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

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

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<b>INDEX</b>	<b>PAGES</b>
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONDENSED STATEMENT OF INCOME	3
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY	5
INTERIM CONDENSED STATEMENT OF CASH FLOWS	6-7
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS	8-45



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

## Scope of Review

We conducted our review in accordance with 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 September 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



13 Rabi' Al-Akhar 1444H  
7 November 2022

## AlAzem, AlSudairy, AlShaikh & Partners for Professional Consulting

**Abdullah M. AlAzem**  
Certified Public Accountant  
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**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

**As at 30 September 2022**

		<b>30 September 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
<b>ASSETS</b>	<b>Notes</b>		
Cash and cash equivalents	5	45,064,246	27,807,294
Time deposits	8	721,558,489	243,382,085
Accrued special commission income from time deposits		4,356,920	2,310,102
Reinsurance premium receivables, net	4	270,830,167	242,229,593
Investments held at fair value through income statement	7	323,399,507	803,584,596
Accrued special commission income from bonds, sukuk and held-to-maturity investments		5,523,007	6,810,473
Accrued reinsurance premiums	9	1,090,586,403	680,469,900
Retrocession balances receivable		16,484,313	13,063,654
Retroceded share of unearned premiums	11	376,168,922	67,952,509
Deferred excess of loss premiums		22,127,748	12,049,562
Retroceded share of outstanding claims	12	171,589,211	149,332,878
Retroceded share of claims incurred but not reported	12	29,662,857	38,033,087
Deferred policy acquisition costs		259,170,463	168,598,147
Held-to-maturity investments	10	387,010,054	298,022,312
Prepaid expenses, deposits and other assets		84,021,818	74,604,344
Property and equipment, net		38,281,048	37,155,827
Investment in an equity accounted investee	16	148,849,628	142,000,373
Statutory deposit	6	89,100,000	89,100,000
Accrued income on statutory deposit	6	22,650,314	20,962,172
<b>TOTAL ASSETS</b>		<b>4,106,435,115</b>	<b>3,117,468,908</b>
<b>LIABILITIES</b>			
Accounts payable		29,718,861	44,041,910
Margin loan payable		56,797,019	56,797,019
Retrocession balances payable		97,426,065	48,771,678
Accrued retroceded premiums		292,264,615	35,491,960
Unearned premiums	11	1,094,775,939	648,869,489
Outstanding claims	12	801,662,529	782,990,731
Claims incurred but not reported	12	532,571,905	427,396,736
Unearned retrocession commission		86,796,672	17,149,629
Accrued expenses and other liabilities		56,861,440	29,897,226
Employees' end of service benefits		13,317,002	12,288,391
Provision for zakat and tax	14	12,647,776	15,266,235
Accrued commission income payable to SAMA	6	22,650,314	20,962,172
<b>TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS</b>		<b>3,097,490,137</b>	<b>2,139,923,176</b>
<b>REINSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		18,150,980	13,549,575
<b>TOTAL REINSURANCE OPERATIONS' SURPLUS</b>		<b>18,150,980</b>	<b>13,549,575</b>
<b>TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS</b>		<b>3,115,641,117</b>	<b>2,153,472,751</b>
<b>EQUITY</b>			
Share capital	13	891,000,000	891,000,000
Statutory reserve		34,749,555	34,749,555
Retained earnings		74,797,683	35,495,182
Other reserves		(9,753,240)	2,751,420
<b>TOTAL EQUITY</b>		<b>990,793,998</b>	<b>963,996,157</b>
<b>TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND EQUITY</b>		<b>4,106,435,115</b>	<b>3,117,468,908</b>

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

**PUBLIC**

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 nine month periods ended 30 September 2022**

	For the three month period ended		For the nine month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Notes	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR
<b>REVENUES</b>				
Gross written premiums	277,759,539	159,201,360	1,197,863,674	1,114,291,954
Retroceded premiums	(127,417,225)	(18,819,906)	(365,271,228)	(91,412,235)
Excess of loss expenses	(9,853,920)	(12,409,457)	(24,396,784)	(26,308,676)
<b>Net written premiums</b>	<b>140,488,394</b>	<b>127,971,998</b>	<b>808,195,662</b>	<b>996,571,043</b>
Changes in unearned premiums, net	36,435,506	115,565,667	(137,690,037)	(362,836,534)
<b>Net earned premiums</b>	<b>176,923,900</b>	<b>243,537,665</b>	<b>670,505,625</b>	<b>633,734,509</b>
Retrocession commissions	2,743,652	6,503,530	9,052,998	14,216,748
<b>TOTAL REVENUES</b>	<b>179,667,552</b>	<b>250,041,194</b>	<b>679,558,623</b>	<b>647,951,257</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>				
Gross claims paid	(107,156,681)	(85,181,358)	(379,972,830)	(338,183,117)
Retroceded share of claims paid	24,914,352	7,853,155	72,268,551	52,824,303
<b>Net claims paid</b>	<b>(82,242,329)</b>	<b>(77,328,203)</b>	<b>(307,704,279)</b>	<b>(285,358,814)</b>
Changes in outstanding claims, net	5,638,167	(10,239,788)	3,584,534	(42,550,780)
Changes in incurred but not reported claims, net	(16,615,210)	(77,833,209)	(113,545,399)	(90,859,656)
<b>Net claims incurred</b>	<b>(93,219,372)</b>	<b>(165,401,200)</b>	<b>(417,665,144)</b>	<b>(418,769,250)</b>
Policy acquisition costs and profit commissions	(37,362,575)	(68,854,103)	(148,738,399)	(164,490,877)
Other underwriting expenses	(1,002,411)	(1,289,107)	(3,694,739)	(3,578,332)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(131,584,358)</b>	<b>(235,544,410)</b>	<b>(570,098,282)</b>	<b>(586,838,459)</b>
<b>NET UNDERWRITING INCOME</b>	<b>48,083,194</b>	<b>14,496,784</b>	<b>109,460,341</b>	<b>61,112,798</b>
<b>OTHER OPERATING INCOME / (EXPENSES)</b>				
Special commission income from time deposits	5,103,177	1,004,365	10,177,490	4,137,970
Realized gains on investments held at fair value through income statement	1,625,187	1,927,856	5,006,530	3,021,131
Unrealized (losses) / gains on investments held at fair value through income statement	(6,183,898)	650,516	(29,036,084)	1,526,623
Special commission income from bonds and sukuk	6,681,875	3,921,776	14,561,596	10,736,755
Special commission expense from margin loan payable	(399,067)	(86,437)	(808,296)	(262,480)
Dividend income	676,158	270,249	1,824,891	1,145,249
Share of profit of equity accounted investee	9,696,681	6,534,109	19,353,915	17,360,887
Investment management expenses	(1,102,607)	(477,098)	(2,976,407)	(1,241,524)
<b>Net investment income</b>	<b>16,097,506</b>	<b>13,745,336</b>	<b>18,103,635</b>	<b>36,424,611</b>
Other income	18,447	149,166	437,486	941,153
Charge for doubtful debt	(534,751)	(142,864)	(534,751)	(142,864)
General and administrative expenses	(19,655,399)	(14,825,408)	(56,957,898)	(40,983,989)
Board of directors' remunerations, meetings fees and expenses	(777,967)	(960,358)	(2,388,979)	(3,762,225)
Foreign exchange translation losses	(4,871,989)	(855,135)	(13,835,809)	(3,118,074)
<b>Total income for the period before zakat and tax</b>	<b>38,359,041</b>	<b>11,607,521</b>	<b>54,284,025</b>	<b>50,471,410</b>
<b>Total income attributed to the reinsurance operations</b>	<b>18 (2,667,169)</b>	<b>(184,671)</b>	<b>(4,601,405)</b>	<b>(2,574,669)</b>
<b>Net income for the period before zakat and tax</b>	<b>35,691,872</b>	<b>11,422,850</b>	<b>49,682,620</b>	<b>47,896,741</b>
<b>Zakat and tax charge for the period</b>	<b>14 (3,608,830)</b>	<b>(3,334,154)</b>	<b>(10,380,119)</b>	<b>(10,337,130)</b>
<b>Net income for the period after zakat and tax attributable to the shareholders</b>	<b>32,083,042</b>	<b>8,088,696</b>	<b>39,302,501</b>	<b>37,559,611</b>
<b>Basic and diluted earnings per share for the period</b>	<b>20 0.36</b>	<b>0.09</b>	<b>0.44</b>	<b>0.42</b>

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

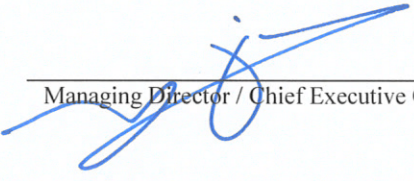
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The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.



**Saudi Reinsurance Company (A Saudi Joint Stock Company)****INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME****For the three month and nine month periods ended 30 September 2022**

	For the three month period ended		For the nine month period Ended	
	30 September 2022 (Unaudited) SR	30 September 2021 (Unaudited) SR	30 September 2022 (Unaudited) SR	30 September 2021 (Unaudited) SR
Net income for the period after zakat and tax attributable to shareholder	32,083,042	8,088,696	39,302,501	37,559,611
<i>Other comprehensive (loss) / income</i>				
<b>Items that may be classified to income statement subsequently</b>				
Share of foreign currency translation reserve of an equity accounted investee	(6,167,067)	(1,287,327)	(12,504,660)	(987,927)
<b>Total comprehensive income for the period</b>	<b>25,915,975</b>	<b>6,801,369</b>	<b>26,797,841</b>	<b>36,571,684</b>

  
\_\_\_\_\_  
Managing Director / Chief Executive Officer  
\_\_\_\_\_  
Chairman of the Board  
\_\_\_\_\_  
Chief Financial Officer

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**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

