
**SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE
2022**

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

For the three month And six month periods ended 30 June 2022

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF SAUDI REINSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 30 June 2022 of the Company are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Dr. Abdullah Hamad Al Fozan
Certified Public Accountant
License No. 348



26 Muharram 1444H
24 August 2022

AlAzem, AlSudairy, AlShaikh & Partners for Professional Consulting

Abdullah M. AlAzem
Certified Public Accountant
License No. 335

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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
ASSETS	Notes		
Cash and cash equivalents	5	71,790,437	27,807,294
Time deposits	8	576,454,489	243,382,085
Accrued special commission income from time deposits		4,731,410	2,310,102
Reinsurance premium receivables, net	4	280,204,200	242,229,593
Investments held at fair value through income statement	7	415,819,634	803,584,596
Accrued special commission income from bonds, sukuk and held-to-maturity investments		5,636,665	6,810,473
Accrued reinsurance premiums	9	999,591,095	680,469,900
Retrocession balances receivable		18,611,465	13,063,654
Retroceded share of unearned premiums	11	265,213,932	67,952,509
Deferred excess of loss premiums		3,808	12,049,562
Retroceded share of outstanding claims	12	148,638,083	149,332,878
Retroceded share of claims incurred but not reported	12	39,151,640	38,033,087
Deferred policy acquisition costs		250,307,921	168,598,147
Held-to-maturity investments	10	335,445,969	298,022,312
Prepaid expenses, deposits and other assets		65,277,265	74,604,344
Property and equipment, net		37,363,404	37,155,827
Investment in an equity accounted investee	16	145,320,014	142,000,373
Statutory deposit	6	89,100,000	89,100,000
Accrued income on statutory deposit	6	21,889,723	20,962,172
TOTAL ASSETS		3,770,551,154	3,117,468,908
LIABILITIES			
Accounts payable		27,944,597	44,041,910
Margin loan payable		56,797,019	56,797,019
Retrocession balances payable		36,774,659	48,771,678
Accrued retroceded premiums		199,475,196	35,491,960
Unearned premiums	11	1,020,256,455	648,869,489
Outstanding claims	12	784,349,569	782,990,731
Claims incurred but not reported	12	525,445,479	427,396,736
Unearned retrocession commission		63,122,030	17,149,629
Accrued expenses and other liabilities		32,229,409	29,897,226
Employees' end of service benefits		12,866,235	12,288,391
Provision for zakat and tax	14	9,038,946	15,266,235
Accrued commission income payable to SAMA	6	21,889,723	20,962,172
TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS		2,790,189,317	2,139,923,176
REINSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		15,483,811	13,549,575
TOTAL REINSURANCE OPERATIONS' SURPLUS		15,483,811	13,549,575
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS		2,805,673,128	2,153,472,751
EQUITY			
Share capital	13	891,000,000	891,000,000
Statutory reserve		34,749,555	34,749,555
Retained earnings		42,714,644	35,495,182
Other reserves		(3,586,173)	2,751,420
TOTAL EQUITY		964,878,026	963,996,157
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND EQUITY		3,770,551,154	3,117,468,908

Mishari Al-Hussain
Managing Director / Chief Executive Officer

Aug 23, 2022 5:18 AM PDT
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 (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF INCOME

For the three month and six month periods ended 30 June 2022

	For the three month period ended		For the six month period Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Notes	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR
REVENUES				
Gross written premiums	321,481,845	120,806,578	920,104,135	955,090,594
Retroceded premiums	(231,462,207)	(38,809,111)	(237,854,003)	(72,592,329)
Excess of loss expenses	(8,590,392)	(5,774,147)	(14,542,864)	(13,899,219)
Net written premiums	81,429,246	76,223,320	667,707,268	868,599,046
Changes in unearned premiums, net	138,361,893	118,501,969	(174,125,543)	(478,402,201)
Net earned premiums	219,791,139	194,725,289	493,581,725	390,196,845
Retrocession commissions	2,560,006	3,910,353	6,309,346	7,713,218
TOTAL REVENUES	222,351,145	198,635,642	499,891,071	397,910,063
UNDERWRITING COSTS AND EXPENSES				
Gross claims paid	(116,007,045)	(151,949,132)	(272,816,149)	(253,001,759)
Retroceded share of claims paid	7,406,051	18,100,306	47,354,199	44,971,148
Net claims paid	(108,600,994)	(133,848,826)	(225,461,950)	(208,030,611)
Changes in outstanding claims, net	(11,324,865)	(19,586,085)	(2,053,633)	(32,310,992)
Changes in incurred but not reported claims, net	(29,348,046)	21,504,477	(96,930,189)	(13,026,447)
Net claims incurred	(149,273,905)	(131,930,434)	(324,445,772)	(253,368,050)
Policy acquisition costs and profit commissions	(42,663,851)	(44,654,691)	(111,375,824)	(95,636,774)
Other underwriting expenses	(1,215,039)	(812,092)	(2,692,328)	(2,289,225)
TOTAL UNDERWRITING COSTS AND EXPENSES	(193,152,795)	(177,397,217)	(438,513,924)	(351,294,049)
NET UNDERWRITING INCOME	29,198,350	21,238,425	61,377,147	46,616,014
OTHER OPERATING INCOME / (EXPENSES)				
Special commission income from time deposits	3,476,103	1,432,395	5,074,313	3,133,605
Realized gains on investments held at fair value through income statement	1,204,328	384,441	3,381,343	1,093,275
Unrealized (losses) / gains on investments held at fair value through income statement	(17,736,937)	1,422,797	(22,632,521)	876,107
Special commission income from bonds and sukuk	3,856,349	3,393,825	7,660,057	6,814,979
Special commission expense from margin loan payable	(263,775)	(82,989)	(409,229)	(176,043)
Dividend income	1,014,698	875,000	1,148,733	875,000
Share of profit of equity accounted investee	2,579,334	6,653,890	9,657,234	10,826,778
Investment management expenses	(708,618)	(389,826)	(1,873,800)	(764,426)
Net investment income	(6,578,518)	13,689,533	2,006,130	22,679,275
Other income	354,771	598,871	401,386	791,987
General and administrative expenses	(19,411,991)	(13,563,969)	(37,284,844)	(26,158,581)
Board of directors' remunerations, meetings fees and expenses	(869,022)	(1,989,367)	(1,611,012)	(2,801,867)
Foreign exchange translation losses	(7,000,337)	(2,239,964)	(8,963,820)	(2,262,939)
Total (loss) / income for the period before zakat and tax	(4,306,747)	17,733,529	15,924,987	38,863,889
Total income attributed to the reinsurance operations	(538,663)	(841,148)	(1,934,236)	(2,389,998)
Net (loss) / income for the period before zakat and tax	(4,845,410)	16,892,381	13,990,751	36,473,891
Zakat and tax charge for the period	(3,140,816)	(3,654,330)	(6,771,289)	(7,002,976)
Net (loss) / income for the period after zakat and tax attributable to the shareholders	(7,986,226)	13,238,051	7,219,462	29,470,915
Basic and diluted (loss) / earnings per share for the period	20 (0.09)	0.15	0.08	0.33

Mishari Al-Hussain

Aug 23, 2022 5:18 AM PDT

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 (A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the three month and six month periods ended 30 June 2022

	For the three month period ended		For the six month period Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR
Net (loss) / income for the period after zakat and tax attributable to shareholder	(7,986,226)	13,238,051	7,219,462	29,470,915
<i>Other comprehensive (loss) / income</i>				
Items that may be classified to income statement subsequently				
Share of foreign currency translation reserve of an equity accounted investee	(6,336,536)	299,400	(6,337,593)	299,400
Total comprehensive (loss) / income for the period	(14,322,762)	13,537,451	881,869	29,770,315


 Managing Director / Chief Executive Officer

Mishari Al-Hussain
 Aug 23, 2022 5:18 AM PDT


 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 (A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 June 2022

	GCC Shareholders and General Public				Non – GCC Shareholders				Total				
	Share Capital SR	Statutory reserve SR	Retained earnings SR	Other reserves	Share capital SR	Statutory reserve SR	Retained earnings SR	Other reserves	Share Capital SR	Statutory reserve SR	Retained earnings SR	Other reserves	Total SR
Balance as at 1 January 2022 (Audited)	851,538,402	33,210,528	33,923,132	2,629,562	39,461,598	1,539,027	1,572,050	121,858	891,000,000	34,749,555	35,495,182	2,751,420	963,996,157
Transferred during the period	5,693,908	222,066	226,831	17,583	(5,693,908)	(222,066)	(226,831)	(17,583)	--	--	--	--	--
Net profit for the period	--	--	6,945,854	--	--	--	273,608	--	--	--	7,219,462	--	7,219,462
Other comprehensive loss	--	--	--	(6,097,407)	--	--	--	(240,186)	--	--	--	(6,337,593)	(6,337,593)
Total comprehensive income / (loss) for the period	--	--	6,945,854	(6,097,407)	--	--	273,608	(240,186)	--	--	7,219,462	(6,337,593)	881,869
Balance as at 30 June 2022 (Unaudited)	857,232,310	33,432,594	41,095,817	(3,450,262)	33,767,690	1,316,961	1,618,827	(135,911)	891,000,000	34,749,555	42,714,644	(3,586,173)	964,878,026
Balance as at 1 January 2021 (Audited)	769,472,640	25,732,412	81,552,521	231,922	40,527,360	1,355,264	4,295,145	12,207	810,000,000	27,087,676	85,847,666	244,129	923,179,471
Transferred during the period	7,726,580	258,354	818,762	2,321	(7,726,580)	(258,354)	(818,762)	(2,321)	--	--	--	--	--
Net profit for the period	--	--	28,277,496	--	--	--	1,193,419	--	--	--	29,470,915	--	29,470,915
Other comprehensive income	--	--	--	287,276	--	--	--	12,124	--	--	--	299,400	299,400
Total comprehensive income for the period	--	--	28,277,496	287,276	--	--	1,193,419	12,124	--	--	29,470,915	299,400	29,770,315
Balance as at 30 June 2021 (Unaudited)	777,199,220	25,990,766	110,648,779	521,519	32,800,780	1,096,910	4,669,802	22,010	810,000,000	27,087,676	115,318,581	543,529	952,949,786

Managing Director / Chief Executive Officer

Mishari Al-Hussain
Aug 23, 2022 5:18 AM PDT

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 (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2022

