374,748)	(234,656,320)	-	(234,656,320)
Changes in unit linked liabilities	-	-	-	10,676,909	10,676,909	-	10,676,909
Unrealised gain on unit linked investments	-	-	-	31,863,485	31,863,485	-	31,863,485
Policy acquisition costs	(11,996,649)	(5,819,954)	(11,735,509)	(1,061,017)	(30,613,129)	-	(30,613,129)
Inspection and supervision fees	(610,010)	(2,061,876)	(1,015,806)	(624,032)	(4,311,724)	-	(4,311,724)
TOTAL UNDERWRITING COSTS AND EXPENSES	(91,645,869)	(48,252,470)	(23,623,038)	(63,519,402)	(227,040,779)	-	(227,040,779)
NET UNDERWRITING INCOME	31,584,329	14,744,587	26,797,888	8,306,128	81,432,933	-	81,432,933
Unallocated							
OTHER (EXPENSES) / INCOME							
Provision for doubtful debts					(4,251,304)	-	(4,251,304)
General and administrative expenses					(85,180,660)	(629,764)	(85,810,424)
Investment income					3,022,037	7,859,247	10,881,284
Other income					5,240,927	-	5,240,927
TOTAL OTHER EXPENSES					(81,169,000)	7,229,483	(73,939,517)
Net income for the period before attribution and zakat and income tax					263,933	7,229,483	7,493,416

13. Operating Segments (continued)

	For the three month period ended September 30, 2021						
	Motor	*Medical*	*Property and Casualty*	*Protection and Saving*	Insurance operations	Shareholders' operations	Total
REVENUES							
Gross written premiums – retail	16,683,204	-	263,222	12,148,523	29,094,949	-	29,094,949
Gross written premiums – corporate	10,422,653	24,289,692	21,184,809	9,024,738	64,921,892	-	64,921,892
Gross written premiums – very small entities	872,641	-	461,998	11,012	1,345,651	-	1,345,651
Gross written premiums – small entities	3,435,459	-	1,427,535	142,102	5,005,096	-	5,005,096
Gross written premiums – medium entities	6,156,285	-	5,778,648	36,226	11,971,159	-	11,971,159
Gross premiums written	37,570,244	24,289,693	29,116,211	21,362,599	112,338,747	-	112,338,747
Reinsurance premiums ceded abroad	6,001	(11,962,865)	(10,713,784)	(1,705,670)	(24,376,318)	-	(24,376,318)
Reinsurance premiums ceded local	-	-	(164,529)	-	(164,529)	-	(164,529)
Excess of loss expenses	(476,992)	-	(3,694,228)	-	(4,171,221)	-	(4,171,221)
Fee income from unit linked investments	-	-	-	355,048	355,048	-	355,048
Net premiums written	37,099,252	12,326,827	14,543,669	20,011,978	83,981,727	-	83,981,727
Changes in unearned premiums	3,393,877	19,035,178	26,613,145	12,985,745	62,027,944	-	62,027,944
Changes in reinsurers' share of unearned Premiums	(66,382)	(10,463,231)	(22,852,773)	(9,126,981)	(42,509,368)	-	(42,509,368)
Net premiums earned	40,426,747	20,898,775	18,304,041	23,870,741	103,500,303	-	103,500,303
Reinsurance commissions	339	-	1,039,421	1,803	1,041,563	-	1,041,563
NET REVENUES	40,427,086	20,898,775	19,343,462	23,872,544	104,541,866	-	104,541,866
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid	(29,721,569)	(43,265,889)	(32,788,335)	0	(105,775,793)	-	(105,775,793)
Surrenders and maturities	-	-	-	(47,341,158)	(47,341,158)	-	(47,341,158)
Expenses incurred related to claims	(4,091,999)	-	(360,854)	-	(4,452,854)	-	(4,452,854)
Reinsurers' share of claims paid	601,127	27,412,214	31,931,587	17,523,857	77,468,784	-	77,468,784
Net claims and other benefits paid	(33,212,442)	(15,853,675)	(1,217,602)	(29,817,301)	(80,101,021)	-	(80,101,021)
Changes in outstanding claims	4,405,333	(915,173)	(3,622,368)	(392,346)	(524,554)	-	(524,554)
Changes in reinsurers' share of outstanding claims	126,193	445,540	(1,340,966)	439,535	(329,698)	-	(329,698)
Change in premium deficiency reserves	760,681	378,022	1,385,708	75,016	2,599,428	-	2,599,428
Changes in additional premium reserves	-	1,663,082	(1,660,525)	(26,140)	(23,583)	-	(23,583)
Changes in claims incurred but not Reported	289,434	(70,542)	1,436,724	293,809	1,949,425	-	1,949,425
Changes in reinsurers' share of claim incurred but not reported	109,781	253,042	(528,419)	684,821	519,225	-	519,225
Net claims and other benefits incurred	(27,521,020)	(14,099,704)	(5,547,449)	(28,742,606)	(75,910,778)	-	(75,910,778)
Changes in unit linked liabilities	-	-	-	(2,014,292)	(2,014,292)	-	(2,014,292)
Unrealised gain on unit linked investments	-	-	-	11,419,125	11,419,125	-	11,419,125
Policy acquisition costs	(4,281,145)	(1,793,021)	(4,042,375)	(158,548)	(10,275,088)	-	(10,275,088)
Inspection and supervision fees	(367,142)	(1,085,286)	(515,165)	(326,476)	(2,294,069)	-	(2,294,069)
TOTAL UNDERWRITING COSTS AND EXPENSES	(32,169,307)	(16,978,010)	(10,104,989)	(19,822,797)	(79,075,102)	-	(79,075,102)
NET UNDERWRITING INCOME	8,257,779	3,920,764	9,238,473	4,049,748	25,466,764	-	25,466,764
Unallocated							
OTHER (EXPENSES) / INCOME							
Provision for doubtful debts					-	-	-
General and administrative expenses					(30,796,654)	(204,341)	(31,000,995)
Investment income					1,033,519	3,030,636	4,064,155
Other income					(24,732)	-	(24,732)
TOTAL OTHER EXPENSES					(29,787,867)	2,826,295	(26,961,572)
Net (loss) / income for the period before attribution and zakat and income tax					(4,321,103)	2,826,295	(1,494,808)

