
SAUDI REINSURANCE COMPANY
(FORMERLY KNOWN AS 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 NINE MONTH PERIODS ENDED
30 SEPTEMBER 2021

Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

**TO: THE SHAREHOLDERS OF SAUDI REINSURANCE COMPANY (FORMERLY KNOWN AS 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 Reinsurance Company** (formerly known as Saudi Re for Cooperative Reinsurance Company) (the "Company") as at 30 September 2021, the related interim condensed statements of income and comprehensive income for the three-month and nine-month periods then ended and interim condensed statements of changes in equity and cash flows for the nine-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 September 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

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



05 Rabi' al-Thani 1443H
10 November 2021

Al-Bassam & Co.

Ibrahim A. Al-Bassam
Certified Public Accountant
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Saudi Reinsurance Company (Formerly known as Saudi Re for Cooperative Reinsurance Company) (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
<u>ASSETS</u>	<u>Notes</u>		
Bank balances and cash	5	52,528,601	13,156,722
Time deposits		134,252,084	193,459,502
Accrued special commission income from time deposits		1,844,365	3,211,493
Reinsurance premium receivables, net	4	275,175,280	293,755,148
Investments held at fair value through income statement	7	703,861,491	512,081,378
Accrued special commission income from bonds, sukuk and held-to-maturity investments		3,251,787	6,180,645
Accrued reinsurance premiums	8	853,036,907	594,263,077
Retrocession balances receivable		37,553,352	29,509,021
Retroceded share of unearned premiums	10	70,896,723	71,861,774
Deferred excess of loss premiums		18,375,327	12,783,693
Retroceded share of outstanding claims	11	146,035,080	154,674,308
Retroceded share of claims incurred but not reported	11	36,745,421	45,796,293
Deferred policy acquisition costs		232,525,312	149,403,279
Held-to-maturity investments	9	272,471,256	184,022,721
Prepaid expenses, deposits and other assets		240,611,734	289,098,884
Property and equipment, net		33,479,207	33,625,332
Investment in an equity accounted investee	15	136,514,037	120,141,077
Statutory deposit	6	89,100,000	81,000,000
Accrued income on statutory deposit	6	20,761,344	20,185,653
TOTAL ASSETS		3,359,019,308	2,808,210,000
<u>LIABILITIES</u>			
Accounts payable		37,353,425	31,974,787
Margin loan payable		57,059,499	23,116,816
Retrocession balances payable		69,633,894	77,219,757
Accrued retroceded premiums		42,315,275	39,812,365
Unearned premiums	10	910,412,665	548,541,182
Outstanding claims	11	750,858,418	716,946,866
Claims incurred but not reported	11	432,550,564	350,741,781
Unearned retrocession commission		17,461,411	15,805,185
Accrued expenses and other liabilities		24,132,556	23,860,764
Employees' end of service benefits		12,578,260	10,673,191
Provision for zakat and tax	13	10,597,822	15,173,830
Accrued commission income payable to SAMA	6	20,761,344	20,185,653
TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS		2,385,715,133	1,874,052,177
<u>REINSURANCE OPERATIONS' SURPLUS</u>			
Accumulated surplus		13,553,021	10,978,352
TOTAL REINSURANCE OPERATIONS' SURPLUS		13,553,021	10,978,352
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS		2,399,268,154	1,885,030,529
<u>EQUITY</u>			
Share capital	12	891,000,000	810,000,000
Statutory reserve		27,087,676	27,087,676
Retained earnings		42,407,276	85,847,666
Other reserves		(743,798)	244,129
TOTAL EQUITY		959,751,154	923,179,471
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND EQUITY		3,359,019,308	2,808,210,000

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 Reinsurance Company (Formerly known as Saudi Re for Cooperative Reinsurance Company) (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF INCOME

For the three month and nine month periods ended 30 September 2021

	For the three month period ended		For the nine month period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Notes	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR
REVENUES				
Gross written premiums	159,201,360	198,922,235	1,114,291,954	857,976,714
Retroceded premiums	(18,819,905)	(22,523,598)	(91,412,235)	(95,938,999)
Excess of loss expenses	(12,409,457)	(7,211,516)	(26,308,676)	(21,599,065)
Net written premiums	127,971,998	169,187,121	996,571,043	740,438,650
Changes in unearned premiums, net	115,565,667	26,031,755	(362,836,534)	(267,012,683)
Net earned premiums	243,537,665	195,218,876	633,734,509	473,425,967
Retrocession commissions	6,503,531	1,889,641	14,216,748	7,249,394
TOTAL REVENUES	250,041,196	197,108,517	647,951,257	480,675,361
UNDERWRITING COSTS AND EXPENSES				
Gross claims paid	(85,181,358)	(131,946,932)	(338,183,117)	(320,809,325)
Retroceded share of claims paid	7,853,155	25,325,338	52,824,303	81,291,694
Net claims paid	(77,328,203)	(106,621,594)	(285,358,814)	(239,517,631)
Changes in outstanding claims, net	(10,239,788)	(12,682,459)	(42,550,780)	(63,629,100)
Changes in incurred but not reported claims, net	(77,833,209)	(5,645,340)	(90,859,656)	18,475,228
Net claims incurred	(165,401,200)	(124,949,393)	(418,769,250)	(284,671,503)
Policy acquisition costs and profit commissions	(68,854,103)	(55,161,548)	(164,490,877)	(146,452,379)
Other underwriting expenses	(1,289,107)	601,537	(3,578,332)	(2,688,720)
TOTAL UNDERWRITING COSTS AND EXPENSES	(235,544,410)	(179,509,404)	(586,838,459)	(433,812,602)
NET UNDERWRITING INCOME	14,496,786	17,599,113	61,112,798	46,862,759
OTHER OPERATING INCOME / (EXPENSES)				
Special commission income from time deposits	1,004,365	2,057,688	4,137,970	8,712,351
Special commission expense from margin loan payable	(86,436)	--	(262,480)	--
Realized gains / (loss) on investments held at fair value through income statement	1,927,856	617,900	3,021,131	(309,716)
Unrealized gains on investments held at fair value through income statement	650,516	308,273	1,526,623	95,963
Special commission income from bonds and sukuk	3,921,776	3,965,494	10,736,755	8,483,631
Dividend income	270,249	858,066	1,145,249	1,875,695
Share of profit of equity accounted investee	6,534,109	1,082,288	17,360,887	8,801,233
Investment management expenses	(477,097)	(253,448)	(1,241,524)	(720,291)
Net investment income	13,745,338	8,636,261	36,424,611	26,938,866
Other income	149,162	140,880	941,153	813,339
Charge for doubtful debts	(142,864)	--	(142,864)	(457,676)
General and administrative expenses	(14,825,408)	(12,253,117)	(40,983,989)	(34,616,999)
Board of directors' remunerations, meetings fees and expenses	(960,358)	(603,287)	(3,762,225)	(1,901,127)
Foreign exchange translation gains / (losses)	(855,135)	3,393,609	(3,118,074)	(564,071)
Total income for the period before zakat and tax	11,607,521	16,913,459	50,471,409	37,075,091
Total income attributed to the reinsurance operations	(184,672)	(1,156,612)	(2,574,669)	(2,002,835)
Net income for the period before zakat and tax	11,422,849	15,756,847	47,896,740	35,072,256
Zakat and tax charge for the period	(3,334,154)	(3,549,943)	(10,337,130)	(9,998,614)
Net income for the period after zakat and tax attributable to the shareholders	8,088,695	12,206,904	37,559,610	25,073,642
Basic and diluted earnings per share for the period (restated)	0.09	0.14	0.42	0.28

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 Reinsurance Company (Formerly known as Saudi Re for Cooperative Reinsurance Company) (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three month and nine month periods ended 30 September 2021

	For the three month period ended		For the nine month period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Net income for the period after zakat and tax attributable to shareholder	8,088,695	12,206,904	37,559,610	25,073,642
<i>Other comprehensive income</i>				
Items that may be classified to income statement subsequently				
Share of foreign currency translation reserve of an equity accounted investee	(1,287,327)	893,527	(987,927)	19,265
Total comprehensive income for the period	6,801,368	13,100,431	36,571,683	25,092,907


Managing Director / Chief Executive Officer


Chairman of the Board


Chief Financial Officer

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Saudi Reinsurance Company (Formerly known as Saudi Re for Cooperative Reinsurance Company)
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 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
Addition during the period	77,945,924	--	(77,945,924)	--	3,054,076	--	(3,054,076)	--	81,000,000	--	(81,000,000)	--	--
Transferred during the period	9,990,736	333,933	1,058,289	3,002	(9,990,736)	(333,933)	(1,058,289)	(3,002)	--	--	--	--	--
Net profit for the period	--	--	36,143,438	--	--	--	1,416,172	--	--	--	37,559,610	--	37,559,610
Other comprehensive income	--	--	--	(950,677)	--	--	--	(37,250)	--	--	--	(987,927)	(987,927)
Total comprehensive income for the period	--	--	36,143,438	(950,677)	--	--	1,416,172	(37,250)	--	--	37,559,610	(987,927)	36,571,683
Balance as at 30 September 2021 (Unaudited)	857,409,300	26,066,345	40,808,324	(715,753)	33,590,700	1,021,331	1,598,952	(28,045)	891,000,000	27,087,676	42,407,276	(743,798)	959,751,154
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	15,047,900	332,702	3,698,675	(16,411)	(15,047,900)	(332,702)	(3,698,675)	16,411	--	--	--	--	--
Net profit for the period	--	--	23,679,297	--	--	--	1,394,345	--	--	--	25,073,642	--	25,073,642
Other comprehensive income	--	--	--	18,194	--	--	--	1,071	--	--	--	19,265	19,265
Total comprehensive income for the period	--	--	23,679,297	18,194	--	--	1,394,345	1,071	--	--	25,073,642	19,265	25,092,907
Balance as at 30 September 2020 (Unaudited)	764,955,890	16,908,467	70,061,515	(1,820,148)	45,044,110	995,648	4,125,543	(107,179)	810,000,000	17,904,115	74,187,058	(1,927,327)	900,163,846

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 Reinsurance Company (Formerly known as Saudi Re for Cooperative Reinsurance Company) (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2021

