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**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 AND SIX MONTH PERIODS ENDED 30 JUNE  
2021**

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

**For the three month And six month periods ended 30 June 2021**

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KPMG Professional Services



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

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED  
FINANCIAL 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 30 June 2021, the related interim condensed statements of income and comprehensive income for the three-month and six-month periods then ended and interim condensed statements of changes in equity and cash flows for the six-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 30 June 2021 of the Company are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**KPMG Professional Services**  
P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia

**Hani Hamzah A. Bedairi**  
Certified Public Accountant  
License No. 460



**For Al-Bassam & Co.**  
P. O. Box 69658  
Riyadh 11557  
Kingdom of Saudi Arabia

**Ibrahim A. Al-Bassam**  
Certified Public Accountant  
License No. 337

11 Muharram 1443H  
19 August 2021

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

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
<b>ASSETS</b>	<b>Notes</b>		
Bank balances and cash	5	15,073,066	13,156,722
Time deposits		134,252,084	193,459,502
Accrued special commission income from time deposits		1,335,699	3,211,493
Reinsurance premium receivables, net	4	367,525,551	293,755,148
Investments held at fair value through income statement	7	608,679,801	512,081,378
Accrued special commission income from bonds, sukuk and held-to-maturity investments		5,022,150	6,180,645
Accrued reinsurance premiums	8	880,536,659	594,263,077
Retrocession balances receivable		40,217,081	29,509,021
Retroceded share of unearned premiums	10	86,160,961	71,861,774
Deferred excess of loss premiums		247,255	12,783,693
Retroceded share of outstanding claims	11	158,997,200	154,674,308
Retroceded share of claims incurred but not reported	11	33,077,172	45,796,293
Deferred policy acquisition costs		256,379,189	149,403,279
Held-to-maturity investments	9	271,645,088	184,022,721
Prepaid expenses, deposits and other assets		258,149,283	289,098,884
Property and equipment, net		33,464,927	33,625,332
Investment in an equity accounted investee	15	131,267,255	120,141,077
Statutory deposit	6	81,000,000	81,000,000
Accrued income on statutory deposit	6	20,561,362	20,185,653
<b>TOTAL ASSETS</b>		<b>3,383,591,783</b>	<b>2,808,210,000</b>
<b>LIABILITIES</b>			
Accounts payable		31,121,271	31,974,787
Margin loan payable		56,973,062	23,116,816
Retrocession balances payable		44,520,893	77,219,757
Accrued retroceded premiums		42,398,000	39,812,365
Unearned premiums	10	1,041,242,569	548,541,182
Outstanding claims	11	753,580,750	716,946,866
Claims incurred but not reported	11	351,049,106	350,741,781
Unearned retrocession commission		16,781,166	15,805,185
Accrued expenses and other liabilities		40,352,335	23,860,764
Employees' end of service benefits		11,429,476	10,673,191
Provision for zakat and tax	13	7,263,668	15,173,830
Accrued commission income payable to SAMA	6	20,561,352	20,185,653
<b>TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS</b>		<b>2,417,273,648</b>	<b>1,874,052,177</b>
<b>REINSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		13,368,349	10,978,352
<b>TOTAL REINSURANCE OPERATIONS' SURPLUS</b>		<b>13,368,349</b>	<b>10,978,352</b>
<b>TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS</b>		<b>2,430,641,997</b>	<b>1,885,030,529</b>
<b>EQUITY</b>			
Share capital	12	810,000,000	810,000,000
Statutory reserve		27,087,676	27,087,676
Retained earnings		115,318,581	85,847,666
Other reserves		543,529	244,129
<b>TOTAL EQUITY</b>		<b>952,949,786</b>	<b>923,179,471</b>
<b>TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND EQUITY</b>		<b>3,383,591,783</b>	<b>2,808,210,000</b>

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 23 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 and six month periods ended 30 June 2021**

	For the three month period ended		For the six month period Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR
<b>REVENUES</b>				
Gross written premiums	120,806,578	131,336,825	955,090,594	659,054,479
Retroceded premiums	(38,809,108)	(42,558,211)	(72,592,329)	(73,415,401)
Excess of loss expenses	(5,774,147)	(6,849,693)	(13,899,219)	(14,387,549)
<b>Net written premiums</b>	<b>76,223,323</b>	<b>81,928,921</b>	<b>868,599,046</b>	<b>571,251,529</b>
Changes in unearned premiums, net	118,501,969	73,534,724	(478,402,201)	(293,044,438)
<b>Net earned premiums</b>	<b>194,725,292</b>	<b>155,463,645</b>	<b>390,196,845</b>	<b>278,207,091</b>
Retrocession commissions	3,910,348	3,330,159	7,713,218	5,359,753
<b>TOTAL REVENUES</b>	<b>198,635,640</b>	<b>158,793,804</b>	<b>397,910,063</b>	<b>283,566,844</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>				
Gross claims paid	(151,949,133)	(75,972,778)	(253,001,759)	(188,862,393)
Retroceded share of claims paid	18,100,306	30,185,017	44,971,148	55,966,356
<b>Net claims paid</b>	<b>(133,848,827)</b>	<b>(45,787,761)</b>	<b>(208,030,611)</b>	<b>(132,896,037)</b>
Changes in outstanding claims, net	(19,586,084)	(49,431,291)	(32,310,992)	(50,946,641)
Changes in incurred but not reported claims, net	21,504,477	(6,039,799)	(13,026,447)	24,120,568
<b>Net claims incurred</b>	<b>(131,930,434)</b>	<b>(101,258,851)</b>	<b>(253,368,050)</b>	<b>(159,722,110)</b>
Policy acquisition costs and profit commissions	(44,654,691)	(45,884,851)	(95,636,774)	(91,290,831)
Other underwriting expenses	(812,092)	(1,947,890)	(2,289,225)	(3,290,257)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(177,397,217)</b>	<b>(149,091,592)</b>	<b>(351,294,049)</b>	<b>(254,303,198)</b>
<b>NET UNDERWRITING INCOME</b>	<b>21,238,423</b>	<b>9,702,212</b>	<b>46,616,014</b>	<b>29,263,646</b>
<b>OTHER OPERATING INCOME / (EXPENSES)</b>				
Special commission income from time deposits	1,432,394	2,938,699	3,133,605	6,654,662
Special commission expense from margin loan payable	(82,989)	--	(176,043)	--
Realized gains / (loss) on investments held at fair value through income statement	384,441	(1,689,065)	1,093,275	(927,616)
Unrealized gains / (loss) on investments held at fair value through income statement	1,422,797	(16,227)	876,107	(212,310)
Special commission income from bonds and sukuk	3,393,826	3,402,133	6,814,979	4,518,136
Dividend income	875,000	1,017,628	875,000	1,017,628
Share of profit of equity accounted investee	6,653,890	3,922,291	10,826,778	7,718,945
Investment management expenses	(389,826)	(218,182)	(764,426)	(466,843)
<b>Net investment income</b>	<b>13,689,533</b>	<b>9,357,277</b>	<b>22,679,275</b>	<b>18,302,602</b>
Other income	598,873	346,902	791,987	672,459
Charge for doubtful debts	--	--	--	(457,676)
General and administrative expenses	(13,563,969)	(10,429,608)	(26,158,581)	(22,363,881)
Board of directors' remunerations, meetings fees and expenses	(1,989,367)	(628,969)	(2,801,867)	(1,297,839)
Foreign exchange translation (losses) / gains	(2,239,965)	989,466	(2,262,939)	(3,957,680)
<b>Total income for the period before zakat and tax</b>	<b>17,733,528</b>	<b>9,337,280</b>	<b>38,863,889</b>	<b>20,161,631</b>
<b>Total income attributed to the reinsurance operations</b>	<b>(841,147)</b>	<b>(311,755)</b>	<b>(2,389,998)</b>	<b>(846,224)</b>
<b>Net income for the period before zakat and tax</b>	<b>16,892,381</b>	<b>9,025,525</b>	<b>36,473,891</b>	<b>19,315,407</b>
<b>Zakat and tax charge for the period</b>	<b>(3,654,330)</b>	<b>(3,525,023)</b>	<b>(7,002,976)</b>	<b>(6,448,671)</b>
<b>Net income for the period after zakat and tax attributable to the shareholders</b>	<b>13,238,051</b>	<b>5,500,502</b>	<b>29,470,915</b>	<b>12,866,736</b>
<b>Basic and diluted earnings per share for the period (restated)</b>				
19	0.15	0.06	0.33	0.14

Managing Director / Chief Executive Officer

Chairman of the Board


Chief Financial Officer

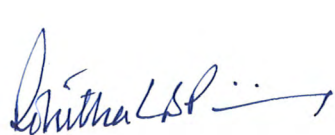
The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**For the three month and six month periods ended 30 June 2021**

	For the three month period ended		For the six month period Ended	
	30 June 2021 (Unaudited) SR	30 June 2020 (Unaudited) SR	30 June 2021 (Unaudited) SR	30 June 2020 (Unaudited) SR
Net income for the period after zakat and tax attributable to shareholder	13,238,051	5,500,502	29,470,915	12,866,736
<i>Other comprehensive income</i>				
<b>Items that may be classified to income statement subsequently</b>				
Share of foreign currency translation reserve of an equity accounted investee	299,400	(133,437)	299,400	(874,262)
<b>Total comprehensive income for the period</b>	<b>13,537,451</b>	<b>5,367,065</b>	<b>29,770,315</b>	<b>11,992,474</b>

  
 Managing Director / Chief Executive Officer

  
 Chairman of the Board

  
 Chief Financial Officer

The accompanying notes 1 to 23 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 CHANGES IN EQUITY

For the six month period ended 30 June 2021

	GCC Shareholders and General Public				Non – GCC Shareholders				Total				
	Share Capital	Statutory reserve	Retained earnings	Other reserves	Share capital	Statutory reserve	Retained earnings	Other reserves	Share Capital	Statutory reserve	Retained earnings	Other reserves	Total
	SR	SR	SR		SR	SR	SR		SR	SR	SR		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	7,726,580	258,354	818,762	2,321	(7,726,580)	(258,354)	(818,762)	(2,321)	--	--	--	--	--
Net profit for the period	--	--	28,277,496	--	--	--	1,193,419	--	--	--	29,470,915	--	29,470,915
Other comprehensive income	--	--	--	287,276	--	--	--	12,124	--	--	--	299,400	299,400
Total comprehensive income for the period	--	--	28,277,496	287,276	--	--	1,193,419	12,124	--	--	29,470,915	299,400	29,770,315
Balance as at 30 June 2021 (Unaudited)	777,199,220	25,990,766	110,648,779	521,519	32,800,780	1,096,910	4,669,802	22,010	810,000,000	27,087,676	115,318,581	543,529	952,949,786
Balance as at 1 January 2020 (Audited)	749,907,990	16,575,765	42,683,543	(1,821,931)	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	10,001,660	221,161	3,392,702	(4,284)	(10,001,660)	(221,161)	(3,392,702)	4,284					
Net profit for the period	--	--	12,071,058	--	--	--	795,678	--	--	--	12,866,736	--	12,866,736
Other comprehensive income	--	--	--	(820,198)	--	--	--	(54,064)	--	--	--	(874,262)	(874,262)
Total comprehensive income for the period	--	--	12,071,058	(820,198)	--	--	795,678	(54,064)	--	--	12,866,736	(874,262)	11,992,474
Balance as at 30 June 2020 (Unaudited)	759,909,650	16,796,926	58,147,303	(2,646,413)	50,090,350	1,107,189	3,832,849	(174,441)	810,000,000	17,904,115	61,980,152	(2,820,854)	887,063,413

