
**SAUDI RE FOR COOPERATIVE REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021**

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
For The Three Month Period End 31 March 2021

INDEX	PAGES
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONDENSED STATEMENT OF INCOME	3
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY	5
INTERIM CONDENSED STATEMENT OF CASH FLOWS	6 – 7
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS	8 – 37



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



KPMG Professional Services

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF SAUDI RE FOR COOPERATIVE
REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Introduction

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 31 March 2021 of the Company are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in Kingdom of Saudi Arabia.

For Al-Bassam & Co.
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28 Ramadan 1442H
10 May 2021



Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

		31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR
	<i>Notes</i>		
ASSETS			
Bank balances and cash	5	31,399,308	13,156,722
Time deposits		184,729,084	193,459,502
Accrued special commission income from time deposits		1,768,699	3,211,493
Reinsurance premium receivables, net	4	284,251,925	293,755,148
Investments held at fair value through income statement	7	526,085,529	512,081,378
Accrued special commission income from bonds, sukuk and held-to-maturity investments		5,308,449	6,180,645
Accrued reinsurance premiums		1,080,676,237	594,263,077
Retrocession balances receivable		63,149,472	29,509,021
Retroceded share of unearned premiums	9	76,028,105	71,861,774
Deferred excess of loss premiums		6,977,624	12,783,693
Retroceded share of outstanding claims	10	167,842,891	154,674,308
Retroceded share of claims incurred but not reported	10	35,813,050	45,796,293
Deferred policy acquisition costs		281,332,379	149,403,279
Held-to-maturity investments	8	200,564,634	184,022,721
Prepaid expenses, deposits and other assets		286,204,347	289,098,884
Property and equipment, net		33,369,577	33,625,332
Investment in an equity accounted investee	14	124,313,965	120,141,077
Statutory deposit	6	81,000,000	81,000,000
Accrued income on statutory deposit	6	20,369,481	20,185,653
TOTAL ASSETS		3,491,184,756	2,808,210,000
LIABILITIES			
Accounts payable		38,213,535	31,974,787
Margin loan payable	8	38,845,430	23,116,816
Retrocession balances payable		45,671,088	77,219,757
Accrued retroceded premiums		56,392,659	39,812,365
Unearned premiums	9	1,149,611,683	548,541,182
Outstanding claims	10	742,840,357	716,946,866
Claims incurred but not reported	10	375,289,461	350,741,781
Unearned retrocession commission		18,570,376	15,805,185
Accrued expenses and other liabilities		23,875,154	23,860,764
Employees' end of service benefits		11,043,519	10,673,191
Provision for zakat and tax	12	18,522,476	15,173,830
Accrued commission income payable to SAMA	6	20,369,481	20,185,653
TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS		2,539,245,219	1,874,052,177
REINSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		12,527,202	10,978,352
TOTAL REINSURANCE OPERATIONS' SURPLUS		12,527,202	10,978,352
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS		2,551,772,421	1,885,030,529
EQUITY			
Share capital	11	810,000,000	810,000,000
Statutory reserve		27,087,676	27,087,676
Retained earnings		102,080,530	85,847,666
Other reserves		244,129	244,129
TOTAL EQUITY		939,412,335	923,179,471
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND EQUITY		3,491,184,756	2,808,210,000

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF INCOME

For the three month period ended 31 March 2021

	For the three month period ended	
	31 March 2021 (Unaudited) SR	31 March 2020 (Unaudited) SR
REVENUES		
Gross written premiums	834,284,016	527,717,654
Retroceded premiums	(33,783,218)	(30,857,189)
Excess of loss expenses	(8,125,072)	(7,537,856)
Net written premiums	792,375,726	489,322,609
Changes in unearned premiums, net	(596,904,170)	(366,579,163)
Net earned premiums	195,471,556	122,743,446
Retrocession commissions	3,802,865	2,029,594
TOTAL REVENUES	199,274,421	124,773,040
UNDERWRITING COSTS AND EXPENSES		
Gross claims paid	(101,052,627)	(112,889,614)
Retroceded share of claims paid	26,870,842	25,781,339
Net claims paid	(74,181,785)	(87,108,275)
Changes in outstanding claims, net	(12,724,907)	(1,515,349)
Changes in incurred but not reported claims, net	(34,530,924)	30,160,366
Net claims incurred	(121,437,616)	(58,463,258)
Policy acquisition costs and profit commissions	(50,982,083)	(45,405,980)
Other underwriting expenses	(1,477,133)	(1,342,367)
TOTAL UNDERWRITING COSTS AND EXPENSES	(173,896,832)	(105,211,605)
NET UNDERWRITING INCOME	25,377,589	19,561,435
OTHER OPERATING INCOME / (EXPENSES)		
Special commission income from time deposits	1,701,210	3,715,963
Special commission expense from margin loan payable	(93,054)	--
Realized gain on investments held at fair value through income statement	708,834	761,448
Unrealized loss on investments held at fair value through income statement	(546,690)	(196,083)
Special commission income from bonds and sukuk	3,421,154	1,116,003
Share of profit of equity accounted investee	4,172,888	3,796,654
Investment management expenses	(374,600)	(248,659)
Net investment income	8,989,742	8,945,326
Other income	193,116	325,553
Charge for doubtful debts	--	(457,676)
General and administrative expenses	(12,594,612)	(12,053,021)
Board of directors' remunerations, meetings fees and expenses	(812,500)	(550,121)
Foreign exchange translation losses	(22,975)	(4,947,145)
Total income for the period before zakat and tax	21,130,360	10,824,351
Total income attributed to the reinsurance operations	16 (1,548,850)	(534,469)
Net income for the period before zakat and tax	19,581,510	10,289,882
Zakat and tax charge for the period	12 (3,348,646)	(2,923,648)
Net income for the period after zakat and tax attributable to the shareholders	16,232,864	7,366,234
Basic and diluted earnings per share for the period	18 0.20	0.09

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the three month period ended 31 March 2021

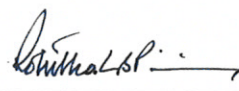
	For the three month period ended	
	31 March 2021 (Unaudited) SR	31 March 2020 (Unaudited) SR
Net income for the period after zakat and tax attributable to shareholder	16,232,864	7,366,234
<i>Other comprehensive income</i>		
Items that may be classified to income statement subsequently		
Share of foreign currency translation reserve of an equity accounted investee	--	(740,825)
Total comprehensive income for the period	16,232,864	6,625,409



Managing Director / Chief Executive Officer



Chairman of the Board



Chief Financial Officer

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Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

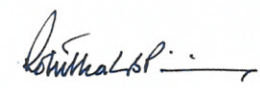
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the three month period ended 31 March 2021

	GCC Shareholders and General Public				Non – GCC Shareholders				Total				
	Share Capital SR	Statutory reserve SR	Retained earnings SR	Other reserves SR	Share capital SR	Statutory reserve SR	Retained earnings SR	Other reserves SR	Share Capital SR	Statutory reserve SR	Retained earnings SR	Other reserves SR	Total SR
Balance as at 1 January 2021 (Audited)	769,472,640	25,732,412	81,552,521	231,922	40,527,360	1,355,264	4,295,145	12,207	810,000,000	27,087,676	85,847,666	244,129	923,179,471
Transferred during the period	(332,510)	(11,154)	(35,379)	(108)	332,510	11,154	35,379	108	--	--	--	--	--
Net profit for the period	--	--	15,414,009	--	--	--	818,855	--	--	--	16,232,864	--	16,232,864
Other comprehensive income	--	--	--	--	--	--	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	15,414,009	--	--	--	818,855	--	--	--	16,232,864	--	16,232,864
Balance as at 31 March 2021 (Unaudited)	769,140,130	25,721,258	96,931,151	231,814	40,859,870	1,366,418	5,149,379	12,315	810,000,000	27,087,676	102,080,530	244,129	939,412,335
Balance as at 1 January 2020 (Audited)	749,907,990	16,575,765	42,683,543	(1,821,391)	60,092,010	1,328,350	6,429,873	(124,661)	810,000,000	17,904,115	49,113,416	(1,946,592)	875,070,939
Transferred during the period	1,124,010	24,930	2,854,416	17,051	(1,124,010)	(24,930)	(2,854,416)	(17,051)	--	--	--	--	--
Net profit for the period	--	--	6,829,972	--	--	--	536,262	--	--	--	7,366,234	--	7,366,234
Other comprehensive income	--	--	--	(686,893)	--	--	--	(53,932)	--	--	--	(740,825)	(740,825)
Total comprehensive income for the period	--	--	6,829,972	(686,893)	--	--	536,262	(53,932)	--	--	7,366,234	(740,825)	6,625,409
Balance as at 31 March 2020 (Unaudited)	751,032,000	16,600,695	52,367,931	(2,491,773)	58,968,000	1,303,420	4,111,719	(195,644)	810,000,000	17,904,115	56,479,650	(2,687,417)	881,696,348


Managing Director / Chief Executive Officer


Chairman of the Board


Chief Financial Officer

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)

