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

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019**

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

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

For the three month period ended 31 March 2019

INDEX	PAGES
INDEPENDENT AUDITORS' REVIEW REPORT	--
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	1
INTERIM CONDENSED STATEMENT OF INCOME	2
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	3
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	4
INTERIM CONDENSED STATEMENT OF CASH FLOWS	5
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS	6 - 32



Al-Bassam & Co.
Allied Accountants
(Member firm of PKF International)



KPMG Al Fozan & Partners
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED
FINANCIAL STATEMENTS**

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Saudi Re for Cooperative Reinsurance Company** (the "Company") as at 31 March 2019, the related interim condensed statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three month period then ended and notes to the interim condensed financial statements. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" as modified by Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

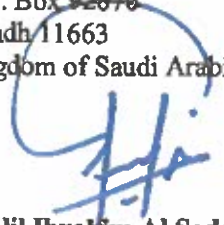
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 31 March 2019 of Saudi Re for Cooperative Reinsurance Company are not prepared, in all material respects, in accordance with IAS 34 as modified by the SAMA for the accounting of zakat and income tax.

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


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



KPMG Al Fozan & Partners
Certified Public Accountants
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia


Khalil Ibrahim Al Sedais
Certified Public Accountant
License No. 371

8 Ramadan 1440H
13 May 2019

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	<i>Notes</i>	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
<u>ASSETS</u>			
Bank balances and cash	5	40,873,543	31,886,106
Time deposits		440,238,742	270,131,677
Accrued special commission income from time deposits		3,283,185	2,079,624
Premium receivables, net	4	211,826,364	200,023,513
Investments held at fair value through income statement	7	396,167,093	552,574,107
Accrued reinsurance premiums		610,802,771	409,778,137
Retroceded share of unearned premiums	8	28,216,902	33,080,894
Deferred excess of loss premiums		6,150,794	11,431,609
Retroceded share of outstanding claims	9	223,688,583	198,432,518
Retroceded share of claims incurred but not reported	9	34,921,117	59,937,179
Deferred policy acquisition costs		158,512,903	99,895,591
Prepaid expenses, deposits and other assets		210,397,950	208,959,232
Property and equipment, net		32,612,317	32,588,898
Accrued special commission income from bonds and sukuk		2,337,537	2,663,892
Investment in an equity accounted investee	13	98,915,105	97,293,816
Statutory deposit	6	121,500,000	121,500,000
Accrued income on statutory deposit	6	16,174,925	15,549,401
TOTAL ASSETS		2,636,619,831	2,347,806,194
<u>LIABILITIES</u>			
Accounts payable		28,086,733	19,927,639
Retrocession balances payable		6,800,673	22,898,559
Accrued retroceded premiums		21,289,188	15,839,717
Unearned premiums	8	603,810,064	380,171,285
Outstanding claims	9	699,487,509	662,467,372
Claims incurred but not reported	9	333,733,852	330,480,733
Unearned retrocession commission		5,941,994	6,410,240
Accrued expenses and other liabilities		14,136,780	12,546,952
End of service indemnities		6,856,764	6,593,975
Provision for zakat and tax	11	41,638,442	38,244,253
Accrued commission income payable to SAMA	6	16,174,925	15,549,401
TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS		1,777,956,924	1,511,130,126
<u>REINSURANCE OPERATIONS' SURPLUS</u>			
Accumulated surplus		4,459,830	4,028,195
TOTAL REINSURANCE OPERATIONS' SURPLUS		4,459,830	4,028,195
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS		1,782,416,754	1,515,158,321
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	10	810,000,000	810,000,000
Statutory reserve		8,815,260	8,815,260
Retained earnings		34,193,090	12,757,997
Other reserves		1,194,727	1,074,616
TOTAL SHAREHOLDERS' EQUITY		854,203,077	832,647,873
TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND SHAREHOLDERS' EQUITY		2,636,619,831	2,347,806,194