**For the nine month period ended 30 September 2022**

	GCC Shareholders and General Public				Non – GCC Shareholders				Total				Total SR
	Share Capital	Statutory reserve	Retained earnings	Other reserves	Share capital	Statutory reserve	Retained earnings	Other reserves	Share Capital	Statutory reserve	Retained earnings	Other reserves	
	SR	SR	SR		SR	SR	SR		SR	SR	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	5,489,198	214,082	218,676	16,951	(5,489,198)	(214,082)	(218,676)	(16,951)	--	--	--	--	--
Net profit for the period	--	--	37,803,960	--	--	--	1,498,541	--	--	--	39,302,501	--	39,302,501
Other comprehensive loss	--	--	--	(12,027,877)	--	--	--	(476,783)	--	--	--	(12,504,660)	(12,504,660)
Total comprehensive income / (loss) for the period	--	--	37,803,960	(12,027,877)	--	--	1,498,541	(476,783)	--	--	39,302,501	(12,504,660)	26,797,841
Balance as at 30 September 2022 (Unaudited)	857,027,600	33,424,610	71,945,768	(9,381,364)	33,972,400	1,324,945	2,851,915	(371,876)	891,000,000	34,749,555	74,797,683	(9,753,240)	990,793,998
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
Additions during the period (Note 13)	77,945,924	--	(77,945,924)	--	3,054,076	--	3,054,076	--	81,000,000	--	(81,000,000)	--	--
Transferred during the period	9,990,736	333,393	1,058,289	3,002	(9,990,736)	(333,933)	(1,058,289)	(3,002)	--	--	--	--	--
Net profit for the period	--	--	36,143,438	--	--	--	1,416,172	--	--	--	37,559,610	--	37,559,610
Other comprehensive income	--	--	--	(950,677)	--	--	--	(37,250)	--	--	--	(987,927)	(987,927)
Total comprehensive income for the period	--	--	36,143,438	(950,677)	--	--	1,416,172	(37,250)	--	--	37,559,610	(987,927)	36,571,683
Balance as at 30 September 2021 (Unaudited)	857,409,300	26,066,345	40,808,324	(715,753)	33,590,700	1,021,331	1,598,952	(28,045)	891,000,000	27,087,676	42,407,276	(743,798)	959,751,154

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

PUBLIC

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 nine month period ended 30 September 2022**

	30 September 2022 (Unaudited) SR	30 September 2021 (Unaudited) SR
<b>OPERATING ACTIVITIES</b>		
Total income for the period before zakat & tax	54,284,025	50,471,410
<i>Adjustments to reconcile net income for the period before zakat and tax to net cash generated from operating activities:</i>		
Employees' end of service benefits	1,311,389	1,905,070
Special commission income from bond and sukuk	(12,531,647)	(8,157,181)
Special commission expense from margin loans	808,296	262,480
Special commission income from time deposits	(10,177,490)	(4,137,970)
Amortization of discount on held to maturity investments, net	(2,029,949)	(2,579,574)
Depreciation of property and equipment	2,219,544	1,945,078
Realized gains on investments held at fair value through income statement	(5,006,530)	(3,021,131)
Unrealized losses / (gains) on investments held at fair value through income statement	29,036,084	(1,526,623)
Share of profit of equity accounted investee	(19,353,915)	(17,360,887)
Charge of doubtful debts	534,751	142,864
Operating income before changes in operating assets and liabilities	39,094,558	17,943,536
<b>Changes in operating assets and liabilities:</b>		
Reinsurance premiums receivable, net	(29,135,325)	18,437,004
Accrued reinsurance premiums	(410,116,503)	(258,773,830)
Retroceded share of unearned premiums	(308,216,413)	965,051
Unearned premiums	445,906,450	361,871,483
Retroceded share of outstanding claims	(22,256,333)	8,639,228
Retroceded share of claims incurred but not reported	8,370,230	9,050,872
Deferred acquisition costs	(90,572,316)	(83,122,033)
Deferred excess of loss premiums	(10,078,186)	(5,591,634)
Prepaid expenses, deposits and other assets	(9,417,474)	48,487,150
Accounts payable	(14,323,049)	5,378,636
Retrocession balances receivable	(3,420,659)	(8,044,331)
Retrocession balances payable	48,654,387	(7,585,863)
Accrued retroceded premiums	256,772,655	2,502,910
Outstanding claims	18,671,798	33,911,552
Claims incurred but not reported	105,175,169	81,808,783
Unearned commission income	69,647,043	1,656,226
Statutory deposit	--	(8,100,000)
Accrued expenses and other liabilities	26,964,214	271,793
<b>Cash generated from operating activities</b>	<b>121,720,246</b>	<b>219,706,533</b>
Zakat and income tax paid	(12,998,578)	(14,913,138)
Employees' end of service benefits paid	(282,778)	--
<b>Net cash generated from operating activities</b>	<b>108,438,890</b>	<b>204,793,395</b>
<b>INVESTING ACTIVITIES</b>		
Additions in time deposits	(508,986,404)	(1,394,584)
Proceeds from maturity of time deposits	30,810,000	60,602,002
Accrued special commission income on time deposits	8,130,672	5,505,098
Accrued special commission income from bonds and sukuk	13,819,113	11,086,039
Purchase of property and equipment, net	(3,344,765)	(1,798,954)
Additions in held-to-maturity investments	(110,957,793)	(85,868,961)
Proceeds from maturity of held-to-maturity investments	24,000,000	--
Additions in investments held at fair value through income statement	(164,261,347)	(495,793,969)
Proceeds from disposal of investments held at fair value through income statement	620,416,882	308,561,610
<b>Net cash generated used in investing activities</b>	<b>(90,373,642)</b>	<b>(199,101,719)</b>
<i>Continued</i>		

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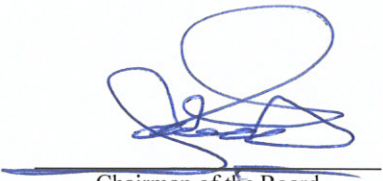
The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.



**Saudi Reinsurance Company (A Saudi Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**For the nine month period ended 30 September 2022**

	<b>30 September 2022 (Unaudited) SR</b>	<b>30 September 2021 (Unaudited) SR</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from margin loan	--	33,680,203
Special commission expense paid against margin loan payable	<b>(808,296)</b>	--
<b>Net cash (used in) / generated from financing activities</b>	<b>(808,296)</b>	<b>33,680,203</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>17,256,952</b>	<b>39,371,879</b>
Cash and cash equivalents at the beginning of the period	<b>27,807,294</b>	<b>13,156,722</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>45,064,246</b>	<b>52,528,601</b>
<b>NON-CASH SUPPLEMENTARY INFORMATION</b>		
Foreign currency impact on equity accounted investment	<b>(12,504,660)</b>	<b>(987,927)</b>
Depreciation on right of use asset	<b>160,348</b>	<b>185,089</b>
Interest expense on lease liability	<b>9,687</b>	<b>8,304</b>

  
 Managing Director / Chief Executive Officer

  
 Chairman of the Board

  
 Chief Financial Officer

PUBLIC

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 nine month periods ended 30 September 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 September 2022 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 nine month periods ended 30 September 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.

<b>Standard / Amendments</b>	<b>Description</b>	<b>Effective date</b>
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 nine month periods ended 30 September 2022

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

##### A. Amendments to existing standards (Continued)

<b>Standard / Amendments</b>	<b>Description</b>	<b>Effective date</b>
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.

<b>Standard, interpretation, amendments</b>	<b>Description</b>	<b>Effective date</b>
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:

**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;



**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 September 2022, the Company has total financial assets amounting to SR 2,797,391,893 (31 December 2021: SR 2,343,530,101) and insurance related assets amounting to SR 858,719,201 (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).

**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.



## Saudi Reinsurance Company (A Saudi Joint Stock Company)

### NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued) For the three month and nine month periods ended 30 September 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. The results for second dry-run were submitted to SAMA in June 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 has assessed the impact of the application and implementation of IFRS 17 and has completed the Design phase on 31 March 2021. This was followed by the implementation phase, which involved 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.

## Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and nine month periods ended 30 September 2022

#### 4. REINSURANCE PREMIUM RECEIVABLES, NET

<u>Reinsurance operations</u>	<b>30 September 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
Policyholders	<b>274,064,618</b>	244,929,293
Related parties	--	--
Less: provision for doubtful debts	<b>(3,234,451)</b>	(2,699,700)
	<b><u>270,830,167</u></b>	<b><u>242,229,593</u></b>

The movement in provision for doubtful debt is as follows:

	<b>30 September 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
Opening balance	<b>2,699,700</b>	2,545,849
Charge for the period / year	<b>534,751</b>	153,851
Closing balance	<b><u>3,234,451</u></b>	<b><u>2,699,700</u></b>

#### 5. CASH AND CASH EQUIVALENTS

	<b>Reinsurance operations</b>	
	<b>30 September 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
Cash in hand	<b>59,739</b>	52,781
Bank balances	<b>26,528,121</b>	21,815,318
<b>Total Bank balances and cash (A)</b>	<b><u>26,587,860</u></b>	<b><u>21,868,099</u></b>
	<b>Shareholders' operations</b>	
	<b>30 September 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
Bank balances (B)	<b>18,476,386</b>	5,939,195
<b>Total Bank balances and cash / Cash and cash equivalents for reinsurance operations and shareholders' operations (A+B)</b>	<b><u>45,064,246</u></b>	<b><u>27,807,294</u></b>

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 "BBB+" 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 September 2022 is SR 22,650,314 (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 nine month periods ended 30 September 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 September 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	74,607,041	21,694,940	96,301,981	343,047,268	61,287,382	404,334,650
Investment funds	--	19,518,972	19,518,972	--	145,093,747	145,093,747
Equities	--	43,227,109	43,227,109	--	41,318,244	41,318,244
Fixed-rate bonds/sukuk	84,415,472	79,935,973	164,351,445	97,377,992	115,459,963	212,837,955
	<b>159,022,513</b>	<b>164,376,994</b>	<b>323,399,507</b>	<b>440,425,260</b>	<b>363,159,336</b>	<b>803,584,596</b>

ii. Determination of fair value and fair values hierarchy:

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

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

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

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

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

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 September 2022 (Unaudited)				
<i>Reinsurance operations</i>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	74,607,041	--	74,607,041
Fixed-rate bonds / sukuk	84,415,472	--	--	84,415,472
	<b>84,415,472</b>	<b>74,607,041</b>	<b>--</b>	<b>159,022,513</b>
30 September 2022 (Unaudited)				
<i>Shareholders' Operations</i>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	21,694,940	--	21,694,940
Investment funds	19,518,972	--	--	19,518,972
Equities	43,227,109	--	--	43,227,109
Fixed-rate bonds / sukuk	65,262,230	--	14,673,743	79,935,973
	<b>128,008,311</b>	<b>21,694,940</b>	<b>14,673,743</b>	<b>164,376,994</b>
31 December 2021 (Audited)				
<i>Reinsurance operations</i>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	343,047,268	--	343,047,268
Fixed-rate bonds / sukuk	97,377,992	--	--	97,377,992
	<b>97,377,992</b>	<b>343,047,268</b>	<b>--</b>	<b>440,425,260</b>
31 December 2021 (Audited)				
<i>Shareholders' operations</i>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
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
	<b>137,807,146</b>	<b>184,490,693</b>	<b>40,861,497</b>	<b>363,159,336</b>

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and nine month periods ended 30 September 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 September 2022	40,861,497	--	(25,000,000)	--	(1,187,754)	14,673,743
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 September 2022 (Unaudited)	31 December 2021 (Audited)
Investments held at fair value through income statement	14,673,743	40,861,497
Impact on unrealized gain / loss for the period / year ended:		
If increased by 5% in market rate	(38,960)	(18,703)
If decreased by 5% in market rate	39,116	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 September 2022 and year ended 31 December 2021.