For the three month period ended 31 March 2021

	<i>Note</i>	31 March 2021 (Unaudited) SR	31 March 2020 (Unaudited) SR
OPERATING ACTIVITIES			
Total income for the period before zakat & tax		21,130,360	10,824,351
<i>Adjustments to reconcile net income for the period before zakat and tax to net cash generated from operating activities:</i>			--
Employees' end of service benefits		370,329	799,550
Special commission income from bond and sukuk		(3,421,154)	(1,116,003)
Depreciation of property and equipment		625,003	556,046
Realized gain on investments held at fair value through income statement		(708,834)	(761,448)
Unrealized loss on investments held at fair value through income statement		546,690	196,083
Share of profit of equity accounted investee		(4,172,888)	(3,796,654)
Charge for doubtful debts		--	457,676
Operating income before changes in operating assets and liabilities		14,369,506	7,159,601
<i>Changes in operating assets and liabilities:</i>			
Reinsurance premium receivables, gross		9,503,223	(29,616,202)
Accrued reinsurance premiums		(486,413,160)	(208,536,414)
Retroceded share of unearned premiums		(4,166,331)	(2,582,811)
Unearned premiums		601,070,501	369,161,974
Retroceded share of outstanding claims		(13,168,583)	38,700,713
Retroceded share of claims incurred but not reported		9,983,243	4,780,546
Deferred acquisition costs		(131,929,101)	(112,212,023)
Deferred excess of loss premiums		5,806,069	5,259,679
Prepaid expenses, deposits and other assets		2,894,538	(3,283,581)
Accounts payable		6,238,746	6,165,076
Retrocession balances receivable		(63,149,471)	(6,609,021)
Retrocession balances payable		(2,039,648)	(6,341,577)
Accrued retroceded premiums		16,580,294	12,366,773
Outstanding claims		25,893,491	(37,185,363)
Claims incurred but not reported		24,547,680	(34,940,910)
Unearned commission income		2,765,190	2,906,235
Accrued expenses and other liabilities		14,390	(4,079,189)
		18,800,577	1,113,506
Zakat and income tax paid		--	--
Employees' end of service benefits paid		--	(570,586)
Net cash generated from operating activities		18,800,577	542,920
INVESTING ACTIVITIES			
Additions in time deposits		(53,442,084)	(10,992,847)
Proceeds from maturity of time deposits		62,172,500	--
Accrued special commission income on time deposits		1,442,794	645,017
Accrued special commission income from bonds and sukuk		4,293,351	1,713,742
Purchase of property and equipment		(369,245)	(688,814)
Additions in held to maturity investments		(16,541,913)	--
Additions in investments held at fair value through income statement		(32,286,927)	(109,819,005)
Proceeds from disposal of investments held at fair value through income statement		18,444,919	99,000,000
Net cash used in investing activities		(16,286,605)	(20,141,907)


To be continued

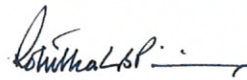
The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**INTERIM CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)****For the three month period ended 31 March 2021**

	31 March 2021 (Unaudited) SR	31 March 2020 (Unaudited) SR
FINANCING ACTIVITIES		
Proceeds from margin loans	15,728,614	--
Net cash generated from financing activities	15,728,614	--
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	18,242,586	(19,598,987)
Cash and cash equivalents at the beginning of the period	13,156,722	47,833,934
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	31,399,308	28,234,947
NON-CASH SUPPLEMENTARY INFORMATION		
Foreign currency impact on equity accounted investment	--	(740,825)



Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Re for Cooperative Reinsurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 7001556021 dated 12 Jumada Al-Awal 1429H (corresponding to 17 May 2008) with a branch in the Federal Territory of Labuan, Malaysia with license number IS2014146. The address of the Company's registered office is at 4130 Northern Ring Road Al Wadi, Unit number 1, Riyadh 13313-6684, Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative reinsurance and related activities inside and outside the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

Statement of compliance

The interim condensed financial statements of the Company as at and for the period ended 31 March 2021 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: bank balances and cash, time deposits, accrued special commission income from time deposits, reinsurance premium receivables, net, investments held at fair value through income statement, accrued special commission income from bonds and sukuk and held-to-maturity investments, retrocession balances receivable, deferred excess of loss premiums, retroceded share of outstanding claims, prepaid expenses, deposits and other assets, , accounts payable, retrocession balances payable, outstanding claims, accrued expenses and other liabilities, provision for zakat and income tax and accumulated surplus. The following balances would generally be classified as non-current: held-to-maturity investments, accrued reinsurance premiums, retroceded share of unearned premiums, retroceded share of claims incurred but not reported, deferred policy acquisition costs, property and equipment, net, investment in an equity accounted investee, statutory deposit, accrued income on statutory deposit, accrued retroceded premiums, unearned premiums, claims incurred but not reported, unearned retrocession commission, retrocession balance payable, margin payable, employees end of service benefits and accrued commission income payable to SAMA.

The interim condensed statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 16 of the interim condensed financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations.

In preparing the Company's interim condensed financial information in compliance with IFRS, the balances and transactions of the reinsurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the reinsurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

The inclusion of separate information of the reinsurance operations with the financial information of the Company in the interim condensed statement of financial position, statement of income, statement of comprehensive income, cash flows as well as certain relevant notes to the interim condensed financial information represents additional supplementary information required as required by the implementing regulations.

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

Surplus is distributed between reinsurance operations and shareholders operations in accordance with the implementing regulations issued by the SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from reinsurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on reinsurance operations is transferred to the shareholders' operation in full.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

2. BASIS OF PREPARATION (CONTINUED)

As required by Saudi Arabian insurance regulations, the Company maintains separate accounts for Reinsurance and Shareholders' operations and presents the interim condensed financial statements accordingly. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of other revenue and expenses from joint operations is determined by the management and Board of Directors.

In accordance with the Article 70 (2g) of the Insurance Implementing Regulations of SAMA, a minimum of 20% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Company. This reserve is not available for distribution.

Basis of measurement

These unaudited interim condensed financial statements have been prepared on the historical cost basis, except for the measurement at fair value of investments held at fair value through income statement and investment in an equity accounted investee which is accounted for under the equity method and employees' end of service benefits (EOSB) measured at present value of future obligations using projected unit credit method.

Functional and presentation currency

These unaudited interim condensed financial statements have been presented in Saudi Arabian Riyals (SAR), which is the functional and presentational currency of the Company. All financial information presented has been rounded off to the nearest SAR.

Fiscal year

The Company's fiscal year is aligned with the calendar year i.e. it begins at 1 January and ends at 31 December.

Critical accounting judgments, estimates and assumptions

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS

The accounting policies used in the preparation of these unaudited interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020.

A) Standards issued but not yet effective

The following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards, which have been published and are mandatory for compliance for the Company with effect from future dates.

IFRS 9 – Financial Instruments

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

Classification and measurement

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

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

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

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

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

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

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

Impairment

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

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS (CONTINUED)

A) Standards issued but not yet effective (Continued)

Effective date

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

- 1) apply a temporary exemption from implementing IFRS 9 until the earlier of
 - a) the effective date of a new insurance contract standard; or
 - b) annual reporting periods beginning on or after January 1, 2023. On 17 March 2020, the International Accounting Standards Board (“IASB”) decided to extend the effective date of IFRS 17 and the IFRS 9 temporary exemption in IFRS 4 from January 1, 2021 to January 1, 2023. Additional disclosures related to financial assets are required during the deferral period. This option is only available to entities whose activities are predominately connected with insurance and have not applied IFRS 9 previously; or;
- 2) adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contract standard is implemented. During the interim period, additional disclosures are required.

The Company has performed a preliminary assessment which included below:

- (1) The carrying amount of the Company’s liabilities arising from contracts within the scope of IFRS 4 (including deposit components or embedded derivatives unbundled from insurance contracts) were compared to the total carrying amount of all its liabilities; and
- (2) The total carrying amount of the Company’s liabilities connected with insurance were compared to the total carrying amount of all its liabilities. Based on these assessments the Company determined that it is eligible for the temporary exemption. Consequently, the Company has decided to defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Disclosures related to financial assets required during the deferral period are included in the Company’s interim condensed financial statements.

Impact assessment

The Company is currently assessing the impact of the application and implementation of IFRS 9. As of the date of the publication of these interim condensed financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company expects the classification and measurement of financial assets to be impacted from implementation of IFRS 9 as the Company is yet to perform a detailed review.

IFRS 17 Insurance Contracts

Overview

This standard has been published on May 18, 2017, it establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 – Insurance contracts.

The new standard applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features provided the entity also issues insurance contracts. It requires to separate the following components from insurance contracts:

- i) embedded derivatives, if they meet certain specified criteria;
- ii) distinct investment components; and
- iii) any promise to transfer distinct goods or non-insurance services.

These components should be accounted for separately in accordance with the related standards (IFRS 9 and IFRS 15).

3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS (CONTINUED)

A) Standards issued but not yet effective (Continued)

IFRS 17 Insurance Contracts (continued)

Measurement

In contrast to the requirements in IFRS 4, which permitted insurers to continue to use the accounting policies for measurement purposes that existed prior to January 2015, IFRS 17 provides the following different measurement models:

The General Measurement Model (GMM) is based on the following “building blocks”:

- b) the fulfilment cash flows (FCF), which comprise:
 - probability-weighted estimates of future cash flows,
 - an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows,
 - and a risk adjustment for non-financial risk;
- c) the Contractual Service Margin (CSM). The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately.

At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:

- the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date; and
- the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

The CSM is adjusted subsequently for changes in cash flows related to future services but the CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss.

The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.

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

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

In addition, a simplified Premium Allocation Approach (PAA) is permitted for the measurement of the liability for remaining coverage if it provides a measurement that is not materially different from the General Measurement Model for the group of contracts or if the coverage period for each contract in the group is one year or less. With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less insurance acquisition cash flows. The General Measurement Model remains applicable for the measurement of the liability for incurred claims.

However, the entity is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid/received in one year or less from the date the claims are incurred.

Effective date

The Company intends to apply the Standard on its effective date i.e. 1 January 2023. The IASB issued an Exposure Draft Amendments to IFRS 17 proposing certain amendments to IFRS 17 during June 2019 and received comments from various stakeholders. On 17 March 2020, the IASB completed its discussions on the amendments to IFRS 17 Insurance Contracts that were proposed for public consultation in June 2019. It decided that the effective date of the Standard will be deferred to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted if both IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments have also been applied.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS (CONTINUED)****A) Standards issued but not yet effective (Continued)****IFRS 17 Insurance Contracts (continued)****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 and reinsurance and investment contracts with discretionary participating features, if applicable together with amendments to presentation and disclosures.

Impact assessment:

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 status of the implementation is as follows:

Impact Area	Summary of Impact
Governance and control framework	The Company has put in place a comprehensive IFRS 17 governance framework which includes establishing a steering committee to provide oversight, monitor the progress of implementation, approve design phase decisions and assign roles and responsibilities to various stakeholders.
Operational area	The Company has completed the assessment of its business requirements and has selected a vendor and currently is assessing various processes needed for transition and its resource need. The Company has completed the design phase which includes establishing comprehensive data policy and data dictionary, however, the end state functional design will continue to be tested in the next phase of implementation.
Technical and financial area	The Company has completed technical policy papers documenting the policy decisions required under the IFRS 17 standard. The policy decisions are taken after performing detailed assessments and due deliberations among various stakeholders. All policy papers have been approved by the Company's IFRS 17 project steering committee. These policies will be tested during the next phase before adopting as part of the final design.
Assurance plan	The Company is working along with other stakeholders to finalize the assurance plan for the transitional and post-implementation periods.