	30 June 2022 (Unaudited) SR	30 June 2021 (Unaudited) SR
OPERATING ACTIVITIES		
Total income for the period before zakat & tax	15,924,987	38,863,889
<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	856,626	756,286
Special commission income from bond and sukuk	(6,293,569)	(4,955,940)
Special commission expense from margin loans	409,229	176,043
Special commission income from time deposits	(5,074,313)	(3,133,605)
Amortization of discount and premium on held to maturity investments, net	(1,366,488)	(1,859,039)
Depreciation of property and equipment	772,524	1,246,527
Realized gains on investments held at fair value through income statement	(3,381,343)	(1,093,275)
Unrealized losses / (gains) on investments held at fair value through income statement	22,632,521	(876,107)
Share of profit of equity accounted investee	(9,657,234)	(10,826,778)
Operating income before changes in operating assets and liabilities	14,822,940	18,298,001
Changes in operating assets and liabilities:		
Reinsurance premiums receivable, gross	(37,974,607)	(73,770,403)
Accrued reinsurance premiums	(319,121,195)	(286,273,582)
Retroceded share of unearned premiums	(197,261,423)	(14,299,187)
Unearned premiums	371,386,966	492,701,387
Retroceded share of outstanding claims	694,795	(4,322,892)
Retroceded share of claims incurred but not reported	(1,118,553)	12,719,121
Deferred acquisition costs	(81,709,774)	(106,975,910)
Deferred excess of loss premiums	12,045,754	12,536,438
Prepaid expenses, deposits and other assets	9,327,079	30,949,602
Accounts payable	(16,097,313)	(853,516)
Retrocession balances receivable	(5,547,811)	(10,708,059)
Retrocession balances payable	(11,997,019)	(32,698,864)
Accrued retroceded premiums	163,983,236	2,585,635
Outstanding claims	1,358,838	36,633,884
Claims incurred but not reported	98,048,743	307,325
Unearned commission income	45,972,401	975,981
Accrued expenses and other liabilities	2,332,183	16,491,558
Cash generated from operating activities	49,145,240	94,296,519
Zakat and income tax paid	(12,998,578)	(14,913,138)
Employees' end of service benefits paid	(278,782)	--
Net cash generated from operating activities	35,867,880	79,383,381
INVESTING ACTIVITIES		
Additions in time deposits	(363,882,404)	(1,394,584)
Proceeds from maturity of time deposits	30,810,000	60,602,002
Accrued special commission income on time deposits	2,653,005	5,009,399
Accrued special commission income from bonds and sukuk	7,467,377	6,114,435
Purchase of property and equipment, net	(980,101)	(1,086,123)
Additions in held-to-maturity investments	(60,057,169)	(85,763,328)
Proceeds from maturity of held-to-maturity investments	24,000,000	--
Additions in investments held at fair value through income statement	(98,673,208)	(185,754,234)
Proceeds from disposal of investments held at fair value through income statement	467,186,992	91,125,193
Net cash generated from / (used in) investing activities	8,524,492	(111,147,240)

Continued

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

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2022

	30 June 2022 (Unaudited) SR	30 June 2021 (Unaudited) SR
FINANCING ACTIVITIES		
Proceeds from margin loan	--	33,856,246
Special commission expense paid against margin loan payable	(409,229)	(176,043)
Net cash (used in) / generated from financing activities	(409,229)	33,680,203
INCREASE IN CASH AND CASH EQUIVALENTS	43,983,143	1,916,344
Cash and cash equivalents at the beginning of the period	27,807,294	13,156,722
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	71,790,437	15,073,066
NON-CASH SUPPLEMENTARY INFORMATION		
Foreign currency impact on equity accounted investment	(6,337,593)	299,400
Depreciation on right of use asset	64,179	130,078
Interest expense on lease liability	644	6,243



Managing Director / Chief Executive Officer



Mishari Al-Hussain

Aug 23, 2022 5:18 AM PDT

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 (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued) **For the three month and six month periods ended 30 June 2022**

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Reinsurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010250125 (Entity number: 7001556021) dated 12 Jumada Al-Awal 1429H (corresponding to 17 May 2008) with a branch in the Federal Territory of Labuan, Malaysia with license number IS2014146. The address of the Company’s registered office is at 4130 Northern Ring Road Al Wadi, Unit number 1, Riyadh 13313-6684, Kingdom of Saudi Arabia.

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

2. BASIS OF PREPARATION

Statement of compliance

The interim condensed financial statements of the Company as at and for the period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The Company’s interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: bank balances and cash, time deposits, accrued special commission income from time deposits, reinsurance premium receivables (net), investments held at fair value through income statement, accrued special commission income from bonds and sukuk, retrocession balance receivables, deferred excess of loss premiums, retroceded share of outstanding claims, retroceded share of claims incurred but not reported, prepaid expenses, deposits and other assets, accounts payable, margin loan payable, retrocession balances payable, outstanding claims, claims incurred but not reported, accrued expenses and other liabilities, provision for zakat and 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, 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, unearned retrocession commission, 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 reinsurance operations and shareholders’ operations which are presented in Note 18 of the interim condensed financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations.

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 2021.

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 (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

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 2021.

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 2021. Based on the adoption of amendments to existing standard and in consideration of current economic environment, the following accounting policies are applicable effective 1 January 2022 replacing, amending or adding to the corresponding accounting policies set out in 2021 annual financial statements.

A. Amendments to existing standards

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on or after 1 January 2022. The management has assessed that the amendments have no significant impact on the Company's financial statements.

Standard / Amendments	Description	Effective date
Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient	As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022.	Annual periods beginning on or after 1 April 2021

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS (CONTINUED)****A. Amendments to existing standards (Continued)**

Standard / Amendments	Description	Effective date
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16.	<p><i>Amendments to IFRS 3, 'Business combinations'</i> update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.</p> <p><i>Amendments to IAS 16, 'Property, plant and equipment'</i> prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in statement of income.</p> <p><i>Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'</i> specify which costs a company includes when assessing whether a contract will be loss-making.</p> <p><i>Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.</i></p>	Annual periods beginning on or after 1 January 2022

B. Standards issued but not yet effective

In addition to the above-mentioned standards, 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.

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

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:

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

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

B. Standards issued but not yet effective (Continued)

IFRS 9 – Financial Instruments (Continued)

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.

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;

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

For the three month and six month periods ended 30 June 2022

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

B. Standards issued but not yet effective (Continued)

IFRS 9 – Financial Instruments (Continued)

Effective date (Continued)

- 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.

As at 30 June 2022, the Company has total financial assets amounting to SR 2,728,878,950 (31 December 2021: SR 2,343,530,101) and insurance related assets amounting to SR 703,315,384 (31 December 2021: SR 435,966,183) respectively. However, the Company is yet to perform a detailed assessment to determine whether the debt securities meet the SPPI test as required by IFRS 9. The Company is currently assessing the impact on application and implementation of IFRS 9. At present, it is not possible to provide reasonable estimate of the effects of application of this new standard as the Company is yet to perform a detailed review.

IFRS 17 Insurance Contracts

Overview

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

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

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

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

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

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

B. 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”:

- a) 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;
- b) 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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NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three month and six month periods ended 30 June 2022

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

B. 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	<p>The Company has a comprehensive IFRS 17 governance framework which includes establishing a steering committee to provide oversight, monitor the progress of implementation, approve decisions, and assign roles and responsibilities to various stakeholders.</p> <p>The Company is currently implementing the control framework that will be adopted following IFRS 17 Go Live.</p>
Operational area	<p>The Company has completed the deployment of the IFRS 17 software, and is currently implementing changes to the accounting, actuarial modelling, processes and controls, data, and systems to comply with the requirements of IFRS 17. This includes implementing the Phase 3 Design decisions, blueprints of its end state functional design, transition processes, a comprehensive data policy and data dictionary.</p>
Technical and financial area	<p>The Company has documented the technical policy papers, finalizing the policy decisions and choices required under the IFRS 17 Standard. The policy decisions and choices are taken after performing detailed assessments and due deliberations among various stakeholders and have been approved by the Company's IFRS 17 Steering Committee.</p> <p>The Company is currently assessing the expected financial impact of adopting the IFRS 17 Standard.</p>
IFRS 17 Dry Run	<p>The Company performed the first IFRS 17 dry run in November 2021. This involved preparing the IFRS 17 financial statements using data as at 31 December 2020 and the IFRS 17 software that has been implemented by the Company.</p> <p>The Company has refined its implementation plan taking into consideration the learnings from the first dry. The second IFRS 17 dry run, using data as at 31 December 2021, was performed in May 2022.</p>
IFRS 17 testing	<p>The Company's implementation plan includes a number of testing phases: parallel runs and User Acceptance Testing (UAT), in addition to the dry runs.</p>

The Company is currently assessing the impact of the application and implementation of IFRS 17 and 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. As of the date of the publication of these interim condensed financial statements, the Company has submitted results of second dry run to SAMA.

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**

For the three month and six month periods ended 30 June 2022

4. REINSURANCE PREMIUM RECEIVABLES, NET

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
<u>Reinsurance operations</u>		
Policyholders	280,586,772	244,929,293
Related parties	2,317,128	--
Less: provision for doubtful debts	(2,699,700)	(2,699,700)
	280,204,200	242,229,593

The movement in provision for doubtful debt is as follows:

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Opening balance	2,699,700	2,545,849
Charge for the period / year	--	153,851
Closing balance	2,699,700	2,699,700

5. CASH AND CASH EQUIVALENTS

	Reinsurance operations	
	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Cash in hand	59,739	52,781
Bank balances	44,187,342	21,815,318
Total Bank balances and cash (A)	44,247,081	21,868,099
	Shareholders' operations	
	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Bank balances (B)	27,543,356	5,939,195
Total Bank balances and cash / Cash and cash equivalents for reinsurance operations and shareholders' operations (A+B)	71,790,437	27,807,294

Cash at banks are placed with counterparties which have investment grade credit ratings of BBB+ and above.

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 89.1 million (31 December 2021: SR 89.1 million) with a local bank, which has been rated "A" by Standard & Poor's Rating agency representing the statutory deposit of 10% of its paid-up capital as required by the Implementing Regulations of the "Law On Supervision of Cooperative Insurance Companies" issued by SAMA. This statutory deposit cannot be withdrawn without the consent of SAMA. The statutory deposit generates special commission income which is accrued on regular basis and is shown as a separate line item as part of the shareholders' liabilities in the Statement of Financial Position as "Accrued commission income payable to SAMA". The accrued commission on the deposit as at 30 June 2022 is SR 21,889,723 (31 December 2021: SR 20,962,172) and has also been disclosed in assets as "Accrued income on statutory deposit".

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

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

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total SR	Reinsurance operations SR	Shareholders' operations SR	Total SR
Money market funds	102,934,133	52,200,814	155,134,947	343,047,268	61,287,382	404,334,650
Investment funds	--	46,937,886	46,937,886	--	145,093,747	145,093,747
Equities	--	43,497,072	43,497,072	--	41,318,244	41,318,244
Fixed-rate bonds/sukuk	87,613,892	82,635,837	170,249,729	97,377,992	115,459,963	212,837,955
	190,548,025	225,271,609	415,819,634	440,425,260	363,159,336	803,584,596

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.

The following tables shows an analysis of financial instruments under reinsurance and shareholders' operations measured at fair value by level of the fair value hierarchy:

	30 June 2022 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
<i>Reinsurance operations</i>				
Money market funds	--	102,934,133	--	102,934,133
Fixed-rate bonds / sukuk	87,613,892	--	--	87,613,892
	87,613,892	102,934,133	--	190,548,025

	30 June 2022 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
<i>Shareholders' Operations</i>				
Money market funds	--	52,200,814	--	52,200,814
Investment funds	18,533,902	28,403,984	--	46,937,886
Equities	43,497,072	--	--	43,497,072
Fixed-rate bonds / sukuk	67,734,953	--	14,900,884	82,635,837
	129,765,927	80,604,798	14,900,884	225,271,609

	31 December 2021 (Audited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
<i>Reinsurance operations</i>				
Money market funds	--	343,047,268	--	343,047,268
Fixed-rate bonds / sukuk	97,377,992	--	--	97,377,992
	97,377,992	343,047,268	--	440,425,260

	31 December 2021 (Audited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
<i>Shareholders' operations</i>				
Money market funds	--	61,287,382	--	61,287,382
Investment funds	21,890,436	123,203,311	--	145,093,747
Equities	41,318,244	--	--	41,318,244
Fixed-rate bonds / sukuk	74,598,466	--	40,861,497	115,459,963
	137,807,146	184,490,693	40,861,497	363,159,336

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

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

Fair values of investment funds are based on the net assets value ("NAV") as disclosed in the fund's latest available financial statements. The discounted cash flow ("DCF") model has been used to value the debt securities, this model considers the present value of net cash flows to be generated from the debt security, discounted at the market yield of similar quoted instruments. The estimate is adjusted for the effect of non-marketability of the debt securities. The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy.