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 23 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**  
**For the six month period ended 30 June 2021**

	30 June 2021 (Unaudited) SR	30 June 2020 (Unaudited) SR
Note		
<b>OPERATING ACTIVITIES</b>		
Total income for the period before zakat & tax	38,863,889	20,161,631
<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	756,286	1,153,697
Special commission income from bond and sukuk	(6,814,979)	(4,518,136)
Special commission income from time deposits	(3,133,605)	(6,654,662)
Depreciation of property and equipment	1,246,527	1,122,164
Realized (gains) / loss on investments held at fair value through income statement	(1,093,275)	927,616
Unrealized (gains) / loss on investments held at fair value through income statement	(876,107)	212,310
Share of profit of equity accounted investee	(10,826,778)	(7,718,945)
Charge / (reversal) of doubtful debts	--	457,676
Operating income before changes in operating assets and liabilities	18,121,958	5,143,351
<b>Changes in operating assets and liabilities:</b>		
Premiums receivable, gross	(73,770,403)	(32,654,701)
Accrued reinsurance premiums	(286,273,582)	(201,985,163)
Retroceded share of unearned premiums	(14,299,187)	(15,132,631)
Unearned premiums	492,701,387	308,177,070
Retroceded share of outstanding claims	(4,322,892)	16,599,097
Retroceded share of claims incurred but not reported	12,719,121	1,701,454
Deferred acquisition costs	(106,975,910)	(77,772,190)
Deferred excess of loss premiums	12,536,438	11,478,758
Prepaid expenses, deposits and other assets	30,949,602	(1,742,224)
Accounts payable	(853,516)	(7,546,334)
Retrocession balances receivable	(10,708,059)	(18,223,285)
Retrocession balances payable	(32,698,864)	(11,556,639)
Accrued retroceded premiums	2,585,635	9,685,463
Outstanding claims	36,633,884	34,347,547
Claims incurred but not reported	307,325	(25,822,021)
Unearned commission income	975,981	2,899,802
Accrued expenses and other liabilities	16,491,558	(4,794,580)
<b>Cash generated from / (used in) operating activities</b>	<b>94,120,476</b>	<b>(7,197,226)</b>
Zakat and income tax paid	(14,913,138)	--
Employees' end of service benefits paid	--	(575,414)
<b>Net cash generated from / (used in) operating activities</b>	<b>79,207,338</b>	<b>(7,772,640)</b>
<b>INVESTING ACTIVITIES</b>		
Additions in time deposits	(1,394,584)	(146,856,735)
Proceeds from maturity of time deposits	60,602,002	269,305,570
Accrued special commission income on time deposits	5,009,399	10,077,295
Accrued special commission income from bonds and sukuk	7,973,474	4,769,486
Purchase of property and equipment	(1,086,123)	(1,204,408)
Additions in investments held at fair value through income statement	(185,754,234)	(261,068,174)
Additions in held-to-maturity investments	(87,622,367)	(80,001,219)
Proceeds from disposal of investments held at fair value through income statement	91,125,193	198,901,360
<b>Net cash used in investing activities</b>	<b>(111,147,240)</b>	<b>(6,076,825)</b>
<i>To be continued</i>		


The accompanying notes 1 to 23 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**  
**For the six month period ended 30 June 2021**

	<b>30 June 2021 (Unaudited) SR</b>	<b>30 June 2020 (Unaudited) SR</b>
<i>Note</i>		
<b>FINANCING ACTIVITIES</b>		
Proceeds from margin loans	<u>33,856,246</u>	<u>--</u>
<b>Net cash generated from financing activities</b>	<u>33,856,246</u>	<u>--</u>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,916,344</b>	<b>(13,849,465)</b>
Cash and cash equivalents at the beginning of the period	<u>13,156,722</u>	<u>47,833,934</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD    5</b>	<u><b>15,073,066</b></u>	<u><b>33,984,469</b></u>
<b>NON-CASH SUPPLEMENTARY INFORMATION</b>		
Foreign currency impact on equity accounted investment	<b>299,400</b>	<b>(874,262)</b>

  
 Managing Director / Chief Executive Officer

  
 Chairman of the Board

  
 Chief Financial Officer

The accompanying notes 1 to 23 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 and six month periods ended 30 June 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 1010250125 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 30 June 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 17 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 and six month periods ended 30 June 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 except for estimation of accrued reinsurance premium as mentioned below, 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 and six month periods ended 30 June 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).

## 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 and six month periods ended 30 June 2021

#### 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 and six month periods ended 30 June 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>	<b>30 June 2021 (Unaudited) SR</b>	<b>31 December 2020 (Audited) SR</b>
Policyholders	<b>366,329,272</b>	295,385,275
Related parties	<b>3,742,128</b>	915,722
Less: provision for doubtful debts	<b>(2,545,849)</b>	(2,545,849)
	<b><u>367,525,551</u></b>	<b><u>293,755,148</u></b>

**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 and six month periods ended 30 June 2021

**4. REINSURANCE PREMIUM RECEIVABLES, NET (CONTINUED)**

The movement in provision for doubtful debt is as follows:

	<b>30 June 2021 (Unaudited) SR</b>	<b>31 December 2020 (Audited) SR</b>
Opening balance	<b>2,545,849</b>	3,193,709
Reversal for the period / year	--	(647,860)
Closing balance	<b>2,545,849</b>	2,545,849

**5. CASH AND CASH EQUIVALENTS**

	<b>Reinsurance operations</b>	
	<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
Cash in hand	<b>49,715</b>	48,999
Bank balances	<b>9,121,217</b>	7,985,348
<b>Total Bank balances and cash (A)</b>	<b>9,170,932</b>	8,034,347
	<b>Shareholders' operations</b>	
	<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
Bank balances (B)	<b>5,902,134</b>	5,122,375
<b>Total Bank balances and cash / Cash and cash equivalents for reinsurance operations and shareholders' operations (A+B)</b>	<b>15,073,066</b>	13,156,722

**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 "BBB+ stable" by Fitch Rating Inc. 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 30 June 2021 is SAR 20,561,362 (31 December 2020: 20,185,653) and has also been disclosed in assets as "Accrued income on statutory deposit".

Subsequent to the period ended 30 June 2021, on 28 July 2021, the Company has made additional deposit of SR 8.1 million with the same local bank representing the statutory deposit for the 10% of the additional increase in its paid-up capital.

# 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 and six month periods ended 30 June 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:

	30 June 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	310,191,982	126,259,190	436,451,172	201,003,059	148,338,596	349,341,655
Investment and real estate funds	--	100,317,092	100,317,092	--	101,474,960	101,474,960
Equities	--	30,888,686	30,888,686	--	--	--
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
	<b>310,191,982</b>	<b>298,487,819</b>	<b>608,679,801</b>	<b>201,003,059</b>	<b>311,078,319</b>	<b>512,081,378</b>

- 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 30 June 2021 and 31 December 2020, the investment in money market funds under reinsurance operations amounting to SR 310.19 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:

	30 June 2021 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	126,259,190	--	126,259,190
Investment and real estate funds	--	73,630,088	26,687,004	100,317,092
Equities	30,888,686	--	--	30,888,686
Fixed-rate bonds / sukuk	--	--	41,022,851	41,022,851
Floating-rate bonds / sukuk	--	--	--	--
	<b>30,888,686</b>	<b>199,889,278</b>	<b>67,709,855</b>	<b>298,487,819</b>

	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
	--	<b>222,289,854</b>	<b>88,788,465</b>	<b>311,078,319</b>



# 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 and six month periods ended 30 June 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
<b>For the six-month period ended 30 June 2021 (Unaudited)</b>	<b>88,788,465</b>	<b>(20,000,000)</b>	<b>(1,078,610)</b>	<b>67,709,855</b>
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.

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
<b>Investments held at fair value through income statement</b>	<b>41,022,851</b>	<b>41,264,763</b>
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 30 June 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:

	30 June 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	133,332,422	52,421,812	185,754,234	174,427,890	325,592,566	500,020,456
Disposals	(25,402,819)	(65,722,374)	(91,125,193)	(14,196,700)	(392,390,475)	(406,587,175)
Unrealized gains / (losses)	1,176,723	(300,616)	876,107	(264,021)	1,949,670	1,685,649
Realized gains / (losses)	82,595	1,010,680	1,093,275	158,749	(1,044,122)	(885,373)
<b>Closing balance</b>	<b>310,191,980</b>	<b>298,487,821</b>	<b>608,679,801</b>	<b>201,003,059</b>	<b>311,078,319</b>	<b>512,081,378</b>

## 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 and six month periods ended 30 June 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:

	30 June 2021 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	126,259,190	--	126,259,190
Investment and real estate funds	73,630,088	26,687,004	100,317,092
Equities	30,888,686	--	30,888,686
Fixed-rate bonds/sukuk	--	41,022,851	41,022,851
Floating-rate bonds/sukuk	--	--	--
	<b>230,777,964</b>	<b>67,709,855</b>	<b>298,487,819</b>
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
	<b>222,289,854</b>	<b>88,788,465</b>	<b>311,078,319</b>

As at 30 June 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 30 June 2021 and 31 December 2020 are domiciled within the Kingdom of Saudi Arabia.

#### 8. ACCRUED REINSURANCE PREMIUM

The gross written premiums ("GWP") of proportional and non-proportional treaty and facultative reinsurance contracts include estimates of premiums due to the company but not yet reported by the cedant. This portion of GWP is considered as pipeline premium and accounted in the Statement of Financial Position as 'Accrued reinsurance premiums' net of related acquisition costs. These pipeline/accrued premiums are estimated at the inception of the reinsurance contract based on cedants/brokers forecasts and management's evaluation of these forecasts. Subsequent to initial recognition, the accrued reinsurance premium is adjusted using actuarial techniques. Management reviews and evaluates all premium estimates, comparing actual premiums to expected ultimate premiums on a quarterly basis and any adjustments to these estimates are recorded in the financial statements as and when updated information comes to light. Accrued premiums are net of any associated acquisition costs.

#### 9. HELD-TO-MATURITY INVESTMENTS

Held to maturity investments consist of the following as at:

	<i>Shareholders' Operations</i>	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)
At the beginning of the period / year	184,022,721	37,500,000
Purchases	87,622,367	146,522,721
<b>Balance at the end of the period / year</b>	<b>271,645,088</b>	<b>184,022,721</b>

## 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 and six month periods ended 30 June 2021

#### 9. HELD-TO-MATURITY INVESTMENTS (CONTINUED)

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

	Domestic		International		Total	
	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Fixed-rate bond and sukuk	<b>154,395,824</b>	76,608,373	<b>117,249,264</b>	107,414,348	<b>271,645,088</b>	184,022,721

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

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 33,856,246. The loan has no fixed maturity and carries a floating special commission payable quarterly.