The Company has completed the Design phase on 31 March 2021. This will be followed by the implementation phase, which will involve refinement of phase 3 design decisions, implementing changes to the accounting, actuarial modelling, processes and controls, data and systems, and performing user acceptance testing, dry runs, parallel runs and transition calculation to get the Company compliant with IFRS 17 by 1 January 2023.

4. REINSURANCE PREMIUM RECEIVABLES, NET

<u>Reinsurance operations</u>	31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Policyholders	282,113,459	295,385,275
Related parties	4,684,315	915,722
Less: provision for doubtful debts	(2,545,849)	(2,545,849)
	284,251,925	293,755,148

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****4. REINSURANCE PREMIUM RECEIVABLES, NET (CONTINUED)**

The movement in provision for doubtful debt is as follows:

	31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Opening balance	2,545,849	3,193,709
Reversal for the period / year	--	(647,860)
Closing balance	<u>2,545,849</u>	<u>2,545,849</u>

5. CASH AND CASH EQUIVALENTS

	Reinsurance operations	
	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Cash in hand	45,618	48,999
Bank balances	9,721,753	7,985,348
Total Bank balances and cash (A)	<u>9,767,371</u>	<u>8,034,347</u>

	Shareholders' operations	
	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Bank balances (C)	21,631,937	5,122,375
Total Bank balances and cash / Cash and cash equivalents for reinsurance operations and shareholders' operations (A+C)	<u>31,399,308</u>	<u>13,156,722</u>

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 81 million (31 December 2020: SR 81 million) with a local bank, which has been rated "A" by Standard & Poor's Rating agency representing the statutory deposit of 10% of its paid-up capital as required by the Implementing Regulations of the "Law On Supervision of Cooperative Insurance Companies" issued by SAMA. This statutory deposit cannot be withdrawn without the consent of SAMA. The statutory deposit generates special commission income which is accrued on regular basis and is shown as a separate line item as part of the shareholders' liabilities in the Statement of Financial Position as "Accrued commission income payable to SAMA". The accrued commission on the deposit as at 31 March 2021 is SAR 20,369,481 (31 December 2020: 20,185,653) and has also been disclosed in assets as "Accrued income on statutory deposit".

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

- i. Investments held at fair value through income statement consist of the following as at:

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total SR	Reinsurance operations SR	Shareholders' operations SR	Total SR
Money market funds	215,066,928	147,449,230	362,516,158	201,003,059	148,338,596	349,341,655
Investment and real estate funds	--	100,132,881	100,132,881	--	101,474,960	101,474,960
Equities	--	2,413,639	2,413,639	--	--	--
Fixed-rate bonds/sukuk	--	41,022,851	41,022,851	--	41,264,763	41,264,763
Floating-rate bonds/sukuk	--	20,000,000	20,000,000	--	20,000,000	20,000,000
	215,066,928	311,018,601	526,085,529	201,003,059	311,078,319	512,081,378

- ii. Determination of fair value and fair values hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at 31 March 2021 and 31 December 2020, the investment in money market funds under reinsurance operations amounting to SR 215.07 million (31 December 2020 SR 201.00 million) is classified as level 2 investments. The following table shows an analysis of financial instruments under shareholders' operations measured at fair value by level of the fair value hierarchy:

	31 March 2021 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	-	147,449,230	-	147,449,230
Investment and real estate funds	-	73,445,877	26,687,004	100,132,881
Equities	2,413,639	-	-	2,413,639
Fixed-rate bonds / sukuk	-	-	41,022,851	41,022,851
Floating-rate bonds / sukuk	-	-	20,000,000	20,000,000
	2,413,639	220,895,107	87,709,855	311,018,601

	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	148,338,596	--	148,338,596
Investment and real estate funds	--	73,951,258	27,523,702	101,474,960
Equities	--	--	--	--
Fixed-rate bonds / sukuk	--	--	41,264,763	41,264,763
Floating-rate bonds / sukuk	--	--	20,000,000	20,000,000
	--	222,289,854	88,788,465	311,078,319

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)

Fair values of real estate funds is based on the NAV calculated on the basis of the fair value of the underlying real estate as disclosed in the fund's latest available financial statements. The Discounted Cash flow (DCF) model has been used to value the debt securities. This model considers the present value of net cash flows to be generated from the debt security, discounted at the market yield of similar quoted instruments. The estimate is adjusted for the effect of non-marketability of the debt securities. 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.

	Opening	Matured	Unrealized (loss) / gain	Closing
For the three-month period ended 31 March 2021 (Unaudited)	88,788,465	--	(1,078,610)	87,709,855
For the year ended 31 December 2020 (Audited)	115,512,516	(30,000,000)	3,275,949	88,788,465

Sensitivity Analysis

For the fair value of level 3 investments, reasonable possible changes at the reporting date to one of the unobservable inputs, holding other inputs constant, would have the following effects.

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Investments held at fair value through income statement	41,022,851	41,264,763
Impact on unrealized gain / loss for the period / year ended:		
<i>If increased by 5% in market rate</i>	<i>(151,829)</i>	<i>(39,233)</i>
<i>If decreased by 5% in market rate</i>	<i>151,829</i>	<i>39,233</i>

iii. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 31 March 2021 and year ended 31 December 2020.

iv. Investment in real-estate funds have various unobservable inputs.

v. The movements of investments held at fair value through income statement are as follows:

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total SR	Reinsurance operations SR	Shareholders' operations SR	Total SR
Opening balance	201,003,059	311,078,319	512,081,378	40,877,141	376,970,680	417,847,821
Additions	26,490,897	5,796,027	32,286,927	174,427,890	325,592,566	500,020,456
Disposals	(13,000,000)	(5,444,919)	(18,444,919)	(14,196,700)	(392,390,475)	(406,587,175)
Unrealized gains / (losses)	494,950	(1,041,639)	(546,691)	(264,021)	1,949,670	1,685,649
Realized gains / (losses)	78,022	630,813	708,834	158,749	(1,044,122)	(885,373)
Closing balance	215,066,928	311,018,601	526,085,529	201,003,059	311,078,319	512,081,378

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)

vi. The analysis of the composition of investments for shareholder's operations is as follows:

31 March 2021 (Unaudited)			
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	147,449,230	--	147,449,230
Investment and real estate funds	73,445,877	26,687,004	100,132,881
Equities	2,413,639	--	2,413,639
Fixed-rate bonds/sukuk	--	41,022,851	41,022,851
Floating-rate bonds/sukuk	--	20,000,000	20,000,000
	223,308,746	87,709,855	311,018,601
31 December 2020 (Audited)			
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	148,338,596	--	148,338,596
Investment and real estate funds	73,951,258	27,523,702	101,474,960
Equities	--	--	--
Fixed-rate bonds/sukuk	--	41,264,763	41,264,763
Floating-rate bonds/sukuk	--	20,000,000	20,000,000
	222,289,854	88,788,465	311,078,319

As at 31 March 2021 and 31 December 2020, all financial instruments under reinsurance operations, which are measured at fair value, are quoted.

- vii. Average credit ratings of all fixed and floating rates sukuk and bonds are within the investment grades i.e. BBB and above.
- viii. All investments held as at 31 March 2021 and 31 December 2020 are domiciled within the Kingdom of Saudi Arabia.

8. HELD-TO-MATURITY INVESTMENTS

Held to maturity investments consist of the following as at:

<i>Shareholders' Operations</i>	
31 March 2021 (Unaudited)	31 December 2020 (Audited)
At the beginning of the period / year	184,022,721
Purchases	16,541,913
Balance at the end of the period / year	200,564,634

Following is the breakdown of held to maturity investments per domicile:

	Domestic		International		Total	
	31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR	31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR	31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Fixed-rate bond and sukuks	84,115,873	76,608,373	116,448,761	107,414,348	200,564,634	184,022,721
Held to maturity	84,115,873	76,608,373	116,448,761	107,414,348	200,564,634	184,022,721

The special commission rate on these sukuks and bonds ranges from 2.12% to 5.50% and will mature between 2022 - 2049, latest. The total accrued interest on these sukuks and bonds amounted to SR 5.30 million (31 December 2020: SR 6.18 million).

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****8. HELD-TO-MATURITY INVESTMENTS (CONTINUED)**

In 2020, the Company obtained a margin loan amounting to SR 23,116,816 million and was fully collateralized by the underlying sukuk. During 2021, additional drawdown was made amounting to SR 15,728,614. The loan has no fixed maturity and carries a floating special commission payable quarterly.

Movements in held to maturity investments are as follows:

31 March 2021 (Unaudited)			
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
At the beginning of the year	169,022,721	15,000,000	184,022,721
Purchases	16,541,913	--	16,541,913
Balance at the end of the year	185,564,634	15,000,000	200,564,634

31 December 2020 (Audited)			
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
At the beginning of the year	37,500,000	--	37,500,000
Purchases	131,522,721	15,000,000	146,522,721
Balance at the end of the year	169,022,721	15,000,000	184,022,721

9. UNEARNED PREMIUM**Reinsurance operations**

31 March 2021 (Unaudited)			
	Gross SR	Retroceded share SR	Net SR
Opening balance	548,541,182	(71,861,774)	476,679,408
Premiums written during the period	834,284,016	(41,908,290)	792,375,726
Premium earned	(233,213,515)	37,741,959	(195,471,556)
Changes in unearned premiums	601,070,501	(4,166,331)	596,904,170
Closing balance	1,149,611,683	(76,028,105)	1,073,583,578

31 December 2020 (Audited)			
	Gross SR	Retroceded share SR	Net SR
Opening balance	401,997,592	(50,836,786)	351,160,806
Premiums written during the year	935,114,217	(162,475,035)	772,639,182
Premiums earned	(788,570,627)	141,450,047	(647,120,580)
Changes in unearned premiums	146,543,590	(21,024,988)	125,518,602
Closing balance	548,541,182	(71,861,774)	476,679,408

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****10. CLAIMS RESERVES**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Reinsurance operations		
Outstanding claims	742,840,357	716,946,866
Claims incurred but not reported	375,289,461	350,741,781
	1,118,129,818	1,067,688,647
Less:		
- Retroceded share of outstanding claims	167,842,891	154,674,308
- Retroceded share of claims incurred but not reported	35,813,050	45,796,293
	203,655,941	200,470,601
Net outstanding claims reserves	914,473,877	867,218,046

11. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 810 million at 31 March 2021 (31 December 2020: SAR 810 million) consisting of 81 million shares (December 31, 2020: 81 million shares) of SAR 10 each.