14. Transactions and balances with related parties and other shareholders

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

	Transactions for the nine months period ended		**Balance as at**	
	September 30, 2022 SR	*September 31, 2021 SR*	***September 30, 2022 SR***	*December 31, 2021 SR*
<u>Entities controlled, jointly controlled or significantly influenced by related parties</u>				
- Insurance premium ceded	**147,633,151**	164,497,937	-	-
- Reinsurers' share of claims paid	**90,302,151**	156,221,709	-	-
- Commission income	**7,160,882**	3,532,381	-	-
- Third party administrator expenses	**8,041,014**	506,669	-	-
- Reinsurers' share of outstanding claims (Treaty)	-	-	**10,432,850**	16,433,467
- Accrued third party administrator	-	-	**3,407,597**	4,220,282
- Reinsurance balance payable, net	-	-	**131,972,158**	40,305,654
- Investments in equity of Saudi NextCare	-		**800,000**	800,000
- **<u>Other Shareholders (other than related party)</u>**				
- Insurance premium written	**109,087,452**	70,967,463	-	-
- Claims paid	**42,879,883**	43,985,892	-	-
- Commission expense	**304,212**	2,789,140	-	-
- Premium receivable	-	-	**44,584,108**	58,819,310
- Outstanding claims	-	-	**21,437,143**	22,051,895
- Cash and cash equivalents	-	-	**104,717,908**	154,408,140
- Unit linked investments managed by shareholders (including receivable for unit linked investments)	-	-	**495,591,148**	515,227,924

Related parties include Allianz SNA, Allianz Mena Holding Bermuda, Allianz Risk Transfer A.G. Dubai, Allianz France, Allianz Global Corporate and Specialty AG, Allianz World Wide Care, Allianz Global risks U.S Insurance, Allianz Belgium, Euler Hermes, Allianz SE Zurich, Allianz Insurance Hong Kong, Allianz Global Risks Netherland, Allianz Insurance Singapore, Allianz Insurance New Zealand and Saudi NextCare. The majority of Company's reinsurance arrangements are with its related parties. In Property and Casualty the majority of reinsurance arrangments are with Allianz Re and in Medical Allianz Partners. Other shareholders include Banque Saudi Fransi and its Group Companies which are not the related parties. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer, and the Chief Financial Officer of the Company.

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

September 30, 2022	**BOD members SR**	**Top executives SR**
Salaries and compensation	**-**	**1,368,831**
Allowances	**110,250**	**4,500**
Annual remuneration	**275,000**	**25,000**
End of service obligations	**-**	**43,558**
	385,250	**1,441,890**

14. Transactions and balances with related parties and other shareholders (continued)

September 30, 2021	BOD members SR	Top executives SR
Salaries and compensation	-	4,869,424
Allowances	261,000	40,500
Annual remuneration	785,000	85,000
End of service obligations	-	162,712
	1,046,000	5,157,636

15. Zakat and income tax

A summary of the Company's share capital and percentages of ownership are as follows:

	September 30, 2022		December 31, 2021	
	SR	**%**	SR	%
Non-Saudi Shareholders	**318,540,000**	**53.09%**	318,540,000	53.09%
Saudi and GCC Shareholders	**281,460,000**	**46.91%**	281,460,000	46.91%
	600,000,000	**100%**	600,000,000	100%

As at 30 September 2022, the authorized, issued and fully paid-in share capital of the Company consists of 60 million shares of SR 10 each and as at December 31, 2021 the authorized, issued and fully paid-in share capital of the Company consists of 60 million shares of SR 10 each. The Company's zakat and income tax calculations and corresponding accruals and payments of zakat and income tax are based on the above ownership percentages in accordance with the relevant provisions of the Saudi Arabian zakat and income tax regulations.