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

	30 September 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	32,297,495	131,963,852	164,261,347	477,229,171	364,733,096	841,962,267
Proceeds from disposal	(303,134,688)	(317,282,194)	(620,416,882)	(241,420,156)	(321,160,681)	(562,580,837)
Unrealized (losses) / gains	(12,075,250)	(16,960,834)	(29,036,084)	1,811,515	3,101,157	4,912,672
Realized gains	1,509,696	3,496,834	5,006,530	1,801,671	5,407,445	7,209,116
Closing balance	159,022,513	164,376,994	323,399,507	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 September 2022 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
Reinsurance operations			
Money market funds	74,607,041	--	74,607,041
Fixed-rate bonds/sukuk	84,415,472	--	84,415,472
	159,022,513	--	159,022,513



## Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and nine month periods ended 30 September 2022

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

30 September 2022 (Unaudited)			
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	21,694,940	--	21,694,940
Investment funds	19,518,972	--	19,518,972
Equities	43,227,109	--	43,227,109
Fixed-rate bonds/sukuk	65,262,230	14,673,743	79,935,973
	<b>149,703,251</b>	<b>14,673,743</b>	<b>164,376,994</b>
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
	<b>440,425,260</b>	<b>--</b>	<b>440,425,260</b>
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
	<b>322,297,839</b>	<b>40,861,497</b>	<b>363,159,336</b>

- 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 3.55% per annum and have average term of 4 years (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.

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and nine month periods ended 30 September 2022

### 10. HELD-TO-MATURITY INVESTMENTS

Held to maturity investments consist of the following as at:

	<i>Reinsurance Operations</i>	
	30 September 2022 (Unaudited) SR	31 December 2021 (Audited) SR
At the beginning of the period / year	25,000,000	--
Purchases	--	25,000,000
<b>Balance at the end of the period / year (A)</b>	<b>25,000,000</b>	<b>25,000,000</b>
	<i>Shareholders' Operations</i>	
	30 September 2022 (Unaudited) SR	31 December 2021 (Audited) SR
At the beginning of the period / year	273,022,312	184,022,721
Purchases	110,957,793	85,586,537
Maturities	(24,000,000)	--
Amortization of discount / premium, net	2,029,949	3,413,054
<b>Balance at the end of the period / year (B)</b>	<b>362,010,054</b>	<b>273,022,312</b>
<b>Total held to maturity investments (A+B)</b>	<b>387,010,054</b>	<b>298,022,312</b>

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

	<u>Domestic</u>		<u>International</u>		<u>Total</u>	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Reinsurance Fixed rate bond and sukuk	25,000,000	25,000,000	--	--	25,000,000	25,000,000
Shareholders' Fixed rate bond and sukuk	230,601,408	133,439,990	131,408,646	139,582,322	362,010,054	273,022,312
<b>Held to maturity</b>	<b>255,601,408</b>	<b>158,439,990</b>	<b>131,408,646</b>	<b>139,582,322</b>	<b>387,010,054</b>	<b>298,022,312</b>

The special commission rate on these sukuk and bonds ranges from 2.15% to 6.63% and will mature in 2030, latest. The total accrued interest on these sukuk and bonds amounted to SR 4.2 million (31 December 2021: SR 3.4 million).

Movements in held to maturity investments are as follows:

	<b>30 September 2022 (Unaudited)</b>		
	<b>Quoted SR</b>	<b>Unquoted SR</b>	<b>Total SR</b>
<i>Reinsurance operations</i>			
At the beginning of the year	--	25,000,000	25,000,000
Purchases	--	--	--
<b>Balance at the end of the year (A)</b>	<b>--</b>	<b>25,000,000</b>	<b>25,000,000</b>
<i>Shareholders' operations</i>			
At the beginning of the year	258,022,312	15,000,000	273,022,312
Purchases	110,957,793	--	110,957,793
Maturities	(24,000,000)	--	(24,000,000)
Amortization of discount, net	2,029,949	--	2,029,949
<b>Balance at the end of the year (B)</b>	<b>347,010,054</b>	<b>15,000,000</b>	<b>362,010,054</b>
<b>Total held to maturity investments (A+B)</b>	<b>347,010,054</b>	<b>40,000,000</b>	<b>387,010,054</b>



# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

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

<b>Reinsurance operations</b>	30 September 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	1,197,863,674	(389,668,012)	808,195,662
Premium earned	(751,957,224)	81,451,599	(670,505,625)
Changes in unearned premiums	445,906,450	(308,216,413)	137,690,037
Closing balance	1,094,775,939	(376,168,922)	718,607,017
	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 September 2022 (Unaudited) SR	31 December 2021 (Audited) SR
<b>Reinsurance operations</b>		
Outstanding claims	801,662,529	782,990,731
Claims incurred but not reported	532,571,905	427,396,736
	1,334,234,434	1,210,387,467
Less:		
- Retroceded share of outstanding claims	171,589,211	149,332,878
- Retroceded share of claims incurred but not reported	29,662,857	38,033,087
	201,252,068	187,365,965
<b>Net outstanding claims reserves</b>	<b>1,132,982,366</b>	<b>1,023,021,502</b>

## Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and nine month periods ended 30 September 2022

#### 13. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SR 891 million at 30 September 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 September 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 September 2022 (Unaudited)		31 December 2021 (Audited)	
	SR	%	SR	%
Saudi Shareholders	827,204,400	92.84%	834,243,300	93.63%
GCC Shareholders	29,848,500	3.35%	17,285,400	1.94%
<b>GCC Shareholders and general public</b>	<b>857,052,900</b>	<b>96.19%</b>	<b>851,528,700</b>	<b>95.57%</b>
Non-GCC Shareholders	33,947,100	3.81%	39,471,300	4.43%
<b>Total</b>	<b>891,000,000</b>	<b>100%</b>	<b>891,000,000</b>	<b>100%</b>



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

As of 30 September 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:

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>SR (Unaudited)</b>	<b>SR (Audited)</b>
Provision for zakat	<b>12,340,101</b>	14,955,365
Provision for tax	<b>307,675</b>	310,870
	<b>12,647,776</b>	15,266,235

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

	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>SR (Unaudited)</b>	<b>SR (Unaudited)</b>
Zakat charge for the period	<b>10,359,808</b>	10,305,618
Tax charge for the period	<b>20,311</b>	31,512
	<b>10,380,119</b>	10,337,130

The Company has recorded zakat and tax provision based on the circular No. 12746/16/1438H (18 January 2017) issued by the Zakat, Tax, and Customs Authority (ZATCA), in which Saudi public listed companies are to provide for tax and zakat based on the shareholding percentages of GCC and non-GCC founding shareholders. The shareholding percentages of GCC and non-GCC founding shareholders were 99.6% and 0.4% respectively as at 30 September 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 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 Tax Committee for Resolution of Tax Violations and Disputes (Level 1) against this additional amount. On 8<sup>th</sup> September 2022, the Tax Violations and Disputes Committee (Level 1) concluded its hearing with the Company and ZATCA by issuing its verbal ruling for which it has overturned the ZATCA's decision and ruled in favor of the Company. Following the issuance of the written ruling, the ZATCA will have 30 days to appeal to the Appellate Committee at the Appeal Committee for Tax Violations and Disputes (Level 2). The company also has the right to file a response to ZATCA's appeal.

**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 ZATCA's decision and ruled in favor of the Company. In September 2022, the Company received the written ruling from the GSZTCC. Following the issuance of the written ruling, the ZATCA submitted an appeal to the Appellate Committee for Tax Violations and Disputes at the GSZTCC (i.e., GSZTCC level 2) on 6 October 2022. The GSZTCC level 2 notified the Company about the appeal on 9 October 2022 and has set a deadline of 45 business days for the Company to submit a response. The Company is preparing its response to the ZATCA's appeal and will be submitted in due course.

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For the three month and nine month periods ended 30 September 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 nine-month period ended		Balance as at	
		30 September 2022	30 September 2021	30 September 2022	31 December 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		SR	SR	SR	SR
Board of Directors	- Consulting fees	107,306	122,273	--	--
	- Remunerations, meetings fees and expenses	2,388,979	3,762,255	1,878,749	2,779,999
Key management Personnel	- Short term benefits	9,456,844	9,028,429	2,055,311	2,218,808
	- End of service benefits	454,975	693,854	5,408,393	4,953,418
Associate	- Gross written premiums	124,630,946	192,380,888	291,983,891	237,471,914
	- Net premium earned	82,790,930	119,593,077	--	--
	- Net claims incurred	48,214,233	47,811,670	127,541,999	94,355,113
	- Policy acquisition cost	15,255,038	54,358,201	--	--
Companies represented by the Board members	- Unrealized loss on investments held at fair value	--	683,705	--	--