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

	31 March 2021 (Unaudited)		
	Authorized and issued	Paid up	
		Value per	
	No. of Shares	share	SR
Ahmed Hamad Algosaibi Brothers Co.	4,050,000	10	40,500,000
Others	76,950,000	10	769,500,000
	81,000,000	10	810,000,000

31 December 2020 (Audited)			
	Authorized and issued	Paid up	
		Value per	
	No. of Shares	share	SR
Ahmed Hamad Algosaibi Brothers Co.	4,050,000	10	40,500,000
Others	76,950,000	10	769,500,000
	81,000,000	10	810,000,000

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

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

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

The company's Board of Directors recommended, at their meeting on 30 March 2021, that the company's ordinary share capital be increased from SR 810 million to SR 891 million, a 10% increase, by issuing bonus shares at the rate of one share to every ten shares held. The proposal and the distribution criteria were announced at Tadawul on 30 March 2021. Company received 'No Objections' from SAMA on 13 April 2021, for the proposed increase of capital. The Company will utilize SR 81 million of its retained earnings for this purpose. The company currently is in the process of completing the other regulatory requirements to present the proposal to its shareholders for approval.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****12. PROVISION FOR ZAKAT AND TAX**

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

	31 March 2021		31 December 2020	
	(Unaudited)		(Audited)	
	SR	%	SR	%
Saudi Shareholders	707,316,300	87.32%	676,763,100	83.55%
GCC Shareholders	61,827,300	7.63%	92,712,600	11.45%
GCC Shareholders and general public	769,143,600		769,475,700	
Non-GCC Shareholders	40,856,400	5.04%	40,524,300	5.00%
Total	810,000,000	100.00%	810,000,000	

As at 31 March 2021 and 31 December 2020, the authorized, issued and fully paid-up share capital of the Company consists of 100 million shares of SAR 10 each. The Company's zakat and tax calculations and corresponding accruals and payments of zakat and 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 tax liability as at period / year end are as follows:

	31 March 2021	31 December 2020
	SR (Unaudited)	SR (Audited)
Provision for zakat	18,134,756	14,815,136
Provision for tax	387,720	358,694
	18,522,476	15,173,830

The zakat and tax charges for the three-month period ended are as follows:

	31 March 2021	31 March 2020
	SR (Unaudited)	SR (Unaudited)
Zakat charge for the period	3,319,620	2,912,751
Tax charge for the period	29,026	10,897
	3,348,646	2,923,648

The Company has recorded zakat and tax provision based on the circular No. 12746/16/1438H (18 January 2017) issued by the General Authority of Zakat and Income Tax (GAZT), in which Saudi public listed companies are to provide for tax and zakat based on the shareholding percentages of GCC and non-GCC founding shareholders. The shareholding percentages of GCC and non-GCC founding shareholders were 94.96% and 5.04% respectively as at 31 March 2021 and 95.00% and 5.00% as at 31 December 2020.

Status of assessment

The Company has filed its tax / Zakat returns for the years ended 31 December 2014 to 2018 with the General Authority of Zakat and Income Tax (GAZT). The Company received the final assessments for the years up to 31 December 2018 and have settled the additional liability.

Status of VAT assessment

Other assets include a payment made "Under Protest" to avoid penalties in relation to the VAT assessment raised by General Authority of Zakat and Tax ("GAZT") for the 2018 & 2019 financial years totaling SAR 35 million (31 December 2020: 38.5 million), as the GAZT accepted the Company's objection regarding local and standard rated purchases and refunded the full amount of SAR 3.4 million in early 2021. The Company has filed an appeal with General Secretariat of Tax Committees ("GSTC") against the GAZT's rejection decision. GAZT filed a counter-reply to the Company's appeal with GSTC in April 2021. The Company is currently preparing a response to GAZT's counter-response to GSTC. The Company's management believes that there is a strong case that the GAZT's assessment will be reversed and the full amount will be refunded in due course.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****13 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders and key management personnel of the Company. The Company transacts with its related parties in the ordinary course of business. The transactions with related parties are undertaken at mutually agreed terms, which are approved by the management.

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. Companies represented by the Board members include Ashmore Investment Saudi Arabia, whereas Associate include Probitas Holding (Bermuda) Limited (including its subsidiaries)

Balances with related parties are included in accrued expenses and other liabilities and employees' end of service indemnities as shown in the interim condensed statement of financial position.

Details of transactions and balances with related parties during the period other than those which have been disclosed elsewhere in these financial statements are disclosed below.

Related party	Nature of transactions	Amount of transactions for the three-month period ended		Balance as at	
		31 March 2021	31 March 2020	31 March 2021	31 December 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		SR	SR	SR	SR
Board of Directors	- Consulting fees	47,672	36,924	--	--
	- Remunerations, meetings fees and expenses	1,287,500	550,121	2,903,726	2,108,726
Key management Personnel	- Short term benefits	4,601,216	3,546,699	1,693,808	1,792,027
	- End of service benefits	125,794	574,130	4,244,468	4,118,674
Related party	Nature of transactions	Amount of transactions for the three-month period ended		Balance as at	
		31 March 2021	31 March 2020	31 March 2021	31 December 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		SR	SR	SR	SR
Companies represented by the Board members	- Gross written premiums	--	2,397,374	--	2,719,958
	- Claims incurred	--	2,341,992	--	4,011,426
Associate	- Commissions expense	--	243,688	--	--
	- Gross written premiums	194,047,529	125,148,773	273,994,886	156,171,863
	- Net premium earned	42,187,946	14,714,055	--	--
	- Net claims incurred	20,188,003	6,937,810	81,984,563	50,826,793
	- Policy acquisition cost	16,440,993	7,472,057	--	--

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month period ended 31 March 2021****14. INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE**

Shareholders' operations	31 March 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Balance at the beginning of the period / year	120,141,077	101,445,631
Addition during the period / year	--	3,696,900
Share of profit of an equity accounted investee for the period / year	4,172,888	12,071,843
Share in foreign currency translation adjustments for the period / year	--	2,926,703
Balance at the end of the period / year	124,313,965	120,141,077

The Company, on 6 October 2017, acquired 49.9% of the ordinary shares of Probitas Holdings (Bermuda) Limited ("PHBL"). The Company has accounted for this investment as an associate (equity accounted investee). PHBL operates in insurance and reinsurance businesses including Lloyds market in London, United Kingdom.

During September 2020, the Company subscribed to the rights issue of shares of PHBL for the purpose of providing funding of its own Lloyds Managing Agency to manage the Syndicate 1492. The Company retained its ordinary shareholding percentage of 49.9% by fully subscribing to the 141,644 ordinary shares allocated through the rights issue on payment of SR 3,696,900.

15 SEGMENTAL INFORMATION

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

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15. SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments

The Company revises periodically its estimated gross written premiums and related retroceded premium upon receipt of actual information from cedants. In some business segments, this results in negative gross written premiums, positive retroceded premiums and negative net written premiums for the period when the revision take place.

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the three-month period ended 31 March 2021 (Unaudited)										
REVENUES										
Gross written premiums	41,134,983	119,555,262	44,201,094	95,903,204	40,529,304	37,584,719	182,215,015	192,923,898	80,236,537	834,284,016
Retroceded premiums	(6,658,249)	(7,528,921)	(2,865,000)	-	(16,745,671)	-	-	-	14,623	(33,783,218)
Excess of loss expenses	(613,833)	(4,836,938)	(303,343)	97,896	(56,149)	(157,530)	-	-	(2,255,175)	(8,125,072)
Net written premiums	33,862,901	107,189,403	41,032,751	96,001,100	23,727,484	37,427,189	182,215,015	192,923,898	77,995,985	792,375,726
Changes in unearned premiums, net	(21,372,762)	(64,954,393)	(26,693,958)	(83,598,402)	(16,073,263)	(20,408,483)	(166,635,865)	(151,859,582)	(45,307,462)	(596,904,170)
Net earned premiums	12,490,139	42,235,010	14,338,793	12,402,698	7,654,221	17,018,706	15,579,150	41,064,316	32,688,523	195,471,553
Retrocession commissions	550,517	772,301	301,127	-	920,722	1,719	-	-	1,256,479	3,802,869
TOTAL REVENUES	13,040,656	43,007,311	14,639,920	12,402,698	8,574,943	17,020,425	15,579,150	41,064,316	33,945,002	199,274,421
UNDERWRITING COSTS AND EXPENSES										
Gross claims paid	(6,293,865)	(22,910,964)	(28,920,554)	(3,124,369)	(2,463,719)	(15,078,095)	(9,112,847)	-	(13,148,214)	(101,052,627)
Retroceded share of claims paid	82,702	225,387	23,062,168	-	49,518	-	-	-	3,451,067	26,870,842
Net claims paid	(6,211,163)	(22,685,577)	(5,858,386)	(3,124,369)	(2,414,201)	(15,078,095)	(9,112,847)	-	(9,697,147)	(74,181,785)
Changes in outstanding claims, net	(1,805,951)	(1,245,510)	(6,600,504)	(2,692,244)	(1,198,998)	(3,241,523)	247,260	-	3,812,563	(12,724,907)
Changes in Incurred but not reported claims, net	9,853,777	910,817	(4,464,603)	(6,143,469)	(1,415,157)	(1,395,173)	(7,479,882)	(20,294,270)	(4,102,964)	(34,530,924)
Net claims incurred	1,836,663	(23,020,270)	(16,923,493)	(11,960,082)	(5,028,356)	(19,714,791)	(16,345,469)	(20,294,270)	(9,987,548)	(121,437,616)
Policy acquisition costs and profit commissions	(5,586,218)	(13,793,614)	(4,236,083)	(962,373)	(2,988,338)	(558,968)	(425,484)	(14,998,651)	(7,432,354)	(50,982,083)
Other underwriting expenses	(71,543)	(258,904)	(125,350)	(61,524)	(59,610)	(85,863)	(77,896)	(209,279)	(527,164)	(1,477,133)
TOTAL UNDERWRITING COSTS AND EXPENSES	(3,821,098)	(37,072,788)	(21,284,926)	(12,983,979)	(8,076,304)	(20,359,622)	(16,848,849)	(35,502,200)	(17,947,066)	(173,896,832)
NET UNDERWRITING INCOME / (LOSS)	9,219,558	5,934,523	(6,645,006)	(581,281)	498,639	(3,339,197)	(1,269,699)	5,562,116	15,997,936	25,377,589