	Opening	Purchase	Maturity	Realized gain	Unrealized loss	Closing
30 June 2022	40,861,497	--	(25,000,000)	--	(960,613)	14,900,884
31 December 2021	88,788,465	--	(47,820,148)	971,790	(1,078,610)	40,861,497

Sensitivity Analysis

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

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Investments held at fair value through income statement	14,900,884	40,861,497
Impact on unrealized gain / loss for the period / year ended:		
<i>If increased by 5% in market rate</i>	(34,255)	(18,703)
<i>If decreased by 5% in market rate</i>	34,366	18,729

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 30 June 2022 and year ended 31 December 2021.

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

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total SR	Reinsurance operations SR	Shareholders' operations SR	Total SR
Opening balance	440,425,260	363,159,336	803,584,596	201,003,059	311,078,319	512,081,378
Additions	24,051,618	74,621,590	98,673,208	477,229,171	364,733,096	841,962,267
Proceeds from disposal	(266,259,063)	(200,927,929)	(467,186,992)	(241,420,156)	(321,160,681)	(562,580,837)
Unrealized (losses) / gains	(8,774,224)	(13,858,297)	(22,632,521)	1,811,515	3,101,157	4,912,672
Realized gains	1,104,434	2,276,909	3,381,343	1,801,671	5,407,445	7,209,116
Closing balance	190,548,025	225,271,609	415,819,634	440,425,260	363,159,336	803,584,596

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

	30 June 2022 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
Reinsurance operations			
Money market funds	102,934,133	--	102,934,133
Fixed-rate bonds/sukuk	87,613,892	--	87,613,892
	190,548,025	--	190,548,025

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**

For the three month and six month periods ended 30 June 2022

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

	30 June 2022 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	52,200,814	--	52,200,814
Investment funds	46,937,886	--	46,937,886
Equities	43,497,072	--	43,497,072
Fixed-rate bonds/sukuk	67,734,953	14,900,884	82,635,837
	210,370,725	14,900,884	225,271,609

	31 December 2021 (Audited)		
	Quoted SR	Unquoted SR	Total SR
<i>Reinsurance operations</i>			
Money market funds	343,047,268	--	343,047,268
Fixed-rate bonds/sukuk	97,377,992	--	97,377,992
	440,425,260	--	440,425,260

	31 December 2021 (Audited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	61,287,382	--	61,287,382
Investment funds	145,093,747	--	145,093,747
Equities	41,318,244	--	41,318,244
Fixed-rate bonds/sukuk	74,598,466	40,861,497	115,459,963
	322,297,839	40,861,497	363,159,336

As at 30 June 2022 and 31 December 2021, all financial instruments under reinsurance operations, which are measured at fair value, are quoted.

- v. Average credit ratings of all fixed and floating rates sukuk and bonds are within the investment grades i.e. BBB and above.

8. TIME DEPOSITS

Time deposits are placed with banks which have credit ratings in line with Company's investment policy. Such deposits earn special commission at an average effective commission rate of 2.97% per annum (31 December 2021: 2.51% per annum).

9. ACCRUED REINSURANCE PREMIUMS

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.

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NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued) For the three month and six month periods ended 30 June 2022

10. HELD-TO-MATURITY INVESTMENTS

Held to maturity investments consist of the following as at:

	Reinsurance Operations	
	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
	SR	SR
At the beginning of the period / year	25,000,000	--
Purchases	--	25,000,000
Balance at the end of the period / year (A)	25,000,000	25,000,000

	Shareholders' Operations	
	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
	SR	SR
At the beginning of the period / year	273,022,312	184,022,721
Purchases	60,057,169	85,586,537
Maturities	(24,000,000)	--
Amortization of discount / premium, net	1,366,488	3,413,054
Balance at the end of the period / year (B)	310,445,969	273,022,312
Total held to maturity investments (A+B)	335,445,969	298,022,312

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

	Domestic		International		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Reinsurance Fixed rate bond and sukuku	25,000,000	25,000,000	--	--	25,000,000	25,000,000
Shareholders' Fixed rate bond and sukuku	205,746,299	133,439,990	104,699,670	139,582,322	310,445,969	273,022,312
Held to maturity	230,746,299	158,439,990	104,699,670	139,582,322	335,445,969	298,022,312

The special commission rate on these sukuku and bonds ranges from 2.15% to 6.63% and will mature in 2030, latest. The total accrued interest on these sukuku and bonds amounted to SR 4.5 million (31 December 2021: SR 3.4 million).

Movements in held to maturity investments are as follows:

	30 June 2022 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
Reinsurance operations			
At the beginning of the year	--	25,000,000	25,000,000
Purchases	--	--	--
Balance at the end of the year (A)	--	25,000,000	25,000,000

	Quoted SR	Unquoted SR	Total SR
Shareholders' operations			
At the beginning of the year	258,022,312	15,000,000	273,022,312
Purchases	60,057,169	--	60,057,169
Disposals/Maturities	(24,000,000)	--	(24,000,000)
Amortization of discount / (premium), net	1,366,488	--	1,366,488
Balance at the end of the year (B)	295,445,969	15,000,000	310,445,969
Total held to maturity investments (A+B)	295,445,969	40,000,000	335,445,969

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
10. HELD-TO-MATURITY INVESTMENTS (CONTINUED)

	31 December 2021 (Audited)		
	Quoted SR	Unquoted SR	Total SR
<i>Reinsurance operations</i>			
At the beginning of the year	--	--	--
Purchases	--	25,000,000	25,000,000
Balance at the end of the year (A)	--	25,000,000	25,000,000
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
At the beginning of the year	169,022,721	15,000,000	184,022,721
Purchases	85,586,537	--	85,586,537
Amortization of discount / (premium), net	3,413,054	--	3,413,054
Balance at the end of the year (B)	258,022,312	15,000,000	273,022,312
Total held to maturity investments (A+B)	258,022,312	40,000,000	298,022,312

11. UNEARNED PREMIUM - NET
Reinsurance operations

	30 June 2022 (Unaudited)		
	Gross SR	Retroceded share SR	Net SR
Opening balance	648,869,489	(67,952,509)	580,916,980
Premiums written during the period	920,104,135	(252,396,867)	667,707,268
Premium earned	(548,717,169)	55,135,444	(493,581,725)
Changes in unearned premiums	371,386,966	(197,261,423)	174,125,543
Closing balance	1,020,256,455	(265,213,932)	755,042,523
	31 December 2021 (Audited)		
	Gross SR	Retroceded share SR	Net SR
Opening balance	548,541,182	(71,861,774)	476,679,408
Premiums written during the year	1,115,879,700	(156,912,032)	958,967,668
Premiums earned	(1,015,551,393)	160,821,297	(854,730,096)
Changes in unearned premiums	100,328,307	3,909,265	104,237,572
Closing balance	648,869,489	(67,952,509)	580,916,980

12. CLAIMS RESERVES

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Reinsurance operations		
Outstanding claims	784,349,569	782,990,731
Claims incurred but not reported	525,445,479	427,396,736
	1,309,795,048	1,210,387,467
Less:		
- Retroceded share of outstanding claims	148,638,083	149,332,878
- Retroceded share of claims incurred but not reported	39,151,640	38,033,087
	187,789,723	187,365,965
Net outstanding claims reserves	1,122,005,325	1,023,021,502

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

13. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SR 891 million at 30 June 2022 (31 December 2021: SR 891 million) consisting of 89.1 million shares (31 December 2021: 89.1 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 June 2022 (Unaudited)		
	Authorized and issued	Paid up	
	No. of Shares	Value per share	SR
Ahmed Hamad Algosaibi 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 2021 (Audited)		
	Authorized and issued	Paid up	
	No. of Shares	Value per share	SR
Ahmed Hamad Algosaibi Brothers Co.	4,455,000	10	44,550,000
Others	84,645,000	10	846,450,000
	89,100,000	10	891,000,000

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.

On 30 March 2021, the Company's Board of Directors recommended in their meeting 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. 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

During the period, the Company's Board of Directors recommended, at their meeting on 6 April 2022, that the Company's ordinary share capital be increased from SR 891 million to SR 1,336.5 million, a 50% increase, by offering right issue. The reason for right issue is to strengthen the Company's capital base and support its future expansion activities. On 25 May 2022, the Company got approval of Saudi Central Bank to increase the Company's ordinary share capital provided that all relevant requirements are fulfilled. The Company is currently in the process of fulfilling the regulatory requirements to complete the increase in its share capital.

14. PROVISION FOR ZAKAT AND TAX

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

	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	SR	%	SR	%
Saudi Shareholders	827,382,600	92.86%	834,243,300	93.63%
GCC Shareholders	29,848,500	3.35%	17,285,400	1.94%
GCC Shareholders and general public	857,231,100	96.21%	851,528,700	95.57%
Non-GCC Shareholders	33,768,900	3.79%	39,471,300	4.43%
Total	891,000,000	100%	891,000,000	100%

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****14. PROVISION FOR ZAKAT AND TAX (CONTINUED)**

As of 30 June 2022, the authorized, issued and fully paid-up share capital of the Company consists of 89.1 million shares of SR 10 each (31 December 2021: 89.1 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 June 2022 SR (Unaudited)	31 December 2021 SR (Audited)
Provision for zakat	8,748,282	14,955,365
Provision for tax	290,664	310,870
	9,038,946	15,266,235

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

	30 June 2022 SR (Unaudited)	30 June 2021 SR (Unaudited)
Zakat charge for the period	6,767,989	6,979,154
Tax charge for the period	3,300	23,822
	6,771,289	7,002,976

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 June 2022 and 99.6% and 0.4% as at 31 December 2021.

Status of assessment

The Company has filed its tax / Zakat returns for the year ended 31 December 2021 and obtained the final Zakat certificate up to 2021. However, it is Zakat, Tax, and Customs Authority (ZATCA)'s discretion to issue further assessments for 2021.

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 filed an appeal with The General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC") (formerly known as The General Secretariat of Tax Committees ("GSTC")) against this additional amount. The Company's management believes that there is a strong case against this additional assessment since the Company's position on this item is strongly supported by the zakat regulations.

Status of VAT assessment

Other assets include payment made by the Company in relation to VAT assessment raised by Zakat, Tax and Customs Authority (ZATCA) for 2018 and 2019 financial years amounting to SR 35 million (2021: SR 35 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 and rejected the objection for remaining amount. The Company has filed an appeal with The General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC") (formerly known as The 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. Following ADRC's rejection, the Company continued with the appeal with GSZTCC.

In June 2022, the Tax Violations and Disputes committee at the GSZTCC (i.e., GSZTCC Level 1) concluded its hearing with the Company and ZATCA by issuing its verbal ruling for which it has overturned the appeal and ruled in favor of the Company. Currently, the Company is waiting for the written ruling from the GSZTCC. Following the issuance of the written ruling, the ZATCA will have 30 days to appeal to the Appellate Committee at the GSZTCC (i.e., GSZTCC level 2). In the event the ZATCA do not submit an appeal within the 30 days deadline, the case will be closed and the Company can begin the process of requesting a refund from ZATCA for the VAT paid of SR 35 million.