	30 September 2021 (Unaudited) SR	30 September 2020 (Unaudited) SR
<i>Note</i>		
OPERATING ACTIVITIES		
Total income for the period before zakat & tax	50,471,409	37,075,091
<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	1,905,070	1,517,484
Special commission income from bond and sukuk	(10,736,755)	(8,483,631)
Special commission on margin loan	262,480	--
Special commission income from time deposits	(4,137,970)	(8,712,351)
Amortisation of discount / premium on held to maturity investments	(2,579,574)	--
Depreciation of property and equipment	1,945,078	1,733,207
Realized (gains) / loss on investments held at fair value through income statement	(3,021,131)	309,716
Unrealized gains on investments held at fair value through income statement	(1,526,623)	(95,963)
Share of profit of equity accounted investee	(17,360,887)	(8,801,233)
Charge of doubtful debts	142,864	457,676
Operating income before changes in operating assets and liabilities	15,363,961	14,999,996
Changes in operating assets and liabilities:		
Premiums receivable, gross	18,437,004	(36,950,840)
Accrued reinsurance premiums	(258,773,830)	(195,366,089)
Retroceded share of unearned premiums	965,051	(18,539,302)
Unearned premiums	361,871,483	285,551,985
Retroceded share of outstanding claims	8,639,228	56,169,695
Retroceded share of claims incurred but not reported	9,050,872	(4,385,705)
Deferred acquisition costs	(83,122,033)	(82,000,710)
Deferred excess of loss premiums	(5,591,634)	(5,612,842)
Prepaid expenses, deposits and other assets	48,487,151	(2,828,757)
Accounts payable	5,378,636	5,938,843
Retrocession balances receivable	(8,044,331)	(20,424,492)
Retrocession balances payable	(7,585,864)	(16,148,500)
Accrued retroceded premiums	2,502,910	20,964,373
Outstanding claims	33,911,552	7,459,405
Claims incurred but not reported	81,808,783	(14,089,524)
Unearned commission income	1,656,226	5,786,975
Statutory deposit	(8,100,000)	40,500,000
Accrued expenses and other liabilities	271,792	400,053
Cash generated from operating activities	217,126,957	41,424,564
Zakat and income tax paid	(14,913,138)	(17,606,615)
Employees' end of service benefits paid	--	(575,415)
Net cash generated from / (used in) operating activities	202,213,819	23,242,534
INVESTING ACTIVITIES		
Additions in time deposits	(1,394,584)	--
Proceeds from maturity of time deposits	60,602,002	80,605,051
Accrued special commission income on time deposits	5,505,098	13,798,138
Accrued special commission income from bonds and sukuk	13,665,615	7,580,576
Purchase of property and equipment	(1,798,954)	(1,401,801)
Additions in investment in an associate	--	(3,696,899)
Additions in investments held at fair value through income statement	(495,793,969)	(305,693,977)
Additions in held-to-maturity investments	(85,868,961)	(109,060,496)
Proceeds from disposal of investments held at fair value through income statement	308,561,610	292,347,610
Net cash used in investing activities	(196,522,143)	(25,521,798)

To be continued

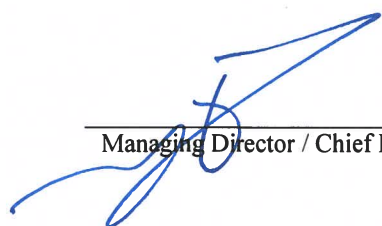
The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (Formerly known as Saudi Re for Cooperative Reinsurance Company) (A Saudi Joint Stock Company)

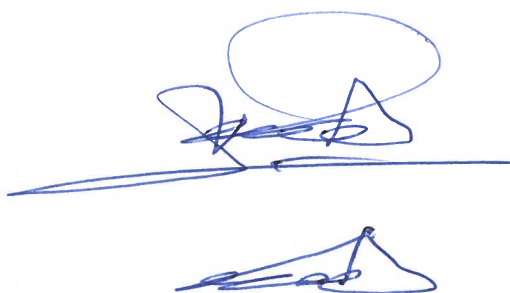
INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2021

	30 September 2021 (Unaudited) SR	30 September 2020 (Unaudited) SR
FINANCING ACTIVITIES		
Proceeds from margin loans	33,680,203	--
Net cash generated from financing activities	33,680,203	--
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	39,371,879	(2,279,264)
Cash and cash equivalents at the beginning of the period	13,156,722	47,833,934
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	52,528,601	45,554,670
	<i>5</i>	
NON-CASH SUPPLEMENTARY INFORMATION		
Foreign currency impact on equity accounted investment	(987,927)	19,265



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 Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Reinsurance Company (formerly known as 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 September 2021 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

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

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

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

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

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

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

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 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 (SR), which is the functional and presentational currency of the Company. All financial information presented has been rounded off to the nearest SR.

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.

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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.

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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).

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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.

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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, has selected a vendor and an IFRS 17 calculation System, 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 dry-run and subsequent 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>	30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Policyholders	274,121,865	295,385,275
Related parties	3,742,128	915,722
Less: provision for doubtful debts	(2,688,713)	(2,545,849)
	<u>275,175,280</u>	<u>293,755,148</u>

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4. REINSURANCE PREMIUM RECEIVABLES, NET (CONTINUED)

The movement in provision for doubtful debt is as follows:

	30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Opening balance	2,545,849	3,193,709
Charge / (reversal) for the period / year	142,864	(647,860)
Closing balance	2,688,713	2,545,849

5. CASH AND CASH EQUIVALENTS

	Reinsurance operations 30 September 2021 (Unaudited)	31 December 2020 (Audited)
Cash in hand	49,715	48,999
Bank balances	41,618,140	7,985,348
Total Bank balances and cash (A)	41,667,855	8,034,347
	Shareholders' operations 30 September 2021 (Unaudited)	31 December 2020 (Audited)
Bank balances (B)	10,860,746	5,122,375
Total Bank balances and cash / Cash and cash equivalents for reinsurance operations and shareholders' operations (A+B)	52,528,601	13,156,722

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 89.1 million (31 December 2020: SR 81 million) with a local bank, which has been rated "BBB+" stable by FitchRating agency representing the statutory deposit of 10% of its paid-up capital as required by the Implementing Regulations of the "Law On Supervision of Cooperative Insurance Companies" issued by SAMA. This statutory deposit cannot be withdrawn without the consent of SAMA. The statutory deposit generates special commission income which is accrued on regular basis and is shown as a separate line item as part of the shareholders' liabilities in the Statement of Financial Position as "Accrued commission income payable to SAMA". The accrued commission on the deposit as at 30 September 2021 is SR 20,761,344 (31 December 2020: SR 20,185,653) and has also been disclosed in assets as "Accrued income on statutory deposit".

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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 September 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	410,290,432	59,771,688	470,062,120	201,003,059	148,338,596	349,341,655
Investment and real estate funds	--	150,209,390	150,209,390	--	101,474,960	101,474,960
Equities	--	42,567,130	42,567,130	--	--	--
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
	410,290,432	293,571,059	703,861,491	201,003,059	311,078,319	512,081,378

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

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

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

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

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

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

As at 30 September 2021 and 31 December 2020, the investment in money market funds under reinsurance operations amounting to SR 410.29 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 September 2021 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	59,771,688	--	59,771,688
Investment and real estate funds	--	123,522,386	26,687,004	150,209,390
Equities	42,567,130	--	--	42,567,130
Fixed-rate bonds / sukuk	--	--	41,022,851	41,022,851
	42,567,130	183,294,074	67,709,855	293,571,059

	31 December 2020 (Audited)			
	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
Fixed-rate bonds / sukuk	--	--	41,264,763	41,264,763
Floating-rate bonds / sukuk	--	--	20,000,000	20,000,000
	--	222,289,854	88,788,465	311,078,319

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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.

	<u>Opening</u>	<u>Matured</u>	<u>Unrealized (loss) / gain</u>	<u>Closing</u>
For the nine-month period ended 30 September 2021 (Unaudited)	<u>88,788,465</u>	<u>(20,000,000)</u>	<u>(1,078,610)</u>	<u>67,709,855</u>
For the year ended 31 December 2020 (Audited)	<u>115,512,516</u>	<u>(30,000,000)</u>	<u>3,275,949</u>	<u>88,788,465</u>

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.

	<u>30 September 2021 (Unaudited)</u>	<u>31 December 2020 (Audited)</u>
Investments held at fair value through income statement	<u>41,022,851</u>	<u>41,264,763</u>
Impact on unrealized gain / loss for the period / year ended:		
<i>If increased by 5% in market rate</i>	<u>19,234</u>	39,233
<i>If decreased by 5% in market rate</i>	<u>(19,234)</u>	(39,233)

iii. here 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 September 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 September 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	306,689,668	189,104,301	495,793,969	174,427,890	325,592,566	500,020,456
Disposals	(99,739,887)	(208,821,723)	(308,561,610)	(14,196,700)	(392,390,475)	(406,587,175)
Unrealized gains / (losses)	1,687,976	(161,353)	1,526,623	(264,021)	1,949,670	1,685,649
Realized gains / (losses)	649,616	2,371,515	3,021,131	158,749	(1,044,122)	(885,373)
Closing balance	<u>410,290,432</u>	<u>293,571,059</u>	<u>703,861,491</u>	<u>201,003,059</u>	<u>311,078,319</u>	<u>512,081,378</u>

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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 September 2021 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	59,771,688	--	59,771,688
Investment and real estate funds	123,522,386	26,687,004	150,209,390
Equities	42,567,130	--	42,567,130
Fixed-rate bonds/sukuk	--	41,022,851	41,022,851
	225,861,204	67,709,855	293,571,059
	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
Fixed-rate bonds/sukuk	--	41,264,763	41,264,763
Floating-rate bonds/sukuk	--	20,000,000	20,000,000
	222,289,854	88,788,465	311,078,319

As at 30 September 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 September 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:

	Shareholders' Operations	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)
At the beginning of the period / year	184,022,721	37,500,000
Purchases	85,868,961	146,522,721
Amortization of Discount / Premium	2,579,574	--
Balance at the end of the period / year	272,471,256	184,022,721

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9. HELD-TO-MATURITY INVESTMENTS (CONTINUED)

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

	Domestic		International		Total	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SR	SR	SR	SR	SR	SR
Fixed-rate bond and sukuk	158,475,338	76,608,373	113,995,918	107,414,348	272,471,256	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 3.25 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 33,942,683. The loan has no fixed maturity and carries a floating special commission payable quarterly.