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15 SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the three-month period ended 31 March 2020 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	120,375,821	82,558,754	39,944,161	54,233,631	27,959,424	10,349,631	14,085,265	114,850,170	63,360,797	527,717,654
Retroceded premiums	(24,065,764)	(7,984,556)	3,617,748	--	683,209	(1,851,861)	--	--	(1,255,965)	(30,857,189)
Excess of loss expenses	(1,144,902)	(5,020,768)	(24,326)	228,819	(377,687)	(239,850)	--	--	(959,142)	(7,537,856)
Net written premiums	95,165,155	69,553,430	43,537,583	54,462,450	28,264,946	8,257,920	14,085,265	114,850,170	61,145,690	489,322,609
Changes in unearned premiums, net	(59,680,841)	(56,742,125)	(30,461,112)	(36,865,209)	(31,400,920)	378,470	(13,329,832)	(101,172,348)	(37,305,246)	(366,579,163)
Net earned premiums	35,484,314	12,811,305	13,076,471	17,597,241	(3,135,974)	8,636,390	755,433	13,677,822	23,840,444	122,743,446
Retrocession commissions	2,715,825	83,352	(1,100,514)	--	(467,515)	1,417	--	--	797,029	2,029,594
<u>TOTAL REVENUES</u>	38,200,139	12,894,657	11,975,957	17,597,241	(3,603,489)	8,637,807	755,433	13,677,822	24,637,473	124,773,040
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(7,317,213)	(29,500,474)	(24,052,187)	(12,253,489)	(10,687,283)	(12,801,202)	(12,298,060)	--	(3,979,706)	(112,889,614)
Retroceded share of claims paid	459,701	3,811,333	17,011,359	--	4,296,514	--	--	--	202,432	25,781,339
Net claims paid	(6,857,512)	(25,689,141)	(7,040,828)	(12,253,489)	(6,390,769)	(12,801,202)	(12,298,060)	--	(3,777,274)	(87,108,275)
Changes in outstanding claims, net	2,772,860	(7,315,275)	5,123,496	942,754	(771,422)	64,552	(4,114,752)	--	1,782,438	(1,515,349)
Changes in Incurred but not reported claims, net	7,891,752	12,352,251	(5,345,802)	5,274,228	2,161,913	3,685,018	18,505,747	(10,590,403)	(3,774,338)	30,160,366
Net claims incurred	3,807,100	(20,652,165)	(7,263,134)	(6,036,507)	(5,000,278)	(9,051,632)	2,092,935	(10,590,403)	(5,769,174)	(58,463,258)
Policy acquisition costs and profit commissions	(13,104,588)	(5,209,945)	(8,238,504)	(4,010,147)	(1,186,291)	(1,151,088)	(115,277)	(6,530,069)	(5,860,071)	(45,405,980)
Other underwriting expenses	(189,678)	(191,292)	(137,190)	2,320	(131,409)	(11,339)	24,574	(574,251)	(134,102)	(1,342,367)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(9,487,166)	(26,053,402)	(15,638,828)	(10,044,334)	(6,317,978)	(10,214,059)	2,002,232	(17,694,723)	(11,763,347)	(105,211,605)
<u>NET UNDERWRITING INCOME / (LOSS)</u>	28,712,973	(13,158,745)	(3,662,871)	7,552,907	(9,921,467)	(1,576,252)	2,757,665	(4,016,901)	12,874,126	19,561,435

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15 SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 March 2021 (Unaudited)												
ASSETS												
Bank balances and cash	--	--	--	--	--	--	--	--	--	9,767,371	21,631,937	31,399,308
Time deposits	--	--	--	--	--	--	--	--	--	-	184,729,084	184,729,084
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	463,925	1,304,774	1,768,699
Reinsurance premium receivables, net	40,851,778	111,378,952	21,318,788	24,301,573	21,501,719	24,397,186	20,761,799	3,116	85,139,516	(65,402,501)	--	284,251,925
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	215,066,928	311,018,601	526,085,529
Accrued reinsurance premiums	120,347,183	132,593,079	57,990,060	104,597,645	48,979,143	55,280,366	79,647,524	310,668,967	70,572,271	--	--	1,080,676,237
Retrocession balances receivable	--	--	--	--	--	--	--	--	--	63,149,472	--	63,149,472
Retroceded share of unearned premiums	33,443,759	10,648,494	--	--	22,233,862	--	--	--	9,701,990	--	--	76,028,105
Deferred excess of loss premiums	1,592,859	1,905,280	300,313	-	53,385	693,225	-	-	2,432,562	--	--	6,977,624
Retroceded share of outstanding claims	5,304,355	52,112,552	61,714,292	(1,263,117)	3,306,929	115,385	-	-	46,552,496	--	--	167,842,891
Retroceded share of claims incurred but not reported	1,719,725	5,041,222	6,992,785	108,969	10,687,512	--	--	--	11,262,837	--	--	35,813,050
Deferred policy acquisition costs	43,669,019	56,107,614	17,608,079	20,519,526	15,108,500	2,459,882	2,577,106	108,378,404	14,904,248	--	--	281,332,379
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	-	200,564,634	200,564,634
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	174,904,009	111,300,338	286,204,347
Property and equipment, net	--	--	--	--	--	--	--	--	--	4,701,461	28,668,116	33,369,577
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	--	--	--	-	5,308,449	5,308,449
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	-	124,313,965	124,313,965
Statutory deposit	--	--	--	--	--	--	--	--	--	-	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	-	20,369,481	20,369,481
TOTAL ASSETS	246,928,678	369,787,193	165,924,317	148,264,596	121,871,050	82,946,044	102,986,429	419,050,487	240,565,920	402,650,665	1,090,209,378	3,491,184,756

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15. SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 March 2021 (Unaudited)												
<u>LIABILITIES</u>												
Accounts payable	(7,985,248)	2,533,613	4,662,517	916,267	(1,871,108)	(4,851,673)	--	--	(20,040,719)	64,849,886	--	38,213,535
Margin loan payable	--	--	--	--	--	--	--	--	--	--	38,845,430	38,845,430
Retrocession balances payable	--	--	--	--	--	--	--	--	--	45,671,088	--	45,671,088
Accrued retroceded premiums	18,518,064	9,582,960	2,787,217	71,378	20,535,470	-	-	-	4,897,571	--	--	56,392,659
Unearned premiums	161,563,530	188,112,836	55,237,213	108,674,957	58,087,525	46,244,035	173,192,994	274,375,722	84,122,872	--	--	1,149,611,683
Outstanding claims	85,734,075	272,717,914	106,260,634	58,746,848	31,357,164	44,155,373	11,303,567	-	132,564,782	--	--	742,840,357
Claims incurred but not reported	17,245,095	34,106,494	26,890,944	58,769,783	25,293,840	21,943,531	25,666,662	126,527,143	38,845,968	--	--	375,289,461
Unearned retrocession commission	7,758,844	3,789,190	954	--	5,355,107	32,687	-	-	1,633,593	--	--	18,570,376
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	20,370,881	3,504,273	23,875,154
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	11,043,519	--	11,043,519
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	18,522,476	18,522,476
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	20,369,481	20,369,481
TOTAL LIABILITIES	282,834,360	510,843,007	195,839,479	227,179,233	138,757,998	107,523,953	210,163,223	400,902,865	242,024,067	141,935,374	81,241,660	2,539,245,219

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15. SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2020												
ASSETS												
Bank balances and cash	--	--	--	--	--	--	--	--	--	8,034,347	5,122,375	13,156,722
Time deposits	--	--	--	--	--	--	--	--	--	10,125,002	183,334,500	193,459,502
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	785,486	2,426,007	3,211,493
Reinsurance premium receivables, net	47,340,717	109,528,609	40,612,344	24,184,836	21,398,666	22,754,972	8,635,513	3,116	102,738,906	(83,442,531)	--	293,755,148
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	201,003,059	311,078,319	512,081,378
Accrued reinsurance premiums	107,159,563	88,251,533	34,407,829	37,310,280	25,150,068	42,698,160	15,987,984	195,380,503	47,917,157	--	--	594,263,077
Retrocession balances receivable	--	--	--	--	--	--	--	--	--	29,509,021	--	29,509,021
Retroceded share of unearned premiums	29,692,755	7,744,945	7,562,806	--	9,839,862	--	--	--	17,021,406	--	--	71,861,774
Deferred excess of loss premiums	3,185,718	4,025,456	600,626	--	106,770	--	--	--	4,865,123	--	--	12,783,693
Retroceded share of outstanding claims	4,732,613	31,104,786	76,460,097	(1,263,117)	3,214,333	114,641	--	--	40,310,955	--	--	154,674,308
Retroceded share of claims incurred but not reported	2,252,463	14,262,296	7,383,480	110,993	8,458,850	66,616	15	1,670	13,259,910	--	--	45,796,293
Deferred policy acquisition costs	34,608,636	33,788,933	9,237,969	4,610,786	8,362,752	2,104,503	142,542	48,755,031	7,792,127	--	--	149,403,279
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	184,022,721	184,022,721
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	174,550,407	114,548,477	289,098,884
Property and equipment, net	--	--	--	--	--	--	--	--	--	4,766,710	28,858,622	33,625,332
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	--	--	--	--	6,180,645	6,180,645
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	120,141,077	120,141,077
Statutory deposit	--	--	--	--	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	20,185,653	20,185,653
TOTAL ASSETS	228,972,465	288,706,558	176,265,151	64,953,778	76,531,301	67,738,892	24,766,054	244,140,320	233,905,584	345,331,501	1,056,898,396	2,808,210,000