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****15. 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. 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.

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

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

Related party	Nature of transactions	Amount of transactions for the six-month period ended		Balance as at	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
		SR	SR	SR	SR
Board of Directors	- Consulting fees	60,682	90,158	--	--
	- Remunerations, meetings fees and expenses	1,611,012	2,801,867	1,252,500	2,779,999
Key management Personnel	- Short term benefits	7,600,346	6,763,229	1,875,195	2,218,808
	- End of service benefits	301,650	253,445	5,255,068	4,953,418
Associate	- Gross written premiums	134,600,792	186,513,832	296,573,447	237,471,914
	- Net premium earned	79,012,873	77,354,334	--	--
	- Net claims incurred	31,418,660	33,237,560	129,339,484	94,355,113
	- Policy acquisition cost	32,587,858	32,593,532	--	--

16. INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE

Shareholders' operations	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Balance at the beginning of the period / year	142,000,373	120,141,077
Share of profit of equity accounted investee for the period / year	9,657,234	18,657,921
Company's share of other comprehensive loss - Impact of foreign currency exchange for the period / year	(6,337,593)	(1,429,969)
Share of capital contribution of investment in equity accounted investee	--	4,631,344
Balance at the end of the period / year	145,320,014	142,000,373

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.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

17. 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.

17.1 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	Inherent Defects Insurance SR	Others SR	Total SR
For the three-month period ended 30 June 2022 (Unaudited)											
<u>REVENUES</u>											
Gross written premiums	22,653,869	82,966,641	4,487,061	3,834,443	13,047,374	3,981,082	4,925,273	(72,854,116)	222,974,012	35,466,206	321,481,845
Retroceded premiums	(9,683,811)	(6,554,416)	936	--	854,171	--	--	--	(215,705,059)	(374,028)	(231,462,207)
Excess of loss expenses	(1,138,379)	(4,532,470)	(260,564)	8,928	(114,442)	(67,783)	--	--	--	(2,485,682)	(8,590,392)
Net written premiums	11,831,679	71,879,755	4,227,433	3,843,371	13,787,103	3,913,299	4,925,273	(72,854,116)	7,268,953	32,606,496	81,429,246
Changes in unearned premiums, net	7,737,438	(7,935,673)	8,731,328	18,406,443	(4,960,309)	3,586,238	24,489,409	91,667,291	(7,268,931)	3,908,659	138,361,893
Net earned premiums	19,569,117	63,944,082	12,958,761	22,249,814	8,826,794	7,499,537	29,414,682	18,813,175	22	36,515,155	219,791,139
Retrocession commissions	(1,155,413)	1,017,860	1,382	--	1,440,500	--	--	--	16,002	1,239,675	2,560,006
<u>TOTAL REVENUES</u>	18,413,704	64,961,942	12,960,143	22,249,814	10,267,294	7,499,537	29,414,682	18,813,175	16,024	37,754,830	222,351,145
<u>UNDERWRITING COSTS AND EXPENSES</u>											
Gross claims paid	(8,175,930)	(23,013,469)	(6,214,861)	(8,305,095)	(8,234,974)	(12,140,378)	(4,670,050)	(31,418,660)	--	(13,833,628)	(116,007,045)
Retroceded share of claims paid	381,556	497,738	1,536,193	--	3,937,917	20,521	--	--	--	1,032,126	7,406,051
Net claims paid	(7,794,374)	(22,515,731)	(4,678,668)	(8,305,095)	(4,297,057)	(12,119,857)	(4,670,050)	(31,418,660)	--	(12,801,502)	(108,600,994)
Changes in outstanding claims, net	1,743,237	(18,562,077)	1,704,791	2,491,245	(4,372,487)	9,315,990	(370,449)	--	--	(3,275,115)	(11,324,865)
Changes in Incurred but not reported claims, net	(380,115)	(5,163,088)	(2,035,851)	(10,463,772)	5,680,949	(6,285,900)	(20,629,351)	11,354,494	(5)	(1,425,407)	(29,348,046)
Net claims incurred	(6,431,252)	(46,240,896)	(5,009,728)	(16,277,622)	(2,988,595)	(9,089,767)	(25,669,850)	(20,064,166)	(5)	(17,502,024)	(149,273,905)
Policy acquisition costs and profit commissions	(7,265,468)	(19,955,897)	(4,179,582)	(2,661,878)	(2,811,926)	(1,279,289)	(1,756,799)	6,465,303	(16,542)	(9,201,773)	(42,663,851)
Other underwriting expenses	(109,207)	(367,859)	(66,092)	(111,205)	(52,792)	(37,808)	(147,073)	(83,200)	--	(239,803)	(1,215,039)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(13,805,927)	(66,564,652)	(9,255,402)	(19,050,705)	(5,853,313)	(10,406,864)	(27,573,722)	(13,682,063)	(16,547)	(26,943,600)	(193,152,795)
NET UNDERWRITING (LOSS) / INCOME	4,607,777	(1,602,710)	3,704,741	3,199,109	4,413,981	(2,907,327)	1,840,960	5,131,112	(523)	10,811,230	29,198,350

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17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Inherent Defects Insurance SR	Others SR	Total SR
For the three-month period ended 30 June 2021 (Unaudited)											
REVENUES											
Gross written premiums	10,585,478	58,371,256	38,889,009	4,302,363	(601,167)	4,779,924	621,877	(19,100,140)	--	22,957,978	120,806,578
Retroceded premiums	(1,299,812)	(3,347,291)	(34,620,787)	--	1,202,448	--	--	--	--	(743,669)	(38,809,111)
Excess of loss expenses	(1,379,810)	(1,428,255)	(285,631)	17,049	(53,112)	(231,075)	--	--	--	(2,413,313)	(5,774,147)
Net written premiums	7,905,856	53,595,710	3,982,591	4,319,412	548,169	4,548,849	621,877	(19,100,140)	--	19,800,996	76,223,320
Changes in unearned premiums, net	8,608,693	(7,256,432)	9,085,987	15,449,494	4,922,295	16,683,500	20,177,501	42,700,084	--	8,130,847	118,501,969
Net earned premiums	16,514,549	46,339,278	13,068,578	19,768,906	5,470,464	21,232,349	20,799,378	23,599,944	--	27,931,846	194,725,292
Retrocession commissions	672,592	985,081	469,036	--	484,212	(4,220)	--	--	--	1,303,652	3,910,353
TOTAL REVENUES	17,187,141	47,324,359	13,537,614	19,768,906	5,954,676	21,228,129	20,799,378	23,599,944	--	29,235,495	198,635,642
UNDERWRITING COSTS AND EXPENSES											
Gross claims paid	(6,512,447)	(30,659,493)	(7,810,704)	(9,774,475)	(13,708,777)	(27,117,961)	(3,091,707)	(49,351,316)	--	(3,922,252)	(151,949,132)
Retroceded share of claims paid	19,558	8,902,954	(58,487)	(21)	9,177,794	--	--	--	--	58,508	18,100,306
Net claims paid	(6,492,889)	(21,756,539)	(7,869,191)	(9,774,496)	(4,530,983)	(27,117,961)	(3,091,707)	(49,351,316)	--	(3,863,744)	(133,848,826)
Changes in outstanding claims, net	3,036,565	(10,272,702)	3,098,529	(908,201)	1,052,881	4,039,179	(13,036,836)	--	--	(6,595,500)	(19,586,085)
Changes in Incurred but not reported claims, net	287,460	(4,648,589)	(2,559,546)	(747,219)	(59,275)	(3,850,446)	(3,901,906)	42,704,467	--	(5,720,469)	21,504,477
Net claims incurred	(3,168,864)	(36,677,830)	(7,330,208)	(11,429,916)	(3,537,377)	(26,929,228)	(20,030,449)	(6,646,849)	--	(16,179,713)	(131,930,434)
Policy acquisition costs and profit commissions	(5,635,428)	(12,277,457)	(4,062,532)	(2,827,221)	(1,108,012)	(886,175)	(380,631)	(11,010,979)	--	(6,466,256)	(44,654,691)
Other underwriting expenses	(92,250)	(264,269)	(114,175)	(98,759)	(44,897)	(107,308)	(103,997)	(114,042)	--	127,605	(812,092)
TOTAL UNDERWRITING COSTS AND EXPENSES	(8,896,542)	(49,219,556)	(11,506,915)	(14,355,896)	(4,690,286)	(27,922,711)	(20,515,077)	(17,771,870)	--	(22,518,364)	(177,397,217)
NET UNDERWRITING INCOME / (LOSS)	8,290,599	(1,895,197)	2,030,699	5,413,010	1,264,390	(6,694,582)	284,301	5,828,074	--	6,717,131	21,238,425

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17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Inherent Defects Insurance SR	Others SR	Total SR
For the six-month period ended											
30 June 2022 (Unaudited)											
<u>REVENUES</u>											
Gross written premiums	59,791,557	211,193,533	37,511,342	61,056,709	34,139,101	9,072,900	43,799,172	134,600,792	222,974,012	105,965,017	920,104,135
Retroceded premiums	(8,927,857)	(13,533,760)	113	--	994,151	--	--	--	(215,705,059)	(681,591)	(237,854,003)
Excess of loss expenses	(2,457,415)	(6,490,268)	(522,949)	(970)	(229,163)	(333,428)	--	--	--	(4,508,671)	(14,542,864)
Net written premiums	48,406,285	191,169,505	36,988,506	61,055,739	34,904,089	8,739,472	43,799,172	134,600,792	7,268,953	100,774,755	667,707,268
Changes in unearned premiums, net	(9,224,969)	(59,787,433)	(7,945,233)	(12,519,169)	(15,034,823)	2,428,075	25,045,438	(55,587,919)	(7,268,909)	(34,230,601)	(174,125,543)
Net earned premiums	39,181,316	131,382,072	29,043,273	48,536,570	19,869,266	11,167,547	68,844,610	79,012,873	44	66,544,154	493,581,725
Retrocession commissions	652,906	2,040,282	234,003	--	669,733	(3,912)	--	--	246,370	2,469,964	6,309,346
<u>TOTAL REVENUES</u>	39,834,222	133,422,354	29,277,276	48,536,570	20,538,999	11,163,635	68,844,610	79,012,873	246,414	69,014,118	499,891,071
<u>UNDERWRITING COSTS AND</u>											
<u>EXPENSES</u>											
Gross claims paid	(17,421,723)	(56,941,646)	(54,988,877)	(15,036,557)	(18,003,602)	(28,216,467)	(23,928,585)	(31,418,660)	--	(26,860,032)	(272,816,149)
Retroceded share of claims paid	717,989	1,071,598	37,003,125	--	7,508,840	20,521	--	--	--	1,032,126	47,354,199
Net claims paid	(16,703,734)	(55,870,048)	(17,985,752)	(15,036,557)	(10,494,762)	(28,195,946)	(23,928,585)	(31,418,660)	--	(25,827,906)	(225,461,950)
Changes in outstanding claims, net	5,399,498	(18,362,299)	4,576,689	4,253,115	(1,503,471)	8,998,003	(3,958,902)	--	--	(1,456,266)	(2,053,633)
Changes in Incurred but not reported claims, net	(542,428)	(14,431,594)	(4,991,244)	(21,652,005)	2,514,816	5,551,368	(34,546,254)	(18,593,058)	(71)	(10,239,719)	(96,930,189)
Net claims incurred	(11,846,664)	(88,663,941)	(18,400,307)	(32,435,447)	(9,483,417)	(13,646,575)	(62,433,741)	(50,011,718)	(71)	(37,523,891)	(324,445,772)
Policy acquisition costs and profit commissions	(13,744,475)	(40,358,620)	(9,354,743)	(5,458,134)	(7,318,672)	(1,179,343)	(2,255,165)	(15,009,120)	(78,024)	(16,619,528)	(111,375,824)
Other underwriting expenses	(211,413)	(739,020)	(186,720)	(242,688)	(125,830)	(57,496)	(344,223)	(362,103)	--	(422,835)	(2,692,328)
<u>TOTAL UNDERWRITING COSTS AND</u>	(25,802,552)	(129,761,581)	(27,941,770)	(38,136,269)	(16,927,919)	(14,883,414)	(65,033,129)	(65,382,941)	(78,095)	(54,566,254)	(438,513,924)
<u>EXPENSES</u>											
NET UNDERWRITING INCOME /											
(LOSS)	14,031,670	3,660,773	1,335,506	10,400,301	3,611,080	(3,719,779)	3,811,481	13,629,932	168,319	14,447,864	61,377,147