Movements in held to maturity investments are as follows:

	30 June 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	87,622,367	--	87,622,367
<b>Balance at the end of the year</b>	<b>256,645,088</b>	<b>15,000,000</b>	<b>271,645,088</b>
	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

#### 10. UNEARNED PREMIUM

	30 June 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	955,090,594	(86,491,548)	868,599,046
Premium earned	(462,389,207)	72,192,361	(390,196,846)
Changes in unearned premiums	492,701,387	(14,299,187)	478,402,200
Closing balance	<b>1,041,242,569</b>	<b>(86,160,961)</b>	<b>955,081,608</b>
	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 and six month periods ended 30 June 2021

#### 11. CLAIMS RESERVES

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
<b>Reinsurance operations</b>		
Outstanding claims	753,580,750	716,946,866
Claims incurred but not reported	351,049,106	350,741,781
	<b>1,104,629,856</b>	<b>1,067,688,647</b>
Less:		
- Retroceded share of outstanding claims	158,997,200	154,674,308
- Retroceded share of claims incurred but not reported	33,077,172	45,796,293
	<b>192,074,372</b>	<b>200,470,601</b>
<b>Net outstanding claims reserves</b>	<b>912,555,484</b>	<b>867,218,046</b>

#### 12. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 810 million at 30 June 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.

	30 June 2021 (Unaudited)		
	Authorized and issued	Paid up	
	No. of Shares	Value per share	SR
Ahmed Hamad Algosaiibi Brothers Co.	4,050,000	10	40,500,000
Others	76,950,000	10	769,500,000
	<b>81,000,000</b>	<b>10</b>	<b>810,000,000</b>

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

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 SAR 810 million to SAR 891 million, a 10% increase, by issuing bonus shares at the rate of one share to every ten shares held. Subsequent to the period ended 30 June 2021, on 14 July 2021, the Company got approval from the extra ordinary general meeting to increase its share capital. The Company will utilize SR 81 million of its retained earnings for this purpose.



**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 and six month periods ended 30 June 2021****13. PROVISION FOR ZAKAT AND TAX**

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

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>SR</b>	<b>%</b>	<b>SR</b>	<b>%</b>
Saudi Shareholders	<b>742,122,000</b>	<b>91.6%</b>	734,022,000	90.6%
GCC Shareholders	<b>35,081,100</b>	<b>4.3%</b>	15,876,000	1.96%
<b>GCC Shareholders and general public</b>	<b>777,203,100</b>	<b>95.90%</b>	749,898,000	92.56%
Non-GCC Shareholders	<b>32,796,900</b>	<b>4.1%</b>	60,102,000	7.42%
<b>Total</b>	<b>810,000,000</b>	<b>100%</b>	810,000,000	100%

As at 30 June 2021 and 31 December 2020, the authorized, issued and fully paid-up share capital of the Company consists of 81 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:

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>SR (Unaudited)</b>	<b>SR (Audited)</b>
Provision for zakat	<b>6,969,247</b>	14,815,136
Provision for tax	<b>294,421</b>	358,694
	<b>7,263,668</b>	15,173,830

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

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>SR (Unaudited)</b>	<b>SR (Unaudited)</b>
Zakat charge for the period	<b>6,979,154</b>	6,421,291
Tax charge for the period	<b>23,822</b>	27,380
	<b>7,002,976</b>	6,448,671

The Company has recorded zakat and tax provision based on the circular No. 12746/16/1438H (18 January 2017) issued by the Zakat, Tax and Custom Authority (ZATCA), in which Saudi public listed companies are to provide for tax and zakat based on the shareholding percentages of GCC & non-GCC shareholders. The shareholding percentages of GCC & non-GCC shareholders were 99.6% and non-GCC founding 0.4% as at 30 June 2021 and 99.1% and 0.9% respectively as at 31 December 2020.

**Status of assessment**

The Company has filed its tax / Zakat returns for the year ended 31 December 2020 and obtained the final Zakat certificate up to 2020. However, it is ZATCA's discretion to issue further assessments for 2019 and 2020.

**Status of VAT assessment**

Other assets include a payment made "Under Protest" to avoid penalties in relation to the VAT assessment raised by Zakat, Tax and Custom Authority (ZATCA) for the 2018 & 2019 financial years totaling SAR 35 million (31 December 2020: 38.5 million). The ZATCA 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 ZATCA's rejection decision. ZATCA filed a counter-reply to the Company's appeal with GSTC in April 2021. The Company is currently preparing a response to ZATCA's counter-response to GSTC. The Company's management believes that there is a strong case that the ZATCA'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 and six month periods ended 30 June 2021

#### 14. 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 six-month period ended		Balance as at	
		30 Jun 2021 (Unaudited)	30 Jun 2020 (Unaudited)	30 Jun 2021 (Unaudited)	31 December 2020 (Audited)
		SR	SR	SR	SR
Board of Directors	- Consulting fees	90,158	36,924	--	--
	- Remunerations, meetings fees and expenses	2,801,867	550,121	1,335,000	2,108,726
Key management Personnel	- Short term benefits	6,763,229	6,419,013	1,868,808	1,792,027
	- End of service benefits	253,445	700,451	4,372,119	4,118,674
Companies represented by the Board members	- Gross written premiums	--	127,625,029	--	2,719,958
	- Claims incurred	--	--	--	4,011,426
	- Commissions expense	--	47,373,752	--	--
	- Gross written premiums	186,513,832	127,157,743	243,532,468	156,171,863
Associate	- Net premium earned	77,354,334	35,856,671	--	--
	- Net claims incurred	33,237,560	19,536,315	83,830,219	50,826,793
	- Policy acquisition cost	32,593,532	13,812,745	--	--

#### 15. INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE

Shareholders' operations	30 June 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	10,826,778	12,071,843
Share in foreign currency translation adjustments for the period / year	299,400	2,926,703
Balance at the end of the period / year	131,267,255	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.

## 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 and six month periods ended 30 June 2021

#### 16. 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.

##### 16.1 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
<b>For the three-month period ended 30 June 2021 (Unaudited)</b>										
<b><u>REVENUES</u></b>										
Gross written premiums	10,585,478	58,371,256	38,889,009	4,302,363	(601,167)	4,779,924	621,877	(19,100,140)	22,957,978	120,806,578
Retroceded premiums	(1,299,812)	(3,347,291)	(34,620,787)	-	1,202,448	-	-	-	(743,666)	(38,809,108)
Excess of loss expenses	(1,379,810)	(1,428,255)	(285,631)	17,049	(53,112)	(231,075)	-	-	(2,413,313)	(5,774,147)
Net written premiums	7,905,856	53,595,710	3,982,591	4,319,412	548,169	4,548,849	621,877	(19,100,140)	19,800,999	76,223,323
Changes in unearned premiums, net	8,608,693	(7,256,432)	9,085,987	15,449,494	4,922,295	16,683,500	20,177,501	42,700,084	8,130,847	118,501,969
Net earned premiums	16,514,549	46,339,278	13,068,578	19,768,906	5,470,464	21,232,349	20,799,378	23,599,944	27,931,846	194,725,292
Retrocession commissions	672,592	985,081	469,036	-	484,212	(4,220)	-	-	1,303,647	3,910,348
<b><u>TOTAL REVENUES</u></b>	<b>17,187,141</b>	<b>47,324,359</b>	<b>13,537,614</b>	<b>19,768,906</b>	<b>5,954,676</b>	<b>21,228,129</b>	<b>20,799,378</b>	<b>23,599,944</b>	<b>29,235,493</b>	<b>198,635,640</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>										
Gross claims paid	(6,512,447)	(30,659,493)	(7,810,704)	(9,774,475)	(13,708,777)	(27,117,961)	(3,091,707)	(49,351,316)	(3,922,253)	(151,949,133)
Retroceded share of claims paid	19,558	8,902,954	(58,487)	(21)	9,177,794	-	-	-	58,508	18,100,306
Net claims paid	(6,492,889)	(21,756,539)	(7,869,191)	(9,774,496)	(4,530,983)	(27,117,961)	(3,091,707)	(49,351,316)	(3,863,745)	(133,848,827)
Changes in outstanding claims, net	3,036,565	(10,272,702)	3,098,529	(908,201)	1,052,881	4,039,179	(13,036,836)	-	(6,595,499)	(19,586,084)
Changes in Incurred but not reported claims, net	287,460	(4,648,589)	(2,559,546)	(747,219)	(59,275)	(3,850,446)	(3,901,906)	42,704,467	(5,720,469)	21,504,477
Net claims incurred	(3,168,864)	(36,677,830)	(7,330,208)	(11,429,916)	(3,537,377)	(26,929,228)	(20,030,449)	(6,646,849)	(16,179,713)	(131,930,434)
Policy acquisition costs and profit commissions	(5,635,428)	(12,277,457)	(4,062,532)	(2,827,221)	(1,108,012)	(886,175)	(380,631)	(11,010,979)	(6,466,256)	(44,654,691)
Other underwriting expenses	(92,250)	(264,269)	(114,175)	(98,759)	(44,897)	(107,308)	(103,997)	(114,042)	127,605	(812,092)
<b><u>TOTAL UNDERWRITING COSTS AND EXPENSES</u></b>	<b>(8,896,542)</b>	<b>(49,219,556)</b>	<b>(11,506,915)</b>	<b>(14,355,896)</b>	<b>(4,690,286)</b>	<b>(27,922,711)</b>	<b>(20,515,077)</b>	<b>(17,771,870)</b>	<b>(22,518,364)</b>	<b>(177,397,217)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>8,290,599</b>	<b>(1,895,197)</b>	<b>2,030,699</b>	<b>5,413,010</b>	<b>1,264,390</b>	<b>(6,694,582)</b>	<b>284,301</b>	<b>5,828,074</b>	<b>6,717,129</b>	<b>21,238,423</b>