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15 SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2020												
LIABILITIES												
Accounts payable	(2,549,000)	(1,080,115)	387,124	999,292	270,766	1,255,282	1,255,282	--	(4,182,856)	35,619,012	--	31,974,787
Margin loan payable	--	--	--	--	--	--	--	--	--	--	23,116,816	23,116,816
Retrocession balances payable	--	--	--	--	--	--	--	--	--	77,219,757	--	77,219,757
Accrued retroceded premiums	18,410,790	7,936,299	125,199	169,274	8,166,525	--	--	--	5,004,278	--	--	39,812,365
Unearned premiums	136,415,492	119,627,640	36,106,061	25,076,555	29,480,215	25,835,552	6,557,129	123,307,711	46,134,827	--	--	548,541,182
Outstanding claims	83,754,130	247,896,233	114,405,935	56,054,603	30,096,724	40,913,107	11,550,827	-	132,275,307	--	--	716,946,866
Claims incurred but not reported	27,631,610	44,238,385	22,817,036	52,628,339	21,650,021	20,614,974	18,186,795	106,234,545	36,740,076	--	--	350,741,781
Unearned retrocession commission	7,036,788	3,534,780	135,147	--	2,430,236	32,687	--	--	2,635,547	--	--	15,805,185
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	20,671,229	3,189,535	23,860,764
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	10,673,191	--	10,673,191
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	15,173,830	15,173,830
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	20,185,653	20,185,653
TOTAL LIABILITIES	270,699,810	422,153,222	173,976,502	134,928,063	92,094,487	88,651,602	37,550,033	229,542,256	218,607,179	144,183,189	61,665,834	1,874,052,177

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15 SEGMENTAL INFORMATION (CONTINUED)

15.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 31 March 2021 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	371,814,813	53,204,716	27,389,284	187,749,716	194,125,487	834,284,016
Retroceded premiums	(17,631,393)	15,387	-	(16,167,212)	-	(33,783,218)
Excess of loss expenses	(2,037,905)	(4,287,368)	(282,379)	(1,513,921)	(3,499)	(8,125,072)
Net written premiums	352,145,515	48,932,735	27,106,905	170,068,583	194,121,988	792,375,726
Changes in unearned premiums, net	(293,390,326)	(31,484,844)	(18,718,593)	(100,488,834)	(152,821,573)	(596,904,170)
Net earned premiums	58,755,189	17,447,891	8,388,312	69,579,749	41,300,415	195,471,556
Retrocession commissions	2,943,784	13,672	44	845,365	-	3,802,865
<u>TOTAL REVENUES</u>	61,698,973	17,461,563	8,388,356	70,425,114	41,300,415	199,274,421
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(45,725,304)	(10,856,411)	(3,738,196)	(40,317,559)	(415,157)	(101,052,627)
Retroceded share of claims paid	26,805,835	15,488	-	49,519	-	26,870,842
Net claims paid	(18,919,469)	(10,840,923)	(3,738,196)	(40,268,040)	(415,157)	(74,181,785)
Changes in outstanding claims, net	(6,605,370)	2,557,614	(63,073)	(8,706,759)	92,681	(12,724,907)
Changes in Incurred but not reported claims, net	(6,866,842)	(2,010,864)	(2,105,480)	(3,262,676)	(20,285,062)	(34,530,924)
Net claims incurred	(32,391,681)	(10,294,173)	(5,906,749)	(52,237,475)	(20,607,538)	(121,437,616)
Policy acquisition costs and profit commissions	(10,654,603)	(5,326,633)	(1,982,962)	(18,029,477)	(14,988,408)	(50,982,083)
Other underwriting expenses	(463,276)	(129,108)	(64,670)	(604,636)	(215,443)	(1,477,133)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(43,509,560)	(15,749,914)	(7,954,381)	(70,871,588)	(35,811,389)	(173,896,832)
NET UNDERWRITING INCOME / (LOSS)	18,189,413	1,711,649	433,975	(446,474)	5,489,026	25,377,589

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

15 SEGMENTAL INFORMATION (CONTINUED)

15.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 31 March 2020 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	156,668,533	70,882,956	28,748,697	155,439,509	115,977,959	527,717,654
Retroceded premiums	(31,751,618)	(224,081)	(179,185)	1,297,695	--	(30,857,189)
Excess of loss expenses	(5,892,190)	(143,647)	(493,989)	(1,008,030)	--	(7,537,856)
Net written premiums	119,024,725	70,515,228	28,075,523	155,729,174	115,977,959	489,322,609
				(108,204,951)		
Changes in unearned premiums, net	(79,076,378)	(54,390,254)	(20,661,266))	(104,246,314)	(366,579,163)
Net earned premiums	39,948,347	16,124,974	7,414,257	47,524,223	11,731,645	122,743,446
Retrocession commissions	2,248,740	(97,675)	58,615	(180,086)	--	2,029,594
<u>TOTAL REVENUES</u>	<u>42,197,087</u>	<u>16,027,299</u>	<u>7,472,872</u>	<u>47,344,137</u>	<u>11,731,645</u>	<u>124,773,040</u>
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(55,212,917)	(17,893,974)	(6,223,966)	(33,509,496)	(49,261)	(112,889,614)
Retroceded share of claims paid	20,433,036	1,642,605	--	3,532,944	172,754	25,781,339
Net claims paid	(34,779,881)	(16,251,369)	(6,223,966)	(29,976,552)	123,493	(87,108,275)
Changes in outstanding claims, net	17,930	(1,329,491)	(403,658)	554,304	(354,434)	(1,515,349)
Changes in Incurred but not reported claims, net	24,008,745	7,929,860	4,365,136	4,085,361	(10,228,736)	30,160,366
Net claims incurred	(10,753,206)	(9,651,000)	(2,262,488)	(25,336,887)	(10,459,677)	(58,463,258)
Policy acquisition costs and profit commissions	(15,712,566)	(4,477,042)	(2,284,325)	(16,757,090)	(6,174,957)	(45,405,980)
Other underwriting expenses	(79,886)	(24,784)	(26,891)	(648,774)	(562,032)	(1,342,367)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	<u>(26,545,658)</u>	<u>(14,152,826)</u>	<u>(4,573,704)</u>	<u>(42,742,751)</u>	<u>(17,196,666)</u>	<u>(105,211,605)</u>
<u>NET UNDERWRITING INCOME</u>	<u>15,651,429</u>	<u>1,874,473</u>	<u>2,899,168</u>	<u>4,601,386</u>	<u>(5,465,021)</u>	<u>19,561,435</u>

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month period ended 31 March 2021
15 SEGMENTAL INFORMATION (CONTINUED)
15.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 31 March 2021								
(Unaudited)								
ASSETS								
Bank balances and cash	--	--	--	--	--	9,767,371	21,631,937	31,399,308
Time deposits	--	--	--	--	--	--	184,729,084	184,729,084
Accrued special commission income from time deposits	--	--	--	--	--	463,925	1,304,774	1,768,699
Reinsurance premium receivables, net	106,993,314	63,848,221	41,555,423	63,272,113	2,126,963	6,455,890	--	284,251,925
Investments held at fair value through income statement	--	--	--	--	--	215,066,928	311,018,601	526,085,529
Accrued reinsurance premiums	437,285,026	77,444,293	34,715,462	219,855,045	311,376,411	--	--	1,080,676,237
Retrocession balance receivable	--	--	--	--	--	63,149,472	--	63,149,472
Retroceded share of unearned premiums	53,552,882	232,038	9,323	22,233,862	-	--	--	76,028,105
Deferred excess of loss premiums	2,240,265	1,334,772	955,578	2,267,344	179,664	--	--	6,977,624
Retroceded share of outstanding claims	110,632,925	65,425,825	6,670,185	(14,886,045)	-	--	--	167,842,891
Retroceded share of claims incurred but not reported	21,741,923	2,304,809	308,897	11,410,554	46,867	--	--	35,813,050
Deferred policy acquisition costs	65,235,069	27,567,477	11,304,342	68,808,659	108,416,832	--	--	281,332,379
Held-to-maturity investments	--	--	--	--	--	--	200,564,634	200,564,634
Prepaid expenses, deposits and other assets	--	--	--	--	--	174,904,009	111,300,338	286,204,347
Property and equipment, net	--	--	--	--	--	4,701,461	28,668,116	33,369,577
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	5,308,449	5,308,449
Investment in an equity accounted investee	--	--	--	--	--	--	124,313,965	124,313,965
Statutory deposit	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,369,481	20,369,481
TOTAL ASSETS	797,681,404	238,157,435	95,519,210	372,961,532	422,146,738	474,509,056	1,090,209,378	3,491,184,756
LIABILITIES								
Accounts payable	16,023,262	11,541,246	1,645,321	5,026,410	--	3,977,296	--	38,213,535
Margin loan payable	--	--	--	--	--	--	38,845,430	38,845,430
Retrocession balances payable	--	--	--	--	--	45,671,088	--	45,671,088
Accrued retroceded premiums	19,923,893	471,023	114,124	21,046,581	6,973	14,830,064	--	56,392,659
Unearned premiums	489,494,461	97,973,775	37,690,539	248,898,142	275,554,766	--	--	1,149,611,683
Outstanding claims	290,443,252	171,405,496	29,337,367	247,066,699	4,587,543	--	--	742,840,357
Claims incurred but not reported	112,911,355	31,468,858	11,642,584	92,216,492	127,050,172	--	--	375,289,461
Unearned retrocession commission	12,501,688	41,667	1,833	4,604,498	--	1,420,689	--	18,570,376
Accrued expenses and other liabilities	--	--	--	--	--	20,370,881	3,504,273	23,875,154
Employees' end of service benefits	--	--	--	--	--	11,043,519	--	11,043,519
Provision for zakat and tax	--	--	--	--	--	--	18,522,476	18,522,476
Accrued commission income payable to SAMA	--	--	--	--	--	--	20,369,481	20,369,481
TOTAL LIABILITIES	941,297,911	312,902,065	80,431,768	618,858,822	407,199,454	97,313,537	81,241,660	2,539,245,219