The zakat and income tax provision as at the period / year end is as follows:

SR	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
Provision for zakat	**16,889,678**	14,794,202
Provision for income tax	**7,616,425**	6,326,530
	24,506,103	21,120,732

The zakat and income tax charge for the nine month period is as follows:

SR	**September 30, 2022 (Unaudited)**	September 30, 2021 (Unaudited)
Zakat for the nine-month period	**6,928,999**	6,407,682
Income tax for the nine-month period		
- Current tax	**1,797,256**	540,516
- Deferred tax	**(34,956)**	249,302
	8,691,299	7,197,500

The zakat and income tax charge for the three month period is as follows:

SR	**September 30, 2022 (Unaudited)**	September 30, 2021 (Unaudited)
Zakat for the three-month period	**2,337,628**	2,102,465
Income tax for the three-month period		
- Current tax	**783,938**	(183,348)
- Deferred tax	**(126,588)**	339,824
	2,994,978	2,258,941

15. Zakat and income tax (continued)

Status of assessments

The Company has filed the zakat and income tax declarations for all the years up to December 31, 2021. The Company finalized its zakat and tax position for all the years up to December 31, 2014.

The final tax and zakat assessment for the years 2015 to 2018 has been issued by the Zakat, Tax and Customs Authority (ZATCA) during the year ended December 31, 2020 which resulted in additional zakat and tax liability of SR 13.7 million arising mainly from the non-deduction of long-term investments from the zakat base. The Company has filed an appeal against this assessment to the General Secretariat of the Tax Committees ("GSTC"). The case was heard recently in August 2022 in which the GSTC ruled in favor of the ZATCA. The Company intends to appeal the case to GSTC Level 2 once the official detailed Ruling is received. The Company has accounted for this additional zakat and income tax liability in the provision in the financial statements. The Company received the final zakat and income tax assessment for the years 2019 and 2020 which resulted in additional zakat and tax liability of SR 1.1 million. The Company has settled this additional liability in 2022. The ZATCA did not yet issue the Tax and Zakat assessment for the year ended 31 December 2021.

The finalization of the assessment is not expected to have material impact on the financial statements.

Prepaid expenses and other assets include payment made by the Company in relation to VAT assessment raised by Zakat, Tax and Customs Authority ("ZATCA") for 2018 and 2019 financial years amounting to Saudi Riyals SR 31 million. The payments were made to ZATCA to avoid penalties. However, the Company has submitted objections to the ZATCA assessment. The ZATCA has partially accepted the objection and the company has filed an appeal for the remaining amount of SR 27.8 million (appearing under prepaid expenses and other assets) to the General Secretariat of the Tax Committees ("GSTC"). The case was heard in July 2021 in which the GSTC ruled in favor of the ZATCA. Following review of the final judgement / reasoning for the GSTC's decision, the Company decided to appeal the case to GSTC Level 2, the appeal was submitted on 10 October 2021. The Company's management believes that there is strong basis that the decision of the appeal would be in the favor of the Company. The GSTC level 2 conducted its hearing in August 2022 in the absence of the Company and issued its ruling. Due to an issue with the GSTC portal, the Company was able to only extract the ruling for 12 tax periods. The Company is currently resolving the GSTC portal issue to extract the remaining 12 tax periods. As per the ruling of the extracted tax periods, the GSTC level 2 had overturned the GSTC level 1 decision and ruled in favour of the Company in respect of the contested purchase items (amounting to SR 5.4 million). As for the contested sales item (amounting to SR 4.5 million), the GSTC level 2 had rejected the Company's appeal. The GSTC level 2 stated in its ruling, for the favourable part (i.e., purchase items), that it had cancelled the ZATCA's assessment. Considering that the same contested items are the same across all 24 tax periods, it would be uncommon that the Company would receive a different ruling from the GSTC for the remaining 12 tax periods that are yet to be extracted from the GSTC portal. The underlying amounts for the remaining 12 tax periods is SR 13.8 million for the contested purchase items and SR 4 million for the contested sales item.

To recover the amounts for the accepted part of the appeal, the Company may start the process for requesting a refund from the ZATCA. This refund request however will need to be made prior to the date the tax period that was appealed against had reached five years. Alternatively, the ZATCA will include the amount owed to the Company as a carry forward balance to be utilized by the Company for its tax matters. Lastly, the Company still has the option to appeal the decision on the basis that the verbal ruling during the hearing was issued in the absence of the Company.

16. Share capital and earnings per share

16.1 Share capital

The authorised and issued share capital of the Company is SR 600 million divided into 60 million shares of SR 10 each (December 31, 2021: SR 600 million divided into 60 million shares of SR 10 each). The founding shareholders of the Company have subscribed and paid for 39 million shares with a nominal value of SR 10 each, which represents 65% of the shares of the Company's capital and the remaining 21 million shares with a nominal value of SR 10 each have been subscribed by general public.

Shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax.