**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 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 30 June 2020 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	9,877,978	37,249,617	30,605,395	3,721,430	5,228,238	15,442,940	7,005,389	(2,059,742)	24,265,580	131,336,825
Retroceded premiums	(2,236,366)	(2,561,072)	(33,740,374)	--	(619,752)	--	--	--	(3,400,647)	(42,558,211)
Excess of loss expenses	(1,347,463)	(2,073,727)	(189,396)	1,659	364,056	(239,850)	--	--	(3,364,972)	(6,849,693)
Net written premiums	6,294,149	32,614,818	(3,324,375)	3,723,089	4,972,542	15,203,090	7,005,389	(2,059,742)	17,499,961	81,928,921
Changes in unearned premiums, net	10,130,438	4,334,548	10,778,776	11,505,852	4,823,490	(7,075,047)	4,789,390	28,351,595	5,895,682	73,534,724
Net earned premiums	16,424,587	36,949,366	7,454,401	15,228,941	9,796,032	8,128,043	11,794,779	26,291,853	23,395,643	155,463,645
Retrocession commissions	(856,336)	366,660	637,898	--	983,851	4,604	--	--	2,193,482	3,330,159
<u>TOTAL REVENUES</u>	15,568,251	37,316,026	8,092,299	15,228,941	10,779,883	8,132,647	11,794,779	26,291,853	25,589,125	158,793,804
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(11,356,521)	(22,689,705)	(2,944,251)	(3,069,106)	(6,966,181)	(3,651,247)	(7,148,865)	--	(18,146,902)	(75,972,778)
Retroceded share of claims paid	47,294	4,916,552	5,143,034	--	3,696,010	--	--	--	16,382,127	30,185,017
Net claims paid	(11,309,227)	(17,773,153)	2,198,783	(3,069,106)	(3,270,171)	(3,651,247)	(7,148,865)	--	(1,764,775)	(45,787,761)
Changes in outstanding claims, net	5,692,721	(2,157,300)	(12,387,282)	(2,055,286)	(1,544,362)	(5,697,198)	215,412	--	(31,497,996)	(49,431,291)
Changes in Incurred but not reported claims, net	211,210	2,920,458	2,927,314	(2,003,721)	(457,188)	1,954,593	(2,895,316)	(17,600,018)	8,902,869	(6,039,799)
Net claims incurred	(5,405,296)	(17,009,995)	(7,261,185)	(7,128,113)	(5,271,721)	(7,393,852)	(9,828,769)	(17,600,018)	(24,359,902)	(101,258,851)
Policy acquisition costs and profit commissions	(5,473,743)	(10,415,822)	(2,720,208)	(2,998,764)	(3,246,893)	(1,480,363)	(626,079)	(12,192,460)	(6,730,519)	(45,884,851)
Other underwriting expenses	(461,591)	(407,213)	(215,526)	(292,012)	(34,497)	(117,624)	(130,027)	10,299	(299,699)	(1,947,890)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(11,340,630)	(27,833,030)	(10,196,919)	(10,418,889)	(8,553,111)	(8,991,839)	(10,584,875)	(29,782,179)	(31,390,120)	(149,091,592)
<u>NET UNDERWRITING INCOME / (LOSS)</u>	4,227,621	9,482,996	(2,104,620)	4,810,052	2,226,772	(859,192)	1,209,904	(3,490,326)	(5,800,995)	9,702,212



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

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**For the three month and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
<b>For the six-month period ended 30 June 2021 (Unaudited)</b>										
<b><u>REVENUES</u></b>										
Gross written premiums	51,720,461	177,926,518	83,090,103	100,205,567	39,928,137	42,364,643	182,836,892	173,823,758	103,194,515	955,090,594
Retroceded premiums	(7,958,061)	(10,876,212)	(37,485,787)	--	(15,543,223)	--	--	--	(729,046)	(72,592,329)
Excess of loss expenses	(1,993,643)	(6,265,193)	(588,974)	114,945	(109,261)	(388,605)	--	--	(4,668,488)	(13,899,219)
Net written premiums	41,768,757	160,785,113	45,015,342	100,320,512	24,275,653	41,976,038	182,836,892	173,823,758	97,796,981	868,599,046
Changes in unearned premiums, net	(12,764,069)	(72,210,825)	(17,607,971)	(68,148,908)	(11,150,968)	(3,724,983)	(146,458,364)	(109,159,498)	(37,176,615)	(478,402,201)
Net earned premiums	29,004,688	88,574,288	27,407,371	32,171,604	13,124,685	38,251,055	36,378,528	64,664,260	60,620,366	390,196,845
Retrocession commissions	1,223,109	1,757,382	770,163	--	1,404,934	(2,501)	--	--	2,560,131	7,713,218
<b><u>TOTAL REVENUES</u></b>	<b>30,227,797</b>	<b>90,331,670</b>	<b>28,177,534</b>	<b>32,171,604</b>	<b>14,529,619</b>	<b>38,248,554</b>	<b>36,378,528</b>	<b>64,664,260</b>	<b>63,180,497</b>	<b>397,910,063</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>										
Gross claims paid	(12,806,312)	(53,570,457)	(36,731,258)	(12,898,844)	(16,172,496)	(42,196,056)	(12,204,554)	(49,351,316)	(17,070,466)	(253,001,759)
Retroceded share of claims paid	102,260	9,128,341	23,003,681	(21)	9,227,312	--	--	--	3,509,575	44,971,148
Net claims paid	(12,704,052)	(44,442,116)	(13,727,577)	(12,898,865)	(6,945,184)	(42,196,056)	(12,204,554)	(49,351,316)	(13,560,891)	(208,030,611)
Changes in outstanding claims, net	1,230,614	(11,518,212)	(3,501,975)	(3,600,445)	(146,117)	797,656	(12,789,576)	-	(2,782,937)	(32,310,992)
Changes in Incurred but not reported claims, net	10,141,237	(3,737,772)	(7,024,149)	(6,890,688)	(1,474,432)	(5,245,619)	(11,381,788)	22,410,197	(9,823,433)	(13,026,447)
Net claims incurred	(1,332,201)	(59,698,100)	(24,253,701)	(23,389,998)	(8,565,733)	(46,644,019)	(36,375,918)	(26,941,119)	(26,167,261)	(253,368,050)
Policy acquisition costs and profit commissions	(11,221,646)	(26,071,071)	(8,298,615)	(3,789,594)	(4,096,350)	(1,445,143)	(806,115)	(26,009,629)	(13,898,611)	(95,636,774)
Other underwriting expenses	(163,793)	(523,173)	(239,525)	(160,283)	(104,507)	(193,171)	(181,893)	(323,321)	(399,559)	(2,289,225)
<b><u>TOTAL UNDERWRITING COSTS AND EXPENSES</u></b>	<b>(12,717,640)</b>	<b>(86,292,344)</b>	<b>(32,791,841)</b>	<b>(27,339,875)</b>	<b>(12,766,590)</b>	<b>(48,282,333)</b>	<b>(37,363,926)</b>	<b>(53,274,069)</b>	<b>(40,465,431)</b>	<b>(351,294,049)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>17,510,157</b>	<b>4,039,326</b>	<b>(4,614,307)</b>	<b>4,831,729</b>	<b>1,763,029</b>	<b>(10,033,779)</b>	<b>(985,398)</b>	<b>11,390,191</b>	<b>22,715,066</b>	<b>46,616,014</b>

**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 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 six-month period ended 30 June 2020 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	130,253,799	119,808,371	70,549,556	57,955,061	33,187,662	25,792,571	21,090,654	112,790,427	87,626,378	659,054,479
Retroceded premiums	(26,302,130)	(10,545,628)	(30,122,626)	--	63,457	(1,851,861)	--	--	(4,656,613)	(73,415,401)
Excess of loss expenses	(2,492,365)	(7,094,495)	(213,722)	230,478	(13,631)	(479,700)	--	--	(4,324,114)	(14,387,549)
Net written premiums	101,459,304	102,168,248	40,213,208	58,185,539	33,237,488	23,461,010	21,090,654	112,790,427	78,645,651	571,251,529
Changes in unearned premiums, net	(49,550,403)	(52,407,577)	(19,682,336)	(25,359,357)	(26,577,430)	(6,696,577)	(8,540,442)	(72,820,753)	(31,409,563)	(293,044,438)
Net earned premiums	51,908,901	49,760,671	20,530,872	32,826,182	6,660,058	16,764,433	12,550,212	39,969,674	47,236,088	278,207,091
Retrocession commissions	1,859,489	450,012	(462,616)	--	516,336	6,021	--	--	2,990,511	5,359,753
<u>TOTAL REVENUES</u>	53,768,390	50,210,683	20,068,256	32,826,182	7,176,394	16,770,454	12,550,212	39,969,674	50,226,599	283,566,844
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(18,673,734)	(52,190,179)	(26,996,438)	(15,322,595)	(17,653,464)	(16,452,449)	(19,446,925)	--	(22,126,609)	(188,862,393)
Retroceded share of claims paid	506,995	8,727,885	22,154,393	--	7,992,524	--	--	--	16,584,559	55,966,356
Net claims paid	(18,166,739)	(43,462,294)	(4,842,045)	(15,322,595)	(9,660,940)	(16,452,449)	(19,446,925)	--	(5,542,050)	(132,896,037)
Changes in outstanding claims, net	8,465,581	(9,472,575)	(7,263,786)	(1,112,532)	(2,315,784)	(5,632,646)	(3,899,340)	--	(29,715,559)	(50,946,641)
Changes in Incurred but not reported claims, net	8,102,962	15,272,709	(2,418,488)	3,270,507	1,704,725	5,639,611	15,610,431	(28,190,421)	5,128,532	24,120,568
Net claims incurred	(1,598,196)	(37,662,160)	(14,524,319)	(13,164,620)	(10,271,999)	(16,445,484)	(7,735,834)	(28,190,421)	(30,129,077)	(159,722,110)
Policy acquisition costs and profit commissions	(18,578,331)	(15,625,767)	(10,958,712)	(7,008,911)	(4,433,184)	(2,631,451)	(741,356)	(18,722,530)	(12,590,589)	(91,290,831)
Other underwriting expenses	(651,269)	(598,505)	(352,716)	(289,692)	(165,906)	(128,963)	(105,453)	(563,952)	(433,801)	(3,290,257)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(20,827,796)	(53,886,432)	(25,835,747)	(20,463,223)	(14,871,089)	(19,205,898)	(8,582,643)	(47,476,903)	(43,153,467)	(254,303,198)
<u>NET UNDERWRITING INCOME / (LOSS)</u>	32,940,594	(3,675,749)	(5,767,491)	12,362,959	(7,694,695)	(2,435,444)	3,967,569	(7,507,229)	7,073,132	29,263,646

**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 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
<b>As at 30 June 2021 (Unaudited)</b>												
<b>ASSETS</b>												
Bank balances and cash	--	--	--	--	--	--	--	--	--	9,170,932	5,902,134	15,073,066
Time deposits	--	--	--	--	--	--	--	--	--	--	134,252,084	134,252,084
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	--	1,335,699	1,335,699
Reinsurance premium receivables, net	47,976,679	105,413,416	53,238,666	38,494,832	21,339,376	14,628,832	95,167,323	(74,561)	110,605,050	(119,264,062)		367,525,551
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	310,191,982	298,487,819	608,679,801
Accrued reinsurance premiums	115,632,158	149,012,211	48,011,159	80,317,305	38,879,734	39,607,733	104,299,746	239,790,340	64,986,273	--		880,536,659
Retrocession balances receivable										40,217,081	-	40,217,081
Retroceded share of unearned premiums	32,058,542	8,876,692	25,140,006	-	17,069,011	-	-	-	3,016,710	--	--	86,160,961
Deferred excess of loss premiums	-	(12)	-	-	-	247,267	-	-	-	--	--	247,255
Retroceded share of outstanding claims	4,743,859	45,909,149	61,734,750	(1,263,117)	3,370,243	115,836	-	-	44,386,480	--	--	158,997,200
Retroceded share of claims incurred but not reported	2,191,083	4,266,918	8,711,237	86,633	8,156,492	-	-	-	9,664,809	--	--	33,077,172
Deferred policy acquisition costs	40,219,032	53,927,506	15,141,066	17,765,149	12,738,543	1,545,358	1,983,381	100,822,593	12,236,561	--	--	256,379,189
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	-	271,645,088	271,645,088
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	147,175,231	110,974,052	258,149,283
Property and equipment, net	--	--	--	--	--	--	--	--	--	4,987,318	28,477,609	33,464,927
Accrued special commission income from bonds and sukuk and held to maturity investments	--	--	--	--	--	--	--	--	--	-	5,022,150	5,022,150
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	-	131,267,255	131,267,255
Statutory deposit	--	--	--	--	--	--	--	--	--	-	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	-	20,561,362	20,561,362
<b>TOTAL ASSETS</b>	<b>242,821,353</b>	<b>367,405,880</b>	<b>211,976,884</b>	<b>135,400,802</b>	<b>101,553,399</b>	<b>56,145,026</b>	<b>201,450,450</b>	<b>340,538,372</b>	<b>244,895,883</b>	<b>392,478,482</b>	<b>1,088,925,252</b>	<b>3,383,591,783</b>