### 16. INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE

Shareholders' operations	30 September 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	19,353,915	18,657,921
Company's share of other comprehensive loss - Impact of foreign currency exchange for the period / year	(12,504,660)	(1,429,969)
Share of capital contribution of investment in equity accounted investee	--	4,631,344
Balance at the end of the period / year	148,849,628	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 nine month periods ended 30 September 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
<b>For the three-month period ended 30 September 2022 (Unaudited)</b>											
<b><u>REVENUES</u></b>											
Gross written premiums	21,142,613	59,545,738	13,496,512	32,208,212	8,557,104	9,779,472	(2,931,029)	(9,969,846)	120,191,508	25,739,255	277,759,539
Retroceded premiums	(1,353,150)	(5,038,406)	1,191	--	(4,454,395)	--	--	--	(116,380,244)	(192,221)	(127,417,225)
Excess of loss expenses	(1,935,971)	(4,710,599)	(533,174)	(2,994)	--	(68,527)	--	--	--	(2,602,655)	(9,853,920)
Net written premiums	17,853,492	49,796,733	12,964,529	32,205,218	4,102,709	9,710,945	(2,931,029)	(9,969,846)	3,811,264	22,944,379	140,488,394
Changes in unearned premiums, net	(1,246,431)	4,015,382	(1,171,307)	(2,050,207)	4,946,224	(3,336,363)	18,499,637	13,747,903	(3,811,264)	6,841,932	36,435,506
Net earned premiums	16,607,061	53,812,115	11,793,222	30,155,011	9,048,933	6,374,582	15,568,608	3,778,057	--	29,786,311	176,923,900
Retrocession commissions	499,444	1,092,324	(244)	--	293,569	(10,041)	--	--	428,530	440,070	2,743,652
<b>TOTAL REVENUES</b>	<b>17,106,505</b>	<b>54,904,439</b>	<b>11,792,978</b>	<b>30,155,011</b>	<b>9,342,502</b>	<b>6,364,541</b>	<b>15,568,608</b>	<b>3,778,057</b>	<b>428,530</b>	<b>30,226,381</b>	<b>179,667,552</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>											
Gross claims paid	(8,103,604)	(18,370,653)	(8,965,588)	(19,469,580)	(6,976,628)	(8,349,987)	(2,021,276)	--	--	(34,899,365)	(107,156,681)
Retroceded share of claims paid	11,639	73,605	(341)	--	2,763,986	--	--	--	--	22,065,463	24,914,352
Net claims paid	(8,091,965)	(18,297,048)	(8,965,929)	(19,469,580)	(4,212,642)	(8,349,987)	(2,021,276)	--	--	(12,833,902)	(82,242,329)
Changes in outstanding claims, net	(73,911)	(1,882,845)	(3,765,208)	102,074	(1,329,170)	3,226,558	1,031,395	--	--	8,329,274	5,638,167
Changes in Incurred but not reported claims, net	(1,813,674)	1,114,094	3,119,495	(4,348,950)	(1,457,850)	1,845,693	(12,701,806)	1,797,484	(5,717)	(4,163,979)	(16,615,210)
Net claims incurred	(9,979,550)	(19,065,799)	(9,611,642)	(23,716,456)	(6,999,662)	(3,277,736)	(13,691,687)	1,797,484	(5,717)	(8,668,607)	(93,219,372)
Policy acquisition costs and profit commissions	(6,354,630)	(17,121,744)	156,502	(3,455,638)	(2,780,144)	(1,187,197)	(573,071)	(732,572)	(505,502)	(4,808,579)	(37,362,575)
Other underwriting expenses	(103,496)	(319,455)	(61,626)	(150,790)	(73,841)	(32,208)	(77,843)	(18,890)	7,280	(171,542)	(1,002,411)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(16,437,676)</b>	<b>(36,506,998)</b>	<b>(9,516,766)</b>	<b>(27,322,884)</b>	<b>(9,853,647)</b>	<b>(4,497,141)</b>	<b>(14,342,601)</b>	<b>1,046,022</b>	<b>(503,939)</b>	<b>(13,648,728)</b>	<b>(131,584,358)</b>
<b>NET UNDERWRITING (LOSS) / INCOME</b>	<b>668,829</b>	<b>18,397,441</b>	<b>2,276,212</b>	<b>2,832,127</b>	<b>(511,145)</b>	<b>1,867,400</b>	<b>1,226,007</b>	<b>4,824,079</b>	<b>(75,409)</b>	<b>16,577,653</b>	<b>48,083,194</b>



**Saudi Reinsurance Company (A Saudi Joint Stock Company)**
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**
**For the three month and nine month periods ended 30 September 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 three-month period ended 30 September 2021 (Unaudited)											
<b>REVENUES</b>											
Gross written premiums	30,663,327	63,597,883	27,693,657	(172,484)	1,370,708	3,734,008	10,535	5,867,059	--	26,436,667	159,201,360
Retroceded premiums	(4,532,507)	(5,238,185)	(9,970,103)	--	1,138,512	--	--	--	--	(217,623)	(18,819,906)
Excess of loss expenses	(2,522,740)	(5,173,927)	(692,198)	43,406	(87,665)	(419,365)	--	--	--	(3,556,968)	(12,409,457)
Net written premiums	23,608,080	53,185,771	17,031,356	(129,078)	2,421,555	3,314,643	10,535	5,867,059	--	22,662,076	127,971,997
Changes in unearned premiums, net	(5,633,597)	1,898,654	1,854,852	22,845,151	5,259,289	11,696,720	30,610,466	33,231,469	--	13,082,663	115,565,667
Net earned premiums	17,974,483	55,084,425	18,886,208	22,716,073	7,680,844	15,011,363	30,621,001	39,098,528	--	36,464,739	243,537,664
Retrocession commissions	880,891	4,209,099	598,682	--	(158,412)	(5,333)	--	--	--	978,603	6,503,530
<b>TOTAL REVENUES</b>	18,855,374	59,293,524	19,484,890	22,716,073	7,522,432	15,006,030	30,621,001	39,098,528	--	37,443,342	250,041,194
<b>UNDERWRITING COSTS AND EXPENSES</b>											
Gross claims paid	(9,945,027)	(10,984,070)	(8,503,080)	(5,606,747)	(1,679,596)	(15,049,753)	(14,216,134)	--	--	(19,196,951)	(85,181,358)
Retroceded share of claims paid	219,744	1,042,150	224,185	743,208	(665,401)	--	--	--	--	6,289,269	7,853,155
Net claims paid	(9,725,283)	(9,941,920)	(8,278,895)	(4,863,539)	(2,344,997)	(15,049,753)	(14,216,134)	--	--	(12,907,682)	(77,328,203)
Changes in outstanding claims, net	794,305	(926,197)	(4,640,922)	(1,705,776)	(3,046,208)	(5,524,270)	12,022,701	--	--	(7,213,421)	(10,239,788)
Changes in Incurred but not reported claims, net	(12,150,918)	(25,002,338)	4,386,375	(7,984,367)	93,800	5,001,629	(25,586,301)	(14,574,110)	--	(2,016,979)	(77,833,209)
Net claims incurred	(21,081,896)	(35,870,455)	(8,533,442)	(14,553,682)	(5,297,405)	(15,572,394)	(27,779,734)	(14,574,110)	--	(22,138,082)	(165,401,200)
Policy acquisition costs and profit commissions	(6,959,563)	(19,102,601)	(6,298,223)	(3,910,281)	(2,005,072)	(406,931)	(409,953)	(21,764,669)	--	(7,996,810)	(68,854,103)
Other underwriting expenses	(54,049)	(280,065)	(173,368)	(146,212)	(78,365)	(87,897)	(160,926)	(195,493)	--	(112,732)	(1,289,107)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	(28,095,508)	(55,253,121)	(15,005,033)	(18,610,175)	(7,380,842)	(16,067,222)	(28,350,613)	(36,534,271)	--	(30,247,625)	(235,544,410)
<b>NET UNDERWRITING INCOME / (LOSS)</b>	(9,240,134)	4,040,403	4,479,857	4,105,898	141,590	(1,061,192)	2,270,388	2,564,257	--	7,195,717	14,496,784

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 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
<b>For the nine-month period ended 30 September 2022 (Unaudited)</b>											
<b><u>REVENUES</u></b>											
Gross written premiums	80,934,170	270,739,271	51,007,854	93,264,921	42,696,205	18,852,372	40,868,143	124,630,946	343,165,520	131,704,272	1,197,863,674
Retroceded premiums	(10,281,007)	(18,572,166)	1,304	--	(3,460,244)	--	--	--	(332,085,303)	(873,812)	(365,271,228)
Excess of loss expenses	(4,393,386)	(11,200,867)	(1,056,123)	(3,964)	(229,163)	(401,955)	--	--	--	(7,111,326)	(24,396,784)
Net written premiums	66,259,777	240,966,238	49,953,035	93,260,957	39,006,798	18,450,417	40,868,143	124,630,946	11,080,217	123,719,134	808,195,662
Changes in unearned premiums, net	(10,471,400)	(55,772,051)	(9,116,540)	(14,569,376)	(10,088,599)	(908,288)	43,545,075	(41,840,016)	(11,080,173)	(27,388,669)	(137,690,037)
Net earned premiums	55,788,377	185,194,187	40,836,495	78,691,581	28,918,199	17,542,129	84,413,218	82,790,930	44	96,330,465	670,505,625
Retrocession commissions	1,152,350	3,132,606	233,759	--	963,302	(13,953)	--	--	674,900	2,910,034	9,052,998
<b><u>TOTAL REVENUES</u></b>	<b>56,940,727</b>	<b>188,326,793</b>	<b>41,070,254</b>	<b>78,691,581</b>	<b>29,881,501</b>	<b>17,528,176</b>	<b>84,413,218</b>	<b>82,790,930</b>	<b>674,944</b>	<b>99,240,499</b>	<b>679,558,623</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>											
Gross claims paid	(25,525,327)	(75,312,299)	(63,954,465)	(34,506,137)	(24,980,230)	(36,566,454)	(25,949,861)	(31,418,660)	--	(61,759,397)	(379,972,830)
Retroceded share of claims paid	729,628	1,145,203	37,002,784	--	10,272,826	20,521	--	--	--	23,097,589	72,268,551
Net claims paid	(24,795,699)	(74,167,096)	(26,951,681)	(34,506,137)	(14,707,404)	(36,545,933)	(25,949,861)	(31,418,660)	--	(38,661,808)	(307,704,279)
Changes in outstanding claims, net	5,325,587	(20,245,144)	811,481	4,355,189	(2,832,641)	12,224,561	(2,927,507)	--	--	6,873,008	3,584,534
Changes in Incurred but not reported claims, net	(2,356,102)	(13,317,500)	(1,871,749)	(26,000,955)	1,056,966	7,397,061	(47,248,060)	(16,795,574)	(5,788)	(14,403,698)	(113,545,399)
Net claims incurred	(21,826,214)	(107,729,740)	(28,011,949)	(56,151,903)	(16,483,079)	(16,924,311)	(76,125,428)	(48,214,234)	(5,788)	(46,192,498)	(417,665,144)
Policy acquisition costs and profit commissions	(20,099,105)	(57,480,364)	(9,198,241)	(8,913,772)	(10,098,816)	(2,366,540)	(2,828,236)	(15,741,692)	(583,526)	(21,428,107)	(148,738,399)
Other underwriting expenses	(314,909)	(1,058,475)	(248,345)	(393,478)	(199,671)	(89,704)	(422,066)	(380,993)	7,280	(594,377)	(3,694,739)
<b><u>TOTAL UNDERWRITING COSTS AND EXPENSES</u></b>	<b>(42,240,228)</b>	<b>(166,268,579)</b>	<b>(37,458,536)</b>	<b>(65,459,153)</b>	<b>(26,781,566)</b>	<b>(19,380,555)</b>	<b>(79,375,730)</b>	<b>(64,336,919)</b>	<b>(582,034)</b>	<b>(68,214,982)</b>	<b>(570,098,282)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>14,700,499</b>	<b>22,058,214</b>	<b>3,611,718</b>	<b>13,232,428</b>	<b>3,099,935</b>	<b>(1,852,379)</b>	<b>5,037,488</b>	<b>18,454,011</b>	<b>92,910</b>	<b>31,025,517</b>	<b>109,460,341</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