	September 30, 2022	
	Number of Shares	**Authorized, issued and paid up capital**
		SR
Allianz Europe BV	**11.10 Million**	**111 Million**
Allianz France International	**9.75 Million**	**97.5 Million**
Allianz Mena Holding Bermuda	**9.75 Million**	**97.5 Million**
Banque Saudi Fransi	**8.40 Million**	**84 Million**
Public	**21.00 Million**	**210 Million**
	60 Million	**600 Million**

	December 31, 2021	
	Number of Shares	Authorized, issued and paid up capital
		SR
Allianz Europe BV	11.10 Million	111 Million
Allianz France International	9.75 Million	97.5 Million
Allianz Mena Holding Bermuda	9.75 Million	97.5 Million
Banque Saudi Fransi	8.40 Million	84 Million
Public	21.00 Million	210 Million
	60 Million	600 Million

16. Share capital and earnings per share (continued)

16.2 Earning per share

Earnings per share has been calculated by dividing the income for the period by the weighted average number of shares outstanding at the reported date.

	For the nine-month period ended	
	September 30, 2022	September 30, 2021
Income for the period	**11,696,776**	**269,523**
Weighted average number of shares	**60,000,000**	**60,000,000**
Earnings per share	**0.195**	**0.004**

	For the three-month period ended	
	September 30, 2022	September 30, 2021
Income for the period	**7,479,239**	**(3,321,638)**
Weighted average number of shares	**60,000,000**	**60,000,000**
Earnings / (loss) per share	**0.125**	**(0.055)**

17. Risk Management

Capital Management

Objectives are set by the Company to maintain stable capital ratios in order to support its business objectives and maximise 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 operations of the Company are subject to local regulatory requirements within the jurisdiction where it is incorporated. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

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

- Minimum Capital Requirement of SR 200 million
- Premium Solvency Margin
- Claims Solvency Margin

The Company has fully complied with the externally imposed capital requirements during the reported financial period.

Credit risk management

The Company has strengthened its credit risk management policies to address the fast changing and evolving risks posed by the current circumstances. These include review of credit concentrations at granular economic sector, region, counterparty level and take appropriate action where required.

Liquidity risk management

The Company is aware of the need to keep a close focus on liquidity management during this period and has enhanced its monitoring of current liquidity needs as well as the pandemic in its entirety. The Company regularly reviews and updates the liquidity forecast based on the individual liquidity balance as well as the continued development of external economic factors.

18. Supplementary information

a) Interim statements of financial position

	SR					
	September 30, 2022			*December 31, 2021*		
	Insurance operations	**Share-holders' operations**	**Total**	Insurance operations	Share-holders' operations	Total
ASSETS						
Cash and cash equivalents	**164,895,931**	**39,816,793**	**204,712,724**	40,032,921	120,946,723	160,979,644
Prepaid expenses and other assets	**203,017,136**	**13,105,500**	**216,122,637**	198,692,991	3,516,223	202,209,214
Premiums receivable, net	**346,541,888**	**-**	**346,541,888**	346,330,780	-	346,330,780
Reinsurers' balance receivable, net	**69,305,154**	**-**	**69,305,154**	83,779,407	-	83,779,407
Reinsurers' share of outstanding claims	**346,633,475**	**-**	**346,633,475**	441,962,088	-	441,962,088
Reinsurers' share of claims incurred but not Reported	**54,501,572**	**-**	**54,501,572**	52,137,423	-	52,137,423
Reinsurers' share of unearned premiums	**144,379,212**	**-**	**144,379,212**	128,937,475	-	128,937,475
Deferred policy acquisition costs	**20,309,546**	**-**	**20,309,546**	20,749,602	-	20,749,602
Right-of-use assets	**4,832,616**	**-**	**4,832,616**	844,193	-	844,193
Financial assets at fair value through statement of income (unit linked investments)	**495,591,148**	**-**	**495,591,148**	515,227,924		515,227,924
Available for sale investments	**108,522,163**	**461,037,898**	**569,560,061**	142,644,413	410,306,918	552,951,331
Deferred tax assets, net	**-**	**12,548,200**	**12,548,200**	-	7,668,495	7,668,495
Property and equipment	**7,505,812**	**-**	**7,505,812**	7,968,658	-	7,968,658
Statutory deposit	**-**	**60,000,000**	**60,000,000**	-	60,000,000	60,000,000
Accrued income on statutory deposit	**-**	**1,579,858**	**1,579,858**	-	1,579,858	1,579,858
Due to/from insurance operation/shareholders operation*	**(132,039,482)**	**132,039,482**	**-**	(122,125,487)	122,125,487	-
TOTAL ASSETS	**1,843,210,436**	**710,913,467**	**2,554,123,903**	1,857,182,388	726,143,704	2,583,326,092
LIABILITIES						
Accrued and other liabilities	**96,008,018**	**1,983,635**	**97,991,653**	102,294,609	1,324,619	103,619,228
Surplus distribution payable	**10,162,342**	**-**	**10,162,342**	11,816,069	-	11,816,069
Reinsurers' balances payable	**308,458,915**	**-**	**308,458,915**	246,066,437	-	246,066,437
Outstanding claims	**428,640,219**	**-**	**428,640,219**	510,039,419	-	510,039,419
Claims incurred but not reported	**112,124,043**	**-**	**112,124,043**	108,652,961	-	108,652,961
Lease liabilities	**5,980,111**	**-**	**5,980,111**	997,804	-	997,804
Unit linked liabilities	**484,981,118**	**-**	**484,981,118**	509,896,334	-	509,896,334
Premium deficiency reserve	**4,718,750**	**-**	**4,718,750**	5,960,779	-	5,960,779
Additional premium reserves	**8,774,839**	**-**	**8,774,839**	4,411,285	-	4,411,285
Unearned premiums	**362,476,675**	**-**	**362,476,675**	327,493,566	-	327,493,566
Unearned reinsurance commission	**2,628,473**	**-**	**2,628,473**	1,347,774	-	1,347,774
End-of-service indemnities	**18,897,207**	**-**	**18,897,207**	19,030,822	-	19,030,822
Accrued income payable to SAMA	**-**	**1,579,858**	**1,579,858**	-	1,579,858	1,579,858
Zakat and income tax	**-**	**24,506,103**	**24,506,103**	-	21,120,732	21,120,732
TOTAL LIABILITIES	**1,843,850,710**	**28,069,596**	**1,871,920,306**	1,848,007,859	24,025,209	1,872,033,068
EQUITY						
Share capital	**-**	**600,000,000**	**600,000,000**	-	600,000,000	600,000,000
Share premium	**-**	**16,310,624**	**16,310,624**	-	16,310,624	16,310,624
Statutory reserve	**-**	**21,867,493**	**21,867,493**	-	21,867,493	21,867,493
Retained earnings	**-**	**63,869,063**	**63,869,063**	-	52,172,287	52,172,287
Actuarial reserve for employees' end-of-service obligations	**3,392,704**	**-**	**3,392,704**	3,392,704	-	3,392,704
Fair value reserve on investments	**(4,032,979)**	**(19,203,309)**	**(23,236,287)**	5,781,825	11,768,091	17,549,916
TOTAL EQUITY	**(640,275)**	**682,843,871**	**682,203,597**	9,174,529	702,118,495	711,293,024
TOTAL LIABILITIES AND EQUITY	**1,843,210,436**	**710,913,467**	**2,554,123,903**	1,857,182,388	726,143,704	2,583,326,092