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

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

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Inherent Defects Insurance SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 30 June 2022 (Unaudited)													
ASSETS													
Cash and cash equivalents	--	--	--	--	--	--	--	--	--	--	44,247,081	27,543,356	71,790,437
Time deposits	--	--	--	--	--	--	--	--	--	--	360,476,732	215,977,757	576,454,489
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	--	1,810,999	2,920,411	4,731,410
Reinsurance premium receivables, net	38,935,514	98,046,330	29,486,588	23,346,084	21,680,615	10,039,537	9,778,910	64,361	--	109,267,821	(60,441,560)	--	280,204,200
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	--	190,548,025	225,271,609	415,819,634
Accrued special commission income from bonds and sukuk and held to maturity investments	--	--	--	--	--	--	--	--	--	--	346,061	5,290,604	5,636,665
Accrued reinsurance premiums	108,205,310	157,045,606	38,420,816	83,372,753	20,482,939	6,234,533	43,319,894	296,573,447	186,294,787	59,641,010	--	--	999,591,095
Retrocession balances receivable	--	--	--	--	--	--	--	--	--	--	18,611,465	--	18,611,465
Retroceded share of unearned premiums	35,195,539	10,453,241	--	--	1,721,323	--	--	--	215,706,404	2,137,425	--	--	265,213,932
Deferred excess of loss premiums	--	--	--	--	--	3,808	--	--	--	--	--	--	3,808
Retroceded share of outstanding claims	4,171,207	89,018,376	13,419,484	11,407	1,983,973	--	--	--	--	40,033,636	--	--	148,638,083
Retroceded share of claims incurred but not reported	3,873,351	8,587,552	5,948,243	73,828	9,178,394	--	--	--	511	11,489,761	--	--	39,151,640
Deferred policy acquisition costs	37,060,069	52,839,287	11,218,623	8,363,215	8,393,414	585,207	1,499,389	81,684,967	37,827,542	10,836,208	--	--	250,307,921
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	25,000,000	310,445,969	335,445,969
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	--	27,413,604	37,863,661	65,277,265
Property and equipment, net	--	--	--	--	--	--	--	--	--	--	8,828,574	28,534,830	37,363,404
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	--	145,320,014	145,320,014
Statutory deposit	--	--	--	--	--	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	--	21,889,723	21,889,723
TOTAL ASSETS	227,440,990	415,990,392	98,493,754	115,167,287	63,440,658	16,863,085	54,598,193	378,322,775	439,829,244	233,405,861	616,840,981	1,110,157,934	3,770,551,154

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Inherent Defects Insurance SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 30 June 2022													
(Unaudited)													
LIABILITIES													
Accounts payable	1,551,886	(792,339)	679,838	(789,971)	625,318	574,988	--	--	--	4,063,534	22,031,343	--	27,944,597
Margin loan payable	--	--	--	--	--	--	--	--	--	--	--	56,797,019	56,797,019
Retrocession balances payable	--	--	--	--	--	--	--	--	--	--	36,774,659	--	36,774,659
Accrued retroceded premiums	15,028,006	9,551,400	474,305	9,147	1,274,871	--	--	--	167,991,100	5,146,367	--	--	199,475,196
Unearned premiums	149,763,498	198,129,501	36,236,109	57,082,232	36,027,242	4,768,880	36,581,148	214,386,230	222,975,402	64,306,213	--	--	1,020,256,455
Outstanding claims	75,499,132	350,845,800	56,411,972	60,714,741	42,327,148	25,202,378	16,104,672	--	--	157,243,726	--	--	784,349,569
Claims incurred but not reported	31,204,230	77,284,173	28,828,303	83,429,125	21,959,720	25,762,816	72,905,658	129,339,484	528	54,731,442	--	--	525,445,479
Unearned retrocession commission	7,502,664	7,569,298	55,884	--	85,729	--	--	--	47,746,316	162,139	--	--	63,122,030
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	--	29,597,823	2,631,586	32,229,409
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	--	12,866,235	--	12,866,235
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	--	9,038,946	9,038,946
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	--	21,889,723	21,889,723
TOTAL LIABILITIES	280,549,416	642,587,833	122,686,411	200,445,274	102,300,028	56,309,062	125,591,478	343,725,714	438,713,346	285,653,421	101,270,060	90,357,274	2,790,189,317

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Inherent Defects Insurance SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2021													
ASSETS													
Cash and cash equivalents	--	--	--	--	--	--	--	--	--	--	21,868,099	5,939,195	27,807,294
Time deposits	--	--	--	--	--	--	--	--	--	--	94,818,411	148,563,674	243,382,085
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	--	310,793	1,999,309	2,310,102
Reinsurance premium receivables, net	41,366,870	96,918,844	46,284,895	18,017,737	15,800,199	1,723,276	3,876,580	(25,781)	--	89,788,485	(71,521,512)	--	242,229,593
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	--	440,425,260	363,159,336	803,584,596
Accrued special commission income from bonds and sukuk and held to maturity investments	--	--	--	--	--	--	--	--	--	--	38,656	6,771,817	6,810,473
Accrued reinsurance premiums	105,677,340	108,374,894	33,826,883	53,022,556	22,883,717	13,702,792	45,054,129	237,471,914	--	60,455,675	--	--	680,469,900
Retrocession balances receivable	--	--	--	--	--	--	--	--	--	--	13,063,654	--	13,063,654
Retroceded share of unearned premiums	30,500,290	6,669,821	7,777,816	--	8,008,958	--	--	--	--	14,995,624	--	--	67,952,509
Deferred excess of loss premiums	2,604,242	3,780,205	521,052	--	229,443	--	--	--	--	4,914,620	--	--	12,049,562
Retroceded share of outstanding claims	5,284,241	47,243,124	60,865,121	11,407	1,942,217	115,401	--	--	--	33,871,367	--	--	149,332,878
Retroceded share of claims incurred but not reported	4,136,972	5,009,015	9,645,614	73,447	10,648,504	589	--	--	--	8,518,946	--	--	38,033,087
Deferred policy acquisition costs	34,647,661	37,979,355	8,721,042	6,314,641	7,011,343	1,569,470	848,551	63,795,566	--	7,710,518	--	--	168,598,147
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	25,000,000	273,022,312	298,022,312
Prepaid expenses, deposits, and other assets	--	--	--	--	--	--	--	--	--	--	36,197,619	38,406,725	74,604,344
Property and equipment, net	--	--	--	--	--	--	--	--	--	--	8,469,458	28,686,369	37,155,827
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	--	142,000,373	142,000,373
Statutory deposit	--	--	--	--	--	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	--	20,962,172	20,962,172
TOTAL ASSETS	224,217,616	305,975,258	167,642,423	77,439,788	66,524,381	17,111,528	49,779,260	301,241,699	--	220,255,235	568,670,438	1,118,611,282	3,117,468,908

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Inherent Defects Insurance SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2021 (Unaudited)													
LIABILITIES													
Accounts payable	(2,402,998)	(5,480,151)	(189,941)	607,997	(295,287)	(1,109,145)	3,837,700	--	--	2,187,151	46,886,584	--	44,041,910
Margin loan payable	--	--	--	--	--	--	--	--	--	--	--	56,797,019	56,797,019
Retrocession balances payable	--	--	--	--	--	--	--	--	--	--	48,771,678	--	48,771,678
Accrued retroceded premiums	17,245,105	6,332,442	477,941	8,178	6,411,808	--	--	--	--	5,016,486	--	--	35,491,960
Unearned premiums	135,842,331	134,785,593	36,068,692	44,563,063	27,054,147	7,196,955	61,626,586	158,798,311	--	42,933,811	--	--	648,869,489
Outstanding claims	82,011,664	290,708,249	108,434,299	64,967,856	40,781,920	34,315,782	12,145,770	--	--	149,625,191	--	--	782,990,731
Claims incurred but not reported	30,925,423	59,273,989	27,534,429	61,776,738	25,944,645	31,314,773	38,359,404	110,746,426	--	41,520,909	--	--	427,396,736
Unearned retrocession commission	6,136,038	7,288,550	295,709	--	1,004,740	--	--	--	--	2,424,592	--	--	17,149,629
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	--	25,495,048	4,402,178	29,897,226
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	--	12,288,391	--	12,288,391
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	--	15,266,235	15,266,235
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	--	20,962,172	20,962,172
TOTAL LIABILITIES	269,757,563	492,908,672	172,621,129	171,923,832	100,901,973	71,718,365	115,969,460	269,544,737	--	243,708,140	133,441,701	97,427,604	2,139,923,176

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.2 Business segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month periods ended 30 June 2022 (Unaudited)						
Reinsurance operations' results						
REVENUES						
Gross written premiums	266,095,005	8,445,942	13,792,070	105,906,801	(72,757,973)	321,481,845
Retroceded premiums	(232,317,115)	2,342	75	852,491	--	(231,462,207)
Excess of loss expenses	(4,407,075)	(896,914)	(1,053,758)	(2,233,410)	765	(8,590,392)
Net written premiums	29,370,815	7,551,370	12,738,387	104,525,882	(72,757,208)	81,429,246
Changes in unearned premiums, net	56,609,618	22,327,903	14,468,195	(46,750,217)	91,706,394	138,361,893
Net earned premiums	85,980,433	29,879,273	27,206,582	57,775,665	18,949,186	219,791,139
Retrocession commissions	1,122,646	(379)	--	1,437,739	--	2,560,006
TOTAL REVENUES	87,103,079	29,878,894	27,206,582	59,213,404	18,949,186	222,351,145
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(24,567,201)	(12,538,312)	(11,926,186)	(35,556,685)	(31,418,661)	(116,007,045)
Retroceded share of claims paid	3,014,632	605,787	--	3,785,632	--	7,406,051
Net claims paid	(21,552,569)	(11,932,525)	(11,926,186)	(31,771,053)	(31,418,661)	(108,600,994)
Changes in outstanding claims, net	(6,716,150)	16,461,780	(87,321)	(21,107,475)	124,301	(11,324,865)
Changes in Incurred but not reported claims, net	(33,642,494)	(4,427,060)	(4,413,212)	1,772,235	11,362,485	(29,348,046)
Net claims incurred	(61,911,213)	102,195	(16,426,719)	(51,106,293)	(19,931,875)	(149,273,905)
Policy acquisition costs and profit commissions	(18,245,244)	(8,106,908)	(8,037,430)	(14,733,163)	6,458,894	(42,663,851)
Other underwriting expenses	(423,618)	(228,275)	(165,714)	(313,585)	(83,847)	(1,215,039)
TOTAL UNDERWRITING COSTS AND EXPENSES	(80,580,075)	(8,232,988)	(24,629,863)	(66,153,041)	(13,556,828)	(193,152,795)
NET UNDERWRITING INCOME / (LOSS)	6,523,004	21,645,906	2,576,719	(6,939,637)	5,392,358	29,198,350