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



**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 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
<b>As at 30 September 2022 (Unaudited)</b>													
<b>ASSETS</b>													
Cash and cash equivalents	--	--	--	--	--	--	--	--	--	--	26,587,860	18,476,386	45,064,246
Time deposits	--	--	--	--	--	--	--	--	--	--	461,780,732	259,777,757	721,558,489
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	--	1,563,001	2,793,919	4,356,920
Reinsurance premium receivables, net	43,093,765	101,292,951	30,104,567	24,047,253	17,477,163	6,736,015	9,901,809	128,264	-	92,510,302	(54,461,922)	--	270,830,167
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	--	159,022,513	164,376,994	323,399,507
Accrued special commission income from bonds and sukuk and held to maturity investments	--	--	--	--	--	--	--	--	--	--	190,551	5,332,456	5,523,007
Accrued reinsurance premiums	106,768,741	155,379,386	36,196,578	89,832,084	16,412,044	8,783,865	39,540,552	291,983,891	285,549,544	60,139,718	--	--	1,090,586,403
Retrocession balances receivable	--	--	--	--	--	--	--	--	--	--	16,484,313	--	16,484,313
Retroceded share of unearned premiums	32,583,094	10,916,617	(6,952)	--	474,357	--	--	--	331,822,814	378,992	--	--	376,168,922
Deferred excess of loss premiums	5,300,255	8,722,372	1,364,583	--	--	205,500	--	--	--	6,535,038	--	--	22,127,748
Retroceded share of outstanding claims	4,414,724	95,268,498	13,363,841	11,407	1,923,362	--	--	--	--	56,607,379	--	--	171,589,211
Retroceded share of claims incurred but not reported	4,068,870	6,183,972	3,949,326	97,810	7,507,762	--	--	--	169,652	7,685,465	--	--	29,662,857
Deferred policy acquisition costs	37,165,805	52,955,516	11,348,847	5,425,096	7,465,443	2,016,947	934,573	75,582,687	57,448,083	8,827,466	--	--	259,170,463
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	25,000,000	362,010,054	387,010,054
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	--	45,799,905	38,221,913	84,021,818
Property and equipment, net	--	--	--	--	--	--	--	--	--	--	10,197,319	28,083,729	38,281,048
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	--	148,849,628	148,849,628
Statutory deposit	--	--	--	--	--	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	--	22,650,314	22,650,314
<b>TOTAL ASSETS</b>	<b>233,395,254</b>	<b>430,719,312</b>	<b>96,320,790</b>	<b>119,413,650</b>	<b>51,260,131</b>	<b>17,742,327</b>	<b>50,376,934</b>	<b>367,694,842</b>	<b>674,990,093</b>	<b>232,684,360</b>	<b>692,164,272</b>	<b>1,139,673,150</b>	<b>4,106,435,115</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 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
<b>As at 30 September 2022</b>													
<b>(Unaudited)</b>													
<b>LIABILITIES</b>													
Accounts payable	539,566	2,930,595	62,922	(2,487,401)	56,597	2,706,049	--	--	--	(6,207,154)	32,117,687	--	29,718,861
Margin loan payable	--	--	--	--	--	--	--	--	--	--	--	56,797,019	56,797,019
Retrocession balances payable	--	--	--	--	--	--	--	--	--	--	97,426,065	--	97,426,065
Accrued retroceded premiums	15,337,796	12,218,096	471,191	12,142	20,157	--	--	--	257,938,237	6,266,996	--	--	292,264,615
Unearned premiums	149,126,629	193,784,186	37,407,416	59,132,439	29,816,113	8,105,243	18,081,511	200,638,327	342,946,645	55,737,430	--	--	1,094,775,939
Outstanding claims	75,816,560	358,978,768	60,121,537	60,612,667	43,595,706	21,975,820	15,073,277	--	--	165,488,194	--	--	801,662,529
Claims incurred but not reported	33,213,424	73,766,516	23,709,890	87,802,057	21,746,936	23,917,123	85,607,464	127,541,999	175,369	55,091,127	--	--	532,571,905
Unearned retrocession commission	11,021,445	3,205,760	56,747	--	--	--	--	--	72,327,636	146,034	--	--	86,796,672
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	--	53,392,402	3,469,038	56,861,440
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	--	13,317,002	--	13,317,002
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	--	12,647,776	12,647,776
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	--	22,650,314	22,650,314
<b>TOTAL LIABILITIES</b>	<b>285,055,420</b>	<b>644,883,921</b>	<b>121,829,703</b>	<b>205,071,904</b>	<b>95,241,872</b>	<b>56,736,922</b>	<b>118,762,252</b>	<b>328,180,326</b>	<b>673,387,887</b>	<b>276,522,627</b>	<b>196,253,156</b>	<b>95,564,147</b>	<b>3,097,490,137</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**
**For the three month and nine month periods ended 30 September 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													
<b>ASSETS</b>													
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
<b>TOTAL ASSETS</b>	<b>224,217,616</b>	<b>305,975,258</b>	<b>167,642,423</b>	<b>77,439,788</b>	<b>66,524,381</b>	<b>17,111,528</b>	<b>49,779,260</b>	<b>301,241,699</b>	<b>--</b>	<b>220,255,235</b>	<b>568,670,438</b>	<b>1,118,611,282</b>	<b>3,117,468,908</b>



**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 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)													
<b>LIABILITIES</b>													
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
<b>TOTAL LIABILITIES</b>	<b>269,757,563</b>	<b>492,908,672</b>	<b>172,621,129</b>	<b>171,923,832</b>	<b>100,901,973</b>	<b>71,718,365</b>	<b>115,969,460</b>	<b>269,544,737</b>	<b>--</b>	<b>243,708,140</b>	<b>133,441,701</b>	<b>97,427,604</b>	<b>2,139,923,176</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 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 September 2022 (Unaudited)						
Reinsurance operations' results						
<b>REVENUES</b>						
Gross written premiums	214,646,621	39,685,658	(701,571)	34,214,102	(10,085,271)	277,759,539
Retroceded premiums	(127,845,931)	19,482	1,568	407,656	--	(127,417,225)
Excess of loss expenses	(6,112,046)	(1,304,232)	(60,479)	(2,377,711)	548	(9,853,920)
Net written premiums	80,688,644	38,400,908	(760,482)	32,244,047	(10,084,723)	140,488,394
Changes in unearned premiums, net	(8,555,522)	(12,162,327)	(2,731,372)	46,148,778	13,735,949	36,435,506
Net earned premiums	72,133,122	26,238,581	(3,491,854)	78,392,825	3,651,226	176,923,900
Retrocession commissions	2,640,394	(488)	(14)	103,760	--	2,743,652
<b>TOTAL REVENUES</b>	<b>74,773,516</b>	<b>26,238,093</b>	<b>(3,491,868)</b>	<b>78,496,585</b>	<b>3,651,226</b>	<b>179,667,552</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(50,454,494)	(15,299,941)	305,858	(41,223,059)	(485,045)	(107,156,681)
Retroceded share of claims paid	22,145,260	4,925	180	2,763,987	--	24,914,352
Net claims paid	(28,309,234)	(15,295,016)	306,038	(38,459,072)	(485,045)	(82,242,329)
Changes in outstanding claims, net	4,079,963	(7,283,789)	1,086,057	7,101,398	654,538	5,638,167
Changes in Incurred but not reported claims, net	(20,839,968)	1,357,486	313,955	787,692	1,765,625	(16,615,210)
Net claims incurred	(45,069,239)	(21,221,319)	1,706,050	(30,569,982)	1,935,118	(93,219,372)
Policy acquisition costs and profit commissions	(14,417,826)	(5,206,961)	777,915	(17,802,899)	(712,804)	(37,362,575)
Other underwriting expenses	(457,088)	(131,894)	17,010	(412,157)	(18,282)	(1,002,411)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(59,944,153)</b>	<b>(26,560,174)</b>	<b>2,500,975</b>	<b>(48,785,038)</b>	<b>1,204,032</b>	<b>(131,584,358)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>14,829,363</b>	<b>(322,081)</b>	<b>(990,893)</b>	<b>29,711,547</b>	<b>4,855,258</b>	<b>48,083,194</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**
**For the three month and nine month periods ended 30 September 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 September 2021 (Unaudited)						
Reinsurance operations' results						
<b>REVENUES</b>						
Gross written premiums	74,038,810	32,988,347	6,355,059	39,852,024	5,967,120	159,201,360
Retroceded premiums	(19,949,457)	1,735	--	1,127,816	--	(18,819,906)
Excess of loss expenses	(4,887,150)	(1,111,123)	(501,853)	(5,865,027)	(44,304)	(12,409,457)
Net written premiums	49,202,203	31,878,959	5,853,206	35,114,813	5,922,816	127,971,997
Changes in unearned premiums, net	34,387,259	(3,793,558)	4,278,623	47,118,758	33,574,585	115,565,667
Net earned premiums	83,589,462	28,085,401	10,131,829	82,233,571	39,497,401	243,537,664
Retrocession commissions	6,485,295	39,974	11,344	(32,411)	(672)	6,503,530
<b>TOTAL REVENUES</b>	<b>90,074,757</b>	<b>28,125,375</b>	<b>10,143,173</b>	<b>82,201,160</b>	<b>39,496,729</b>	<b>250,041,194</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(36,943,446)	(16,023,930)	(8,161,485)	(24,052,497)	--	(85,181,358)
Retroceded share of claims paid	6,699,055	1,077,055	--	77,045	--	7,853,155
Net claims paid	(30,244,391)	(14,946,875)	(8,161,485)	(23,975,452)	--	(77,328,203)
Changes in outstanding claims, net	8,236,147	166,769	(1,242,053)	(17,391,216)	(9,435)	(10,239,788)
Changes in Incurred but not reported claims, net	(30,876,532)	(3,791,325)	(872,544)	(27,390,394)	(14,902,414)	(77,833,209)
Net claims incurred	52,884,776	(18,571,431)	(10,276,082)	(68,757,062)	(14,911,849)	(165,401,200)
Policy acquisition costs and profit commissions	(13,164,843)	(8,327,215)	(3,128,296)	(22,389,267)	(21,844,482)	(68,854,103)
Other underwriting expenses	(436,377)	(143,613)	(52,882)	(458,527)	(197,708)	(1,289,107)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(66,485,996)</b>	<b>(27,042,259)</b>	<b>(13,457,260)</b>	<b>(91,604,856)</b>	<b>(36,954,039)</b>	<b>(235,544,410)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>23,588,761</b>	<b>1,083,116</b>	<b>(3,314,087)</b>	<b>(9,403,696)</b>	<b>2,542,690</b>	<b>14,496,784</b>