* This item is not included in the interim statement of financial position.

18. Supplementary information (continued)

b) Interim statement of income

	SR					
	For the nine-month period ended					
	September 30, 2022			*September 30, 2021*		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
REVENUES						
Gross premiums written	**620,907,987**	-	**620,907,987**	587,427,972	-	587,427,972
Reinsurance premiums ceded abroad	**(233,705,833)**	-	**(233,705,833)**	(255,692,801)	-	(255,692,801)
Reinsurance premiums ceded locally	**(450,153)**	-	**(450,153)**	(1,014,278)	-	(1,014,278)
Excess of loss expenses	**(11,867,777)**	-	**(11,867,777)**	(16,684,883)	-	(16,684,883)
Fee income from unit linked investments	**1,117,793**	-	**1,117,793**	1,018,392	-	1,018,392
Net premiums written	**376,002,017**	-	**376,002,017**	315,054,402	-	315,054,402
Changes in unearned premiums	**(34,983,109)**	-	**(34,983,109)**	(66,508,543)	-	(66,508,543)
Changes in reinsurers' share of unearned Premiums	**15,441,737**	-	**15,441,737**	56,013,826	-	56,013,826
Net premiums earned	**356,460,645**	-	**356,460,645**	304,559,685	-	304,559,685
Reinsurance commissions	**4,475,278**	-	**4,475,278**	3,914,027	-	3,914,027
NET REVENUES	**360,935,923**	-	**360,935,923**	308,473,712	-	308,473,712
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**(277,862,222)**	-	**(277,862,222)**	(316,989,263)	-	(316,989,263)
Surrenders and maturities	**(79,452,850)**	-	**(79,452,850)**	(133,362,490)	-	(133,362,490)
Expenses incurred related to claims	**(41,835,898)**	-	**(41,835,898)**	(10,692,089)	-	(10,692,089)
Reinsurers' share of claims paid	**141,337,901**	-	**141,337,901**	212,832,237	-	212,832,237
Net claims and other benefits paid	**(257,813,069)**	-	**(257,813,069)**	(248,211,605)	-	(248,211,605)
Changes in outstanding claims	**81,399,200**	-	**81,399,200**	8,493,392	-	8,493,392
Changes in reinsurers' share of outstanding claims	**(95,328,613)**	-	**(95,328,613)**	1,141,764	-	1,141,764
Change in premium deficiency reserves	**1,242,029**	-	**1,242,029**	2,039,050	-	2,039,050
Changes in additional premium reserves	**(4,363,554)**	-	**(4,363,554)**	(1,915,949)	-	(1,915,949)
Changes in claims incurred but not Reported	**(3,471,082)**	-	**(3,471,082)**	7,441,231	-	7,441,231
Changes in reinsurers' share of claim incurred but not reported	**2,364,150**	-	**2,364,150**	(3,644,203)	-	(3,644,203)
Net claims and other benefits incurred	**(275,970,939)**	-	**(275,970,939)**	(234,656,320)	-	(234,656,320)
Changes in unit linked liabilities	**24,915,215**	-	**24,915,215**	10,676,909	-	10,676,909
Unrealised gain on unit linked investments	**3,461,085**	-	**3,461,085**	31,863,485	-	31,863,485
Policy acquisition costs	**(34,970,423)**	-	**(34,970,423)**	(30,613,129)	-	(30,613,129)
Inspection and supervision fees	**(1,814,388)**	-	**(1,814,388)**	(4,311,724)	-	(4,311,724)
TOTAL UNDERWRITING COSTS AND EXPENSES	**(284,379,450)**	-	**(284,379,450)**	(227,040,779)	-	(227,040,779)
NET UNDERWRITING INCOME	**76,556,473**	-	**76,556,473**	81,432,933	-	81,432,933
OTHER (EXPENSES) / INCOME						
Provision for doubtful debts	-	-	-	(4,251,304)	-	(4,251,304)
General and administrative expenses	**(86,148,803)**	**29,873**	**(86,118,930)**	(85,180,660)	(629,764)	(85,810,424)
Investment income	**3,864,744**	**12,557,215**	**16,421,959**	3,022,037	7,859,247	10,881,284
Other income	**14,395,349**	-	**14,395,349**	5,240,927	-	5,240,927
TOTAL OTHER EXPENSES	**(67,888,710)**	**12,587,088**	**(55,301,622)**	(81,169,000)	7,229,483	(73,939,517)
Net income for the period before attribution and zakat and income tax	**8,667,763**	**12,587,088**	**21,254,851**	263,933	7,229,483	7,493,416
Net surplus transferred to shareholders' Operation	**(7,800,987)**	**7,800,987**	-	(237,540)	237,540	-
Net income for the period after shareholders' appropriations	**866,776**	**20,388,075**	**21,254,851**	26,393	7,467,023	7,493,416
Zakat charge for the period	-	**(6,928,999)**	**(6,928,999)**	-	(6,407,682)	(6,407,682)
Income tax charge credit for the period, net	-	**(1,762,300)**	**(1,762,300)**	-	(789,818)	(789,818)
Net income attributable to the shareholders after zakat and income tax	**866,776**	**11,696,776**	**12,563,552**	26,393	269,523	295,916