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF INCOME

For the three month period ended 31 March 2019

	<u>For the three month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
<i>Notes</i>	<u>(Unaudited) SR</u>	<u>(Unaudited) SR</u>
<u>REVENUES</u>		
Gross written premiums	424,320,562	528,382,355
Retroceded premiums	(13,437,784)	(28,373,908)
Excess of loss expenses	<u>(8,186,245)</u>	<u>(7,698,990)</u>
Net written premiums	402,696,533	492,309,457
Changes in unearned premiums, net	<u>(228,502,771)</u>	<u>(323,539,667)</u>
Net earned premiums	174,193,762	168,769,790
Retrocession commissions	<u>3,681,991</u>	<u>3,798,437</u>
TOTAL REVENUES	<u>177,875,753</u>	<u>172,568,227</u>
<u>UNDERWRITING COSTS AND EXPENSES</u>		
Gross claims paid	(108,584,886)	(84,509,417)
Retroceded share of claims paid	<u>27,339,389</u>	<u>2,116,710</u>
Net claims paid	(81,245,497)	(82,392,707)
Changes in outstanding claims, net	<u>(11,764,068)</u>	<u>(12,813,408)</u>
Changes in incurred but not reported claims, net	<u>(28,269,182)</u>	<u>(17,295,666)</u>
Net claims incurred	(121,278,747)	(112,501,781)
Policy acquisition costs and profit commissions	<u>(44,897,210)</u>	<u>(42,059,970)</u>
Other underwriting expenses	<u>(841,730)</u>	<u>(2,641,912)</u>
TOTAL UNDERWRITING COSTS AND EXPENSES	<u>(167,017,687)</u>	<u>(157,203,663)</u>
NET UNDERWRITING INCOME	10,858,066	15,364,564
<u>OTHER OPERATING INCOME / (EXPENSES)</u>		
Special commission income from time deposits	3,748,428	405,690
Realized gains on investments held at fair value through income statement	808,508	877,017
Unrealized gains on investments held at fair value through income statement	18,066,709	2,899,489
Special commission income from bonds and sukuk	801,048	769,593
Dividend income	172,839	345,936
Share of profit of equity accounted investee	1,501,178	291,687
Investment management expenses	<u>(340,458)</u>	<u>(1,198,917)</u>
Net investment income	24,758,252	4,390,495
Other income	246,481	512,877
Reversal / (charge) for doubtful debts	836,460	(398,077)
General and administrative expenses	(11,386,672)	(11,601,929)
Board of directors' remunerations, meetings fees and expenses	(579,188)	(589,562)
Foreign exchange translation income	<u>527,519</u>	<u>450,837</u>
Total income for the period	25,260,918	8,129,205
Total income attributed to the reinsurance operations	15 (431,636)	(533,024)
Total income for the period attributable to the shareholders	<u>24,829,282</u>	<u>7,596,181</u>
Basic and diluted earnings per share for the period	17 0.31	0.094


 Managing Director / Chief Executive Officer


 Chairman of the Board


 Chief Financial Officer

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2019

	For the three month period ended	
	31 March 2019	31 March 2018
	(Unaudited)	(Unaudited)
	SR	SR
Net income for the period	24,829,282	7,596,181
<i>Other comprehensive income</i>		
Items that may be classified to income statement subsequently		
Share of foreign currency translation reserve of an equity accounted investee	120,111	1,180,918
Total comprehensive income for the period	24,949,393	8,777,099



Managing Director / Chief Executive Officer

for 

Chairman of the Board



Chief Financial Officer

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the three month period ended 31 March 2019