**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 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 nine month periods ended 30 September 2022 (Unaudited)						
<b>Reinsurance operations' results</b>						
<b><u>REVENUES</u></b>						
Gross written premiums	657,691,375	127,631,039	41,007,689	246,815,279	124,718,292	1,197,863,674
Retroceded premiums	(366,693,940)	23,034	1,788	1,397,890	--	(365,271,228)
Excess of loss expenses	(12,120,158)	(3,323,173)	(1,942,671)	(7,000,945)	(9,837)	(24,396,784)
Net written premiums	278,877,277	124,330,900	39,066,806	241,212,224	124,708,455	808,195,662
Changes in unearned premiums, net	(27,337,045)	(34,447,293)	(7,725,923)	(26,383,923)	(41,795,853)	(137,690,037)
Net earned premiums	251,540,232	89,883,607	31,340,883	214,828,301	82,912,602	670,505,625
Retrocession commissions	8,317,197	(867)	(14)	736,682	--	9,052,998
<b><u>TOTAL REVENUES</u></b>	<b>259,857,429</b>	<b>89,882,740</b>	<b>31,340,869</b>	<b>215,564,983</b>	<b>82,912,602</b>	<b>679,558,623</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>						
Gross claims paid	(153,158,639)	(47,038,892)	(17,574,385)	(130,297,208)	(31,903,706)	(379,972,830)
Retroceded share of claims paid	61,537,179	610,712	180	10,120,480	--	72,268,551
Net claims paid	(91,621,460)	(46,428,180)	(17,574,205)	(120,176,728)	(31,903,706)	(307,704,279)
Changes in outstanding claims, net	3,429,377	11,301,793	3,510,043	(15,574,015)	917,336	3,584,534
Changes in Incurred but not reported claims, net	(76,593,234)	(11,303,302)	(7,025,851)	(1,802,653)	(16,820,359)	(113,545,399)
Net claims incurred	(164,785,317)	(46,429,689)	(21,090,013)	(137,553,396)	(47,806,729)	(417,665,144)
Policy acquisition costs and profit commissions	(46,576,026)	(22,331,439)	(8,997,094)	(55,075,917)	(15,757,923)	(148,738,399)
Other underwriting expenses	(1,549,152)	(472,092)	(165,752)	(1,126,093)	(381,650)	(3,694,739)
<b><u>TOTAL UNDERWRITING COSTS AND EXPENSES</u></b>	<b>(212,910,495)</b>	<b>(69,233,220)</b>	<b>(30,252,859)</b>	<b>(193,755,406)</b>	<b>(63,946,302)</b>	<b>(570,098,282)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>46,946,934</b>	<b>20,649,520</b>	<b>1,088,010</b>	<b>21,809,577</b>	<b>18,966,300</b>	<b>109,460,341</b>

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

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**
**For the three month and nine month periods ended 30 September 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
<b>As at 30 September 2022</b>								
<b>(Unaudited)</b>								
<b><u>ASSETS</u></b>								
Cash and cash equivalents	22,092,037	--	--	4,495,823	--	--	18,476,386	45,064,246
Time deposits	461,780,732	--	--	--	--	--	259,777,757	721,558,489
Accrued special commission income from time deposits	1,563,001	--	--	--	--	--	2,793,919	4,356,920
Reinsurance premium receivables, net	70,160,389	47,232,455	41,885,778	37,492,218	(1,708,163)	75,767,490	-	270,830,167
Investments held at fair value through income statement	74,607,041	--	--	--	84,415,472	--	164,376,994	323,399,507
Accrued special commission income from bonds, sukuk and held-to-maturity investments	190,551	--	--	--	--	--	5,332,456	5,523,007
Accrued reinsurance premiums	552,152,947	73,944,333	25,606,953	145,822,860	293,059,310	--	--	1,090,586,403
Retrocession balances receivable	--	--	--	--	--	16,484,313	--	16,484,313
Retroceded share of unearned premiums	375,785,505	2,777	1,386	379,254	--	--	--	376,168,922
Deferred excess of loss premiums	4,589,888	4,280,789	1,553,465	11,703,606	--	--	--	22,127,748
Retroceded share of outstanding claims	104,843,814	53,653,918	7,632,333	5,459,146	--	--	--	171,589,211
Retroceded share of claims incurred but not reported	21,046,364	413,721	146,331	8,056,441	--	--	--	29,662,857
Deferred policy acquisition costs	112,698,233	24,254,570	7,792,327	38,819,320	75,606,013	--	--	259,170,463
Held-to-maturity investments	25,000,000	--	--	--	--	--	362,010,054	387,010,054
Prepaid expenses, deposits and other assets	45,799,905	--	--	--	--	--	38,221,913	84,021,818
Property and equipment, net	9,377,778	--	--	819,541	--	--	28,083,729	38,281,048
Investment in an equity accounted investee	--	--	--	--	--	--	148,849,628	148,849,628
Statutory deposit	--	--	--	--	--	--	89,100,000	89,100,000
Accrued income on statutory deposit	--	--	--	--	--	--	22,650,314	22,650,314
<b>TOTAL ASSETS</b>	<b>1,881,688,185</b>	<b>203,782,563</b>	<b>84,618,573</b>	<b>253,048,209</b>	<b>451,372,632</b>	<b>92,251,803</b>	<b>1,139,673,150</b>	<b>4,106,435,115</b>
<b><u>LIABILITIES</u></b>								
Accounts payable	212,348	--	--	--	--	29,506,513	--	29,718,861
Margin loan payable	--	--	--	--	--	--	56,797,019	56,797,019
Retrocession balances payable	--	--	--	--	--	97,426,065	--	97,426,065
Accrued retroceded premiums	271,772,961	904,142	424,670	2,935,832	57,305	16,169,705	--	292,264,615
Unearned premiums	612,728,442	91,767,496	26,302,207	163,226,498	200,751,296	--	--	1,094,775,939
Outstanding claims	278,694,491	176,335,938	28,577,771	314,318,700	3,735,629	--	--	801,662,529
Claims incurred but not reported	218,948,861	45,598,229	17,835,082	122,066,607	128,123,126	--	--	532,571,905
Unearned retrocession commission	77,453,823	12,510	291	--	--	9,330,048	--	86,796,672
Accrued expenses and other liabilities	--	--	--	--	--	53,392,402	3,469,038	56,861,440
Employees' end of service benefits	13,317,002	--	--	--	--	--	--	13,317,002
Provision for zakat and tax	--	--	--	--	--	--	12,647,776	12,647,776
Accrued commission income payable to SAMA	--	--	--	--	--	--	22,650,314	22,650,314
<b>TOTAL LIABILITIES</b>	<b>1,473,127,928</b>	<b>314,618,315</b>	<b>73,140,021</b>	<b>602,547,637</b>	<b>332,667,356</b>	<b>205,824,733</b>	<b>95,564,147</b>	<b>3,097,490,137</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)**
**For the three month and nine month periods ended 30 September 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								
<b>ASSETS</b>								
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
<b>TOTAL ASSETS</b>	<b>1,040,654,377</b>	<b>172,411,437</b>	<b>72,097,694</b>	<b>280,499,664</b>	<b>397,877,934</b>	<b>35,316,520</b>	<b>1,118,611,282</b>	<b>3,117,468,908</b>
<b>LIABILITIES</b>								
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
<b>TOTAL LIABILITIES</b>	<b>731,148,039</b>	<b>289,198,268</b>	<b>66,318,446</b>	<b>578,109,645</b>	<b>274,996,895</b>	<b>102,724,279</b>	<b>97,427,604</b>	<b>2,139,923,176</b>



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

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>ASSETS</b>						
Cash and cash equivalents	26,587,860	18,476,386	45,064,246	21,868,099	5,939,195	27,807,294
Time deposits	461,780,732	259,777,757	721,558,489	94,818,411	148,563,674	243,382,085
Accrued special commission income from time deposits	1,563,001	2,793,919	4,356,920	310,793	1,999,309	2,310,102
Reinsurance premium receivables, net	270,830,167	--	270,830,167	242,229,593	--	242,229,593
Investments held at fair value through income statement	159,022,513	164,376,994	323,399,507	440,425,260	363,159,336	803,584,596
Accrued special commission income from bonds, and sukuk	190,551	5,332,456	5,523,007	38,656	6,771,817	6,810,473
Accrued reinsurance premiums	1,090,586,403	--	1,090,586,403	680,469,900	--	680,469,900
Retrocession balances receivable	16,484,313	--	16,484,313	13,063,654	--	13,063,654
Retroceded share of unearned premiums	376,168,922	--	376,168,922	67,952,509	--	67,952,509
Deferred excess of loss premiums	22,127,748	--	22,127,748	12,049,562	--	12,049,562
Retroceded share of outstanding claims	171,589,211	--	171,589,211	149,332,878	--	149,332,878
Retroceded share of claims incurred but not reported	29,662,857	--	29,662,857	38,033,087	--	38,033,087
Deferred policy acquisition costs	259,170,463	--	259,170,463	168,598,147	--	168,598,147
Held-to-maturity investments	25,000,000	362,010,054	387,010,054	25,000,000	273,022,312	298,022,312
Prepaid expenses, deposits and other assets	45,799,905	38,221,913	84,021,818	36,197,619	38,406,725	74,604,344
Property and equipment, net	10,197,319	28,083,729	38,281,048	8,469,458	28,686,369	37,155,827
Investment in an equity accounted investee	--	148,849,628	148,849,628	--	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	--	22,650,314	22,650,314	--	20,962,172	20,962,172
Due from shareholders' operations*	49,826,422	--	49,826,422	53,698,938	--	53,698,938
<b>TOTAL ASSETS</b>	<b>3,016,588,387</b>	<b>1,139,673,150</b>	<b>4,156,261,537</b>	<b>2,052,556,564</b>	<b>1,118,611,282</b>	<b>3,171,167,846</b>
<b>LIABILITIES</b>						
Accounts payable	29,718,861	--	29,718,861	44,041,910	--	44,041,910
Margin loan payable	--	56,797,019	56,797,019	--	56,797,019	56,797,019
Retrocession balances payable	97,426,065	--	97,426,065	48,771,678	--	48,771,678
Accrued retroceded premiums	292,264,615	--	292,264,615	35,491,960	--	35,491,960
Unearned premiums	1,094,775,939	--	1,094,775,939	648,869,489	--	648,869,489
Outstanding claims	801,662,529	--	801,662,529	782,990,731	--	782,990,731
Claims incurred but not reported	532,571,905	--	532,571,905	427,396,736	--	427,396,736
Unearned retrocession commission	86,796,672	--	86,796,672	17,149,629	--	17,149,629
Accrued expenses and other liabilities	53,392,402	3,469,038	56,861,440	25,495,048	4,402,178	29,897,226
Employees' end of service benefits	13,317,002	--	13,317,002	12,288,391	--	12,288,391
Provision for zakat and tax	--	12,647,776	12,647,776	--	15,266,235	15,266,235
Accrued commission income payable to SAMA	--	22,650,314	22,650,314	--	20,962,172	20,962,172
Accumulated surplus	18,150,980	--	18,150,980	13,549,575	--	13,549,575
Due to reinsurance operations*	--	49,826,422	49,826,422	--	53,698,938	53,698,938
<b>TOTAL LIABILITIES</b>	<b>3,020,076,970</b>	<b>145,390,569</b>	<b>3,165,467,539</b>	<b>2,056,045,147</b>	<b>151,126,542</b>	<b>2,207,171,689</b>
<b>EQUITY</b>						
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	--	74,797,683	74,797,683	--	35,495,182	35,495,182
Other reserves	(3,488,583)	(6,264,657)	(9,753,240)	(3,488,583)	6,240,003	2,751,420
<b>TOTAL EQUITY</b>	<b>(3,488,583)</b>	<b>994,282,581</b>	<b>990,793,998</b>	<b>(3,488,583)</b>	<b>967,484,740</b>	<b>963,996,157</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,016,588,387</b>	<b>1,139,673,150</b>	<b>4,156,261,537</b>	<b>2,052,556,564</b>	<b>1,118,611,282</b>	<b>3,171,167,846</b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 2022**