18. Supplementary information (continued)

b) Interim statement of income

	SR					
	For the three-month period ended					
	September 30, 2022			*September 30, 2021*		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
REVENUES						
Gross premiums written	149,019,810	-	149,019,810	112,338,747	-	112,338,747
Reinsurance premiums ceded abroad	(40,809,963)	-	(40,809,963)	(24,376,318)	-	(24,376,318)
Reinsurance premiums ceded locally	-	-	-	(164,529)	-	(164,529)
Excess of loss expenses	(3,955,926)	-	(3,955,926)	(4,171,221)	-	(4,171,221)
Fee income from unit linked investments	381,654	-	381,654	355,048	-	355,048
Net premiums written	104,635,575	-	104,635,575	83,981,727	-	83,981,727
Changes in unearned premiums	47,755,062	-	47,755,062	62,027,944	-	62,027,944
Changes in reinsurers' share of unearned Premiums	(29,746,615)	-	(29,746,615)	(42,509,368)	-	(42,509,368)
Net premiums earned	122,644,022	-	122,644,022	103,500,303	-	103,500,303
Reinsurance commissions	277,494	-	277,494	1,041,563	-	1,041,563
NET REVENUES	122,921,516	-	122,921,516	104,541,866	-	104,541,866
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(70,669,530)	-	(70,669,530)	(105,775,793)	-	(105,775,793)
Surrenders and maturities	(43,466,651)	-	(43,466,651)	(47,341,158)	-	(47,341,158)
Expenses incurred related to claims	(5,748,085)	-	(5,748,085)	(4,452,854)	-	(4,452,854)
Reinsurers' share of claims paid	30,114,295	-	30,114,295	77,468,784	-	77,468,784
Net claims and other benefits paid	(89,769,971)		(89,769,971)	(80,101,021)	-	(80,101,021)
Changes in outstanding claims	299,476	-	299,476	(524,554)	-	(524,554)
Changes in reinsurers' share of outstanding claims	(2,334,001)	-	(2,334,001)	(329,698)	-	(329,698)
Change in premium deficiency reserves	1,585,394	-	1,585,394	2,599,428	-	2,599,428
Changes in additional premium reserves	(2,343,755)	-	(2,343,755)	(23,583)	-	(23,583)
Changes in claims incurred but not Reported	3,248,305	-	3,248,305	1,949,425	-	1,949,425
Changes in reinsurers' share of claim incurred but not reported	(4,925,007)	-	(4,925,007)	519,225	-	519,225
Net claims and other benefits incurred	(94,239,559)	-	(94,239,559)	(75,910,778)	-	(75,910,778)
Changes in unit linked liabilities	7,744,576	-	7,744,576	(2,014,292)	-	(2,014,292)
Unrealised gain on unit linked investments	5,723,150	-	5,723,150	11,419,125	-	11,419,125
Policy acquisition costs	(12,859,297)	-	(12,859,297)	(10,275,088)	-	(10,275,088)
Inspection and supervision fees	(1,461,166)	-	(1,461,166)	(2,294,069)	-	(2,294,069)
TOTAL UNDERWRITING COSTS AND EXPENSES	(95,092,295)	-	(95,092,295)	(79,075,102)	-	(79,075,102)
NET UNDERWRITING INCOME	27,829,221	-	27,829,221	25,466,764	-	25,466,764
OTHER (EXPENSES) / INCOME						
Provision for doubtful debts	-	-	-	-	-	-
General and administrative expenses	(28,516,569)	29,873	(28,486,696)	(30,796,654)	(204,341)	(31,000,995)
Investment income	1,548,855	4,444,613	5,993,468	1,033,519	3,030,636	4,064,155
Other income	5,804,861	-	5,804,861	(24,732)	-	(24,732)
TOTAL OTHER EXPENSES	(21,162,852)	4,474,486	(16,688,366)	(29,787,867)	2,826,295	(26,961,572)
Net income / (loss) for the period before attribution and zakat and income tax	6,666,368	4,474,486	11,140,854	(4,321,103)	2,826,295	(1,494,808)
Net surplus / (deficit) transferred to shareholders' Operation	(5,999,731)	(5,999,731)	-	3,888,992	(3,888,992)	-
Net income / (loss) for the period after shareholders' appropriations	666,637	10,474,217	11,140,,854	(432,111)	(1,062,697)	(1,494,808)
Zakat charge for the period	-	(2,337,628)	(2,337,628)	-	(2,102,465)	(2,102,465)
Income tax chargecredit for the period, net	-	(657,350)	(657,350)	-	(156,476)	(156,476)
Net income / (loss) attributable to the shareholders after zakat and income tax	666,637	7,479,239	8,145,876	(432,111)	(3,321,638)	(3,753,749)