	GCC Shareholders and General Public				Non – GCC Shareholders				Total				
	Share capital	Statutory reserve	(Accumulated deficit) / retained earnings	Other reserves	Share capital	Statutory reserve	(Accumulated deficit) / retained earnings	Other reserves	Share capital	Statutory reserve	(Accumulated deficit) / retained earnings	Other reserves	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
Balance as at 1 January 2019 (Audited)	783,693,750	8,528,901	9,431,953	1,019,067	26,306,250	286,359	3,326,044	55,459	810,000,000	8,815,260	12,757,997	1,074,616	832,647,873
Transferred during the period	(1,751,540)	(19,062)	(21,080)	(2,278)	1,751,540	19,062	21,080	2,278	--	--	--	--	--
Net profit for the period	--	--	23,969,214	--	--	--	860,068	--	--	--	24,829,282	--	24,829,282
Other comprehensive income	--	--	--	115,950	--	--	--	4,161	--	--	--	120,111	120,111
Total comprehensive income for the period	--	--	23,969,214	115,950	--	--	860,068	4,161	--	--	24,829,282	120,111	24,949,393
Zakat and tax charge for the period	--	--	(3,362,888)	--	--	--	(31,301)	--	--	--	(3,394,189)	--	(3,394,189)
Balance as at 31 March 2019 (Unaudited)	781,942,210	8,509,839	30,017,199	1,132,739	28,057,790	305,421	4,175,891	61,988	810,000,000	8,815,260	34,193,090	1,194,727	854,203,077
Balance as at 1 January 2018 (Audited)	978,047,040	5,937,649	(174,018,095)	(1,918,523)	21,952,960	133,275	(1,298,451)	(43,057)	1,000,000,000	6,070,924	(175,316,546)	(1,961,580)	828,792,798
Reduction of capital (note 10)	(185,820,000)	--	185,820,000	--	(4,180,000)	--	4,180,000	--	(190,000,000)	--	190,000,000	--	--
Transferred during the period	968,990	7,263	157,110	--	(968,990)	(7,263)	(157,110)	--	--	--	--	--	--
Net profit for the period	--	--	7,438,591	--	--	--	157,590	--	--	--	7,596,181	--	7,596,181
Other comprehensive income	--	--	--	1,156,419	--	--	--	24,999	--	--	--	1,180,918	1,180,918
Total comprehensive income for the period	--	--	7,438,591	1,156,419	--	--	157,590	24,499	--	--	7,596,181	1,180,918	8,777,099
Zakat and tax charge for the period	--	--	(2,977,583)	--	--	--	(11,677)	--	--	--	(2,989,260)	--	(2,989,260)
Balance as at 31 March 2018 (Unaudited)	793,196,030	5,944,912	16,420,023	(762,104)	16,803,970	126,012	2,870,352	(18,558)	810,000,000	6,070,924	19,290,375	(780,662)	834,580,637

Managing Director 

Chairman of the Board 

Chief Financial Officer 

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2019

	<i>Notes</i>	31 March 2019 (Unaudited) SR	31 March 2018 (Unaudited) SR
OPERATING ACTIVITIES			
Total income for the period		25,260,918	8,129,205
<i>Adjustments to reconcile net income for the period to net cash used in operating activities:</i>			
Employees' end of service benefits		325,843	561,223
Depreciation of property and equipment		412,118	701,069
Realized gains on investments held at fair value through income statement		(808,508)	(877,017)
Unrealized gains on investments held at fair value through income statement		(18,066,709)	(2,899,489)
Share of profit of equity accounted investee		(1,501,178)	(291,687)
(Reversal) / provision for doubtful receivable		(836,460)	398,077
Operating income before changes in operating assets and liabilities		4,786,024	5,721,381
Changes in operating assets and liabilities:			
Premiums receivable, gross		(10,966,392)	151,991,869
Accrued reinsurance premiums		(201,024,634)	(282,404,285)
Retroceded share of unearned premiums		4,863,992	37,065,698
Unearned premiums		223,638,779	286,473,969
Retroceded share of outstanding claims		(25,256,065)	(87,727,314)
Retroceded share of claims incurred but not reported		25,016,062	47,477,895
Deferred acquisition costs		(58,617,312)	(85,736,553)
Deferred excess of loss premiums		5,280,815	6,503,652
Prepaid expenses, deposits and other assets		(1,438,718)	(32,549,012)
Accounts payable		8,159,094	(2,993,341)
Retrocession balances payable		(16,097,886)	(192,613,894)
Accrued retroceded premiums		5,449,471	13,637,529
Outstanding claims		37,020,137	100,540,722
Claims incurred but not reported		3,253,119	(30,182,229)
Unearned commission income		(468,246)	3,168,352
Accrued expenses and other liabilities		1,589,828	13,116,137
Cash from / (used) in operating activities		5,188,068	(48,509,424)
Employees' end of service benefits paid		(63,054)	(147,342)
Net cash from / (used) in operating activities		5,125,014	(48,656,766)
INVESTING ACTIVITIES			
Time deposits		(22,600,835)	(4,329,900)
Accrued special commission income on time deposits		(1,203,561)	597,242
Accrued special commission income from bonds and sukuk		326,355	1,510,731
Proceeds from disposal of property and equipment		--	75,000
Purchase of property and equipment		(435,537)	(122,825)
Additions in investments held at fair value through income statement		(97,732,000)	(6,000,000)
Proceeds from disposal of investments held at fair value through income statement		273,014,231	39,500,000
Statutory deposit		--	(21,500,000)
Net cash from investing activities		151,368,653	9,730,248
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		156,493,667	(38,926,518)
Cash and cash equivalents at the beginning of the period		81,635,536	85,231,770
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	238,129,203	46,305,252

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the three month period ended 31 March 2019

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

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

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

2. BASIS OF PREPARATION

Basis of measurement

These unaudited interim condensed financial statements are prepared under 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.