**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 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
<b>As at 30 June 2021 (Unaudited)</b>												
<b>LIABILITIES</b>												
Accounts payable	(1,231,816)	(369,503)	547,791	(901,111)	524,821	902,422	(651,000)	--	964,762	31,334,905	--	31,121,271
Margin loan payable	--	--	--	--	--	--	--	--	--	--	56,973,062	56,973,062
Retrocession balances payable	--	--	--	--	--	--	--	--	--	44,520,893	--	44,520,893
Accrued retroceded premiums	17,422,003	6,314,810	60,494	54,329	13,771,337	-	-	-	4,775,027	--	--	42,398,000
Unearned premiums	151,056,797	192,812,072	71,291,232	93,225,463	48,506,983	29,560,535	153,015,493	232,467,247	69,306,747	--	--	1,041,242,569
Outstanding claims	82,534,648	274,218,284	103,304,097	59,655,046	30,398,742	40,116,645	24,340,403	-	139,012,885	--	--	753,580,750
Claims incurred but not reported	17,428,994	37,980,779	31,168,942	59,494,667	22,822,096	25,793,977	29,568,568	83,822,676	42,968,407	--	--	351,049,106
Unearned retrocession commission	8,178,149	2,890,166	995,423	--	4,103,085	32,687	--	--	581,656	--	--	16,781,166
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	38,227,435	2,124,900	40,352,335
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	11,429,476	-	11,429,476
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	-	7,263,668	7,263,668
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	-	20,561,352	20,561,352
<b>TOTAL LIABILITIES</b>	<b>275,388,775</b>	<b>513,846,608</b>	<b>207,367,979</b>	<b>211,528,394</b>	<b>120,127,064</b>	<b>96,406,266</b>	<b>206,273,464</b>	<b>316,289,923</b>	<b>257,609,484</b>	<b>125,512,709</b>	<b>86,922,982</b>	<b>2,417,273,648</b>



**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 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												
<u>ASSETS</u>												
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, sukuk and held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	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
<b>TOTAL ASSETS</b>	<b>228,972,465</b>	<b>288,706,558</b>	<b>176,265,151</b>	<b>64,953,778</b>	<b>76,531,301</b>	<b>67,738,892</b>	<b>24,766,054</b>	<b>244,140,320</b>	<b>233,905,584</b>	<b>345,331,501</b>	<b>1,056,898,396</b>	<b>2,808,210,000</b>

**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.1 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												
<b>LIABILITIES</b>												
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
<b>TOTAL LIABILITIES</b>	<b>270,699,810</b>	<b>422,153,222</b>	<b>173,976,502</b>	<b>134,928,063</b>	<b>92,094,487</b>	<b>88,651,602</b>	<b>37,550,033</b>	<b>229,542,256</b>	<b>218,607,179</b>	<b>144,183,189</b>	<b>61,665,834</b>	<b>1,874,052,177</b>

# 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 and six month periods ended 30 June 2021

### 16. SEGMENTAL INFORMATION (CONTINUED)

#### 16.2 Business segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the six month periods ended 30 June 2021 (Unaudited)						
Reinsurance operations' results						
<b>REVENUES</b>						
Gross written premiums	419,789,478	54,329,152	29,695,523	276,266,913	175,009,528	955,090,594
Retroceded premiums	(57,699,732)	72,345	4,387	(14,969,329)	-	(72,592,329)
Excess of loss expenses	(4,542,233)	(5,293,134)	(583,445)	(3,466,183)	(14,224)	(13,899,219)
Net written premiums	357,547,513	49,108,363	29,116,465	257,831,401	174,995,304	868,599,046
Changes in unearned premiums, net	(221,888,571)	(10,666,310)	(12,301,117)	(123,765,035)	(109,781,168)	(478,402,201)
Net earned premiums	135,658,942	38,442,053	16,815,348	134,066,366	65,214,136	390,196,845
Retrocession commissions	6,243,291	68,463	4,834	1,396,630	-	7,713,218
<b>TOTAL REVENUES</b>	<b>141,902,233</b>	<b>38,510,516</b>	<b>16,820,182</b>	<b>135,462,996</b>	<b>65,214,136</b>	<b>397,910,063</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(89,834,768)	(22,330,210)	(7,302,077)	(83,768,231)	(49,766,473)	(253,001,759)
Retroceded share of claims paid	35,728,018	15,818	-	9,227,312	-	44,971,148
Net claims paid	(54,106,750)	(22,314,392)	(7,302,077)	(74,540,919)	(49,766,473)	(208,030,611)
Changes in outstanding claims, net	(16,816,955)	895,332	(2,567,667)	(13,922,167)	100,465	(32,310,992)
Changes in Incurred but not reported claims, net	(19,209,824)	(4,073,778)	(2,104,553)	(9,927,137)	22,288,845	(13,026,447)
Net claims incurred	(90,133,529)	(25,492,838)	(11,974,297)	(98,390,223)	(27,377,163)	(253,368,050)
Policy acquisition costs and profit commissions	(21,863,798)	(9,871,764)	(4,139,351)	(33,737,272)	(26,024,589)	(95,636,774)
Other underwriting expenses	(942,587)	(211,863)	(86,519)	(722,114)	(326,142)	(2,289,225)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(112,939,914)</b>	<b>(35,576,465)</b>	<b>(16,200,167)</b>	<b>(132,849,609)</b>	<b>(53,727,894)</b>	<b>(351,294,049)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>28,962,319</b>	<b>2,934,051</b>	<b>620,015</b>	<b>2,613,387</b>	<b>11,486,242</b>	<b>46,616,014</b>

**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 and six month periods ended 30 June 2021**
**16. SEGMENTAL INFORMATION (CONTINUED)**
**16.2 Business segments (continued)**

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the six month period ended 30 June 2020 (Unaudited)						
Reinsurance operations' results						
<b>REVENUES</b>						
Gross written premiums	222,455,087	70,010,973	29,906,457	222,767,348	113,914,614	659,054,479
Retroceded premiums	(73,792,986)	(120,022)	(160,644)	658,251	--	(73,415,401)
Excess of loss expenses	(8,841,205)	(1,031,264)	(862,562)	(3,600,116)	(52,402)	(14,387,549)
Net written premiums	139,820,896	68,859,687	28,883,251	219,825,483	113,862,212	571,251,529
Changes in unearned premiums, net	(52,758,927)	(34,122,246)	(11,566,230)	(119,628,257)	(74,968,778)	(293,044,438)
Net earned premiums	87,061,969	34,737,441	17,317,021	100,197,226	38,893,434	278,207,091
Retrocession commissions	4,960,536	(65,244)	62,856	401,605	--	5,359,753
<b>TOTAL REVENUES</b>	<b>92,022,505</b>	<b>34,672,197</b>	<b>17,379,877</b>	<b>100,598,831</b>	<b>38,893,434</b>	<b>283,566,844</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(88,871,823)	(30,611,167)	(11,596,263)	(57,254,217)	(528,923)	(188,862,393)
Retroceded share of claims paid	43,525,150	1,668,080	--	10,600,373	172,753	55,966,356
Net claims paid	(45,346,673)	(28,943,087)	(11,596,263)	(46,653,844)	(356,170)	(132,896,037)
Changes in outstanding claims, net	(8,355,726)	1,217,262	1,077,259	(44,986,472)	101,036	(50,946,641)
Changes in Incurred but not reported claims, net	26,176,100	8,618,536	6,275,076	10,651,285	(27,600,429)	24,120,568
Net claims incurred	(27,526,299)	(19,107,289)	(4,243,928)	(80,989,031)	(27,855,563)	(159,722,110)
Policy acquisition costs and profit commissions	(26,644,673)	(9,348,404)	(6,003,604)	(30,842,212)	(18,451,938)	(91,290,831)
Other underwriting expenses	(1,107,260)	(350,055)	(149,532)	(1,113,837)	(569,573)	(3,290,257)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(55,278,232)</b>	<b>(28,805,748)</b>	<b>(10,397,064)</b>	<b>(112,945,080)</b>	<b>(46,877,074)</b>	<b>(254,303,198)</b>
<b>NET UNDERWRITING INCOME</b>	<b>36,744,273</b>	<b>5,866,449</b>	<b>6,982,813</b>	<b>(12,346,249)</b>	<b>(7,983,640)</b>	<b>29,263,646</b>

**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 and six month periods ended 30 June 2021**

**16. SEGMENTAL INFORMATION (CONTINUED)**

**16.2 Business 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 30 June 2021 (Unaudited)						
<b>Reinsurance operations' results</b>						
<b><u>REVENUES</u></b>						
Gross written premiums	47,974,665	1,124,436	2,306,239	88,517,197	(19,115,959)	120,806,578
Retroceded premiums	(40,068,339)	56,958	4,387	1,197,886	-	(38,809,108)
Excess of loss expenses	(2,504,328)	(1,005,766)	(301,066)	(1,952,262)	(10,725)	(5,774,147)
Net written premiums	5,401,998	175,628	2,009,560	87,762,821	(19,126,684)	76,223,323
Changes in unearned premiums, net	71,501,755	20,818,534	6,417,476	(23,276,200)	43,040,404	118,501,969
Net earned premiums	76,903,753	20,994,162	8,427,036	64,486,621	23,913,720	194,725,292
Retrocession commissions	3,299,507	54,791	4,790	551,260	-	3,910,348
<b><u>TOTAL REVENUES</u></b>	<b>80,203,260</b>	<b>21,048,953</b>	<b>8,431,826</b>	<b>65,037,881</b>	<b>23,913,720</b>	<b>198,635,640</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>						
Gross claims paid	(44,109,464)	(11,473,799)	(3,563,881)	(43,450,672)	(49,351,317)	(151,949,133)
Retroceded share of claims paid	8,922,183	330	-	9,177,793	-	18,100,306
Net claims paid	(35,187,281)	(11,473,469)	(3,563,881)	(34,272,879)	(49,351,317)	(133,848,827)
Changes in outstanding claims, net	(10,211,585)	(1,662,282)	(2,504,594)	(5,215,408)	7,785	(19,586,084)
Changes in Incurred but not reported claims, net	(12,342,982)	(2,062,914)	928	(6,664,461)	42,573,906	21,504,477
Net claims incurred	(57,741,848)	(15,198,665)	(6,067,547)	(46,152,748)	(6,769,626)	(131,930,434)
Policy acquisition costs and profit commissions	(11,209,195)	(4,545,131)	(2,156,389)	(15,707,795)	(11,036,181)	(44,654,691)
Other underwriting expenses	(479,311)	(82,755)	(21,849)	(117,478)	(110,699)	(812,092)
<b><u>TOTAL UNDERWRITING COSTS AND EXPENSES</u></b>	<b>(69,430,354)</b>	<b>(19,826,551)</b>	<b>(8,245,785)</b>	<b>(61,978,021)</b>	<b>(17,916,506)</b>	<b>(177,397,217)</b>
<b>NET UNDERWRITING INCOME</b>	<b>10,772,906</b>	<b>1,222,402</b>	<b>186,041</b>	<b>3,059,860</b>	<b>5,997,214</b>	<b>21,238,423</b>