18. Supplementary information (continued)

c) Interim statement of comprehensive income

	SR					
	For the nine-month period ended					
	September 30, 2022			*September 30, 2021*		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
Net income for the period after zakat and income tax	**866,776**	**11,696,776**	**12,563,552**	26,393	269,523	295,916
Other comprehensive income / (loss)						
Items that are or may be recycled to statements of income in subsequent periods						
Available for sale investments:						
- Net change in fair value	**(13,031,087)**	**(32,599,865)**	**(45,630,952)**	(2,445,256)	(3,407,477)	(5,852,733)
- Deferred tax relating to change in fair value	**1,383,542**	**3,461,207**	**4,844,749**	259,622	361,929	621,551
Total comprehensive (loss) / income for the period	**(10,780,769)**	**(17,441,882)**	**(28,222,651)**	(2,159,241)	(2,776,025)	(4,935,266)
Reconciliation:						
Less: Net income attributable to insurance Operations			**(866,776)**			(26,393)
Total comprehensive loss for the period attributable to the shareholders			**(29,089,427)**			(4,961,659)

	SR					
	For the three month period ended					
	September 30, 2022			*September 30, 2021*		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
Net income for the period after zakat and income tax	**666,637**	**7,479,239**	**8,145,876**	(432,111)	(3,321,638)	(3,753,749)
Other comprehensive income / (loss)						
Items that are or may be recycled to statements of income in subsequent periods						
Available for sale investments:						
- Net change in fair value	**5,066,967**	**(20,405,339)**	**(15,338,372)**	(809,425)	170,719	(638,706)
- Deferred tax relating to change in fair value	**(537,957)**	**2,166,422**	**1,628,465**	85,940	(18,126)	67,814
Total comprehensive (loss) / income for the period	**5,195,647**	**(10,759,678)**	**(5,564,031)**	(1,155,596)	(3,169,045)	(4,324,641)
Reconciliation:						
Less: Net income attributable to insurance Operations			**(666,637)**			432,111
Total comprehensive loss for the period attributable to the shareholders			**(6,230,668)**			(3,892,530)