Movements in held to maturity investments are as follows:

	30 September 2021 (Unaudited)		
	Quoted	Unquoted	Total
	SR	SR	SR
<i>Shareholders' operations</i>			
At the beginning of the year	169,022,721	15,000,000	184,022,721
Purchases	88,448,535	--	88,448,535
Balance at the end of the year	257,471,256	15,000,000	272,471,256
	31 December 2020 (Audited)		
	Quoted	Unquoted	Total
	SR	SR	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 September 2021 (Unaudited)		
	Gross	Retroceded	Net
	SR	share	SR
	SR	SR	SR
Opening balance	548,541,182	(71,861,774)	476,679,408
Premiums written during the period	1,114,291,954	(117,720,911)	996,571,043
Premium earned	(752,420,471)	118,685,962	(633,734,509)
Changes in unearned premiums	361,871,483	965,051	362,836,534
Closing balance	910,412,665	(70,896,723)	839,515,942
	31 December 2020 (Audited)		
	Gross	Retroceded	Net
	SR	share	SR
	SR	SR	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

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For the three month and nine month periods ended 30 September 2021

11. CLAIMS RESERVES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Reinsurance operations		
Outstanding claims	750,858,418	716,946,866
Claims incurred but not reported	432,550,564	350,741,781
	1,183,408,982	1,067,688,647
Less:		
- Retroceded share of outstanding claims	146,035,080	154,674,308
- Retroceded share of claims incurred but not reported	36,745,421	45,796,293
	182,780,501	200,470,601
Net outstanding claims reserves	1,000,628,481	867,218,046

12. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SR 891 million at 30 September 2021 (31 December 2020: SR 810 million) consisting of 89.1 million shares (31 December 2020: 81 million shares) of SR 10 each.

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

	30 September 2021 (Unaudited)		
	Authorized and issued		Paid up
	No. of Shares	Value per share	SR
Ahmed Hamad Algosaiibi Brothers Co.	4,455,000	10	44,550,000
Others	84,645,000	10	846,450,000
	89,100,000	10	891,000,000
	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
	81,000,000	10	810,000,000

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

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

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

The Company's Board of Directors recommended, at their meeting on 30 March 2021, that the company's ordinary share capital be increased from SR 810 million to SR 891 million, a 10% increase, by issuing bonus shares at the rate of one share to every ten shares held. During the period ended 30 September 2021, on 14 July 2021, the Company got approval from the extra ordinary general meeting to increase its share capital. The Company has utilized SR 81 million of its retained earnings for this purpose.

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13. PROVISION FOR ZAKAT AND TAX

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

	30 September 2021		31 December 2020	
	(Unaudited)		(Audited)	
	SR	%	SR	%
Saudi Shareholders	845,559,000	94.900%	734,022,000	90.6%
GCC Shareholders	11,850,300	1.330%	15,876,000	1.96%
GCC Shareholders and general public	857,409,300	96.230%	749,898,000	92.56%
Non-GCC Shareholders	33,590,700	3.770%	60,102,000	7.44%
Total	891,000,000	100%	810,000,000	100%

As of 30 September 2021, the authorized, issued and fully paid-up share capital of the Company consists of 89.1 million shares of SR 10 each (30 December 2020: 81 million shares of SR 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:

	30 September 2021	31 December 2020
	SR (Unaudited)	SR (Audited)
Provision for zakat	10,295,711	14,815,136
Provision for tax	302,111	358,694
	10,597,822	15,173,830

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

	30 September 2021	30 September 2020
	SR (Unaudited)	SR (Unaudited)
Zakat charge for the period	10,305,618	9,947,909
Tax charge for the period	31,512	50,705
	10,337,130	9,998,614

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 Customs Authority (ZATCA), in which Saudi public listed companies are to provide for tax and zakat based on the shareholding percentages of GCC and non-GCC founding shareholders. The shareholding percentages of GCC and non-GCC founding shareholders were 99.6% and 0.4% respectively as at 30 September 2021 and 99.1% and 0.9% 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 Zakat, Tax, and Customs Authority (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 SR 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 SR 3.5 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 has filed a counter reply to ZATCA's counter claim. Simultaneously, an appeal to the Alternative Dispute Resolution Committee "(ADRC)" has also been filed to present the Company's perspective to ADRC. 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.

Subsequently, in October 2021, the ZATCA has issued assessments for the years 2019 and 2020 with additional zakat and income tax liability amounting to SR 3.1 million and SR 4.2 million, respectively. The Company has filed an appeal against the ZATCA's assessment. The Company does not expect that these additional claims will result in any future obligation.

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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 nine-month period ended		Balance as at	
		30 September 2021 (Unaudited) SR	30 September 2020 (Unaudited) SR	30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
Board of Directors	- Consulting fees	122,273	119,768	--	--
	- Remunerations, meetings fees and expenses	3,762,255	1,782,378	2,002,500	2,108,726
Key management Personnel	- Short term benefits	9,028,429	8,618,958	1,868,808	1,792,027
	- End of service benefits	693,854	826,162	4,812,528	4,118,674
Companies represented by the Board members	- Gross written premiums	--	--	--	773,778
	- Claims incurred	--	--	--	2,425,485
	- Commissions expense	--	--	--	--
	- Investments held at fair value	--	--	40,880,925	40,197,220
	- Realized loss on investments held at fair value through income statement	--	(293,050)	--	--
	- Unrealized loss on investments held at fair value through income statement	683,705	(4,373,055)	--	--
	- Investments management fees	--	327,719	--	--
Associate	- Gross written premiums	192,380,888	149,623,565	239,480,857	156,171,863
	- Net premium earned	119,593,077	64,520,948	--	--
	- Net claims incurred	47,811,670	32,035,863	98,404,329	50,826,793
	- Policy acquisition cost	54,358,201	26,381,567	--	--

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15 INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE

Shareholders' operations	30 September 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	17,360,887	12,071,843
Share in foreign currency translation adjustments for the period / year	(987,927)	2,926,703
Balance at the end of the period / year	136,514,037	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.

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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
For the three-month period ended 30 September 2021 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	30,663,327	63,597,883	27,693,657	(172,484)	1,370,708	3,734,008	10,535	5,867,059	26,436,667	159,201,360
Retroceded premiums	(4,532,507)	(5,238,185)	(9,970,103)	--	1,138,512	--	--	--	(217,622)	(18,819,905)
Excess of loss expenses	(2,522,740)	(5,173,927)	(692,198)	43,406	(87,665)	(419,365)	--	--	(3,556,968)	(12,409,457)
Net written premiums	23,608,080	53,185,771	17,031,356	(129,078)	2,421,555	3,314,643	10,535	5,867,059	22,662,077	127,971,998
Changes in unearned premiums, net	(5,633,597)	1,898,654	1,854,852	22,845,151	5,259,289	11,696,720	30,610,466	33,231,469	13,802,663	115,565,667
Net earned premiums	17,974,483	55,084,425	18,886,208	22,716,073	7,680,844	15,011,363	30,621,001	39,098,528	36,464,740	243,537,665
Retrocession commissions	880,891	4,209,099	598,682	-	(158,412)	(5,333)	-	-	978,604	6,503,531
<u>TOTAL REVENUES</u>	18,855,374	59,293,524	19,484,890	22,716,073	7,522,432	15,006,030	30,621,001	39,098,528	37,443,344	250,041,196
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(9,945,027)	(10,984,070)	(8,503,080)	(5,606,747)	(1,679,596)	(15,049,753)	(14,216,134)	--	(19,196,951)	(85,181,358)
Retroceded share of claims paid	219,744	1,042,150	224,185	743,208	(665,401)	--	--	--	6,289,269	7,853,155
Net claims paid	(9,725,283)	(9,941,920)	(8,278,895)	(4,863,539)	(2,344,997)	(15,049,753)	(14,216,134)	--	(12,907,682)	(77,328,203)
Changes in outstanding claims, net	794,305	(926,197)	(4,640,922)	(1,705,776)	(3,046,208)	(5,524,270)	12,022,701	--	(7,213,421)	(10,239,788)
Changes in Incurred but not reported claims, net	(12,150,918)	(25,002,338)	4,386,375	(7,984,367)	93,800	5,001,629	(25,586,301)	(14,574,110)	(2,016,979)	(77,833,209)
Net claims incurred	(21,081,896)	(35,870,455)	(8,533,442)	(14,553,682)	(5,297,405)	(15,572,394)	(27,779,734)	(14,574,110)	(22,138,082)	(165,401,200)
Policy acquisition costs and profit commissions	(6,959,563)	(19,102,601)	(6,298,223)	(3,910,281)	(2,005,072)	(406,931)	(409,953)	(21,764,669)	(7,996,810)	(68,854,103)
Other underwriting expenses	(54,049)	(280,065)	(173,368)	(146,212)	(78,365)	(87,897)	(160,926)	(195,493)	(112,732)	(1,289,107)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(28,095,508)	(55,253,121)	(15,005,033)	(18,610,175)	(7,380,842)	(16,067,222)	(28,350,613)	(36,534,271)	(30,247,625)	(235,544,410)
NET UNDERWRITING INCOME / (LOSS)	(9,240,134)	4,040,403	4,479,857	4,105,898	141,590	(1,061,192)	2,270,388	2,564,257	7,195,719	14,496,786

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16 SEGMENTAL INFORMATION (CONTINUED)