# 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 and six month periods ended 30 June 2021

### 16. SEGMENTAL INFORMATION (CONTINUED)

#### 16.2 Business 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 30 June 2020 (Unaudited)						
Reinsurance operations' results						
<b>REVENUES</b>						
Gross written premiums	65,786,554	(871,983)	1,157,760	67,327,839	(2,063,345)	131,336,825
Retroceded premiums	(42,041,367)	104,059	18,541	(639,444)	--	(42,558,211)
Excess of loss expenses	(2,949,016)	(887,617)	(368,573)	(2,592,086)	(52,401)	(6,849,693)
Net written premiums	20,796,171	(1,655,541)	807,728	64,096,309	(2,115,746)	81,928,921
Changes in unearned premiums, net	26,317,451	20,268,008	9,095,036	(11,423,307)	29,277,536	73,534,724
Net earned premiums	47,113,622	18,612,467	9,902,764	52,673,002	27,161,790	155,463,645
Retrocession commissions	2,711,797	32,431	4,239	581,692	--	3,330,159
<b>TOTAL REVENUES</b>	<b>49,825,419</b>	<b>18,644,898</b>	<b>9,907,003</b>	<b>53,254,694</b>	<b>27,161,790</b>	<b>158,793,804</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(33,658,907)	(12,717,193)	(5,372,297)	(23,744,721)	(479,660)	(75,972,778)
Retroceded share of claims paid	23,092,114	25,475	--	7,067,428	--	30,185,017
Net claims paid	(10,566,793)	(12,691,718)	(5,372,297)	(16,677,293)	(479,660)	(45,787,761)
Changes in outstanding claims, net	(8,373,656)	2,546,753	1,480,916	(45,540,776)	455,472	(49,431,291)
Changes in Incurred but not reported claims, net	2,167,355	688,676	1,909,941	6,565,924	(17,371,695)	(6,039,799)
Net claims incurred	(16,773,094)	(9,456,289)	(1,981,440)	(55,652,145)	(17,395,883)	(101,258,851)
Policy acquisition costs and profit commissions	(10,932,107)	(4,871,362)	(3,719,279)	(14,085,122)	(12,276,981)	(45,884,851)
Other underwriting expenses	(1,027,374)	(325,271)	(122,641)	(465,063)	(7,541)	(1,947,890)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(28,732,575)</b>	<b>(14,652,922)</b>	<b>(5,823,360)</b>	<b>(70,202,330)</b>	<b>(29,680,405)</b>	<b>(149,091,592)</b>
<b>NET UNDERWRITING INCOME</b>	<b>21,092,844</b>	<b>3,991,976</b>	<b>4,083,643</b>	<b>(16,947,636)</b>	<b>(2,518,615)</b>	<b>9,702,212</b>

**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 and six month periods ended 30 June 2021**
**16. SEGMENTAL INFORMATION (CONTINUED)**
**16.2 Business 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
<b>As at 30 June 2021</b>								
<b>(Unaudited)</b>								
<b><u>ASSETS</u></b>								
Bank balances and cash	8,666,574	--	--	504,358	--	--	5,902,134	15,073,066
Time deposits	--	--	--	--	--	--	134,252,084	134,252,084
Accrued special commission income from time deposits	--	--	--	--	--	--	1,335,699	1,335,699
Reinsurance premium receivables, net	201,403,241	46,541,391	42,871,669	71,962,004	857,310	3,889,936	--	367,525,551
Investments held at fair value through income statement	--	--	--	--	--	310,191,981	298,487,820	608,679,801
Accrued reinsurance premiums	309,923,442	71,694,076	30,131,995	228,295,425	240,491,721	--	--	880,536,659
Retrocession balances receivable	--	--	--	--	--	40,217,081	--	40,217,081
Retroceded share of unearned premiums	68,996,658	91,285	4,007	17,069,011	--	--	--	86,160,961
Deferred excess of loss premiums	123,622	49,453	74,180	--	--	--	--	247,255
Retroceded share of outstanding claims	90,229,806	44,992,319	6,959,372	16,815,703	--	--	--	158,997,200
Retroceded share of claims incurred but not reported	23,559,950	471,675	116,454	8,921,440	7,653	--	--	33,077,172
Deferred policy acquisition costs	54,671,109	21,808,700	9,331,162	69,705,568	100,862,650	--	--	256,379,189
Held-to-maturity investments	--	--	--	--	--	--	271,645,088	271,645,088
Prepaid expenses, deposits and other assets	50,832,986	-	-	143,511	96,198,734	--	110,974,052	258,149,283
Property and equipment, net	--	--	--	--	--	4,987,318	28,477,609	33,464,927
Accrued special commission income from bonds, sukuk and held-to-maturity investments	--	--	--	--	--	--	5,022,150	5,022,150
Investment in an equity accounted investee	--	--	--	--	--	--	131,267,255	131,267,255
Statutory deposit	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,561,362	20,561,362
<b>TOTAL ASSETS</b>	<b>808,407,388</b>	<b>185,648,899</b>	<b>89,488,839</b>	<b>413,417,020</b>	<b>438,418,068</b>	<b>359,286,316</b>	<b>1,088,925,253</b>	<b>3,383,591,783</b>
<b><u>LIABILITIES</u></b>								
Accounts payable	10,238,123	9,685,165	3,744,691	2,936,569	-	4,516,723	-	31,121,271
Margin loan payable	-	-	-	-	-	-	56,973,062	56,973,062
Retrocession balances payable	-	-	-	-	-	44,520,893	-	44,520,893
Accrued retroceded premiums	16,421,979	262,939	70,716	13,865,450	3,045	11,773,871	-	42,398,000
Unearned premiums	432,092,828	76,993,449	31,273,938	267,576,383	233,305,971	-	-	1,041,242,569
Outstanding claims	289,340,906	175,584,010	31,845,727	252,230,350	4,579,757	-	-	753,580,750
Claims incurred but not reported	127,082,378	31,688,625	11,449,212	96,391,840	84,437,051	-	-	351,049,106
Unearned retrocession commission	11,786,710	16,587	822	3,521,183	-	1,455,864	-	16,781,166
Accrued expenses and other liabilities	-	-	-	-	-	38,227,435	2,124,900	40,352,335
Employees' end of service benefits	-	-	-	-	-	11,429,476	-	11,429,476
Provision for zakat and tax	-	-	-	-	-	-	7,263,668	7,263,668
Accrued commission income payable to SAMA	-	-	-	-	-	-	20,561,352	20,561,352
<b>TOTAL LIABILITIES</b>	<b>886,962,924</b>	<b>294,230,775</b>	<b>78,385,106</b>	<b>636,521,775</b>	<b>322,325,824</b>	<b>111,924,262</b>	<b>86,922,982</b>	<b>2,417,273,648</b>

**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 and six month periods ended 30 June 2021**
**16. SEGMENTAL INFORMATION (CONTINUED)**
**16.2 Business 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								
<b>ASSETS</b>								
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 balances 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 investments	--	--	--	--	--	--	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, sukuk and held-to-maturity investments	--	--	--	--	--	--	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
<b>TOTAL ASSETS</b>	<b>855,092,327</b>	<b>162,635,323</b>	<b>70,464,117</b>	<b>291,079,815</b>	<b>339,018,296</b>	<b>33,021,725</b>	<b>1,056,898,397</b>	<b>2,808,210,000</b>
<b>LIABILITIES</b>								
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
<b>TOTAL LIABILITIES</b>	<b>672,508,770</b>	<b>268,169,971</b>	<b>62,583,040</b>	<b>467,702,897</b>	<b>234,807,629</b>	<b>106,614,036</b>	<b>61,665,834</b>	<b>1,874,052,177</b>

**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 and six month periods ended 30 June 2021**

**17. SUPPLEMENTARY INFORMATION**

**Interim condensed statement of financial position**

	30 June 2021 (Unaudited)			31 December 2020 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>ASSETS</b>						
Bank balances and cash	9,170,932	5,902,134	15,073,066	8,034,347	5,122,375	13,156,722
Time deposits	--	134,252,084	134,252,084	10,125,002	183,334,500	193,459,502
Accrued special commission income from time deposits	--	1,335,699	1,335,699	785,486	2,426,007	3,211,493
Reinsurance premium receivables, net	367,525,551	--	367,525,551	293,755,148	--	293,755,148
Investments held at fair value through income statement	310,191,981	298,487,820	608,679,801	201,003,059	311,078,319	512,081,378
Accrued reinsurance premiums	880,536,659	--	880,536,659	594,263,077	--	594,263,077
Retrocession balances receivable	40,217,081	--	40,217,081	29,509,021	--	29,509,021
Retroceded share of unearned premiums	86,160,961	--	86,160,961	71,861,774	--	71,861,774
Deferred excess of loss premiums	247,255	--	247,255	12,783,693	--	12,783,693
Retroceded share of outstanding claims	158,997,200	--	158,997,200	154,674,308	--	154,674,308
Retroceded share of claims incurred but not reported	33,077,172	--	33,077,172	45,796,293	--	45,796,293
Deferred policy acquisition costs	256,379,189	--	256,379,189	149,403,279	--	149,403,279
Held-to-maturity investments	--	271,645,088	271,645,088	--	184,022,721	184,022,721
Prepaid expenses, deposits and other assets	147,175,231	110,974,052	258,149,283	174,550,407	114,548,477	289,098,884
Property and equipment, net	4,987,318	28,477,609	33,464,927	4,766,709	28,858,623	33,625,332
Accrued special commission income from bonds, and sukuk	--	5,022,150	5,022,150	--	6,180,645	6,180,645
Investment in an equity accounted investee	--	131,267,255	131,267,255	--	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	--	20,561,362	20,561,362	--	20,185,653	20,185,653
Due from shareholders' operations*	46,257,987	--	46,257,987	69,258,595	--	69,258,595
<b>TOTAL ASSETS</b>	<b>2,340,924,517</b>	<b>1,088,925,253</b>	<b>3,429,849,770</b>	<b>1,820,570,198</b>	<b>1,056,898,397</b>	<b>2,877,468,595</b>
<b>LIABILITIES</b>						
Accounts payable	31,121,271	--	31,121,271	31,974,787	--	31,974,787
Margin loan payable	--	56,973,062	56,973,062	--	23,116,816	23,116,816
Retrocession balances payable	44,520,893	--	44,520,893	77,219,757	--	77,219,757
Accrued retroceded premiums	42,398,000	--	42,398,000	39,812,365	--	39,812,365
Unearned premiums	1,041,242,569	--	1,041,242,569	548,541,182	--	548,541,182
Outstanding claims	753,580,750	--	753,580,750	716,946,866	--	716,946,866
Claims incurred but not reported	351,049,106	--	351,049,106	350,741,781	--	350,741,781
Unearned retrocession commission	16,781,166	--	16,781,166	15,805,185	--	15,805,185
Accrued expenses and other liabilities	38,227,436	2,124,899	40,352,332	20,671,231	3,189,533	23,860,764
Employees' end of service benefits	11,429,476	--	11,429,476	10,673,191	--	10,673,191
Accumulated surplus	13,368,349	--	13,368,349	10,978,352	--	10,978,352
Provision for zakat and tax	--	7,263,668	7,263,668	--	15,173,830	15,173,830
Accrued commission income payable to SAMA	--	20,561,352	20,561,352	--	20,185,653	20,185,653
Due to reinsurance operations*	--	46,257,987	46,257,987	--	69,258,595	69,258,595
<b>TOTAL LIABILITIES</b>	<b>2,343,719,016</b>	<b>133,180,968</b>	<b>2,476,899,984</b>	<b>1,823,364,695</b>	<b>130,924,429</b>	<b>1,954,289,124</b>
<b>EQUITY</b>						
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)	3,338,028	543,529	(2,794,499)	3,038,628	244,129
Retained earnings	--	115,318,581	115,318,581	--	85,847,666	85,847,666
<b>TOTAL EQUITY</b>	<b>(2,794,499)</b>	<b>955,744,285</b>	<b>952,949,786</b>	<b>(2,794,499)</b>	<b>925,973,970</b>	<b>923,179,471</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,340,924,517</b>	<b>1,088,925,253</b>	<b>3,429,849,770</b>	<b>1,820,570,196</b>	<b>1,056,898,399</b>	<b>2,877,468,595</b>