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month period ended 31 March 2021
15 SEGMENTAL INFORMATION (CONTINUED)
15.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2020								
ASSETS								
Bank balances and cash	7,392,157	--	--	642,190	--	--	5,122,375	13,156,722
Time deposits	--	--	--	10,125,002	--	--	183,334,500	193,459,502
Accrued special commission income from time deposits	597,271	--	--	188,215	--	--	2,426,007	3,211,493
Reinsurance premium receivables, net	134,613,259	54,656,040	36,230,546	67,682,082	-2,939,483	3,512,704	--	293,755,148
Investments held at fair value through income statement	201,003,059	--	--	--	--	--	311,078,319	512,081,378
Accrued reinsurance premiums	167,135,854	61,159,156	25,608,632	144,179,702	196,179,733	--	--	594,263,077
Retrocession balance receivable	--	--	--	--	--	29,509,021	--	29,509,021
Retroceded share of unearned premiums	61,689,647	322,907	9,358	9,839,862	--	--	--	71,861,774
Deferred excess of loss premiums	12,750,579	33,114	--	--	--	--	--	12,783,693
Retroceded share of outstanding claims	123,338,737	16,611,952	2,348,061	12,375,558	--	--	--	154,674,308
Retroceded share of claims incurred but not reported	25,634,334	11,432,250	371,366	8,501,194	-142,851	--	--	45,796,293
Deferred policy acquisition costs	40,067,492	18,419,904	5,896,154	36,218,491	48,801,238	--	--	149,403,279
Held-To-Maturity investment	--	--	--	--	--	--	184,022,721	184,022,721
Prepaid expenses, deposits and other assets	77,250,669	--	--	180,079	97,119,659	--	114,548,477	289,098,884
Property and equipment, net	3,619,269	--	--	1,147,440	--	--	28,858,623	33,625,332
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	6,180,645	6,180,645
Investment in an equity accounted investee	--	--	--	--	--	--	120,141,077	120,141,077
Statutory deposit	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,185,653	20,185,653
TOTAL ASSETS	855,092,327	162,635,323	70,464,117	291,079,815	339,018,296	33,021,725	1,056,898,397	2,808,210,000
LIABILITIES								
Accounts payable	6,884,938	11,039,248	3,790,237	1,537,314	--	8,723,050	--	31,974,787
Margin loan payable	--	--	--	--	--	--	23,116,816	23,116,816
Retrocession balances payable	--	--	--	--	--	77,219,757	--	77,219,757
Accrued retroceded premiums	28,697,561	948,529	172,481	9,966,659	27,135	--	--	39,812,365
Unearned premiums	203,498,896	66,579,800	19,068,716	135,869,006	123,524,764	--	--	548,541,182
Outstanding claims	299,180,822	147,181,369	29,288,206	236,616,246	4,680,223	--	--	716,946,866
Claims incurred but not reported	109,919,096	42,362,795	10,261,611	81,622,772	106,575,507	--	--	350,741,781
Unearned retrocession commission	13,654,266	58,230	1,789	2,090,900	--	--	--	15,805,185
Accrued expenses and other liabilities	--	--	--	--	--	20,671,229	3,189,535	23,860,764
Employees' end of service benefits	10,673,191	--	--	--	--	--	--	10,673,191
Provision for zakat and tax	--	--	--	--	--	--	15,173,830	15,173,830
Accrued commission income payable to SAMA	--	--	--	--	--	--	20,185,653	20,185,653
TOTAL LIABILITIES	672,508,770	268,169,971	62,583,040	467,702,897	234,807,629	106,614,036	61,665,834	1,874,052,177

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

16 SUPPLEMENTARY INFORMATION

Interim condensed statement of financial position

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
ASSETS						
Bank balances and cash	9,767,371	21,631,937	31,399,308	8,034,347	5,122,375	13,156,722
Time deposits	-	184,729,084	184,729,084	10,125,002	183,334,500	193,459,502
Accrued special commission income from time deposits	463,925	1,304,774	1,768,699	785,486	2,426,007	3,211,493
Reinsurance premium receivables, net	284,251,925	-	284,251,925	293,755,148	--	293,755,148
Investments held at fair value through income statement	215,066,928	311,018,601	526,085,529	201,003,059	311,078,319	512,081,378
Accrued reinsurance premiums	1,080,676,237	-	1,080,676,237	594,263,077	--	594,263,077
Retrocession balances receivable	63,149,472	--	63,149,472	29,509,021	--	29,509,021
Retroceded share of unearned premiums	76,028,105	-	76,028,105	71,861,774	--	71,861,774
Deferred excess of loss premiums	6,977,624	-	6,977,624	12,783,693	--	12,783,693
Retroceded share of outstanding claims	167,842,891	-	167,842,891	154,674,308	--	154,674,308
Retroceded share of claims incurred but not reported	35,813,050	-	35,813,050	45,796,293	--	45,796,293
Deferred policy acquisition costs	281,332,379	-	281,332,379	149,403,279	--	149,403,279
Held-to-maturity investments	-	200,564,634	200,564,634	--	184,022,721	184,022,721
Prepaid expenses, deposits and other assets	174,904,009	111,300,338	286,204,347	174,550,407	114,548,477	289,098,884
Property and equipment, net	4,701,461	28,668,116	33,369,577	4,766,709	28,858,623	33,625,332
Accrued special commission income from bonds and sukuk	-	5,308,449	5,308,449	--	6,180,645	6,180,645
Investment in an equity accounted investee	-	124,313,965	124,313,965	--	120,141,077	120,141,077
Statutory deposit	-	81,000,000	81,000,000	--	81,000,000	81,000,000
Accrued income on statutory deposit	-	20,369,481	20,369,481	--	20,185,653	20,185,653
Due from shareholders' operations*	66,763,474	--	66,763,474	69,258,595	--	69,258,595
TOTAL ASSETS	2,467,738,851	1,090,209,379	3,557,948,230	1,820,570,198	1,056,898,397	2,877,468,595
LIABILITIES						
Accounts payable	38,213,535	--	38,213,535	31,974,787	--	31,974,787
Margin loan payable	--	38,845,430	38,845,430	--	23,116,816	23,116,816
Retrocession balances payable	45,671,088	--	45,671,088	77,219,757	--	77,219,757
Accrued retroceded premiums	56,392,659	--	56,392,659	39,812,365	--	39,812,365
Unearned premiums	1,149,611,683	--	1,149,611,683	548,541,182	--	548,541,182
Outstanding claims	742,840,357	--	742,840,357	716,946,866	--	716,946,866
Claims incurred but not reported	375,289,461	--	375,289,461	350,741,781	--	350,741,781
Unearned retrocession commission	18,570,376	--	18,570,376	15,805,185	--	15,805,185
Accrued expenses and other liabilities	20,373,470	3,501,684	23,875,154	20,671,229	3,189,535	23,860,764
Employees' end of service benefits	11,043,519	--	11,043,519	10,673,191	--	10,673,191
Accumulated surplus	12,527,202	--	12,527,202	10,978,352	--	10,978,352
Provision for zakat and tax	--	18,522,476	18,522,476	--	15,173,830	15,173,830
Accrued commission income payable to SAMA	--	20,369,481	20,369,481	--	20,185,653	20,185,653
Due to reinsurance operations*	--	66,763,474	66,763,474	--	69,258,595	69,258,595
TOTAL LIABILITIES	2,470,533,350	148,002,545	2,618,535,895	1,823,364,695	130,924,429	1,954,289,124
EQUITY						
Share capital	--	810,000,000	810,000,000	--	810,000,000	810,000,000
Statutory reserve	--	27,087,676	27,087,676	--	27,087,676	27,087,676
Other reserves	(2,794,499)	3,038,628	244,129	--	85,847,666	85,847,666
Retained earnings	--	102,080,530	102,080,530	(2,794,499)	3,038,628	244,129
TOTAL EQUITY	(2,794,499)	942,206,834	939,412,335	(2,794,499)	925,973,970	923,179,471
TOTAL LIABILITIES AND EQUITY	2,467,738,851	1,090,209,379	3,557,948,230	1,820,570,196	1,056,898,399	2,877,468,595

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

16 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income

	For the three month period ended 31 March 2021 (Unaudited)			For the three month period ended 31 March 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
REVENUES						
Gross written premiums	834,284,016	--	834,284,016	527,717,654	--	527,717,654
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(33,783,218)	--	(33,783,218)	(30,857,189)	--	(30,857,189)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(8,125,072)	--	(8,125,072)	(7,537,856)	--	(7,537,856)
Net written premiums	792,375,726	--	792,375,726	489,322,609	--	489,322,609
Changes in unearned premiums, net	(596,904,170)	--	(596,904,170)	(366,579,163)	--	(366,579,163)
Net earned premiums	195,471,556	--	195,471,556	122,743,446	--	122,743,446
Retrocession commissions	3,802,865	--	3,802,865	2,029,594	--	2,029,594
TOTAL REVENUES	199,274,421	--	199,274,421	124,773,040	--	124,773,040
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(101,052,627)	--	(101,052,627)	(112,889,614)	--	(112,889,614)
Retroceded share of claims paid	26,870,842	--	26,870,842	25,781,339	--	25,781,339
Net claims paid	(74,181,785)	--	(74,181,785)	(87,108,275)	--	(87,108,275)
Changes in outstanding claims, net	(12,724,907)	--	(12,724,907)	(1,515,349)	--	(1,515,349)
Changes in Incurred but not reported claims, net	(34,530,924)	--	(34,530,924)	30,160,366	--	30,160,366
Net claims incurred	(121,437,616)	--	(121,437,616)	(58,463,258)	--	(58,463,258)
Policy acquisition costs and profit commissions	(50,982,083)	--	(50,982,083)	(45,405,980)	--	(45,405,980)
Other underwriting expenses	(1,477,133)	--	(1,477,133)	(1,342,367)	--	(1,342,367)
TOTAL UNDERWRITING COSTS AND EXPENSES	(173,896,832)	--	(173,896,832)	(105,211,605)	--	(105,211,605)
NET UNDERWRITING INCOME	25,377,589	--	25,377,589	19,561,435	--	19,561,435
OTHER OPERATING (EXPENSES)/ INCOME						
Special commission income from time deposits	252,044	1,449,166	1,701,210	1,586,403	2,129,560	3,715,963
Realized gains / (loss) on investments held at fair value through income statement	78,022	630,812	708,834	94,327	667,121	761,448
Unrealized (losses) / gains on investments held at fair value through income statement	494,949	(1,041,639)	(546,690)	120,156	(316,239)	(196,083)
Special commission income from bonds and sukuk	--	3,421,154	3,421,154	--	1,116,003	1,116,003
Share of profit of equity accounted investee	--	4,172,888	4,172,888	--	3,796,654	3,796,654
Special commission expense from margin loans	--	(93,054)	(93,054)	--	--	--
Investment management expenses	(67,672)	(306,928)	(374,600)	(23,149)	(225,510)	(248,659)
Net investment income	757,343	8,232,399	8,989,742	1,777,737	7,167,589	8,945,326
Other income	181,031	12,085	193,116	--	325,553	325,553
Reversal/(Allowance) for doubtful debts	--	--	--	(457,676)	--	(457,676)
General and administrative expenses	(10,804,486)	(1,790,126)	(12,594,612)	(10,589,663)	(1,463,358)	(12,053,021)
Board of directors' remunerations, meetings fees and expenses	--	(812,500)	(812,500)	--	(550,121)	(550,121)
Foreign exchange translation losses	(22,975)	--	(22,975)	(4,947,145)	--	(4,947,145)
Total income for the period before zakat and tax	15,488,502	5,641,858	21,130,360	5,344,688	5,479,663	10,824,351
Transfer of surplus to shareholders' operations	(13,939,652)	13,939,652	--	(4,810,219)	4,810,219	--
Net income for the period before zakat and tax	1,548,850	19,581,510	21,130,360	534,469	10,289,882	10,824,351
Zakat and tax charge for the period	--	(3,348,646)	(3,348,646)	--	(2,923,648)	(2,923,648)
Net income for the period after zakat and tax and shareholders' appropriations	1,548,850	16,232,864	17,781,714	534,469	7,366,234	7,900,703