**18. SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of income**

	For the nine months period ended 30 September 2022 (Unaudited)			For the nine months period ended 30 September 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross written premiums	1,197,863,674	--	1,197,863,674	1,114,291,954	--	1,114,291,954
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(365,271,228)	--	(365,271,228)	(91,412,235)	--	(91,412,235)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(24,396,784)	--	(24,396,784)	(26,308,676)	--	(26,308,676)
<b>Net written premiums</b>	<b>808,195,662</b>	<b>--</b>	<b>808,195,662</b>	<b>996,571,043</b>	<b>--</b>	<b>996,571,043</b>
Changes in unearned premiums, net	(137,690,037)	--	(137,690,037)	(362,836,534)	--	(362,836,534)
<b>Net earned premiums</b>	<b>670,505,625</b>	<b>--</b>	<b>670,505,625</b>	<b>633,734,509</b>	<b>--</b>	<b>633,734,509</b>
Retrocession commissions	9,052,998	--	9,052,998	14,216,748	--	14,216,748
<b>TOTAL REVENUES</b>	<b>679,558,623</b>	<b>--</b>	<b>679,558,623</b>	<b>647,951,257</b>	<b>--</b>	<b>647,951,257</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(379,972,830)	--	(379,972,830)	(338,183,117)	--	(338,183,117)
Retroceded share of claims paid	72,268,551	--	72,268,551	52,824,303	--	52,824,303
<b>Net claims paid</b>	<b>(307,704,279)</b>	<b>--</b>	<b>(307,704,279)</b>	<b>(285,358,814)</b>	<b>--</b>	<b>(285,358,814)</b>
Changes in outstanding claims, net	3,584,534	--	3,584,534	(42,550,780)	--	(42,550,780)
Changes in Incurred but not reported claims, net	(113,545,399)	--	(113,545,399)	(90,859,656)	--	(90,859,656)
<b>Net claims incurred</b>	<b>(417,665,144)</b>	<b>--</b>	<b>(417,665,144)</b>	<b>(418,769,250)</b>	<b>--</b>	<b>(418,769,250)</b>
Policy acquisition costs and profit commissions	(148,738,399)	--	(148,738,399)	(164,490,877)	--	(164,490,877)
Other underwriting expenses	(3,694,739)	--	(3,694,739)	(3,578,332)	--	(3,578,332)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(570,098,282)</b>	<b>--</b>	<b>(570,098,282)</b>	<b>(586,838,459)</b>	<b>--</b>	<b>(586,838,459)</b>
<b>NET UNDERWRITING INCOME</b>	<b>109,460,341</b>	<b>--</b>	<b>109,460,341</b>	<b>61,112,798</b>	<b>--</b>	<b>61,112,798</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Special commission income from time deposits	5,470,051	4,707,439	10,177,490	476,998	3,660,972	4,137,970
Realized gains on investments held at fair value through income statement	1,509,696	3,496,834	5,006,530	649,616	2,371,515	3,021,131
Unrealized (losses) / gains on investments held at fair value through income statement	(12,075,250)	(16,960,834)	(29,036,084)	1,687,976	(161,353)	1,526,623
Special commission income from bonds and sukuk	1,998,553	12,563,043	14,561,596	--	10,736,755	10,736,755
Special commission expense from margin loan payable	--	(808,296)	(808,296)	--	(262,480)	(262,480)
Dividend income	--	1,824,891	1,824,891	--	1,145,249	1,145,249
Share of profit of equity accounted investee	--	19,353,915	19,353,915	--	17,360,887	17,360,887
Investment management expenses	(347,497)	(2,628,910)	(2,976,407)	(214,153)	(1,027,371)	(1,241,524)
<b>Net investment income</b>	<b>(3,444,447)</b>	<b>21,548,082</b>	<b>18,103,635</b>	<b>2,600,437</b>	<b>33,824,174</b>	<b>36,424,611</b>
Other income	417,841	19,645	437,486	832,168	108,985	941,153
Charge for doubtful debt	(534,751)	--	(534,751)	(142,864)	--	(142,864)
General and administrative expenses	(46,049,123)	(10,908,775)	(56,957,898)	(35,487,497)	(5,496,492)	(40,983,989)
Board of directors' remunerations, meetings fees and expenses	--	(2,388,979)	(2,388,979)	--	(3,762,225)	(3,762,225)
Foreign exchange translation (losses) / gains	(13,835,809)	--	(13,835,809)	(3,168,348)	50,274	(3,118,074)
<b>Total income / (loss) for the period before zakat and tax</b>	<b>46,014,052</b>	<b>8,269,973</b>	<b>54,284,025</b>	<b>25,746,694</b>	<b>24,724,716</b>	<b>50,471,410</b>
<b>Transfer of surplus to shareholders' operations</b>	<b>(41,412,647)</b>	<b>41,412,647</b>	<b>--</b>	<b>(23,172,025)</b>	<b>23,172,025</b>	<b>--</b>
<b>Net income for the period before zakat and tax</b>	<b>4,601,405</b>	<b>49,682,620</b>	<b>54,284,025</b>	<b>2,574,669</b>	<b>47,896,741</b>	<b>50,471,410</b>
<b>Zakat and tax charge for the period</b>	<b>--</b>	<b>(10,380,119)</b>	<b>(10,380,119)</b>	<b>--</b>	<b>(10,337,130)</b>	<b>(10,337,130)</b>
<b>Net income for the period after zakat and tax</b>	<b>4,601,405</b>	<b>39,302,501</b>	<b>43,903,906</b>	<b>2,574,669</b>	<b>37,559,611</b>	<b>40,134,280</b>

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

	For the nine-month period ended 30 September 2022 (Unaudited)			For the nine-month period ended 30 September 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	4,601,405	39,302,501	43,903,906	2,574,669	37,559,611	40,134,280
<i>Other comprehensive loss</i>						
<i>Items that may be classified to income statement subsequently</i>						
Share of foreign currency translation reserve an equity accounted investee	--	(12,504,660)	(12,504,660)	--	(987,927)	(987,927)
<b>Total comprehensive income for the period</b>	<b>4,601,405</b>	<b>26,797,841</b>	<b>31,399,246</b>	<b>2,574,699</b>	<b>36,571,684</b>	<b>39,146,353</b>

**Reconciliation:**

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

**Total comprehensive income for the period**

<b>(4,601,405)</b>	<b>(2,574,699)</b>
<b><u>26,797,841</u></b>	<b><u>36,571,684</u></b>

**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 2022**

**18. SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of income**

	For the three month period ended 30 September 2022 (Unaudited)			For the three month period ended 30 September 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross written premiums	277,759,539	--	277,759,539	159,201,360	--	159,201,360
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(127,417,225)	--	(127,417,225)	(18,819,906)	--	(18,819,906)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(9,853,920)	--	(9,853,920)	(12,409,457)	--	(12,409,457)
<b>Net written premiums</b>	<b>140,488,394</b>	<b>--</b>	<b>140,488,394</b>	<b>127,971,997</b>	<b>--</b>	<b>127,971,997</b>
Changes in unearned premiums, net	36,435,506	--	36,435,506	115,565,667	--	115,565,667
<b>Net earned premiums</b>	<b>176,923,900</b>	<b>--</b>	<b>176,923,900</b>	<b>243,537,664</b>	<b>--</b>	<b>243,537,664</b>
Retrocession commissions	2,743,652	--	2,743,652	6,503,530	--	6,503,530
<b>TOTAL REVENUES</b>	<b>179,667,552</b>	<b>--</b>	<b>179,667,552</b>	<b>250,041,194</b>	<b>--</b>	<b>250,041,194</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(107,156,681)	--	(107,156,681)	(85,181,358)	--	(85,181,358)
Retroceded share of claims paid	24,914,352	--	24,914,352	7,853,155	--	7,853,155
<b>Net claims paid</b>	<b>(82,242,329)</b>	<b>--</b>	<b>(82,242,329)</b>	<b>(77,328,203)</b>	<b>--</b>	<b>(77,328,203)</b>
Changes in outstanding claims, net	5,638,167	--	5,638,167	(10,239,788)	--	(10,239,788)
Changes in Incurred but not reported claims, net	(16,615,210)	--	(16,615,210)	(77,833,209)	--	(77,833,209)
<b>Net claims incurred</b>	<b>(93,219,372)</b>	<b>--</b>	<b>(93,219,372)</b>	<b>(165,401,200)</b>	<b>--</b>	<b>(165,401,200)</b>
Policy acquisition costs and profit commissions	(37,362,575)	--	(37,362,575)	(68,854,103)	--	(68,854,103)
Other underwriting expenses	(1,002,411)	--	(1,002,411)	(1,289,107)	--	(1,289,107)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(131,584,358)</b>	<b>--</b>	<b>(131,584,358)</b>	<b>(235,544,410)</b>	<b>--</b>	<b>(235,544,410)</b>
<b>NET UNDERWRITING INCOME</b>	<b>48,083,194</b>	<b>--</b>	<b>48,083,194</b>	<b>14,496,784</b>	<b>--</b>	<b>14,496,784</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Special commission income from time deposits	3,016,393	2,086,784	5,103,177	--	1,004,365	1,004,365
Realized gains on investments held at fair value through income statement	405,262	1,219,925	1,625,187	567,803	1,360,053	1,927,856
Unrealized (losses) / gains on investments held at fair value through income statement	(3,176,652)	(3,007,246)	(6,183,898)	510,472	140,044	650,516
Special commission income from bonds and sukuk	1,566,774	5,115,101	6,681,875	--	3,921,776	3,921,776
Special commission expense from margin loan payable	--	(399,067)	(399,067)	--	(86,437)	(86,437)
Dividend income	--	676,158	676,158	--	270,249	270,249
Share of profit of equity accounted investee	--	9,696,681	9,696,681	--	6,534,109	6,534,109
Investment management expenses	(514,109)	(588,498)	(1,102,607)	(77,024)	(400,074)	(477,098)
<b>Net investment income</b>	<b>1,297,668</b>	<b>14,799,838</b>	<b>16,097,506</b>	<b>1,001,251</b>	<b>12,744,085</b>	<b>13,745,336</b>
Other income	(346)	18,793	18,447	108,545	40,620	149,166
Charge for doubtful debt	(534,751)	--	(534,751)	(142,864)	--	(142,864)
General and administrative expenses	(17,302,085)	(2,353,314)	(19,655,399)	(12,763,734)	(2,061,674)	(14,825,408)
Board of directors' remunerations, meetings fees and expenses	--	(777,967)	(777,967)	--	(960,358)	(960,358)
Foreign exchange translation losses	(4,871,989)	--	(4,871,989)	(853,263)	(1,872)	(855,135)
<b>Total income for the period before zakat and tax</b>	<b>26,671,691</b>	<b>11,687,350</b>	<b>38,359,041</b>	<b>1,846,719</b>	<b>9,760,802</b>	<b>11,607,521</b>
<b>Transfer of surplus to shareholders' operations</b>	<b>(24,004,522)</b>	<b>24,004,522</b>	<b>--</b>	<b>(1,662,048)</b>	<b>1,662,048</b>	<b>--</b>
<b>Net income for the period before zakat and tax</b>	<b>2,667,169</b>	<b>35,691,872</b>	<b>38,359,041</b>	<b>184,671</b>	<b>11,422,850</b>	<b>11,607,521</b>
<b>Zakat and tax charge for the period</b>	<b>--</b>	<b>(3,608,830)</b>	<b>(3,608,830)</b>	<b>--</b>	<b>(3,334,154)</b>	<b>(3,334,154)</b>
<b>Net income / (loss) for the period after zakat and tax</b>	<b>2,667,169</b>	<b>32,083,042</b>	<b>34,750,211</b>	<b>184,671</b>	<b>8,088,696</b>	<b>8,273,367</b>