15.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the three-month period ended 30 September 2020 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	30,105,574	67,137,370	22,700,667	5,075,057	7,308,754	11,193,807	4,035,154	35,847,774	15,518,078	198,922,235
Retroceded premiums	(3,867,612)	(3,449,693)	(309,728)	--	(18,016,778)	--	--	--	3,120,213	(22,523,598)
Excess of loss expenses	(1,853,415)	(2,567,914)	(253,793)	(97,342)	(35,718)	(239,852)	--	--	(2,163,482)	(7,211,516)
Net written premiums	24,384,547	61,119,763	22,137,146	4,977,715	(10,743,742)	10,953,955	4,035,154	35,847,774	16,474,809	169,187,121
Changes in unearned premiums, net	(6,209,130)	(11,605,103)	(2,781,831)	8,350,735	17,023,747	2,712,606	5,246,417	8,496,564	4,797,750	26,031,755
Net earned premiums	18,175,417	49,514,660	19,355,315	13,328,450	6,280,005	13,666,561	9,281,571	44,344,338	21,272,559	195,218,876
Retrocession commissions	151,228	403,446	291,515	--	1,809,026	3,413	--	--	(768,987)	1,889,641
<u>TOTAL REVENUES</u>	18,326,645	49,918,106	19,646,830	13,328,450	8,089,031	13,669,974	9,281,571	44,344,338	20,503,572	197,108,517
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(5,845,707)	(15,415,696)	(9,294,001)	(6,842,649)	(1,230,167)	(11,684,381)	(4,361,374)	(48,398,597)	(28,874,360)	(131,946,932)
Retroceded share of claims paid	741,062	2,330,747	397,392	--	163,805	1,511,163	--	--	20,181,169	25,325,338
Net claims paid	(5,104,645)	(13,084,949)	(8,896,609)	(6,842,649)	(1,066,362)	(10,173,218)	(4,361,374)	(48,398,597)	(8,693,191)	(106,621,594)
Changes in outstanding claims, net	3,219,848	(17,163,225)	975,770	1,061,717	(1,101,734)	(918,376)	(524,016)	--	1,767,557	(12,682,459)
Changes in Incurred but not reported claims, net	(5,723,407)	(2,516,537)	(5,180,547)	(4,290,782)	658,914	(2,263,366)	(2,689,305)	22,060,530	(5,700,840)	(5,645,340)
Net claims incurred	(7,608,204)	(32,764,711)	(13,101,386)	(10,071,714)	(1,509,182)	(13,354,960)	(7,574,695)	(26,338,067)	(12,626,474)	(124,949,393)
Policy acquisition costs and profit commissions	(6,765,526)	(15,506,154)	(6,119,141)	(1,753,471)	(3,442,118)	(1,927,276)	(568,182)	(16,366,502)	(2,713,178)	(55,161,548)
Other underwriting expenses	189,296	32,417	80,494	52,441	36,595	(18,897)	7,267	142,384	79,540	601,537
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(14,184,434)	(48,238,448)	(19,140,033)	(11,772,744)	(4,914,705)	(15,301,133)	(8,135,610)	(42,562,185)	(15,260,112)	(179,509,404)
<u>NET UNDERWRITING INCOME / (LOSS)</u>	4,142,211	1,679,658	506,797	1,555,706	3,174,326	(1,631,159)	1,145,961	1,782,153	5,243,460	17,599,113

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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 nine-month period ended 30 September 2021 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	82,383,788	241,524,401	110,783,760	100,033,083	41,298,845	46,098,651	182,847,427	179,690,814	129,631,185	1,114,291,954
Retroceded premiums	(12,490,568)	(16,114,397)	(47,455,890)	--	(14,404,711)	--	--	--	(946,669)	(91,412,235)
Excess of loss expenses	(4,516,383)	(11,439,120)	(1,281,172)	158,351	(196,926)	(807,970)	--	--	(8,225,456)	(26,308,676)
Net written premiums	65,376,837	213,970,884	62,046,698	100,191,434	26,697,208	45,290,681	182,847,427	179,690,814	120,459,060	996,571,043
Changes in unearned premiums, net	(18,397,666)	(70,312,171)	(15,753,119)	(45,303,757)	(5,891,679)	7,971,737	(115,847,898)	(75,928,028)	(23,373,953)	(362,836,534)
Net earned premiums	46,979,171	143,658,713	46,293,579	54,887,677	20,805,529	53,262,418	66,999,529	103,762,786	97,085,107	633,734,509
Retrocession commissions	2,104,000	5,966,481	1,368,845	-	1,246,522	(7,834)	-	-	3,538,734	14,216,748
<u>TOTAL REVENUES</u>	49,083,171	149,625,194	47,662,424	54,887,677	22,052,051	53,254,584	66,999,529	103,762,786	100,623,841	647,951,257
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(22,751,339)	(64,554,527)	(45,234,338)	(18,505,591)	(17,852,092)	(57,245,809)	(26,420,688)	(49,351,316)	(36,267,417)	(338,183,117)
Retroceded share of claims paid	322,004	10,170,491	23,227,866	743,187	8,561,911	--	--	--	9,798,844	52,824,303
Net claims paid	(22,429,335)	(54,384,036)	(22,006,472)	(17,762,404)	(9,290,181)	(57,245,809)	(26,420,688)	(49,351,316)	(26,468,573)	(285,358,814)
Changes in outstanding claims, net	2,024,919	(12,444,409)	(8,142,897)	(5,306,221)	(3,192,325)	(4,726,614)	(766,875)	-	(9,996,358)	(42,550,780)
Changes in Incurred but not reported claims, net	(2,009,681)	(28,740,110)	(2,637,774)	(14,875,055)	(1,380,632)	(243,990)	(36,968,089)	7,836,087	(11,840,412)	(90,859,656)
Net claims incurred	(22,414,097)	(95,568,555)	(32,787,143)	(37,943,680)	(13,863,138)	(62,216,413)	(64,155,652)	(41,515,229)	(48,305,343)	(418,769,250)
Policy acquisition costs and profit commissions	(18,181,209)	(45,173,672)	(14,596,838)	(7,699,875)	(6,101,422)	(1,852,074)	(1,216,068)	(47,774,298)	(21,895,421)	(164,490,877)
Other underwriting expenses	(217,842)	(803,238)	(412,893)	(306,495)	(182,872)	(281,068)	(342,819)	(518,814)	(512,291)	(3,578,332)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(40,813,148)	(141,545,465)	(47,796,874)	(45,950,050)	(20,147,432)	(64,349,555)	(65,714,539)	(89,808,341)	(70,713,055)	(586,838,459)
NET UNDERWRITING INCOME / (LOSS)	8,270,023	8,079,729	(134,450)	8,937,627	1,904,619	(11,094,971)	1,284,990	13,954,445	29,910,786	61,112,798

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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 nine-month period ended 30 September 2020 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	160,359,373	186,945,741	93,250,223	63,030,118	40,496,416	36,986,378	25,125,808	148,638,201	103,144,456	857,976,714
Retroceded premiums	(30,169,742)	(13,995,321)	(30,432,354)	--	(17,953,321)	(1,851,861)	--	--	(1,536,400)	(95,938,999)
Excess of loss expenses	(4,345,780)	(9,662,409)	(467,515)	133,136	(49,349)	(719,552)	--	--	(6,487,596)	(21,599,065)
Net written premiums	125,843,851	163,288,011	62,350,354	63,163,254	22,493,746	34,414,965	25,125,808	148,638,201	95,120,460	740,438,650
Changes in unearned premiums, net	(55,759,533)	(64,012,680)	(22,464,167)	(17,008,622)	(9,553,683)	(3,983,971)	(3,294,025)	(64,324,189)	(26,611,813)	(267,012,683)
Net earned premiums	70,084,318	99,275,331	39,886,187	46,154,632	12,940,063	30,430,994	21,831,783	84,314,012	68,508,647	473,425,967
Retrocession commissions	2,010,717	853,458	(171,101)	--	2,325,362	9,434	--	--	2,221,524	7,249,394
<u>TOTAL REVENUES</u>	72,095,035	100,128,789	39,715,086	46,154,632	15,265,425	30,440,428	21,831,783	84,314,012	70,730,171	480,675,361
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(24,519,441)	(67,605,875)	(36,290,439)	(22,165,244)	(18,883,631)	(28,136,830)	(23,808,299)	(48,398,597)	(51,000,969)	(320,809,325)
Retroceded share of claims paid	1,248,057	11,058,632	22,551,785	--	8,156,329	1,511,163	--	--	36,765,728	81,291,694
Net claims paid	(23,271,384)	(56,547,243)	(13,738,654)	(22,165,244)	(10,727,302)	(26,625,667)	(23,808,299)	(48,398,597)	(14,235,241)	(239,517,631)
Changes in outstanding claims, net	11,685,429	(26,635,800)	(6,288,016)	(50,815)	(3,417,518)	(6,551,022)	(4,423,356)	--	(27,948,002)	(63,629,100)
Changes in Incurred but not reported claims, net	2,379,555	12,756,172	(7,599,035)	(1,020,275)	2,363,639	3,376,245	12,921,126	(6,129,891)	(572,308)	18,475,228
Net claims incurred	(9,206,400)	(70,426,871)	(27,625,705)	(23,236,334)	(11,781,181)	(29,800,444)	(15,310,529)	(54,528,488)	(42,755,551)	(284,671,503)
Policy acquisition costs and profit commissions	(25,343,857)	(31,131,921)	(17,077,853)	(8,762,382)	(7,875,302)	(4,558,727)	(1,309,538)	(35,089,031)	(15,303,768)	(146,452,379)
Other underwriting expenses	(461,973)	(566,088)	(272,222)	(237,251)	(129,311)	(147,860)	(98,186)	(421,570)	(354,259)	(2,688,720)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(35,012,230)	(102,124,880)	(44,975,780)	(32,235,967)	(19,785,794)	(34,507,031)	(16,718,253)	(90,039,089)	(58,413,578)	(433,812,602)
NET UNDERWRITING INCOME / (LOSS)	37,082,805	(1,996,091)	(5,260,694)	13,918,665	(4,520,369)	(4,066,603)	5,113,530	(5,725,077)	12,316,593	46,862,759

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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 30 September 2021 (Unaudited)												
ASSETS												
Bank balances and cash	--	--	--	--	--	--	--	--	--	41,667,855	10,860,746	52,528,601
Time deposits	--	--	--	--	--	--	--	--	--	--	134,252,084	134,252,084
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	--	1,844,365	1,844,365
Reinsurance premium receivables, net	45,609,801	110,625,144	61,908,330	27,231,403	22,360,958	21,019,251	10,921,505	(69,553)	95,409,823	(119,841,382)	--	275,175,280
Investments held at fair value through income statement	-	-	-	-	-	-	-	-	-	410,290,431	293,571,060	703,861,491
Accrued special commission income from bonds and sukuk and held to maturity investments	-	-	-	-	-	-	-	-	-	-	3,251,787	3,251,787
Accrued reinsurance premiums	121,587,312	154,164,786	46,654,496	68,036,164	35,780,787	21,946,847	101,540,540	239,480,857	63,845,118	--	-	853,036,907
Retrocession balances receivable	-	-	-	-	-	-	-	-	-	37,553,352	-	37,553,352
Retroceded share of unearned premiums	33,103,976	8,494,918	16,458,911	-	12,283,250	-	-	-	555,668	--	--	70,896,723
Deferred excess of loss premiums	4,155,702	5,678,427	818,485	-	248,189	(247,267)	-	-	7,721,791	--	--	18,375,327
Retroceded share of outstanding claims	5,537,974	42,899,034	60,936,054	11,407	2,067,911	116,071	-	-	34,466,629	--	--	146,035,080
Retroceded share of claims incurred but not reported	2,812,734	4,732,337	10,149,855	97,276	10,959,128	-	-	-	7,994,091	--	--	36,745,421
Deferred policy acquisition costs	41,434,045	54,616,081	14,157,859	12,181,921	10,854,859	2,658,960	1,516,412	85,068,293	10,036,882	--	--	232,525,312
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	272,471,256	272,471,256
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	129,976,868	110,634,866	240,611,734
Property and equipment, net	--	--	--	--	--	--	--	--	--	5,201,270	28,277,937	33,479,207
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	136,514,037	136,514,037
Statutory deposit	--	--	--	--	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	20,761,344	20,761,344
TOTAL ASSETS	254,241,544	381,210,727	211,083,990	107,558,171	94,555,082	45,493,862	113,978,457	324,479,597	220,030,002	504,848,394	1,101,539,482	3,359,019,308