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

16 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of comprehensive income

	For the three month period ended 31 March 2021 (Unaudited)			For the three month period ended 31 March 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	1,548,850	16,232,864	17,781,714	534,469	7,366,234	7,900,703
Other comprehensive income	--	--	--	--	--	--
<i>Items that may be classified to income statement subsequently</i>						
Share of foreign currency translation reserve an equity accounted investee	--	--	--	--	(740,825)	(740,825)
Total comprehensive income for the period	1,548,850	16,232,864	17,781,714	534,469	6,625,409	7,159,878

Reconciliation:

Less: Net income attributable to reinsurance operations transferred to surplus payable	(1,548,850)	(534,469)
Total comprehensive income for the period	16,232,864	6,625,409

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month period ended 31 March 2021

16 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of cash flows

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the three month period ended 31 March 2021 (Unaudited)			For the three month period ended 31 March 2020 (Unaudited)		
OPERATING ACTIVITIES						
Total income for the period before zakat and tax	1,548,850	19,581,510	21,130,360	534,469	10,289,882	10,824,351
<i>Adjustments to reconcile net income for the period to net cash from operating activities:</i>						
Employees' end of service benefits	370,329	-	370,329	799,550	--	799,550
Special commission income from bond and sukuk	-	(3,421,154)	(3,421,154)		(1,116,003)	(1,116,003)
Special commission expense from margin loan payable	-	-	-			
Depreciation of property and equipment	433,231	191,772	625,003	358,326	197,720	556,046
Realized losses / (gains) on investments held at fair value through income statement	(78,022)	(630,812)	(708,834)	(94,327)	(667,121)	(761,448)
Unrealized gains on investments held at fair value through income statement	(494,950)	1,041,640	546,690	(120,156)	316,239	196,083
Share of profit of an equity accounted investee	-	(4,172,888)	(4,172,888)	--	(3,796,654)	(3,796,654)
Provision / (Reversal) for doubtful receivable	--	--	--	457,676	--	457,676
Operating income before changes in operating assets and liabilities	1,779,438	12,590,068	14,369,506	1,935,538	5,224,063	7,159,601
Changes in operating assets and liabilities:						
Premiums receivable, gross	9,503,223	--	9,503,223	(29,616,202)	--	(29,616,202)
Accrued reinsurance premiums	(486,413,160)	--	(486,413,160)	(208,536,414)	--	(208,536,414)
Retroceded share of unearned premiums	(4,166,331)	--	(4,166,331)	(2,582,811)	--	(2,582,811)
Unearned premiums	601,070,501	--	601,070,501	369,161,974	--	369,161,974
Retroceded share of outstanding claims	(13,168,583)	--	(13,168,583)	38,700,713	--	38,700,713
Retroceded share of claims incurred but not reported	9,983,243	--	9,983,243	4,780,546	--	4,780,546
Deferred acquisition costs	(131,929,101)	--	(131,929,101)	(112,212,023)	--	(112,212,023)
Deferred excess of loss premiums	5,806,069	--	5,806,069	5,259,679	--	5,259,679
Prepaid expenses, deposits and other assets	(353,596)	3,248,134	2,894,538	(2,444,167)	(839,414)	(3,283,581)
Accounts payable	6,238,746	--	6,238,746	6,165,076	--	6,165,076
Retrocession balances receivable	(63,149,471)	--	(63,149,471)	(6,609,021)	--	(6,609,021)
Retrocession balances payable	(2,039,648)	--	(2,039,648)	(6,341,577)	--	(6,341,577)
Accrued retroceded premiums	16,580,294	--	16,580,294	12,366,773	--	12,366,773
Outstanding claims	25,893,491	--	25,893,491	(37,185,363)	--	(37,185,363)
Claims incurred but not reported	24,547,680	--	24,547,680	(34,940,910)	--	(34,940,910)
Unearned commission income	2,765,190	--	2,765,190	2,906,235	--	2,906,235
Accrued expenses and other liabilities	(300,346)	314,736	14,390	(4,510,610)	431,421	(4,079,189)
Cash generated from operating activities	2,647,639	16,152,938	18,800,577	(3,702,564)	4,816,070	1,113,506
Zakat and income tax paid	--	--	--	--	--	--
Employees' end of service benefits paid	--	--	--	(570,586)	--	(570,586)
Net cash generated from / (used in) operating activities	2,647,639	16,152,938	18,800,577	(4,273,150)	4,816,070	542,920

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month period ended 31 March 2021

16 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of cash flows (continued)						
	Reinsurance operations	Shareholder' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the three month period ended 31 March 2021 (Unaudited)			For the three month period ended 31 March 2020 (Unaudited)		
INVESTING ACTIVITIES						
Additions in time deposits	--	(53,442,084)	(53,442,084)	(8,945,347)	(2,047,500)	(10,992,847)
Proceeds from maturity of time deposits	10,125,000	52,047,500	62,172,500			
Statutory deposit	--	--	--	--	--	--
Accrued special commission income on time deposits	321,560	1,121,234	1,442,794	(995,144)	1,640,161	645,017
Accrued special commission income from bonds and sukuk	-	4,293,351	4,293,351	--	1,713,742	1,713,742
Purchase of property and equipment	(367,984)	(1,261)	(369,245)	(688,814)	--	(688,814)
Additions in investment in held to maturity investments	-	(16,541,913)	(16,541,913)	--	--	--
Additions in investments held at fair value through income statement	(26,490,898)	(5,796,029)	(32,286,927)	(3,750,000)	(106,069,005)	(109,819,005)
Proceeds from disposal of investments held at fair value through income statement	13,000,000	5,444,919	18,444,919	9,000,000	90,000,000	99,000,000
Net cash (used in) / generated from investing activities	(3,412,322)	(12,874,283)	(16,286,605)	(5,379,305)	(14,762,602)	(20,141,907)
FINANCING ACTIVITIES						
Due to / from reinsurance / shareholders' operations*	2,497,707	(2,497,707)	--	2,864,852	(2,864,852)	--
Margin Loan	--	15,728,614	15,728,614			
Net cash generated from financing activities	2,497,707	13,230,907	15,728,614	2,864,852	(2,864,852)	--
(DECREASE) IN CASH AND CASH EQUIVALENTS						
	1,733,024	16,509,562	18,242,586	(6,787,603)	(12,811,384)	(19,598,987)
Cash and cash equivalents at the beginning of the period	8,034,347	5,122,375	13,156,722	27,648,198	20,185,736	47,833,934
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,767,371	21,631,937	31,399,308	20,860,595	7,374,352	28,234,947

* These items are not included in the statement of financial position and the statement of cash flows.

17 COMMITMENTS AND CONTINGENCIES

As at 31 March 2021 the Company has deposited SR 47,250,000 out of which SR 37,330,434 has been pledged (31 December 2020: SR 47,250,000) with local bank to obtain the standby letter of credit towards Fund At Lloyds (FAL) for its participation in a Lloyds Syndicates and for 2017 and 2018 underwriting years. In addition, the Company has deposited SR 171,812,128 (31 December 2020: 171,812,128) with Lloyd's London as FAL for its continued participation in a Lloyds Syndicates and for 2018, 2019 and 2020 underwriting year. Upon issuance of stand by letter of credit, the deposit with Lloyds will be withdrawn.

18 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the three months period ended 31 March 2021 and 31 March 2020 have been calculated by dividing net income for the period after zakat and tax attributable to the shareholders by the weighted average number of ordinary shares issued and outstanding at the end of the period.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month period ended 31 March 2021

19 FAIR VALUE

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 to sell the asset or transfer the liability takes place either:

- In the principal market of the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
-

The Company's management believe that the carrying value of all financial assets and liabilities, other than those disclosed in note 7, approximate their fair values at the interim condensed financial statements.

20 IMPACT OF COVID-19 OUTBREAK

In response to the spread of the Covid-19 in GCC and other territories and its resulting disruptions to the social and economic activities in those markets, management has proactively assessed its impacts on its operations and has taken a series of preventive measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, and wider community. The Company's operation may get affected due to COVID-19 claims on life and protection policies and business interruption policies. In addition, the Company's operations currently remain largely unaffected on medical segment as the insurance industry is facilitated by the Government through free treatments of the COVID-19 affected patients.

Furthermore, some claims have been reported to the Company for life and business interruption policies at this stage, however, these are not material and the Company is closely monitoring its exposure, including (i) the operational impact on its business, (ii) the consequences of a deterioration in macroeconomic conditions or of a slowdown in the flow of people, goods and services, especially on new business volumes, (iii) the extent of reinsurance coverage impacted, including retrocession cover, and (iv) change in asset prices and financial conditions.

21 RECLASSIFICATION

During the quarter, the Company has reclassified certain retrocessionaires' account balances from retrocession balances payable to retrocession balances receivable. The reclassification was done to conform to the current period presentation and the impact to the overall financial statement's presentation is not material.

The following table shows the impact on each financial statement caption affected by the reclassification:

Financial statement caption	31 December 2020 (before reclassification)	Reclassification	31 December 2020 (After reclassification)
Retrocession balance receivable	--	29,509,021	29,509,021
Retrocession balance payable	(47,710,736)	(29,509,021)	(77,219,757)

22 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 22 Ramadan 1442H corresponding to 4 May 2021.