Statement of compliance

The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as modified by the Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax, which requires, adoption of all International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax. As per the SAMA Circular no. 381000074519 dated 11 April 2017 and subsequent amendments through certain clarifications relating to the accounting for zakat and income tax ("SAMA Circular"), the Zakat and Income tax are to be accrued on a quarterly basis through shareholders equity under retained earnings.

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, premium receivables, net, investments held at fair value through income statement, deferred excess of loss premiums, retroceded share of outstanding claims, prepaid expenses, deposits and other assets, accrued special commission income from bonds and sukuk, accounts payable, retrocession balances payable, outstanding claims, accrued expenses and other liabilities, provision for zakat and income tax and accumulated surplus. The following balances would generally be classified as non-current: accrued reinsurance premiums, retroceded share of unearned premiums, retroceded share of claims incurred but not reported, deferred policy acquisition costs, property and equipment, net, investment in an equity accounted investee, statutory deposit, accrued income on statutory deposit, accrued retroceded premiums, unearned premiums, claims incurred but not reported, unearned retrocession commission, employees end of service indemnities and accrued commission income payable to SAMA.

The interim condensed statement of financial position, statements of income, statement of comprehensive income and cash flows of the reinsurance operations and shareholders' operations which are presented in note 15 of the interim condensed financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations.

In preparing the Company's 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.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
For the three month period ended 31 March 2019

2. BASIS OF PREPARATION (CONTINUED)

Statement of compliance (continued)

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 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 2018.

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.

As required by Saudi Arabian insurance regulations, the Company maintains separate accounts for Reinsurance and Shareholders' operations and presents the 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 Company's By-laws and 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.

Functional and presentation currency

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

Fiscal year

The Company follows a fiscal year ending December 31.

Critical accounting judgments, estimates and assumptions

The preparation of interim condensed 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 and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2018.

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

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 2018 except for the adoption of IFRS 16 - Leases which have had no significant financial impact on the unaudited interim condensed financial statements of the Company on the current period or prior period.

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.

IFRS 9 Financial Instruments

The implementation of IFRS 9 is expected to result in a significant portion of financial assets currently classified as available-for-sale being re-classified as at fair value through profit or loss or fair value through other comprehensive income (OCI). Credit allowances for financial assets carried at amortized cost and debt securities measured at fair value, with changes in fair value recognized in OCI, are expected to increase due to the introduction of the expected credit loss methodology. The Company plans to avail of the exemptions available to insurers and is considering deferring the implementation of IFRS 9 until a later date, but no later than January 1, 2022.

IFRS 17 - Insurance Contracts

IFRS 17 applies to all insurance contracts (including reinsurance contracts) that an entity issues, reinsurance contracts that it holds and investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2022.

4. PREMIUM RECEIVABLES, NET

Reinsurance operations	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
Policyholders	211,499,876	203,156,463
Related parties (note 12)	3,201,667	578,688
Less: provision for doubtful debts	(2,875,179)	(3,711,638)
	<u>211,826,364</u>	<u>200,023,513</u>

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

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

For the three month period ended 31 March 2019

5. CASH AND CASH EQUIVALENTS

	Reinsurance operations	
	31 March 2019 (Unaudited)	31 December 2018 (Audited)
Cash in hand (A)	60,000	40,000
Bank balances (B)	29,592,707	22,303,716
Deposits maturing within 3 months from the acquisition date (C)	77,998,467	49,749,430
	107,651,174	72,093,146
	Shareholders' operations	
	31 March 2019 (Unaudited)	31 December 2018 (Audited)
Bank balances (D)	11,220,836	9,542,390
Deposits maturing within 3 months from the acquisition date (E)	119,257,193	--
	130,478,029	9,542,390
Total Bank balances and cash (A+B+D)	40,873,543	31,886,106
Total Deposits maturing within 3 months from the acquisition date (C+E)*	197,255,660	49,749,430
Total	238,129,203	81,635,536

*Included within time deposits

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 121.5 million (31 December 2018: SR 121.5 million) with a local bank, which has been rated "A" by Standard & Poor's Rating agency representing the statutory deposit of 15% (31 December 2018: 15%) 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 income payable to SAMA on the deposit as at 31 March 2019 is SAR 16,174,925 (31 December 2018: 15,549,401) and has also been disclosed in assets as "Accrued income on statutory deposit".