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

For the three month and nine month periods ended 30 September 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 30 September 2021 (Unaudited)												
<u>LIABILITIES</u>												
Accounts payable	(345,267)	(3,591,447)	(982,327)	(1,984,967)	654,360	1,658,996	(325,500)	--	5,478,895	36,790,682	--	37,353,425
Margin loan payable	--	--	--	--	--	--	--	--	--	--	57,059,499	57,059,499
Retrocession balances payable	--	--	--	--	--	--	--	--	--	32,080,542	37,553,352	69,633,894
Accrued retroceded premiums	17,110,762	5,760,097	479,710	10,923	13,916,420	--	--	--	5,037,363	--	--	42,315,275
Unearned premiums	157,740,910	190,550,952	60,755,285	70,380,312	38,516,172	17,785,313	122,405,027	199,235,778	53,042,916	--	--	910,412,665
Outstanding claims	82,245,198	272,423,625	107,146,324	62,635,346	32,142,618	45,641,151	12,317,703	--	136,306,453	--	--	750,858,418
Claims incurred but not reported	30,201,562	63,448,545	28,221,185	67,489,675	25,530,932	20,792,348	55,154,869	98,396,786	43,314,662	--	--	432,550,564
Unearned retrocession commission	10,753,219	2,261,947	645,998	--	3,607,009	32,687	--	--	160,551	--	--	17,461,411
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	20,903,190	3,229,366	24,132,556
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	12,578,260	--	12,578,260
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	10,597,822	10,597,822
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	20,761,344	20,761,344
TOTAL LIABILITIES	297,706,384	530,853,719	196,266,175	198,531,289	114,367,511	85,910,495	189,552,099	297,632,564	243,340,840	102,352,674	129,201,383	2,385,715,133

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

For the three month and nine month periods ended 30 September 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												
ASSETS												
Bank balances and cash	--	--	--	--	--	--	--	--	--	8,034,347	5,122,375	13,156,722
Time deposits	--	--	--	--	--	--	--	--	--	10,125,002	183,334,500	193,459,502
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	785,486	2,426,007	3,211,493
Reinsurance premium receivables, net	47,340,717	109,528,609	40,612,344	24,184,836	21,398,666	22,754,972	8,635,513	3,116	102,738,906	(83,442,531)	--	293,755,148
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	201,003,059	311,078,319	512,081,378
Accrued reinsurance premiums	107,159,563	88,251,533	34,407,829	37,310,280	25,150,068	42,698,160	15,987,984	195,380,503	47,917,157	--	--	594,263,077
Retrocession balances receivable	--	--	--	--	--	--	--	--	--	29,509,021	--	29,509,021
Retroceded share of unearned premiums	29,692,755	7,744,945	7,562,806	--	9,839,862	--	--	--	17,021,406	--	--	71,861,774
Deferred excess of loss premiums	3,185,718	4,025,456	600,626	--	106,770	--	--	--	4,865,123	--	--	12,783,693
Retroceded share of outstanding claims	4,732,613	31,104,786	76,460,097	(1,263,117)	3,214,333	114,641	--	--	40,310,955	--	--	154,674,308
Retroceded share of claims incurred but not reported	2,252,463	14,262,296	7,383,480	110,993	8,458,850	66,616	15	1,670	13,259,910	--	--	45,796,293
Deferred policy acquisition costs	34,608,636	33,788,933	9,237,969	4,610,786	8,362,752	2,104,503	142,542	48,755,031	7,792,127	--	--	149,403,279
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	184,022,721	184,022,721
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	174,550,407	114,548,477	289,098,884
Property and equipment, net	--	--	--	--	--	--	--	--	--	4,766,710	28,858,622	33,625,332
Accrued special commission income from bonds, 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
TOTAL ASSETS	228,972,465	288,706,558	176,265,151	64,953,778	76,531,301	67,738,892	24,766,054	244,140,320	233,905,584	345,331,501	1,056,898,396	2,808,210,000

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

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For the three month and nine month periods ended 30 September 2021**

16. SEGMENTAL INFORMATION (CONTINUED)

16.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 30 September 2021 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	74,038,810	32,988,347	6,355,059	39,852,024	5,967,120	159,201,360
Retroceded premiums	(19,949,457)	1,735	--	1,127,817	--	(18,819,905)
Excess of loss expenses	(4,887,150)	(1,111,123)	(501,853)	(5,865,027)	(44,304)	(12,409,457)
Net written premiums	49,202,203	31,878,959	5,853,206	35,114,814	5,922,816	127,971,998
Changes in unearned premiums, net	34,387,259	(3,793,558)	4,278,623	47,118,758	33,574,585	115,565,667
Net earned premiums	83,589,462	28,085,401	10,131,829	82,233,572	39,497,401	243,537,665
Retrocession commissions	6,485,295	39,974	11,344	(32,411)	(671)	6,503,531
<u>TOTAL REVENUES</u>	90,074,757	28,125,375	10,143,173	82,201,161	39,496,730	250,041,196
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(36,943,446)	(16,023,930)	(8,161,485)	(24,052,497)	--	(85,181,358)
Retroceded share of claims paid	6,699,055	1,077,055	--	77,045	--	7,853,155
Net claims paid	(30,244,391)	(14,946,875)	(8,161,485)	(23,975,452)	--	(77,328,203)
Changes in outstanding claims, net	8,236,147	166,769	(1,242,053)	(17,391,216)	(9,435)	(10,239,788)
Changes in Incurred but not reported claims, net	(30,876,532)	(3,791,325)	(872,544)	(27,390,394)	(14,902,414)	(77,833,209)
Net claims incurred	(52,884,776)	(18,571,431)	(10,276,082)	(68,757,062)	(14,911,849)	(165,401,200)
Policy acquisition costs and profit commissions	(13,164,843)	(8,327,215)	(3,128,296)	(22,389,267)	(21,844,482)	(68,854,103)
Other underwriting expenses	(436,377)	(143,613)	(52,882)	(458,527)	(197,708)	(1,289,107)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(66,485,996)	(27,042,259)	(13,457,260)	(91,604,856)	(36,954,039)	(235,544,410)
NET UNDERWRITING INCOME / (LOSS)	23,588,761	1,083,116	(3,314,087)	(9,403,695)	2,542,691	14,496,786

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16. SEGMENTAL INFORMATION (CONTINUED)

16.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 30 September 2020 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	73,769,501	33,801,168	8,116,758	47,200,510	36,034,298	198,922,235
Retroceded premiums	(4,210,413)	(283,648)	1,710	(18,031,247)	--	(22,523,598)
Excess of loss expenses	(3,023,109)	(1,401,723)	(338,908)	(2,400,145)	(47,631)	(7,211,516)
Net written premiums	66,535,979	32,115,797	7,779,560	26,769,118	35,986,667	169,187,121
Changes in unearned premiums, net	(8,861,305)	(5,024,099)	2,182,271	28,248,002	9,486,886	26,031,755
Net earned premiums	57,674,674	27,091,698	9,961,831	55,017,120	45,473,553	195,218,876
Retrocession commissions	41,724	34,414	240	1,813,263	--	1,889,641
<u>TOTAL REVENUES</u>	<u>57,716,398</u>	<u>27,126,112</u>	<u>9,962,071</u>	<u>56,830,383</u>	<u>45,473,553</u>	<u>197,108,517</u>
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(44,477,428)	(9,639,428)	(5,669,343)	(23,422,578)	(48,738,155)	(131,946,932)
Retroceded share of claims paid	22,814,573	2,182,362	--	109,607	218,796	25,325,338
Net claims paid	(21,662,855)	(7,457,066)	(5,669,343)	(23,312,971)	(48,519,359)	(106,621,594)
Changes in outstanding claims, net	4,198,484	(5,182,183)	(4,669,706)	(6,847,748)	(181,306)	(12,682,459)
Changes in Incurred but not reported claims, net	(11,615,734)	(646,513)	(371,093)	(14,787,389)	21,775,389	(5,645,340)
Net claims incurred	(29,080,105)	(13,285,762)	(10,710,142)	(44,948,108)	(26,925,276)	(124,949,393)
Policy acquisition costs and profit commissions	(10,466,996)	(8,006,754)	(2,648,970)	(17,492,184)	(16,546,644)	(55,161,548)
Other underwriting expenses	211,131	1,507	3,827	237,810	147,262	601,537
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	<u>(39,335,970)</u>	<u>(21,291,009)</u>	<u>(13,355,285)</u>	<u>(62,202,482)</u>	<u>(43,324,658)</u>	<u>(179,509,404)</u>
NET UNDERWRITING INCOME / (LOSS)	<u>18,380,428</u>	<u>5,835,103</u>	<u>(3,393,214)</u>	<u>(5,372,099)</u>	<u>2,148,895</u>	<u>17,599,113</u>

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16 SEGMENTAL INFORMATION (CONTINUED)