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.2 Business segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 30 June 2021 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	47,974,665	1,124,436	2,306,239	88,517,197	(19,115,959)	120,806,578
Retroceded premiums	(40,068,339)	56,958	4,387	1,197,883	--	(38,809,111)
Excess of loss expenses	(2,504,328)	(1,005,766)	(301,066)	(1,952,262)	(10,725)	(5,774,147)
Net written premiums	5,401,998	175,628	2,009,560	87,762,818	(19,126,684)	76,223,320
Changes in unearned premiums, net	71,501,755	20,818,534	6,417,476	(23,276,200)	43,040,404	118,501,969
Net earned premiums	76,903,753	20,994,162	8,427,036	64,486,618	23,913,720	194,725,289
Retrocession commissions	3,299,507	54,791	4,790	551,265	--	3,910,353
<u>TOTAL REVENUES</u>	<u>80,203,260</u>	<u>21,048,953</u>	<u>8,431,826</u>	<u>65,037,883</u>	<u>23,913,720</u>	<u>198,635,642</u>
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(44,109,464)	(11,473,799)	(3,563,881)	(43,450,671)	(49,351,317)	(151,949,132)
Retroceded share of claims paid	8,922,183	330	--	9,177,793	--	18,100,306
Net claims paid	(35,187,281)	(11,473,469)	(3,563,881)	(34,272,878)	(49,351,317)	(133,848,826)
Changes in outstanding claims, net	(10,211,585)	(1,662,282)	(2,504,594)	(5,215,409)	7,785	(19,586,085)
Changes in Incurred but not reported claims, net	(12,342,982)	(2,062,914)	928	(6,664,461)	42,573,906	21,504,477
Net claims incurred	(57,741,848)	(15,198,665)	(6,067,547)	(46,152,748)	(6,769,626)	(131,930,434)
Policy acquisition costs and profit commissions	(11,209,195)	(4,545,131)	(2,156,389)	(15,707,795)	(11,036,181)	(44,654,691)
Other underwriting expenses	(479,311)	(82,755)	(21,849)	(117,478)	(110,699)	(812,092)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	<u>(69,430,354)</u>	<u>(19,826,551)</u>	<u>(8,245,785)</u>	<u>(61,978,021)</u>	<u>(17,916,506)</u>	<u>(177,397,217)</u>
<u>NET UNDERWRITING INCOME</u>	<u>10,772,906</u>	<u>1,222,402</u>	<u>186,041</u>	<u>3,059,862</u>	<u>5,997,214</u>	<u>21,238,425</u>

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.2 Business segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the six month period ended 30 June 2022 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	443,044,754	87,945,381	41,709,260	212,601,177	134,803,563	920,104,135
Retroceded premiums	(238,848,009)	3,552	220	990,234	--	(237,854,003)
Excess of loss expenses	(6,008,112)	(2,018,941)	(1,882,192)	(4,623,234)	(10,385)	(14,542,864)
Net written premiums	198,188,633	85,929,992	39,827,288	208,968,177	134,793,178	667,707,268
Changes in unearned premiums, net	(18,781,523)	(22,284,966)	(4,994,551)	(72,532,701)	(55,531,802)	(174,125,543)
Net earned premiums	179,407,110	63,645,026	34,832,737	136,435,476	79,261,376	493,581,725
Retrocession commissions	5,676,803	(379)	--	632,922	--	6,309,346
<u>TOTAL REVENUES</u>	185,083,913	63,644,647	34,832,737	137,068,398	79,261,376	499,891,071
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(102,704,145)	(31,738,951)	(17,880,243)	(89,074,149)	(31,418,661)	(272,816,149)
Retroceded share of claims paid	39,391,919	605,787	--	7,356,493	--	47,354,199
Net claims paid	(63,312,226)	(31,133,164)	(17,880,243)	(81,717,656)	(31,418,661)	(225,461,950)
Changes in outstanding claims, net	(650,586)	18,585,582	2,423,986	(22,675,413)	262,798	(2,053,633)
Changes in Incurred but not reported claims, net	(55,753,266)	(12,660,788)	(7,339,806)	(2,590,345)	(18,585,984)	(96,930,189)
Net claims incurred	(119,716,078)	(25,208,370)	(22,796,063)	(106,983,414)	(49,741,847)	(324,445,772)
Policy acquisition costs and profit commissions	(32,158,200)	(17,124,478)	(9,775,009)	(37,273,018)	(15,045,119)	(111,375,824)
Other underwriting expenses	(1,092,064)	(340,198)	(182,762)	(713,936)	(363,368)	(2,692,328)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(152,966,342)	(42,673,046)	(32,753,834)	(144,970,368)	(65,150,334)	(438,513,924)
NET UNDERWRITING INCOME / (LOSS)	32,117,571	20,971,601	2,078,903	(7,901,970)	14,111,042	61,377,147

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****17. SEGMENTAL INFORMATION (CONTINUED)****17.2 Business segments (continued)**

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

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.2 Business segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 30 June 2022								
(Unaudited)								
ASSETS								
Cash and cash equivalents	40,697,241	--	--	3,549,840	--	--	27,543,356	71,790,437
Time deposits	360,476,732	--	--	--	--	--	215,977,757	576,454,489
Accrued special commission income from time deposits	1,810,999	--	--	--	--	--	2,920,411	4,731,410
Reinsurance premium receivables, net	88,339,056	39,893,520	38,757,461	50,364,534	266,696	62,582,933	--	280,204,200
Investments held at fair value through income statement	102,934,133	--	--	--	87,613,892	--	225,271,609	415,819,634
Accrued special commission income from bonds, sukuk and held-to-maturity investments	346,061	--	--	--	--	--	5,290,604	5,636,665
Accrued reinsurance premiums	439,416,935	70,772,403	22,231,487	169,424,661	297,745,609	--	--	999,591,095
Retrocession balances receivable	--	--	--	--	--	18,611,465	--	18,611,465
Retroceded share of unearned premiums	263,466,995	22,225	3,389	1,721,323	--	--	--	265,213,932
Deferred excess of loss premiums	3,808	--	--	--	--	--	--	3,808
Retroceded share of outstanding claims	85,438,005	49,035,826	6,894,036	7,270,216	--	--	--	148,638,083
Retroceded share of claims incurred but not reported	28,261,781	456,179	126,243	10,302,867	4,570	--	--	39,151,640
Deferred policy acquisition costs	88,258,285	22,347,768	7,755,113	50,236,543	81,710,212	--	--	250,307,921
Held-to-maturity investments	25,000,000	--	--	--	--	--	310,445,969	335,445,969
Prepaid expenses, deposits and other assets	27,413,604	--	--	--	--	--	37,863,661	65,277,265
Property and equipment, net	8,009,033	--	--	819,541	--	--	28,534,830	37,363,404
Investment in an equity accounted investee	--	--	--	--	--	--	145,320,014	145,320,014
Statutory deposit	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	21,889,723	21,889,723
TOTAL ASSETS	1,559,872,668	182,527,921	75,767,729	293,689,525	467,340,979	81,194,398	1,110,157,934	3,770,551,154
LIABILITIES								
Accounts payable	(72,822)	(3,444)	(282,315)	425,439	--	27,877,739	--	27,944,597
Margin loan payable	--	--	--	--	--	--	56,797,019	56,797,019
Retrocession balances payable	--	--	--	--	--	36,774,659	--	36,774,659
Accrued retroceded premiums	180,935,371	902,890	424,378	4,371,008	57,853	12,783,696	--	199,475,196
Unearned premiums	492,035,756	78,631,368	25,575,549	209,505,042	214,508,740	--	--	1,020,256,455
Outstanding claims	260,020,997	169,058,491	28,677,659	322,223,929	4,368,493	--	--	784,349,569
Claims incurred but not reported	205,324,312	47,449,798	15,990,327	126,787,722	129,893,320	--	--	525,445,479
Unearned retrocession commission	60,920,869	1,219	362	259,826	--	1,939,754	--	63,122,030
Accrued expenses and other liabilities	--	--	--	--	--	29,597,823	2,631,586	32,229,409
Employees' end of service benefits	12,866,235	--	--	--	--	--	--	12,866,235
Provision for zakat and tax	--	--	--	--	--	--	9,038,946	9,038,946
Accrued commission income payable to SAMA	--	--	--	--	--	--	21,889,723	21,889,723
TOTAL LIABILITIES	1,212,030,718	296,040,322	70,385,960	663,572,966	348,828,406	108,973,671	90,357,274	2,790,189,317

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
17. SEGMENTAL INFORMATION (CONTINUED)
17.2 Business segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2021								
ASSETS								
Cash and cash equivalents	18,318,259	--	--	3,549,840	--	--	5,939,195	27,807,294
Time deposits	94,818,411	--	--	--	--	--	148,563,674	243,382,085
Accrued special commission income from time deposits	310,793	--	--	--	--	--	1,999,309	2,310,102
Reinsurance premium receivables, net	79,686,125	51,950,442	36,879,665	53,267,409	(1,806,914)	22,252,866	--	242,229,593
Investments held at fair value through income statement	343,047,268	--	--	--	97,377,992	--	363,159,336	803,584,596
Accrued special commission income from bonds and sukuk	38,656	--	--	--	--	--	6,771,817	6,810,473
Accrued reinsurance premiums	209,729,011	60,420,006	23,154,554	148,699,046	238,467,283	--	--	680,469,900
Retrocession balances receivable	--	--	--	--	--	13,063,654	--	13,063,654
Retroceded share of unearned premiums	59,915,581	24,341	3,629	8,008,958	--	--	--	67,952,509
Deferred excess of loss premiums	3,344,976	1,790,893	1,091,147	5,822,546	--	--	--	12,049,562
Retroceded share of outstanding claims	91,779,887	41,490,422	4,894,581	11,167,988	--	--	--	149,332,878
Retroceded share of claims incurred but not reported	25,944,982	402,615	119,681	11,554,182	11,627	--	--	38,033,087
Deferred policy acquisition costs	44,872,892	16,332,718	5,954,437	37,610,154	63,827,946	--	--	168,598,147
Held-To-Maturity investment	25,000,000	--	--	--	--	--	273,022,312	298,022,312
Prepaid expenses, deposits, and other assets	36,197,619	--	--	--	--	--	38,406,725	74,604,344
Property and equipment, net	7,649,917	--	--	819,541	--	--	28,686,369	37,155,827
Investment in an equity accounted investee	--	--	--	--	--	--	142,000,373	142,000,373
Statutory deposit	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,962,172	20,962,172
TOTAL ASSETS	1,040,654,377	172,411,437	72,097,694	280,499,664	397,877,934	35,316,520	1,118,611,282	3,117,468,908
LIABILITIES								
Accounts payable	5,948,712	15,404,710	4,162,352	2,513,190	26,622	15,986,324	--	44,041,910
Margin loan payable	--	--	--	--	--	--	56,797,019	56,797,019
Retrocession balances payable	--	--	--	--	--	48,771,678	--	48,771,678
Accrued retroceded premiums	14,001,769	720,584	261,125	9,594,559	47,473	10,866,450	--	35,491,960
Unearned premiums	269,850,183	59,802,011	18,539,789	141,722,064	158,955,442	--	--	648,869,489
Outstanding claims	267,297,182	177,990,257	32,618,721	300,431,605	4,652,966	--	--	782,990,731
Claims incurred but not reported	147,302,139	35,279,347	10,736,075	122,764,783	111,314,392	--	--	427,396,736
Unearned retrocession commission	14,459,663	1,359	384	1,083,444	--	1,604,779	--	17,149,629
Accrued expenses and other liabilities	--	--	--	--	--	25,495,048	4,402,178	29,897,226
Employees' end of service benefits	12,288,391	--	--	--	--	--	--	12,288,391
Provision for zakat and tax	--	--	--	--	--	--	15,266,235	15,266,235
Accrued commission income payable to SAMA	--	--	--	--	--	--	20,962,172	20,962,172
TOTAL LIABILITIES	731,148,039	289,198,268	66,318,446	578,109,645	274,996,895	102,724,279	97,427,604	2,139,923,176