18. Supplementary information (continued)

d) Interim statement of cash flows

	SR					
	For the nine-month period ended					
	September 30, 2022			September 30, 2021		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period before attribution and zakat and income tax	866,776	20,388,075	21,254,851	26,393	7,467,023	7,493,416
Adjustments for non-cash items and other items:						
Depreciation of property and equipment	2,865,836	-	2,865,836	2,867,424	-	2,867,424
Amortisation of Right-of-use assets	3,563,994	-	3,563,994	2,160,642	-	2,160,642
Amortisation of investments premium	91,163	54,405	145,568	412,519	-	412,519
Provision of doubtful reinsurance receivables	-	-	-	362,006	-	362,006
Gain on sale of property and equipment	-	-	-	(55,341)	-	(55,341)
Provision for doubtful receivables and write-offs	-	-	-	3,889,298	-	3,889,298
Provision for end-of-service obligations	2,250,902	-	2,250,902	(3,540,512)	-	(3,540,512)
Unrealised gain on unit linked investments	(3,461,085)	-	(3,461,085)	(31,863,485)	-	(31,863,485)
Finance cost on lease liabilities	1,084,972	-	1,084,972	335,061	-	335,061
Shareholders' appropriation from insurance operations' surplus*	-	-	-	237,540	(237,540)	-
	7,262,558	20,442,480	27,705,038	(25,168,455)	7,229,483	(17,938,972)
Changes in operating assets and liabilities:						
Reinsurers' balance receivable	14,474,253	-	14,474,253	(1,694,902)	-	(1,694,902)
Premium receivable	(211,108)	-	(211,108)	9,869,766	-	9,869,766
Reinsurers' share of unearned premiums	(15,441,737)	-	(15,441,737)	(56,013,826)	-	(56,013,826)
Reinsurers' share of outstanding claims	95,328,613	-	95,328,613	(1,141,764)	-	(1,141,764)
Reinsurers' share of claims incurred but not reported	(2,364,149)	-	(2,364,149)	3,644,203	-	3,644,203
Deferred policy acquisition costs	440,056	-	440,056	(115,414)	-	(115,414)
Unit linked investments	23,097,860	-	23,097,860	27,051,413	-	27,051,413
Prepaid expenses and other assets	(4,324,145)	(9,589,278)	(13,913,423)	(21,212,502)	(7,900,214)	(29,112,716)
Accrued and other liabilities	(6,286,591)	659,016	(5,627,575)	(22,684,751)	511,423	(22,173,328)
Reinsurers' balances payable	62,392,478	-	62,392,478	48,681,424	-	48,681,424
Unearned premiums	34,983,109	-	34,983,109	66,508,543	-	66,508,543
Unearned reinsurance commission	1,280,699	-	1,280,699	(775,710)	-	(775,710)
Unit linked liabilities	(24,915,216)	-	(24,915,216)	(10,676,909)	-	(10,676,909)
Outstanding claims	(81,399,200)	-	(81,399,200)	(8,493,392)	-	(8,493,392)
Claims incurred but not reported	3,471,082	-	3,471,082	(7,441,231)	-	(7,441,231)
Premium deficiency reserves	(1,242,029)	-	(1,242,029)	(2,039,050)	-	(2,039,050)
Additional premium reserves	4,363,554	-	4,363,554	1,915,949	-	1,915,949
	110,910,086	11,512,219	122,422,305	213,392	(159,308)	54,084
End-of-service obligations paid	(2,384,516)	-	(2,384,516)	(2,228,676)		(2,228,676)
Surplus paid to policyholders / reclassified from surplus distribution	(2,520,503)	-	(2,520,503)	(3,932,272)	-	(3,932,272)
Zakat and income tax paid	-	(5,340,884)	(5,340,884)	-	(4,791,284)	(4,791,284)
Net cash generated from / (used in) operating activities	106,005,067	6,171,335	112,176,402	(5,947,556)	(4,950,592)	(10,898,148)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of available for sale investments	(7,500,000)	(138,020,250)	(145,520,250)	-	(142,500,000)	(142,500,000)
Proceed for sales of available for sale investments	28,500,000	54,635,000	83,135,000		-	
Proceeds from sale of property and equipment	-	-	-	55,340	-	55,340
Payment for purchase of property and equipment	(2,402,990)	-	(2,402,990)	(1,920,772)	-	(1,920,772)
Net cash generated from / (used in) investing activities	18,597,010	(83,385,250)	(64,788,240)	(1,865,432)	(142,500,000)	(144,365,432)
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / to (insurance operations / shareholder operations)*	9,913,995	(9,913,995)	-	(138,337,867)	138,337,867	-
Lease rental paid	(3,655,082)	-	(3,655,082)	(2,811,785)	-	(2,811,785)
Net cash generated from / (used in) financing activities	6,258,913	(9,913,995)	(3,655,082)	(141,149,652)	138,337,867	(2,811,785)
Net change in cash and cash equivalents	130,860,990	(87,127,910)	43,733,080	(148,962,640)	(9,112,725)	(158,075,365)
Cash and cash equivalents at the beginning of the period	40,032,921	120,946,723	160,979,644	187,639,558	137,406,667	325,046,225
Cash and cash equivalents at the end of the Period	170,893,911	33,818,813	204,712,724	38,676,918	128,293,942	166,970,860
NON-CASH INFORMATION:						
Change in fair value of available for sale Investment	(13,031,087)	(32,599,865)	(45,630,952)	(2,445,256)	(3,407,477)	5,852,733
Deferred income tax	1,383,542	3,461,207	4,844,749	259,622	361,929	621,551
Addition to Right of use assets	7,552,417	-	7,552,417	-	-	-

* These items are not included in the interim statement of cash flows

19. Approval of the interim condensed financial statements

The interim condensed financial statements have been approved by the Company's Board of Directors on 03 November 2022 (corresponding to Rabi' II 9th, 1444 Hijri).