16.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the nine month periods ended 30 September 2021 (Unaudited)						
Reinsurance operations' results						
REVENUES						
Gross written premiums	493,828,288	87,317,499	36,050,582	316,118,937	180,976,648	1,114,291,954
Retroceded premiums	(77,649,189)	74,080	4,387	(13,841,513)	--	(91,412,235)
Excess of loss expenses	(9,429,383)	(6,404,257)	(1,085,298)	(9,331,210)	(58,528)	(26,308,676)
Net written premiums	406,749,716	80,987,322	34,969,671	292,946,214	180,918,120	996,571,043
Changes in unearned premiums, net	(187,501,311)	(14,459,868)	(8,022,494)	(76,646,277)	(76,206,584)	(362,836,534)
Net earned premiums	219,248,405	66,527,454	26,947,177	216,299,937	104,711,536	633,734,509
Retrocession commissions	12,728,586	108,437	16,178	1,364,218	(671)	14,216,748
TOTAL REVENUES	231,976,991	66,635,891	26,963,355	217,664,154	104,710,866	647,951,257
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(126,778,213)	(38,354,140)	(15,463,562)	(107,820,729)	(49,766,473)	(338,183,117)
Retroceded share of claims paid	42,427,072	1,092,873	--	9,304,358	--	52,824,303
Net claims paid	(84,351,141)	(37,261,267)	(15,463,562)	(98,516,371)	(49,766,473)	(285,358,814)
Changes in outstanding claims, net	(8,580,807)	1,062,101	(3,809,721)	(31,313,384)	91,031	(42,550,780)
Changes in Incurred but not reported claims, net	(50,086,356)	(7,865,103)	(2,977,096)	(37,317,531)	7,386,430	(90,859,656)
Net claims incurred	(143,018,304)	(44,064,269)	(22,250,379)	(167,147,286)	(42,289,012)	(418,769,250)
Policy acquisition costs and profit commissions	(35,028,641)	(18,198,979)	(7,267,647)	(56,126,539)	(47,869,071)	(164,490,877)
Other underwriting expenses	(1,378,964)	(355,476)	(139,401)	(1,180,641)	(523,850)	(3,578,332)
TOTAL UNDERWRITING COSTS AND EXPENSES	(179,425,909)	(62,618,724)	(29,657,427)	(224,454,466)	(90,681,933)	(586,838,459)
NET UNDERWRITING INCOME / (LOSS)	52,551,082	4,017,167	(2,694,072)	(6,790,312)	14,028,933	61,112,798

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021**

16. SEGMENTAL INFORMATION (CONTINUED)

16.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the nine month period ended 30 September 2020 (Unaudited)						
Reinsurance operations' results						
REVENUES						
Gross written premiums	296,224,588	103,812,141	38,023,215	269,967,858	149,948,912	857,976,714
Retroceded premiums	(78,003,399)	(403,670)	(158,934)	(17,372,996)	--	(95,938,999)
Excess of loss expenses	(11,864,314)	(2,432,987)	(1,201,470)	(6,000,261)	(100,033)	(21,599,065)
Net written premiums	206,356,875	100,975,484	36,662,811	246,594,601	149,848,879	740,438,650
Changes in unearned premiums, net	(61,620,232)	(39,146,345)	(9,383,960)	(91,380,255)	(65,481,891)	(267,012,683)
Net earned premiums	144,736,643	61,829,139	27,278,851	155,214,346	84,366,988	473,425,967
Retrocession commissions	5,002,260	(30,830)	63,095	2,214,869	--	7,249,394
TOTAL REVENUES	149,738,903	61,798,309	27,341,946	157,429,215	84,366,988	480,675,361
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(133,349,250)	(40,250,595)	(17,265,607)	(80,676,795)	(49,267,078)	(320,809,325)
Retroceded share of claims paid	66,339,723	3,850,442	--	10,709,980	391,549	81,291,694
Net claims paid	(67,009,527)	(36,400,153)	(17,265,607)	(69,966,815)	(48,875,529)	(239,517,631)
Changes in outstanding claims, net	(4,157,242)	(3,964,921)	(3,592,447)	(51,834,220)	(80,270)	(63,629,100)
Changes in Incurred but not reported claims, net	14,560,366	7,972,023	5,903,983	(4,136,103)	(5,825,041)	18,475,228
Net claims incurred	(56,606,403)	(32,393,051)	(14,954,071)	(125,937,138)	(54,780,840)	(284,671,503)
Policy acquisition costs and profit commissions	(37,111,669)	(17,355,158)	(8,652,574)	(48,334,396)	(34,998,582)	(146,452,379)
Other underwriting expenses	(896,129)	(348,548)	(145,705)	(876,027)	(422,311)	(2,688,720)
TOTAL UNDERWRITING COSTS AND EXPENSES	(94,614,201)	(50,096,757)	(23,752,350)	(175,147,561)	(90,201,733)	(433,812,602)
NET UNDERWRITING INCOME / (LOSS)	55,124,702	11,701,552	3,589,596	(17,718,346)	(5,834,745)	46,862,759

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021**

16 SEGMENTAL INFORMATION (CONTINUED)

16.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 30 September 2021 (Unaudited)								
ASSETS								
Bank balances and cash	38,815,161	--	--	2,852,694	--	--	10,860,746	52,528,601
Time deposits	--	--	--	--	--	--	134,252,084	134,252,084
Accrued special commission income from time deposits	--	--	--	--	--	--	1,844,365	1,844,365
Reinsurance premium receivables, net	104,898,108	55,298,809	39,648,769	73,696,300	(2,820,611)	4,453,905	--	275,175,280
Investments held at fair value through income statement	--	--	--	--	--	410,290,431	293,571,060	703,861,491
Accrued special commission income from bonds, sukuk and held-to-maturity investments	--	--	--	--	--	--	3,251,787	3,251,787
Accrued reinsurance premiums	305,089,260	74,285,295	25,172,020	208,318,538	240,171,794	--	--	853,036,907
Retrocession balances receivable	--	--	--	--	--	37,553,352	--	37,553,352
Retroceded share of unearned premiums	58,576,876	32,604	3,992	12,283,251	--	--	--	70,896,723
Deferred excess of loss premiums	5,042,130	2,194,629	1,112,965	10,025,603	--	--	--	18,375,327
Retroceded share of outstanding claims	90,279,137	41,521,237	4,899,059	9,335,647	--	--	--	146,035,080
Retroceded share of claims incurred but not reported	24,017,267	467,065	123,396	12,128,828	8,865	--	--	36,745,421
Deferred policy acquisition costs	58,045,794	22,488,736	9,024,868	57,861,209	85,104,705	--	--	232,525,312
Held-to-maturity investments	--	--	--	--	--	--	272,471,256	272,471,256
Prepaid expenses, deposits and other assets	129,976,868	--	--	--	--	--	110,634,866	240,611,734
Property and equipment, net	--	--	--	--	--	5,201,270	28,277,937	33,479,207
Investment in an equity accounted investee	--	--	--	--	--	--	136,514,037	136,514,037
Statutory deposit	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,761,344	20,761,344
TOTAL ASSETS	814,740,601	196,288,375	79,985,069	386,502,070	322,464,753	457,498,958	1,101,539,482	3,359,019,308
LIABILITIES								
Accounts payable	7,461,719	18,658,078	2,450,170	5,849,940	26,622	2,906,896	--	37,353,425
Margin loan payable	--	--	--	--	--	--	57,059,499	57,059,499
Retrocession balances payable	--	--	--	--	--	32,080,542	37,553,352	69,633,894
Accrued retroceded premiums	13,596,196	745,193	260,989	17,215,159	47,348	10,450,390	--	42,315,275
Unearned premiums	387,225,523	80,735,580	27,026,508	215,693,669	199,731,385	--	--	910,412,665
Outstanding claims	274,145,388	173,751,866	33,084,407	265,287,564	4,589,193	--	--	750,858,418
Claims incurred but not reported	158,418,025	35,475,340	12,327,531	126,988,992	99,340,676	--	--	432,550,564
Unearned retrocession commission	6,634,038	7,938	1,058	3,540,748	--	7,277,629	--	17,461,411
Accrued expenses and other liabilities	--	--	--	--	--	20,903,190	3,229,366	24,132,556
Employees' end of service benefits	--	--	--	--	--	12,578,260	--	12,578,260
Provision for zakat and tax	--	--	--	--	--	--	10,597,822	10,597,822
Accrued commission income payable to SAMA	--	--	--	--	--	--	20,761,344	20,761,344
TOTAL LIABILITIES	847,480,889	309,373,995	75,150,663	634,576,072	303,735,224	86,196,907	129,201,383	2,385,715,133

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021**

16 SEGMENTAL INFORMATION (CONTINUED)

16.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2020								
ASSETS								
Bank balances and cash	7,392,157	--	--	642,190	--	--	5,122,375	13,156,722
Time deposits	--	--	--	10,125,002	--	--	183,334,500	193,459,502
Accrued special commission income from time deposits	597,271	--	--	188,215	--	--	2,426,007	3,211,493
Reinsurance premium receivables, net	134,613,259	54,656,040	36,230,546	67,682,082	-2,939,483	3,512,704	--	293,755,148
Investments held at fair value through income statement	201,003,059	--	--	--	--	--	311,078,319	512,081,378
Accrued special commission income from bonds, sukuk and held-to-maturity investments	--	--	--	--	--	--	6,180,645	6,180,645
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
Investment in an equity accounted investee	--	--	--	--	--	--	120,141,077	120,141,077
Statutory deposit	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,185,653	20,185,653
TOTAL ASSETS	855,092,327	162,635,323	70,464,117	291,079,815	339,018,296	33,021,725	1,056,898,397	2,808,210,000
LIABILITIES								
Accounts payable	6,884,938	11,039,248	3,790,237	1,537,314	--	8,723,050	--	31,974,787
Margin loan payable	--	--	--	--	--	--	23,116,816	23,116,816
Retrocession balances payable	--	--	--	--	--	77,219,757	--	77,219,757
Accrued retroceded premiums	28,697,561	948,529	172,481	9,966,659	27,135	--	--	39,812,365
Unearned premiums	203,498,896	66,579,800	19,068,716	135,869,006	123,524,764	--	--	548,541,182
Outstanding claims	299,180,822	147,181,369	29,288,206	236,616,246	4,680,223	--	--	716,946,866
Claims incurred but not reported	109,919,096	42,362,795	10,261,611	81,622,772	106,575,507	--	--	350,741,781
Unearned retrocession commission	13,654,266	58,230	1,789	2,090,900	--	--	--	15,805,185
Accrued expenses and other liabilities	--	--	--	--	--	20,671,229	3,189,535	23,860,764
Employees' end of service benefits	10,673,191	--	--	--	--	--	--	10,673,191
Provision for zakat and tax	--	--	--	--	--	--	15,173,830	15,173,830
Accrued commission income payable to SAMA	--	--	--	--	--	--	20,185,653	20,185,653
TOTAL LIABILITIES	672,508,770	268,169,971	62,583,040	467,702,897	234,807,629	106,614,036	61,665,834	1,874,052,177