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
18. SUPPLEMENTARY INFORMATION
Interim condensed statement of financial position

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
ASSETS						
Cash and cash equivalents	44,247,081	27,543,356	71,790,437	21,868,099	5,939,195	27,807,294
Time deposits	360,476,732	215,977,757	576,454,489	94,818,411	148,563,674	243,382,085
Accrued special commission income from time deposits	1,810,999	2,920,411	4,731,410	310,793	1,999,309	2,310,102
Reinsurance premium receivables, net	280,204,200	--	280,204,200	242,229,593	--	242,229,593
Investments held at fair value through income statement	190,548,025	225,271,609	415,819,634	440,425,260	363,159,336	803,584,596
Accrued special commission income from bonds, and sukuk	346,061	5,290,604	5,636,665	38,656	6,771,817	6,810,473
Accrued reinsurance premiums	999,591,095	--	999,591,095	680,469,900	--	680,469,900
Retrocession balances receivable	18,611,465	--	18,611,465	13,063,654	--	13,063,654
Retroceded share of unearned premiums	265,213,932	--	265,213,932	67,952,509	--	67,952,509
Deferred excess of loss premiums	3,808	--	3,808	12,049,562	--	12,049,562
Retroceded share of outstanding claims	148,638,083	--	148,638,083	149,332,878	--	149,332,878
Retroceded share of claims incurred but not reported	39,151,640	--	39,151,640	38,033,087	--	38,033,087
Deferred policy acquisition costs	250,307,921	--	250,307,921	168,598,147	--	168,598,147
Held-to-maturity investments	25,000,000	310,445,969	335,445,969	25,000,000	273,022,312	298,022,312
Prepaid expenses, deposits and other assets	27,413,604	37,863,661	65,277,265	36,197,619	38,406,725	74,604,344
Property and equipment, net	8,828,574	28,534,830	37,363,404	8,469,458	28,686,369	37,155,827
Investment in an equity accounted investee	--	145,320,014	145,320,014	--	142,000,373	142,000,373
Statutory deposit	--	89,100,000	89,100,000	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	21,889,723	21,889,723	--	20,962,172	20,962,172
Due from shareholders' operations*	51,434,051	--	51,434,051	53,698,938	--	53,698,938
TOTAL ASSETS	2,711,827,271	1,110,157,934	3,821,985,205	2,052,556,564	1,118,611,282	3,171,167,846
LIABILITIES						
Accounts payable	27,944,597	--	27,944,597	44,041,910	--	44,041,910
Margin loan payable	--	56,797,019	56,797,019	--	56,797,019	56,797,019
Retrocession balances payable	36,774,659	--	36,774,659	48,771,678	--	48,771,678
Accrued retroceded premiums	199,475,196	--	199,475,196	35,491,960	--	35,491,960
Unearned premiums	1,020,256,455	--	1,020,256,455	648,869,489	--	648,869,489
Outstanding claims	784,349,569	--	784,349,569	782,990,731	--	782,990,731
Claims incurred but not reported	525,445,479	--	525,445,479	427,396,736	--	427,396,736
Unearned retrocession commission	63,122,030	--	63,122,030	17,149,629	--	17,149,629
Accrued expenses and other liabilities	29,597,823	2,631,586	32,229,409	25,495,048	4,402,178	29,897,226
Employees' end of service benefits	12,866,235	--	12,866,235	12,288,391	--	12,288,391
Provision for zakat and tax	--	9,038,946	9,038,946	--	15,266,235	15,266,235
Accrued commission income payable to SAMA	--	21,889,723	21,889,723	--	20,962,172	20,962,172
Accumulated surplus	15,483,811	--	15,483,811	13,549,575	--	13,549,575
Due to reinsurance operations*	--	51,434,051	51,434,051	--	53,698,938	53,698,938
TOTAL LIABILITIES	2,715,315,854	141,791,325	2,857,107,179	2,056,045,147	151,126,542	2,207,171,689
EQUITY						
Share capital	--	891,000,000	891,000,000	--	891,000,000	891,000,000
Statutory reserve	--	34,749,555	34,749,555	--	34,749,555	34,749,555
Retained earnings	--	42,714,644	42,714,644	--	35,495,182	35,495,182
Other reserves	(3,488,583)	(97,590)	(3,586,173)	(3,488,583)	6,240,003	2,751,420
TOTAL EQUITY	(3,488,583)	968,366,609	964,878,026	(3,488,583)	967,484,740	963,996,157
TOTAL LIABILITIES AND EQUITY	2,711,827,271	1,110,157,934	3,821,985,205	2,052,556,564	1,118,611,282	3,171,167,846

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

18. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income

	For the six months period ended 30 June 2022 (Unaudited)			For the six month period ended 30 June 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
REVENUES						
Gross written premiums	920,104,135	--	920,104,135	955,090,594	--	955,090,594
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(237,854,003)	--	(237,854,003)	(72,592,329)	--	(72,592,329)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(14,542,864)	--	(14,542,864)	(13,899,219)	--	(13,899,219)
Net written premiums	667,707,268	--	667,707,268	868,599,046	--	868,599,046
Changes in unearned premiums, net	(174,125,543)	--	(174,125,543)	(478,402,201)	--	(478,402,201)
Net earned premiums	493,581,725	--	493,581,725	390,196,845	--	390,196,845
Retrocession commissions	6,309,346	--	6,309,346	7,713,218	--	7,713,218
TOTAL REVENUES	499,891,071	--	499,891,071	397,910,063	--	397,910,063
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(272,816,149)	--	(272,816,149)	(253,001,759)	--	(253,001,759)
Retroceded share of claims paid	47,354,199	--	47,354,199	44,971,148	--	44,971,148
Net claims paid	(225,461,950)	--	(225,461,950)	(208,030,611)	--	(208,030,611)
Changes in outstanding claims, net	(2,053,633)	--	(2,053,633)	(32,310,992)	--	(32,310,992)
Changes in Incurred but not reported claims, net	(96,930,189)	--	(96,930,189)	(13,026,447)	--	(13,026,447)
Net claims incurred	(324,445,772)	--	(324,445,772)	(253,368,050)	--	(253,368,050)
Policy acquisition costs and profit commissions	(111,375,824)	--	(111,375,824)	(95,636,774)	--	(95,636,774)
Other underwriting expenses	(2,692,328)	--	(2,692,328)	(2,289,225)	--	(2,289,225)
TOTAL UNDERWRITING COSTS AND EXPENSES	(438,513,924)	--	(438,513,924)	(351,294,049)	--	(351,294,049)
NET UNDERWRITING INCOME	61,377,147	--	61,377,147	46,616,014	--	46,616,014
OTHER OPERATING (EXPENSES)/ INCOME						
Special commission income from time deposits	2,453,658	2,620,655	5,074,313	476,998	2,656,607	3,133,605
Realized gains on investments held at fair value through income statement	1,104,434	2,276,909	3,381,343	81,813	1,011,462	1,093,275
Unrealized (losses) / gains on investments held at fair value through income statement	(8,774,224)	(13,858,297)	(22,632,521)	1,177,504	(301,397)	876,107
Special commission income from bonds and sukuk	307,405	7,352,652	7,660,057	--	6,814,979	6,814,979
Special commission expense from margin loan payable	--	(409,229)	(409,229)	--	(176,043)	(176,043)
Dividend income	--	1,148,733	1,148,733	--	875,000	875,000
Share of profit of equity accounted investee	--	9,657,234	9,657,234	--	10,826,778	10,826,778
Investment management expenses	166,612	(2,040,412)	(1,873,800)	(137,129)	(627,297)	(764,426)
Net investment income	(4,742,115)	6,748,245	2,006,130	1,599,186	21,080,089	22,679,275
Other income	404,033	(2,647)	401,386	723,623	68,364	791,987
General and administrative expenses	(28,732,884)	(8,551,960)	(37,284,844)	(22,723,763)	(3,434,818)	(26,158,581)
Board of directors' remunerations, meetings fees and expenses	--	(1,611,012)	(1,611,012)	--	(2,801,867)	(2,801,867)
Foreign exchange translation (losses) / gains	(8,963,820)	--	(8,963,820)	(2,315,085)	52,146	(2,262,939)
Total income / (loss) for the period before zakat and tax	19,342,361	(3,417,374)	15,924,987	23,899,975	14,963,914	38,863,889
Transfer of surplus to shareholders' operations	(17,408,125)	17,408,125	--	(21,509,977)	21,509,977	--
Net income for the period before zakat and tax	1,934,236	13,990,751	15,924,987	2,389,998	36,473,891	38,863,889
Zakat and tax charge for the period	--	(6,771,289)	(6,771,289)	--	(7,002,976)	(7,002,976)
Net income for the period after zakat and tax attributable to shareholders	1,934,236	7,219,462	9,153,698	2,389,998	29,470,915	31,860,913

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****18. SUPPLEMENTARY INFORMATION (CONTINUED)****Interim condensed statement of comprehensive income**

	For the six-month period ended 30 June 2022 (Unaudited)			For the six month period ended 30 June 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	1,934,236	7,219,462	9,153,698	2,389,998	29,470,915	31,860,913
<i>Other comprehensive / (loss) / income</i>						
<i>Items that may be classified to income statement subsequently</i>						
Share of foreign currency translation reserve an equity accounted investee	--	(6,337,593)	(6,337,593)	--	299,400	299,400
Total comprehensive income for the period	1,934,236	881,869	2,816,105	2,389,998	29,770,315	32,160,313

Reconciliation:

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

Total comprehensive income for the period

(1,934,236)

881,869

(2,389,998)

29,770,315

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and six month periods ended 30 June 2022

18. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income

	For the three month period ended 30 June 2022 (Unaudited)			For the three month period ended 30 June 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
REVENUES						
Gross written premiums	321,481,845	--	321,481,845	120,806,578	--	120,806,578
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(231,462,207)	--	(231,462,207)	(38,809,111)	--	(38,809,111)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(8,590,392)	--	(8,590,392)	(5,774,147)	--	(5,774,147)
Net written premiums	81,429,246	--	81,429,246	76,223,320	--	76,223,320
Changes in unearned premiums, net	138,361,893	--	138,361,893	118,501,969	--	118,501,969
Net earned premiums	219,791,139	--	219,791,139	194,725,289	--	194,725,289
Retrocession commissions	2,560,006	--	2,560,006	3,910,353	--	3,910,353
TOTAL REVENUES	222,351,145	--	222,351,145	198,635,642	--	198,635,642
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(116,007,045)	--	(116,007,045)	(151,949,132)	--	(151,949,132)
Retroceded share of claims paid	7,406,051	--	7,406,051	18,100,306	--	18,100,306
Net claims paid	(108,600,994)	--	(108,600,994)	(133,848,826)	--	(133,848,826)
Changes in outstanding claims, net	(11,324,865)	--	(11,324,865)	(19,586,085)	--	(19,586,085)
Changes in Incurred but not reported claims, net	(29,348,046)	--	(29,348,046)	21,504,477	--	21,504,477
Net claims incurred	(149,273,905)	--	(149,273,905)	(131,930,434)	--	(131,930,434)
Policy acquisition costs and profit commissions	(42,663,851)	--	(42,663,851)	(44,654,691)	--	(44,654,691)
Other underwriting expenses	(1,215,039)	--	(1,215,039)	(812,092)	--	(812,092)
TOTAL UNDERWRITING COSTS AND EXPENSES	(193,152,795)	--	(193,152,795)	(177,397,217)	--	(177,397,217)
NET UNDERWRITING INCOME	29,198,350	--	29,198,350	21,238,425	--	21,238,425
OTHER OPERATING (EXPENSES)/ INCOME						
Special commission income from time deposits	2,087,864	1,388,239	3,476,103	224,954	1,207,441	1,432,395
Realized gains on investments held at fair value through income statement	726,146	478,182	1,204,328	3,791	380,650	384,441
Unrealized (losses) / gains on investments held at fair value through income statement	(4,556,122)	(13,180,815)	(17,736,937)	682,555	740,242	1,422,797
Special commission income from bonds and sukuk	156,139	3,700,210	3,856,349	--	3,393,825	3,393,825
Special commission expense from margin loan payable	--	(263,775)	(263,775)	--	(82,989)	(82,989)
Dividend income	--	1,014,698	1,014,698	--	875,000	875,000
Share of profit of equity accounted investee	--	2,579,334	2,579,334	--	6,653,890	6,653,890
Investment management expenses	1,053,977	(1,762,595)	(708,618)	(69,457)	(320,369)	(389,826)
Net investment income	(531,996)	(6,046,522)	(6,578,518)	841,843	12,847,690	13,689,533
Other income	354,123	648	354,771	542,592	56,279	598,871
General and administrative expenses	(16,633,505)	(2,778,486)	(19,411,991)	(11,919,277)	(1,644,692)	(13,563,969)
Board of directors' remunerations, meetings fees and expenses	--	(869,022)	(869,022)	--	(1,989,367)	(1,989,367)
Foreign exchange translation (losses) / gains	(7,000,337)	--	(7,000,337)	(2,292,110)	52,146	(2,239,964)
Total income / (loss) for the period before zakat and tax	5,386,635	(9,693,382)	(4,306,747)	8,411,473	9,322,056	17,733,529
Transfer of surplus to shareholders' operations	(4,847,972)	4,847,972	--	(7,570,322)	7,570,322	--
Net income / (loss) for the period before zakat and tax	538,663	(4,845,410)	(4,306,747)	841,148	16,892,381	17,733,529
Zakat and tax charge for the period	--	(3,140,816)	(3,140,816)	--	(3,654,330)	(3,654,330)
Net income / (loss) for the period after zakat and tax attributable to shareholders	538,663	(7,986,226)	(7,447,563)	841,148	13,238,051	14,079,199

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****18. SUPPLEMENTARY INFORMATION (CONTINUED)****Interim condensed statement of comprehensive income**

	For the three-month period ended 30 June 2022 (Unaudited)			For the three month period ended 30 June 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income / (loss) for the period after zakat and tax	538,663	(7,986,226)	(7,447,563)	841,148	13,238,051	14,079,199
<i>Other comprehensive (loss) / income</i>						
<i>Items that may be classified to income statement subsequently</i>						
Share of foreign currency translation reserve an equity accounted investee	--	(6,336,536)	(6,336,536)	--	299,400	299,400
Total comprehensive income / (loss) for the period	538,663	(14,322,762)	(13,784,099)	841,148	13,537,451	14,378,599

Reconciliation:

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

**Total comprehensive (loss) /
income for the period**

(538,663)

(841,148)

(14,322,762)

13,537,451

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
18. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of cash flows

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the six month period ended 30 June 2022	For the six month period ended 30 June 2021		For the six month period ended 30 June 2022	For the six month period ended 30 June 2021	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
OPERATING ACTIVITIES						
Total income for the period before zakat and tax	1,934,236	13,990,751	15,924,987	2,389,998	36,473,891	38,863,889
<i>Adjustments to reconcile net income for the period to net cash from operating activities:</i>						
Employees' end of service benefits	856,626	--	856,626	756,286	--	756,286
Special commission income from bond and sukuk	(307,405)	(5,986,164)	(6,293,569)	--	(4,955,940)	(4,955,940)
Special commission expense from margin loan	--	409,229	409,229	--	176,043	176,043
Special commission income from time deposit	(2,453,658)	(2,620,655)	(5,074,313)	(476,998)	(2,656,607)	(3,133,605)
Amortization of discount and premium on held to maturity investments	--	(1,366,488)	(1,366,488)	--	(1,859,039)	(1,859,039)
Depreciation of property and equipment	501,342	271,182	772,524	865,515	381,012	1,246,527
Realized gains on investments held at fair value through income statement	(1,104,434)	(2,276,909)	(3,381,343)	(81,814)	(1,011,461)	(1,093,275)
Unrealized losses / (gains) on investments held at fair value through income statement	8,774,224	13,858,297	22,632,521	(1,176,723)	300,616	(876,107)
Share of profit of an equity accounted investee	--	(9,657,234)	(9,657,234)	--	(10,826,778)	(10,826,778)
Operating income before changes in operating assets and liabilities	8,200,931	6,622,009	14,822,940	2,276,264	16,021,737	18,298,001
Changes in operating assets and liabilities:						
Premiums receivable, gross	(37,974,607)	--	(37,974,607)	(73,770,403)	--	(73,770,403)
Accrued reinsurance premiums	(319,121,195)	--	(319,121,195)	(286,273,582)	--	(286,273,582)
Retroceded share of unearned premiums	(197,261,423)	--	(197,261,423)	(14,299,187)	--	(14,299,187)
Unearned premiums	371,386,966	--	371,386,966	492,701,387	--	492,701,387
Retroceded share of outstanding claims	694,795	--	694,795	(4,322,892)	--	(4,322,892)
Retroceded share of claims incurred but not reported	(1,118,553)	--	(1,118,553)	12,719,121	--	12,719,121
Deferred acquisition costs	(81,709,774)	--	(81,709,774)	(106,975,910)	--	(106,975,910)
Deferred excess of loss premiums	12,045,754	--	12,045,754	12,536,438	--	12,536,438
Prepaid expenses, deposits and other assets	8,784,015	543,064	9,327,079	27,372,586	3,577,016	30,949,602
Accounts payable	(16,097,313)	--	(16,097,313)	(853,516)	--	(853,516)
Retrocession balances receivable	(5,547,811)	--	(5,547,811)	(10,708,059)	--	(10,708,059)
Retrocession balances payable	(11,997,019)	--	(11,997,019)	(32,698,864)	--	(32,698,864)
Accrued retroceded premiums	163,983,236	--	163,983,236	2,585,635	--	2,585,635
Outstanding claims	1,358,838	--	1,358,838	36,633,884	--	36,633,884
Claims incurred but not reported	98,048,743	--	98,048,743	307,325	--	307,325
Unearned commission income	45,972,401	--	45,972,401	975,981	--	975,981
Accrued expenses and other liabilities	4,102,775	(1,770,592)	2,332,183	17,556,201	(1,064,643)	16,491,558
Cash generated from operating activities	43,750,759	5,394,481	49,145,240	75,762,409	18,534,110	94,296,519
Zakat and income tax paid	--	(12,998,578)	(12,998,578)	--	(14,913,138)	(14,913,138)
Employees' end of service benefits paid	(278,782)	--	(278,782)	--	--	--
Net cash generated from / (used in) operating activities	43,471,977	(7,604,097)	35,867,880	75,762,409	3,620,972	79,383,381

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
For the three month and six month periods ended 30 June 2022
18. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of cash flows (continued)

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the six month period ended 30 June 2022 (Unaudited)			For the six month period ended 30 June 2021 (Unaudited)		
INVESTING ACTIVITIES						
Additions in time deposits	(265,658,321)	(98,224,083)	(363,882,404)	--	(1,394,584)	(1,394,584)
Proceeds from maturity of time deposits	--	30,810,000	30,810,000	10,125,002	50,477,000	60,602,002
Accrued special commission income on time deposits	953,452	1,699,553	2,653,005	476,998	4,532,401	5,009,399
Accrued special commission income from bonds and sukuk	--	7,467,377	7,467,377	--	6,114,435	6,114,435
Purchase of property and equipment	(860,458)	(119,643)	(980,101)	(1,086,123)	--	(1,086,123)
Additions in investment in held to maturity investments	--	(60,057,169)	(60,057,169)	--	(85,763,328)	(85,763,328)
Proceeds from maturity of held to maturity investments	--	24,000,000	24,000,000	--	--	--
Additions in investments held at fair value through income statement	(24,051,618)	(74,621,590)	(98,673,208)	(133,332,422)	(52,421,812)	(185,754,234)
Proceeds from disposal of investments held at fair value through income statement	266,259,063	200,927,929	467,186,992	24,398,333	66,726,860	91,125,193
Net cash (used in) / generated from investing activities	(23,357,882)	31,882,374	8,524,492	(99,418,212)	(11,729,028)	(111,147,240)
FINANCING ACTIVITIES						
Due to / from reinsurance / shareholders' operations*	2,264,887	(2,264,887)	--	24,792,388	(24,792,388)	--
Proceeds from margin loan	--	--	--	--	33,856,246	33,856,246
Special commission expense paid against margin loan payable	--	(409,229)	(409,229)	--	(176,043)	(176,043)
Net cash generated from / (used in) financing activities	2,264,887	(2,674,116)	(409,229)	24,792,388	8,887,815	33,680,203
INCREASE IN CASH AND CASH EQUIVALENTS	22,378,982	21,604,161	43,983,143	1,136,585	779,759	1,916,344
Cash and cash equivalents at the beginning of the period	21,868,099	5,939,195	27,807,294	8,034,347	5,122,375	13,156,722
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	44,247,081	27,543,356	71,790,437	9,170,932	5,902,134	15,073,066

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

19. COMMITMENTS AND CONTINGENCIES
a) Legal proceedings and regulations

The Company operates in the reinsurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

b) Recoverable and Guarantee deposits

The Company has deposited SR 155,348,845 (31 December 2021: 171,976,458) with Lloyd's London as Funds at Lloyd's (FAL) its continued participation in a Lloyds Syndicates and for 2019, 2020 and 2021 underwriting year.

20. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the period ended 30 June 2022 and 2021 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 in July 2021.

Saudi Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and six month periods ended 30 June 2022****21. 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.

22. RECLASSIFICATION

During the period, the Company has reclassified the Company has reclassified deposits with Lloyd's London from Prepaid expenses, deposits and other assets to Investments held at fair value through income statement. 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 2021 (before reclassification)	Reclassification	31 December 2021 (after reclassification)
Prepaid expenses, deposits and other assets	246,580,802	(171,976,458)	74,604,344
Investments held at fair value through income statement	631,608,138	171,976,458	803,584,596

23. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 22 Muharram 1444H corresponding to 20 August 2022.