7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

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

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total	Reinsurance operations SR	Shareholders' operations SR	Total SR
Money market funds	2,098,583	130,175,345	132,273,928	2,088,717	31,888,438	33,977,155
Real-estate Investment funds	--	26,323,351	26,323,351	--	26,323,351	26,323,351
Equities	--	146,539,460	146,539,460	--	138,269,676	138,269,676
Fixed-rate bonds/sukuk	--	49,448,514	49,448,514	51,726,932	247,493,141	299,220,073
Floating-rate bonds/sukuk	--	41,581,840	41,581,840	2,284,697	52,499,155	54,783,852
	2,098,583	394,068,510	396,167,093	56,100,346	496,473,761	552,574,107

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

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

For the three month period ended 31 March 2019

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

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 fair values of recognised financial instruments are not significantly different from the carrying values included in the interim condensed financial statements.

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

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

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

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

As at 31 March 2019 and 31 December 2018, the investments under reinsurance operations in bonds and sukuk were Nil (31 December 2018: SR 54.01 million) are classified as Level 1 investments while the investment in money market funds amounting to SR 2.1 million (31 December 2018 SR 2.09 million) is classified as level 2 investments. The following table shows an analysis of financial instruments under shareholders' operations measured at fair value by level of the fair value hierarchy:

	31 March 2019 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	130,175,345	--	130,175,345
Real-estate investment funds	--	--	26,323,351	26,323,351
Equities	146,539,460	--	--	146,539,460
Fixed-rate bonds/sukuk	--	--	49,448,514	49,448,514
Floating-rate bonds/sukuk	1,581,840	--	40,000,000	41,581,840
	<u>148,121,300</u>	<u>130,175,345</u>	<u>115,771,865</u>	<u>394,068,510</u>
	31 December 2018 (Audited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	31,888,438	--	31,888,438
Real-estate investment funds	--	--	26,323,351	26,323,351
Equities	138,269,676	--	--	138,269,676
Fixed-rate bonds/sukuk	197,428,627	--	50,064,514	247,493,141
Floating-rate bonds/sukuk	12,499,155	--	40,000,000	52,499,155
	<u>348,197,458</u>	<u>31,888,438</u>	<u>116,387,865</u>	<u>496,473,761</u>

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

	Opening	Purchase	Sale	Unrealized loss	Closing
For the three month period ended 31 March 2019	<u>116,387,865</u>	--	--	(616,000)	<u>115,771,865</u>
For the year ended 31 December 2018	140,064,514	--	(23,676,649)	--	116,387,865

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

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

For the three month period ended 31 March 2019

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

Sensitivity Analysis

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

	31 March 2019 (Unaudited)	31 December 2018 (Audited)
Investments held at fair value through income statement	49,448,514	50,064,514
Impact on Unrealized Gain for the period / year ended:		
<i>If increased by 5% in market rate</i>	(238,000)	(312,689)
<i>If decreased by 5% in market rate</i>	238,000	312,689

- iii. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 31 March 2019 and year ended 31 December 2018.
- iv. Investments in real-estate investment funds have various unobservable inputs.
- v. The movements of investments held at fair value through income statement are as follows:

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total SR	Reinsurance operations SR	Shareholders' operations SR	Total SR
Opening balance	56,100,346	496,473,761	552,574,107	106,316,032	758,751,497	865,067,529
Additions	--	97,732,000	97,732,000	21,000,000	36,078,728	57,078,728
Disposals	(54,204,896)	(218,809,335)	(273,014,231)	(72,416,163)	(301,294,002)	(373,710,165)
Unrealized gains	9,866	18,056,843	18,066,709	(367,808)	3,828,225	3,460,417
Realized gains	193,267	615,241	808,508	1,568,285	(890,687)	677,598
Closing balance	2,098,583	394,068,510	396,167,093	56,100,346	496,473,761	552,574,107

As at 31 March 2019, the investments under reinsurance operations were Nil (31 December 2018: SR 54.01 million) which are held through discretionary managed portfolios.