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021**

17 SUPPLEMENTARY INFORMATION

Interim condensed statement of financial position

	30 September 2021 (Unaudited)			31 December 2020 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
ASSETS						
Bank balances and cash	41,667,855	10,860,746	52,528,601	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	--	1,844,365	1,844,365	785,486	2,426,007	3,211,493
Reinsurance premium receivables, net	275,175,280	--	275,175,280	293,755,148	--	293,755,148
Investments held at fair value through income statement	410,290,431	293,571,060	703,861,491	201,003,059	311,078,319	512,081,378
Accrued special commission income from bonds, and sukuk	--	3,251,787	3,251,787	--	6,180,645	6,180,645
Accrued reinsurance premiums	853,036,907	--	853,036,907	594,263,077	--	594,263,077
Retrocession balances receivable	37,553,352	--	37,553,352	29,509,021	--	29,509,021
Retroceded share of unearned premiums	70,896,723	--	70,896,723	71,861,774	--	71,861,774
Deferred excess of loss premiums	18,375,327	--	18,375,327	12,783,693	--	12,783,693
Retroceded share of outstanding claims	146,035,080	--	146,035,080	154,674,308	--	154,674,308
Retroceded share of claims incurred but not reported	36,745,421	--	36,745,421	45,796,293	--	45,796,293
Deferred policy acquisition costs	232,525,312	--	232,525,312	149,403,279	--	149,403,279
Held-to-maturity investments	--	272,471,256	272,471,256	--	184,022,721	184,022,721
Prepaid expenses, deposits and other assets	129,880,678	110,731,056	240,611,734	174,550,407	114,548,477	289,098,884
Property and equipment, net	5,201,270	28,277,937	33,479,207	4,766,709	28,858,623	33,625,332
Investment in an equity accounted investee	--	136,514,037	136,514,037	--	120,141,077	120,141,077
Statutory deposit	--	89,100,000	89,100,000	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	20,761,344	20,761,344	--	20,185,653	20,185,653
Due from shareholders' operations*	47,441,988	--	47,441,988	69,258,595	--	69,258,595
TOTAL ASSETS	2,304,825,624	1,101,635,672	3,406,461,296	1,820,570,198	1,056,898,397	2,877,468,595
LIABILITIES						
Accounts payable	37,353,425	--	37,353,425	31,974,787	--	31,974,787
Margin loan payable	--	57,059,499	57,059,499	--	23,116,816	23,116,816
Retrocession balances payable	69,633,894	--	69,633,894	77,219,757	--	77,219,757
Accrued retroceded premiums	42,315,275	--	42,315,275	39,812,365	--	39,812,365
Unearned premiums	910,412,665	--	910,412,665	548,541,182	--	548,541,182
Outstanding claims	750,858,418	--	750,858,418	716,946,866	--	716,946,866
Claims incurred but not reported	432,550,564	--	432,550,564	350,741,781	--	350,741,781
Unearned retrocession commission	17,461,411	--	17,461,411	15,805,185	--	15,805,185
Accrued expenses and other liabilities	20,903,190	3,229,366	24,132,556	20,671,231	3,189,533	23,860,764
Employees' end of service benefits	12,578,260	-	12,578,260	10,673,191	--	10,673,191
Provision for zakat and tax	--	10,597,822	10,597,822	--	15,173,830	15,173,830
Accrued commission income payable to SAMA	--	20,761,344	20,761,344	--	20,185,653	20,185,653
Accumulated surplus	13,553,021	--	13,553,021	10,978,352	--	10,978,352
Due to reinsurance operations*	--	47,441,988	47,441,988	--	69,258,595	69,258,595
TOTAL LIABILITIES	2,307,620,123	139,090,019	2,446,710,142	1,823,364,695	130,924,429	1,954,289,124
EQUITY						
Share capital	--	891,000,000	891,000,000	--	810,000,000	810,000,000
Statutory reserve	--	27,087,676	27,087,676	--	27,087,676	27,087,676
Retained earnings	--	42,407,276	42,407,276	--	85,847,666	85,847,666
Other reserves	(2,794,499)	2,050,703	(743,798)	(2,794,499)	3,038,628	244,129
TOTAL EQUITY	(2,794,499)	962,545,655	959,751,154	(2,794,499)	925,973,970	923,179,471
TOTAL LIABILITIES AND EQUITY	2,304,825,624	1,101,635,672	3,401,461,296	1,820,570,196	1,056,898,399	2,877,468,595

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021**

17 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income

	For the three months period ended 30 September 2021 (Unaudited)			For the three month period ended 30 September 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
REVENUES						
Gross written premiums	159,201,360	--	159,201,360	198,922,235	--	198,922,235
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(18,819,905)	--	(18,819,905)	(22,523,598)	--	(22,523,598)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(12,409,457)	--	(12,409,457)	(7,211,516)	--	(7,211,516)
Net written premiums	127,971,998	--	127,971,998	169,187,121	--	169,187,121
Changes in unearned premiums, net	115,565,667	--	115,565,667	26,031,755	--	26,031,755
Net earned premiums	243,537,665	--	243,537,665	195,218,876	--	195,218,876
Retrocession commissions	6,503,531	--	6,503,531	1,889,641	--	1,889,641
TOTAL REVENUES	250,041,196	--	250,041,196	197,108,517	--	197,108,517
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(85,181,358)	--	(85,181,358)	(131,946,932)	--	(131,946,932)
Retroceded share of claims paid	7,853,155	--	7,853,155	25,325,338	--	25,325,338
Net claims paid	(77,328,203)	--	(77,328,203)	(106,621,594)	--	(106,621,594)
Changes in outstanding claims, net	(10,239,788)	--	(10,239,788)	(12,682,459)	--	(12,682,459)
Changes in Incurred but not reported claims, net	(77,833,209)	--	(77,833,209)	(5,645,340)	--	(5,645,340)
Net claims incurred	(165,401,200)	--	(165,401,200)	(124,949,393)	--	(124,949,393)
Policy acquisition costs and profit commissions	(68,854,103)	--	(68,854,103)	(55,161,548)	--	(55,161,548)
Other underwriting expenses	(1,289,107)	--	(1,289,107)	601,537	--	601,537
TOTAL UNDERWRITING COSTS AND EXPENSES	(235,544,410)	--	(235,544,410)	(179,509,404)	--	(179,509,404)
NET UNDERWRITING INCOME	14,496,786	--	14,496,786	17,599,113	--	17,599,113
OTHER OPERATING (EXPENSES)/ INCOME						
Special commission income from time deposits	--	1,004,365	1,004,365	536,144	1,521,544	2,057,688
Special commission expense from margin loan payable	--	(86,436)	(86,436)	--	--	--
Realized gains on investments held at fair value through income statement	567,803	1,360,053	1,927,856	--	617,900	617,900
Unrealized gains / (losses) on investments held at fair value through income statement	510,472	140,044	650,516	332,033	(23,760)	308,273
Special commission income from bonds and sukuk	--	3,921,776	3,921,776	--	3,965,494	3,965,494
Dividend income	--	270,249	270,249	--	858,066	858,066
Share of profit of equity accounted investee	--	6,534,109	6,534,109	--	1,082,288	1,082,288
Investment management expenses	(77,023)	(400,074)	(477,097)	(30,931)	(222,517)	(253,448)
Net investment income	1,001,252	12,744,086	13,745,338	837,246	7,799,015	8,636,261
Other income	108,542	40,620	149,162	36,000	104,880	140,880
Allowance for doubtful debts	(142,864)	-	(142,864)	--	--	--
General and administrative expenses	(12,763,734)	(2,061,674)	(14,825,408)	(10,299,939)	(1,953,178)	(12,253,117)
Board of directors' remunerations, meetings fees and expenses	--	(960,358)	(960,358)	--	(603,287)	(603,287)
Foreign exchange translation losses	(853,264)	(1,871)	(855,135)	3,393,701	(92)	3,393,609
Total income for the period before zakat and tax	1,846,718	9,760,803	11,607,521	11,566,121	5,347,338	16,913,459
Transfer of surplus to shareholders' operations	(1,662,046)	1,662,046	--	(10,409,509)	10,409,509	--
Net income for the period before zakat and tax	184,672	11,422,849	11,607,521	1,156,612	15,756,847	16,913,459
Zakat and tax charge for the period	--	(3,334,154)	(3,334,154)	--	(3,549,943)	(3,549,943)
Net income for the period after zakat and tax and shareholders' appropriations	184,672	8,088,695	8,273,367	1,156,612	12,206,904	13,363,516