**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 and six month periods ended 30 June 2021**

**17. SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of income**

	For the six months period ended 30 June 2021 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross written premiums	955,090,594	--	955,090,594	659,054,479	--	659,054,479
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(72,592,329)	--	(72,592,329)	(73,415,401)	--	(73,415,401)
Excess of loss expenses						
- Local		--	-		--	
- Foreign	(13,899,219)	--	(13,899,219)	(14,387,549)	--	(14,387,549)
<b>Net written premiums</b>	<b>868,599,046</b>	<b>--</b>	<b>868,599,046</b>	<b>571,251,529</b>	<b>--</b>	<b>571,251,529</b>
Changes in unearned premiums, net	(478,402,201)	--	(478,402,201)	(293,044,438)	--	(293,044,438)
<b>Net earned premiums</b>	<b>390,196,845</b>	<b>--</b>	<b>390,196,845</b>	<b>278,207,091</b>	<b>--</b>	<b>278,207,091</b>
Retrocession commissions	7,713,218	--	7,713,218	5,359,753	--	5,359,753
<b>TOTAL REVENUES</b>	<b>397,910,063</b>	<b>--</b>	<b>397,910,063</b>	<b>283,566,844</b>	<b>--</b>	<b>283,566,844</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(253,001,759)	--	(253,001,759)	(188,862,393)	--	(188,862,393)
Retroceded share of claims paid	44,971,148	--	44,971,148	55,966,356	--	55,966,356
<b>Net claims paid</b>	<b>(208,030,611)</b>	<b>--</b>	<b>(208,030,611)</b>	<b>(132,896,037)</b>	<b>--</b>	<b>(132,896,037)</b>
Changes in outstanding claims, net	(32,310,992)	--	(32,310,992)	(50,946,641)	--	(50,946,641)
Changes in Incurred but not reported claims, net	(13,026,447)	--	(13,026,447)	24,120,568	--	24,120,568
<b>Net claims incurred</b>	<b>(253,368,050)</b>	<b>--</b>	<b>(253,368,050)</b>	<b>(159,722,110)</b>	<b>--</b>	<b>(159,722,110)</b>
Policy acquisition costs and profit commissions	(95,636,774)	--	(95,636,774)	(91,290,831)	--	(91,290,831)
Other underwriting expenses	(2,289,225)	--	(2,289,225)	(3,290,257)	--	(3,290,257)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(351,294,049)</b>	<b>--</b>	<b>(351,294,049)</b>	<b>(254,303,198)</b>	<b>--</b>	<b>(254,303,198)</b>
<b>NET UNDERWRITING INCOME</b>	<b>46,616,014</b>	<b>--</b>	<b>46,616,014</b>	<b>29,263,646</b>	<b>--</b>	<b>29,263,646</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Special commission income from time deposits	476,998	2,656,607	3,133,605	2,914,297	3,740,365	6,654,662
Realized gains / (loss) on investments held at fair value through income statement	81,813	1,011,462	1,093,275	158,750	(1,086,366)	(927,616)
Unrealized gains / (loss) on investments held at fair value through income statement	1,177,504	(301,397)	876,107	(1,029,569)	817,259	(212,310)
Special commission income from bonds and sukuk	--	6,814,979	6,814,979	--	4,518,136	4,518,136
Dividend income	--	875,000	875,000	--	1,017,628	1,017,628
Share of profit of equity accounted investee	--	10,826,778	10,826,778	--	7,718,945	7,718,945
Special commission expense from margin loan payable	--	(176,043)	(176,043)	--	--	--
Investment management expenses	(137,129)	(627,297)	(764,426)	(56,854)	(409,989)	(466,843)
<b>Net investment income</b>	<b>1,599,186</b>	<b>21,080,089</b>	<b>22,679,275</b>	<b>1,986,624</b>	<b>16,315,978</b>	<b>18,302,602</b>
Other income	723,623	68,364	791,987	69,000	603,459	672,459
Allowance for doubtful debts	--	--	--	(457,676)	--	(457,676)
General and administrative expenses	(22,723,763)	(3,434,818)	(26,158,581)	(18,755,250)	(3,608,631)	(22,363,881)
Board of directors' remunerations, meetings fees and expenses	--	(2,801,867)	(2,801,867)	--	(1,297,839)	(1,297,839)
Foreign exchange translation (losses) / gains	(2,315,085)	52,146	(2,262,939)	(3,644,106)	(313,574)	(3,957,680)
<b>Total income for the period before zakat and tax</b>	<b>23,899,975</b>	<b>14,963,914</b>	<b>38,863,889</b>	<b>8,462,238</b>	<b>11,699,393</b>	<b>20,161,631</b>
<b>Transfer of surplus to shareholders' operations</b>	<b>(21,509,977)</b>	<b>21,509,977</b>	<b>-</b>	<b>(7,616,014)</b>	<b>7,616,014</b>	<b>--</b>
<b>Net income for the period before zakat and tax</b>	<b>2,389,998</b>	<b>36,473,891</b>	<b>38,863,889</b>	<b>846,224</b>	<b>19,315,407</b>	<b>20,161,631</b>
<b>Zakat and tax charge for the period</b>	<b>--</b>	<b>(7,002,976)</b>	<b>(7,002,976)</b>	<b>--</b>	<b>(6,448,671)</b>	<b>(6,448,671)</b>
<b>Net income for the period after zakat and tax attributable to shareholders</b>	<b>2,389,998</b>	<b>29,470,915</b>	<b>31,860,913</b>	<b>846,224</b>	<b>12,866,736</b>	<b>13,712,960</b>



# 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 and six month periods ended 30 June 2021

### 17. SUPPLEMENTARY INFORMATION (CONTINUED)

#### Interim condensed statement of comprehensive income

	For the six-month period ended 30 June 2021 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	2,389,998	29,470,915	31,860,913	846,224	12,866,736	13,712,960
<i>Other comprehensive income</i>						
<i>Items that may be classified to income statement subsequently</i>						
Share of foreign currency translation reserve an equity accounted investee	--	299,400	299,400	--	(874,262)	(874,262)
<b>Total comprehensive income for the period</b>	<b>2,389,998</b>	<b>29,770,315</b>	<b>32,160,313</b>	<b>846,224</b>	<b>11,992,474</b>	<b>12,838,698</b>

#### Reconciliation:

Less: Net income attributable to reinsurance operations transferred to surplus payable

**Total comprehensive income for the period**

(2,389,998)

(846,224)