**Saudi Reinsurance Company (A Saudi Joint Stock Company)**

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

**For the three month and nine month periods ended 30 September 2022**

**18. SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of comprehensive income**

	For the three-month period ended 30 September 2022 (Unaudited)			For the three-month period ended 30 September 2021 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	2,667,169	32,083,042	34,750,211	184,671	8,008,696	8,273,367
<i>Other comprehensive (loss) / income</i>						
<b>Items that may be classified to income statement subsequently</b>						
Share of foreign currency translation reserve an equity accounted investee	--	(6,167,067)	(6,167,067)	--	(1,287,327)	(1,287,327)
<b>Total comprehensive income for the period</b>	<b>2,667,169</b>	<b>25,915,975</b>	<b>28,583,144</b>	<b>184,671</b>	<b>6,801,369</b>	<b>6,986,040</b>

**Reconciliation:**

Less: Net income attributable to reinsurance operations transferred to surplus payable	(2,667,169)	(184,671)
<b>Total comprehensive income for the period</b>	<b>25,915,975</b>	<b>6,801,369</b>

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

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the nine month period ended 30 September 2022 (Unaudited)			For the nine month period ended 30 September 2021 (Unaudited)		
<b>OPERATING ACTIVITIES</b>						
Total income for the period before zakat and tax	4,601,405	49,682,620	54,284,025	2,574,669	47,896,741	50,471,410
<i>Adjustments to reconcile net income for the period to net cash from operating activities:</i>						
Employees' end of service benefits	1,311,389	--	1,311,389	1,905,070	--	1,905,070
Special commission income from bond and sukuk	(1,998,553)	(10,533,094)	(12,531,647)	--	(8,157,181)	(8,157,181)
Special commission expense from margin loan	--	808,296	808,296	--	262,480	262,480
Special commission income from time deposit	(5,470,051)	(4,707,439)	(10,177,490)	(476,998)	(3,660,972)	(4,137,970)
Amortization of discount on held to maturity investments	--	(2,029,949)	(2,029,949)	--	(2,579,574)	(2,579,574)
Depreciation of property and equipment	1,497,261	722,283	2,219,544	865,515	1,079,563	1,945,078
Realized gains on investments held at fair value through income statement	(1,509,696)	(3,496,834)	(5,006,530)	649,616	(2,371,515)	(3,021,131)
Unrealized losses / (gains) on investments held at fair value through income statement	12,075,250	16,960,834	29,036,084	(1,687,976)	161,353	(1,526,623)
Share of profit of an equity accounted investee	--	(19,353,915)	(19,353,915)	--	(17,360,887)	(17,360,887)
Charge for doubtful debts	534,751	--	534,751	142,864	--	142,864
Operating income before changes in operating assets and liabilities	11,041,756	28,052,802	39,094,558	2,673,528	15,270,008	17,943,536
<b>Changes in operating assets and liabilities:</b>						
Reinsurance premiums receivable, net	(29,135,325)	--	(29,135,325)	18,437,004	--	18,437,004
Accrued reinsurance premiums	(410,116,503)	--	(410,116,503)	(258,773,830)	--	(258,773,830)
Retroceded share of unearned premiums	(308,216,413)	--	(308,216,413)	965,051	--	965,051
Unearned premiums	445,906,450	--	445,906,450	361,871,483	--	361,871,483
Retroceded share of outstanding claims	(22,256,333)	--	(22,256,333)	8,639,228	--	8,639,228
Retroceded share of claims incurred but not reported	8,370,230	--	8,370,230	9,050,872	--	9,050,872
Deferred acquisition costs	(90,572,316)	--	(90,572,316)	(83,122,033)	--	(83,122,033)
Deferred excess of loss premiums	(10,078,186)	--	(10,078,186)	(5,591,634)	--	(5,591,634)
Prepaid expenses, deposits and other assets	(9,602,286)	184,812	(9,417,474)	44,669,729	3,817,421	48,487,150
Accounts payable	(14,323,049)	--	(14,323,049)	5,378,636	--	5,378,636
Retrocession balances receivable	(3,420,659)	--	(3,420,659)	(8,044,331)	--	(8,044,331)
Retrocession balances payable	48,654,387	--	48,654,387	(7,585,863)	--	(7,585,863)
Accrued retroceded premiums	256,772,655	--	256,772,655	2,502,910	--	2,502,910
Outstanding claims	18,671,798	--	18,671,798	33,911,552	--	33,911,552
Claims incurred but not reported	105,175,169	--	105,175,169	81,808,783	--	81,808,783
Unearned commission income	69,647,043	--	69,647,043	1,656,226	--	1,656,226
Security deposit	--	--	--	--	(8,100,000)	(8,100,000)
Accrued expenses and other liabilities	27,897,354	(933,140)	26,964,214	231,955	39,838	271,793
<b>Cash generated from operating activities</b>	<b>94,415,772</b>	<b>27,304,474</b>	<b>121,720,246</b>	<b>208,679,266</b>	<b>11,027,267</b>	<b>219,706,533</b>
Zakat and income tax paid	--	(12,998,578)	(12,998,578)	--	(14,913,138)	(14,913,138)
Employees' end of service benefits paid	(282,778)	--	(282,778)	--	--	--
<b>Net cash generated from / (used in) operating activities</b>	<b>94,132,994</b>	<b>14,305,896</b>	<b>108,438,890</b>	<b>208,679,266</b>	<b>(3,885,871)</b>	<b>204,793,395</b>

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

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the nine month period ended 30 September 2022 (Unaudited)			For the nine month period ended 30 September 2021 (Unaudited)		
<b>INVESTING ACTIVITIES</b>						
Additions in time deposits	(366,962,321)	(142,024,083)	(508,986,404)	--	(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	4,217,843	3,912,829	8,130,672	1,262,484	4,242,614	5,505,098
Accrued special commission income from bonds and sukuk	1,846,658	11,972,455	13,819,113	--	11,086,039	11,086,039
Purchase of property and equipment	(3,225,122)	(119,643)	(3,344,765)	(1,300,069)	(498,885)	(1,798,954)
Additions in investment in held to maturity investments	--	(110,957,793)	(110,957,793)	--	(85,868,961)	(85,868,961)
Proceeds from maturity of held to maturity investments	--	24,000,000	24,000,000	--	--	--
Additions in investments held at fair value through income statement	(32,297,495)	(131,963,852)	(164,261,347)	(306,689,668)	(189,104,301)	(495,793,969)
Proceeds from disposal of investments held at fair value through income statement	303,134,688	317,282,194	620,416,882	99,739,887	208,821,723	308,561,610
<b>Net cash (used in) / generated from investing activities</b>	<b>(93,285,749)</b>	<b>2,912,107</b>	<b>(90,373,642)</b>	<b>(196,862,364)</b>	<b>(2,239,355)</b>	<b>(199,101,719)</b>
<b>FINANCING ACTIVITIES</b>						
Due to / from reinsurance / shareholders' operations*	3,872,516	(3,872,516)	--	21,816,606	(21,816,606)	--
Proceeds from margin loan	--	--	--	--	33,680,203	33,680,203
Special commission expense paid against margin loan payable	--	(808,296)	(808,296)	--	--	--
<b>Net cash generated from / (used in) financing activities</b>	<b>3,872,516</b>	<b>(4,680,812)</b>	<b>(808,296)</b>	<b>21,816,606</b>	<b>11,863,597</b>	<b>33,680,203</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,719,761</b>	<b>12,537,191</b>	<b>17,256,952</b>	<b>33,633,507</b>	<b>5,738,371</b>	<b>39,371,879</b>
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
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>26,587,860</b>	<b>18,476,386</b>	<b>45,064,246</b>	<b>41,667,85</b>	<b>10,860,746</b>	<b>52,528,601</b>

\* 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 investments in fixed income securities amounting to SR 149,677,703 (31 December 2021: 171,812,128) which have been classified under Investments held at fair value through income statement. These investments are held with Lloyd's London as Funds at Lloyd's (FAL) which is used as a collateral for its continued participation in a Lloyds Syndicates and for 2020, 2021 and 2022 underwriting year.

**20. BASIC AND DILUTED EARNINGS PER SHARE**

The basic and diluted earnings per share for the period ended 30 September 2022 and 2021 is calculated by dividing the net income for the period by 89.10 million shares.

**Saudi Reinsurance Company (A Saudi Joint Stock Company)****NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three month and nine month periods ended 30 September 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 06 Rabi' Al-Akhar 1444H corresponding to 31 October 2022.