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021

17 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income

	For the nine months period ended 30 September 2021 (Unaudited)			For the nine months period ended 30 September 2020 (Unaudited)		
	Reinsurance operations	Shareholder s' operations	Total	Reinsurance operations	Shareholders' operations	Total
REVENUES						
Gross written premiums	1,114,291,954	--	1,114,291,954	857,976,714	--	857,976,714
Retroceded premiums	(91,412,235)	--	(91,412,235)	--	--	--
- Local	--	--	--	--	--	--
- Foreign	--	--	--	(95,938,999)	--	(95,938,999)
Excess of loss expenses	(26,308,676)	--	(26,308,676)	--	--	--
- Local	--	--	--	--	--	--
- Foreign	--	--	--	(21,599,065)	--	(21,599,065)
Net written premiums	996,571,043	--	996,571,043	740,438,650	--	740,438,650
Changes in unearned premiums, net	(362,836,534)	--	(362,836,534)	(267,012,683)	--	(267,012,683)
Net earned premiums	633,734,509	--	633,734,509	473,425,967	--	473,425,967
Retrocession commissions	14,216,748	--	14,216,748	7,249,394	--	7,249,394
TOTAL REVENUES	647,951,257	--	647,951,257	480,675,361	--	480,675,361
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(338,183,117)	--	(338,183,117)	(320,809,325)	--	(320,809,325)
Retroceded share of claims paid	52,824,303	--	52,824,303	81,291,694	--	81,291,694
Net claims paid	(285,358,814)	--	(285,358,814)	(239,517,631)	--	(239,517,631)
Changes in outstanding claims, net	(42,550,780)	--	(42,550,780)	(63,629,100)	--	(63,629,100)
Changes in Incurred but not reported claims, net	(90,859,656)	--	(90,859,656)	18,475,228	--	18,475,228
Net claims incurred	(418,769,250)	--	(418,769,250)	(284,671,503)	--	(284,671,503)
Policy acquisition costs and profit commissions	(164,490,877)	--	(164,490,877)	(146,452,379)	--	(146,452,379)
Other underwriting expenses	(3,578,332)	--	(3,578,332)	(2,688,720)	--	(2,688,720)
TOTAL UNDERWRITING COSTS AND EXPENSES	(586,838,459)	--	(586,838,459)	(433,812,602)	--	(433,812,602)
NET UNDERWRITING INCOME	61,112,798	--	61,112,798	46,862,759	--	46,862,759
OTHER OPERATING (EXPENSES)/ INCOME						
Special commission income from time deposits	476,998	3,660,972	4,137,970	3,450,441	5,261,910	8,712,351
Special commission expense from margin loan payable	--	(262,480)	(262,480)	--	--	--
Realized gains on investments held at fair value through income statement	649,616	2,371,515	3,021,131	158,750	(468,466)	(309,716)
Unrealized gains / (losses) on investments held at fair value through income statement	1,687,976	(161,353)	1,526,623	(697,536)	793,499	95,963
Special commission income from bonds and sukuk	--	10,736,755	10,736,755	--	8,483,631	8,483,631
Dividend income	--	1,145,249	1,145,249	--	1,875,695	1,875,695
Share of profit of equity accounted investee	--	17,360,887	17,360,887	--	8,801,233	8,801,233
Investment management expenses	(214,153)	(1,027,371)	(1,241,524)	(87,785)	(632,506)	(720,291)
Net investment income	2,600,437	33,824,174	36,424,611	2,823,870	24,114,996	26,938,866
Other income	832,168	108,985	941,153	105,000	708,339	813,339
Allowance for doubtful debts	(142,864)	--	(142,864)	(457,676)	--	(457,676)
General and administrative expenses	(35,487,497)	(5,496,492)	(40,983,989)	(29,055,188)	(5,561,811)	(34,616,999)
Board of directors' remunerations, meetings fees and expenses	--	(3,762,225)	(3,762,225)	--	(1,901,127)	(1,901,127)
Foreign exchange translation losses	(3,168,348)	50,274	(3,118,074)	(250,405)	(313,666)	(564,071)
Total income for the period before zakat and tax	25,746,695	24,724,716	50,471,409	20,028,360	17,046,731	37,075,091
Transfer of surplus to shareholders' operations	(23,172,024)	23,172,024	--	(18,025,525)	18,025,525	--
Net income for the period before zakat and tax	2,574,669	47,896,740	50,471,409	2,002,835	35,072,256	37,075,091
Zakat and tax charge for the period	--	(10,337,130)	(10,337,130)	--	(9,998,614)	(9,998,614)
Net income for the period after zakat and tax and shareholders' appropriations	2,574,669	37,559,610	40,134,279	2,002,835	25,073,642	27,076,477

**Saudi Reinsurance Company (Formerly known as 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 nine month periods ended 30 September 2021**

17 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of comprehensive income

	For the three months period ended 30 September 2021 (Unaudited)			For the three months period ended 30 September 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	184,672	8,088,695	8,273,367	1,156,612	12,206,904	13,363,516
<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	--	(1,287,327)	(1,287,327)	--	893,527	893,527
Total comprehensive income for the period	184,672	6,801,368	6,986,040	1,156,612	13,100,431	14,257,043

Reconciliation:

Less: Net income attributable to reinsurance operations transferred to surplus payable	(184,672)	(1,156,612)
Total comprehensive income for the period	6,801,368	13,100,431

Interim condensed statement of comprehensive income

	For the nine month period ended 30 September 2021 (Unaudited)			For the nine month period ended 30 September 2020 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	2,574,669	37,559,610	40,134,279	2,002,835	25,073,642	27,076,477
<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	--	(987,927)	(987,927)	--	19,265	19,265
Total comprehensive income for the period	2,574,669	36,571,683	39,146,352	2,002,835	25,092,907	27,095,742

Reconciliation:

Less: Net income attributable to reinsurance operations transferred to surplus payable	(2,574,669)	(2,002,835)
Total comprehensive income for the period	36,571,683	25,092,907

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

For the three month and nine month periods ended 30 September 2021

17 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of cash flows

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the nine month period ended 30 September 2021 (Unaudited)	For the nine month period ended 30 September 2020 (Unaudited)		For the nine month period ended 30 September 2020 (Unaudited)		
OPERATING ACTIVITIES						
Total income for the period before zakat and tax	2,574,670	47,896,739	50,471,409	2,002,835	35,072,256	37,075,091
<i>Adjustments to reconcile net income for the period to net cash from operating activities:</i>						
Employees' end of service benefits	1,905,070	--	1,905,070	1,517,484	--	1,517,484
Special commission income from bonds and sukuk	--	(10,736,755)	(10,736,755)	--	(8,483,631)	(8,483,631)
Special commission in time deposits	--	(4,137,970)	(4,137,970)	--	(8,712,351)	(8,712,351)
Special commission expense from margin loans	--	262,480	262,480	--	--	--
Amortisation of discount / premium on HTM	--	(2,579,574)	(2,579,574)	--	--	--
Depreciation of property and equipment	865,515	1,079,563	1,945,078	1,149,134	584,073	1,733,207
Realized (gains) / losses on investments held at fair value through income statement	(649,616)	(2,371,515)	(3,021,131)	(158,750)	468,466	309,716
Unrealized (gains) / losses on investments held at fair value through income statement	(1,687,976)	161,353	(1,526,623)	697,536	(793,499)	(95,963)
Share of profit of an equity accounted investee	--	(17,360,887)	(17,360,887)	--	(8,801,233)	(8,801,233)
Charge for doubtful receivable	142,864	--	142,864	457,676	--	457,676
Operating income before changes in operating assets and liabilities	3,150,527	12,213,434	15,363,961	5,665,915	9,334,081	14,999,996
Changes in operating assets and liabilities:						
Premiums receivable, gross	18,437,004	--	18,437,004	(36,950,840)	--	(36,950,840)
Accrued reinsurance premiums	(258,773,830)	--	(258,773,830)	(195,366,089)	--	(195,366,089)
Retroceded share of unearned premiums	965,051	--	965,051	(18,539,302)	--	(18,539,302)
Unearned premiums	361,871,483	--	361,871,483	285,551,985	--	285,551,985
Retroceded share of outstanding claims	8,639,228	--	8,639,228	56,169,695	--	56,169,695
Retroceded share of claims incurred but not reported	9,050,872	--	9,050,872	(4,385,705)	--	(4,385,705)
Deferred acquisition costs	(83,122,033)	--	(83,122,033)	(82,000,710)	--	(82,000,710)
Deferred excess of loss premiums	(5,591,634)	--	(5,591,634)	(5,612,842)	--	(5,612,842)
Prepaid expenses, deposits and other assets	44,669,729	3,817,422	48,487,151	4,122,750	(6,951,507)	(2,828,757)
Accounts payable	5,378,636	--	5,378,636	5,938,843	--	5,938,843
Retrocession balances receivable	(8,044,331)	--	(8,044,331)	(20,424,492)	--	(20,424,492)
Retrocession balances payable	(7,585,864)	--	(7,585,864)	(16,148,500)	--	(16,148,500)
Accrued retroceded premiums	2,502,910	--	2,502,910	20,964,373	--	20,964,373
Outstanding claims	33,911,552	--	33,911,552	7,459,405	--	7,459,405
Claims incurred but not reported	81,808,783	--	81,808,783	(14,089,524)	--	(14,089,524)
Unearned commission income	1,656,226	--	1,656,226	5,786,975	--	5,786,975
Security deposit	--	(8,100,000)	(8,100,000)	--	40,500,000	40,500,000
Accrued expenses and other liabilities	--	271,792	271,792	1,143,468	(743,415)	400,053
Cash generated from / (used in) operating activities	208,924,309	8,202,648	217,126,957	(714,595)	42,139,159	41,424,564
Zakat and income tax paid	--	(14,913,138)	(14,913,138)	--	(17,606,615)	(17,606,615)
Employees' end of service benefits paid	--	--	--	(575,415)	--	(575,415)
Net cash (used in) generated from operating activities	208,924,309	(6,710,490)	202,213,819	(1,290,010)	24,532,544	23,242,534

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For the three month and nine month periods ended 30 September 2021**

17 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of cash flows (continued)

	Reinsurance operations	Shareholder' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the nine month period ended 30 September 2021 (Unaudited)			For the nine month period ended 30 September 2020 (Unaudited)		
INVESTING ACTIVITIES						
Addition on Time deposits	--	(1,394,584)	(1,394,584)	--	--	
Proceeds from maturity of Time deposits	10,125,002	50,477,000	60,602,002	84,288,175	(3,683,124)	80,605,051
Accrued special commission income on time deposits	--	5,505,098	5,505,098	--	13,798,138	13,798,138
Accrued special commission income from bonds and sukuk	1,017,440	12,648,175	13,665,615	1,118,039	6,462,537	7,580,576
Purchase of property and equipment	(1,300,069)	(498,885)	(1,798,954)	(1,401,801)	--	(1,401,801)
Additions in investment in an associate	--	--	--	--	(3,696,899)	(3,696,899)
Additions in investments held at fair value through income statement	(306,689,668)	(189,104,301)	(495,793,969)	(105,504,777)	(200,189,200)	(305,693,977)
Additions in held-to-maturity investments	--	(85,868,961)	(85,868,961)	--	(109,060,496)	(109,060,496)
Proceeds from disposal of investments held at fair value through income statement	99,739,887	208,821,723	308,561,610	14,196,699	278,150,911	292,347,610
Net cash (used in) / generated from investing activities	(197,107,408)	585,265	(196,522,143)	(7,303,665)	(18,218,133)	(25,521,798)
FINANCING ACTIVITIES						
Due to / from reinsurance / shareholders' operations*	21,816,606	(21,816,606)	--	12,718,639	(12,718,639)	--
Margin Loan	--	33,680,203	33,680,203	--	--	--
Net cash generated from financing activities	21,816,606	11,863,597	33,680,203	--	--	--
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	33,633,507	5,738,371	39,371,879	4,124,964	(6,404,228)	(2,279,264)
Cash and cash equivalents at the beginning of the period	8,034,347	5,122,375	13,156,722	27,648,198	20,185,736	47,833,934
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	41,667,854	10,860,746	52,528,601	31,773,162	13,781,508	45,554,670

* 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 170,835,589 (31 December 2020: SR 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 September 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.

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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, the COVID-19 claims reported to the Company for life business so far amount to SR 11.9 million. The COVID-19 claims reported for business interruption policies are immaterial at this stage. 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 01 Rabi` al-Thani 1443H corresponding to 06 November 2021.