**29,770,315**

**11,992,474**

# 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 and six month periods ended 30 June 2021

### 17. SUPPLEMENTARY INFORMATION (CONTINUED)

#### Interim condensed statement of income

	For the three month period ended 30 June 2021 (Unaudited)			For the three month period ended 30 June 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross written premiums	120,806,578	-	120,806,578	131,336,825	--	131,336,825
Retroceded premiums			-			-
- Local	-	-	-	--	--	--
- Foreign	(38,809,108)	-	(38,809,108)	(42,558,211)	--	(42,558,211)
Excess of loss expenses			-			-
- Local			-	--	--	--
- Foreign	(5,774,147)	-	(5,774,147)	(6,849,693)	--	(6,849,693)
<b>Net written premiums</b>	<b>76,223,323</b>	<b>-</b>	<b>76,223,323</b>	<b>81,928,921</b>	<b>--</b>	<b>81,928,921</b>
Changes in unearned premiums, net	118,501,969	-	118,501,969	73,534,724	--	73,534,724
<b>Net earned premiums</b>	<b>194,725,292</b>	<b>-</b>	<b>194,725,292</b>	<b>155,463,645</b>	<b>--</b>	<b>155,463,645</b>
Retrocession commissions	3,910,348	-	3,910,348	3,330,159	--	3,330,159
<b>TOTAL REVENUES</b>	<b>198,635,640</b>	<b>-</b>	<b>198,635,640</b>	<b>158,793,804</b>	<b>--</b>	<b>158,793,804</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(151,949,133)	-	(151,949,133)	(75,972,778)	--	(75,972,778)
Retroceded share of claims paid	18,100,306	-	18,100,306	30,185,017	--	30,185,017
<b>Net claims paid</b>	<b>(133,848,827)</b>	<b>-</b>	<b>(133,848,827)</b>	<b>(45,787,761)</b>	<b>--</b>	<b>(45,787,761)</b>
Changes in outstanding claims, net	(19,586,084)	-	(19,586,084)	(49,431,291)	--	(49,431,291)
Changes in Incurred but not reported claims, net	21,504,477	-	21,504,477	(6,039,799)	--	(6,039,799)
<b>Net claims incurred</b>	<b>(131,930,434)</b>	<b>-</b>	<b>(131,930,434)</b>	<b>(101,258,851)</b>	<b>--</b>	<b>(101,258,851)</b>
Policy acquisition costs and profit commissions	(44,654,691)	-	(44,654,691)	(45,884,851)	--	(45,884,851)
Other underwriting expenses	(812,092)	-	(812,092)	(1,947,890)	--	(1,947,890)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(177,397,217)</b>	<b>-</b>	<b>(177,397,217)</b>	<b>(149,091,592)</b>	<b>--</b>	<b>(149,091,592)</b>
<b>NET UNDERWRITING INCOME</b>	<b>21,238,423</b>	<b>-</b>	<b>21,238,423</b>	<b>9,702,212</b>	<b>--</b>	<b>9,702,212</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Special commission income from time deposits	224,953	1,207,441	1,432,394	1,327,893	1,610,806	2,938,699
Special commission expense from margin loan payable	--	(82,989)	(82,989)	--	--	--
Realized gains / (loss) on investments held at fair value through income statement	3,792	380,649	384,441	64,422	(1,753,487)	(1,689,065)
Unrealized gains / (loss) on investments held at fair value through income statement	682,555	740,242	1,422,797	(1,149,725)	1,133,498	(16,227)
Special commission income from bonds and sukuk	-	3,393,826	3,393,826	--	3,402,133	3,402,133
Dividend income	-	875,000	875,000	--	1,017,628	1,017,628
Share of profit of equity accounted investee	-	6,653,890	6,653,890	--	3,922,291	3,922,291
Investment management expenses	(69,456)	(320,370)	(389,826)	(33,702)	(184,480)	(218,182)
<b>Net investment income</b>	<b>841,844</b>	<b>12,847,689</b>	<b>13,689,533</b>	<b>208,888</b>	<b>9,148,389</b>	<b>9,357,277</b>
Other income	542,591	56,282	598,873	68,998	277,904	346,902
General and administrative expenses	(11,919,277)	(1,644,692)	(13,563,969)	(8,165,587)	(2,264,021)	(10,429,608)
Board of directors' remunerations, meetings fees and expenses	-	(1,989,367)	(1,989,367)	--	(628,969)	(628,969)
Foreign exchange translation (losses) / gains	(2,292,111)	52,146	(2,239,965)	1,303,039	(313,573)	989,466
<b>Total income for the period before zakat and tax</b>	<b>8,411,469</b>	<b>9,322,059</b>	<b>17,733,528</b>	<b>3,117,550</b>	<b>6,219,730</b>	<b>9,337,280</b>
<b>Transfer of surplus to shareholders' operations</b>	<b>(7,570,322)</b>	<b>7,570,322</b>	<b>-</b>	<b>(2,805,795)</b>	<b>2,805,795</b>	<b>--</b>
<b>Net income for the period before zakat and tax</b>	<b>841,147</b>	<b>16,892,381</b>	<b>17,733,528</b>	<b>311,755</b>	<b>9,025,525</b>	<b>9,337,280</b>
<b>Zakat and tax charge for the period</b>	<b>-</b>	<b>(3,654,330)</b>	<b>(3,654,330)</b>	<b>--</b>	<b>(3,525,023)</b>	<b>(3,525,023)</b>
<b>Net income for the period after zakat and tax attributable to shareholders</b>	<b>841,147</b>	<b>13,238,051</b>	<b>14,079,198</b>	<b>311,755</b>	<b>5,500,502</b>	<b>5,812,257</b>

**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 and six month periods ended 30 June 2021****17. SUPPLEMENTARY INFORMATION (CONTINUED)****Interim condensed statement of comprehensive income**

	For the three-month period ended 30 June 2021 (Unaudited)			For the three month period ended 30 June 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	841,147	13,238,051	14,079,198	311,755	5,500,502	5,812,257
<i>Other comprehensive income</i>						
<i>Items that may be classified to income statement subsequently</i>						
Share of foreign currency translation reserve an equity accounted investee	--	299,400	299,400	--	(133,437)	(133,437)
<b>Total comprehensive income for the period</b>	<b>841,147</b>	<b>13,537,451</b>	<b>14,378,598</b>	<b>311,755</b>	<b>5,367,065</b>	<b>5,678,820</b>

**Reconciliation:**

Less: Net income attributable to reinsurance operations transferred to surplus payable

**Total comprehensive income for the period**

(841,147)

**13,537,451**

(311,755)

**5,367,065**

**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 and six month periods ended 30 June 2021**

**17. SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of cash flows**

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the six month period ended 30 June 2021 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
<b>OPERATING ACTIVITIES</b>						
Total income for the period before zakat and tax	23,899,974	14,963,915	38,863,889	846,224	19,315,407	20,161,631
<i>Adjustments to reconcile net income for the period to net cash from operating activities:</i>			--			
Employees' end of service benefits	756,286	--	756,286	1,153,697	--	1,153,697
Special commission income from bond and sukuk	--	(6,814,979)	(6,814,979)	--	(4,518,136)	(4,518,136)
Special commission income from time deposit	--	(3,133,605)	(3,133,605)	(1,517,512)	(5,137,150)	(6,654,662)
Depreciation of property and equipment	865,515	381,012	1,246,527	731,351	390,813	1,122,164
Realized losses / (gains) on investments held at fair value through income statement	(81,814)	(1,011,461)	(1,093,275)	(158,750)	1,086,366	927,616
Unrealized gains on investments held at fair value through income statement	(1,176,723)	300,616	(876,107)	1,029,569	(817,259)	212,310
Share of profit of an equity accounted investee	--	(10,826,778)	(10,826,778)	--	(7,718,945)	(7,718,945)
Charge / (reversal) of doubtful debts	--	--	--	457,676	--	457,676
Operating income before changes in operating assets and liabilities	24,262,457	(6,140,499)	18,121,958	2,542,255	2,601,096	5,143,351
<b>Changes in operating assets and liabilities:</b>						
Premiums receivable, gross	(73,770,403)	--	(73,770,403)	(32,654,701)	--	(32,654,701)
Accrued reinsurance premiums	(286,273,582)	--	(286,273,582)	(201,985,163)	--	(201,985,163)
Retroceded share of unearned premiums	(14,299,187)	--	(14,299,187)	(15,132,631)	--	(15,132,631)
Unearned premiums	492,701,387	--	492,701,387	308,177,070	--	308,177,070
Retroceded share of outstanding claims	(4,322,892)	--	(4,322,892)	16,599,097	--	16,599,097
Retroceded share of claims incurred but not reported	12,719,121	--	12,719,121	1,701,454	--	1,701,454
Deferred acquisition costs	(106,975,910)	--	(106,975,910)	(77,772,190)	--	(77,772,190)
Deferred excess of loss premiums	12,536,438	--	12,536,438	11,478,758	--	11,478,758
Prepaid expenses, deposits and other assets	27,372,586	3,577,016	30,949,602	(2,206,794)	464,570	(1,742,224)
Accounts payable	(853,516)	--	(853,516)	(7,546,334)	--	(7,546,334)
Retrocession balances receivable	(10,708,059)	--	(10,708,059)	(18,223,285)	--	(18,223,285)
Retrocession balances payable	(32,698,864)	--	(32,698,864)	(11,556,639)	--	(11,556,639)
Accrued retroceded premiums	2,585,635	--	2,585,635	9,685,463	--	9,685,463
Outstanding claims	36,633,884	--	36,633,884	34,347,547	--	34,347,547
Claims incurred but not reported	307,325	--	307,325	(25,822,021)	--	(25,822,021)
Unearned commission income	975,981	--	975,981	2,899,802	--	2,899,802
Accrued expenses and other liabilities	17,556,201	(1,064,643)	16,491,558	(3,469,767)	(1,324,813)	(4,794,580)
<b>Cash generated from / (used in) operating activities</b>	<b>97,748,602</b>	<b>(3,628,126)</b>	<b>94,120,476</b>	<b>(8,938,079)</b>	<b>1,740,853</b>	<b>(7,197,226)</b>
Zakat and income tax paid	--	(14,913,138)	(14,913,138)	--	--	--
Employees' end of service benefits paid	--	--	--	(575,414)	--	(575,414)
<b>Net cash generated from / (used in) operating activities</b>	<b>97,748,602</b>	<b>(18,541,264)</b>	<b>79,207,338</b>	<b>(9,513,493)</b>	<b>1,740,853</b>	<b>(7,772,640)</b>

# 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 and six month periods ended 30 June 2021

### 17. SUPPLEMENTARY INFORMATION (CONTINUED)

#### Interim condensed statement of cash flows (continued)

	Reinsurance operations	Shareholder' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the six month period ended 30 June 2021 (Unaudited)			For the six month period ended 30 June 2020 (Unaudited)		
<b>INVESTING ACTIVITIES</b>						
Additions in time deposits	--	(1,394,584)	(1,394,584)	(94,809,236)	(52,047,499)	(146,856,736)
Proceeds from maturity of time deposits	10,125,002	50,477,000	60,602,002	149,631,195	119,674,375	269,305,571
Accrued special commission income on time deposits	--	5,009,399	5,009,399	3,035,024	7,042,271	10,077,295
Accrued special commission income from bonds and sukuk	--	7,973,474	7,973,474	--	4,769,486	4,769,486
Purchase of property and equipment	(1,086,123)	-	(1,086,123)	(1,204,408)	--	(1,204,408)
Additions in investment in held to maturity investments	--	(87,622,367)	(87,622,367)	(65,986,974)	(195,081,200)	(261,068,174)
Additions in investments held at fair value through income statement	(133,332,422)	(52,421,812)	(185,754,234)	--	(80,001,219)	(80,001,219)
Proceeds from disposal of investments held at fair value through income statement	24,398,333	66,726,860	91,125,193	14,196,699	184,704,661	198,901,360
<b>Net cash (used in) / generated from investing activities</b>	<b>(99,109,724)</b>	<b>(12,037,516)</b>	<b>(111,147,245)</b>	<b>4,862,300</b>	<b>(10,939,125)</b>	<b>(6,076,825)</b>
<b>FINANCING ACTIVITIES</b>						
Due to / from reinsurance / shareholders' operations*	2,497,707	(2,497,707)	--	1,065,060	(1,065,060)	--
Margin Loan	--	33,856,246	33,856,246	--	--	--
<b>Net cash generated from financing activities</b>	<b>2,497,707</b>	<b>31,358,539</b>	<b>33,856,246</b>	<b>1,065,060</b>	<b>(1,065,060)</b>	<b>--</b>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,136,585</b>	<b>779,759</b>	<b>1,916,344</b>	<b>(3,586,133)</b>	<b>(10,263,332)</b>	<b>(13,849,465)</b>
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
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9,170,932</b>	<b>5,902,134</b>	<b>15,073,066</b>	<b>24,062,065</b>	<b>9,922,404</b>	<b>33,984,469</b>

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

### 18. COMMITMENTS AND CONTINGENCIES

The Company has deposited SR 170,891,204 (31 December 2020: 171,812,128) with Lloyd's London as FAL for its continued participation in a Lloyds Syndicates and for 2019, 2020 and 2021 underwriting year. Upon issuance of stand by letter of credit, the deposit with Lloyd's will be withdrawn.

### 19. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the period ended 30 June 2021 and 2020 is calculated by dividing the net income for the period by 89.10 million shares to give a retrospective effect of change in the number of shares increased as a result of the bonus shares issued subsequently.



## **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 and six month periods ended 30 June 2021**

#### **20. 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.

#### **21. 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.

#### **22. 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)

#### **23. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements have been approved by the Board of Directors on 7 Muharram 1443H corresponding to 15 August 2021.