As at 31 March 2019, the investments under shareholders' operations include SR 114.6 million (31 December 2018: SR 318.5 million) which are held through discretionary managed portfolios.

Investments under reinsurance and shareholders' operations include cash component which was Nil and SR 4.62 million respectively as at 31 March 2019 (31 December 2018: SR 0.77 million and SR 10.04 million respectively) available with external fund managers within the agreed investment guidelines.

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

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

For the three month period ended 31 March 2019

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

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

<i>Shareholders' operations</i>	31 March 2019 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
Money market funds	130,175,345	--	130,175,345
Real-estate investment funds	--	26,323,351	26,323,351
Equities	146,539,460	--	146,539,460
Fixed-rate bonds/sukuk	--	49,448,514	49,448,514
Floating-rate bonds/sukuk	1,581,840	40,000,000	41,581,840
	278,296,645	115,771,865	394,068,510

<i>Shareholders' operations</i>	31 December 2018 (Audited)		
	Quoted SR	Unquoted SR	Total SR
Money market funds	31,888,438	--	31,888,438
Real-estate investment funds	--	26,323,251	26,323,351
Equities	138,269,676	--	138,269,676
Fixed-rate bonds/sukuk	197,428,627	50,064,514	247,493,141
Floating-rate bonds/sukuk	12,499,155	40,000,000	52,499,155
	380,085,896	116,387,865	496,473,761

As at 31 March 2019 and 31 December 2018, all financial instruments under reinsurance operations, which are measured at fair value, are quoted.

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

viii. The geographical split of investments held at fair value through income statement is as follows:

	Domestic		International		Total	
	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
Reinsurance operations						
Money Market Funds	2,098,583	2,088,717	--	--	2,098,583	2,088,717
Fixed-Rate Bonds/Sukuk	--	--	--	51,726,932	--	51,726,932
Floating-Rate Bonds/Sukuk	--	--	--	2,284,697	--	2,284,697
	2,098,583	2,088,717	--	54,011,629	2,098,583	56,100,346

	Domestic		International		Total	
	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
Shareholders' operations						
Money Market Funds	130,175,345	31,888,438	--	--	130,175,345	31,888,438
Real-estate investment Funds	26,323,351	26,323,351	--	--	26,323,351	26,323,351
Equities	75,254,450	70,186,682	71,285,010	68,082,994	146,539,460	138,269,676
Fixed-Rate Bonds/Sukuk	39,528,000	40,000,000	9,920,514	207,493,141	49,448,514	247,493,141
Floating-Rate Bonds/Sukuk	40,000,000	40,000,000	1,581,840	12,499,155	41,581,840	52,499,155
	311,281,146	208,398,471	82,787,364	288,075,290	394,068,510	496,473,761
Total	313,379,729	210,487,188	82,787,364	342,086,919	396,167,093	552,574,107

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

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

For the three month period ended 31 March 2019

8. UNEARNED PREMIUM

Reinsurance operations

	31 March 2019 (Unaudited)		
	Gross SR	Retroceded share SR	Net SR
Opening balance	380,171,285	(33,080,894)	347,090,391
Premiums written during the period	424,320,561	(21,624,029)	402,696,532
Premium earned	(200,681,782)	26,488,021	(174,193,761)
Changes in unearned premiums	223,638,779	4,863,992	228,502,771
Closing balance	603,810,064	(28,216,902)	575,593,162

	31 December 2018 (Audited)		
	Gross SR	Retroceded share SR	Net SR
Opening balance	461,488,892	(117,679,188)	343,809,704
Premiums written during the year	721,604,828	(104,708,727)	616,896,101
Premiums earned	(802,922,435)	189,307,020	(613,615,415)
Changes in unearned premiums	(81,317,607)	84,598,293	3,280,686
Closing balance	380,171,285	(33,080,894)	347,090,391

9. CLAIM RESERVES

	31 March 2019 (Unaudited)	31 December 2018 (Audited)
Reinsurance operations		
Outstanding claims	699,487,509	662,467,372
Claims incurred but not reported	333,733,852	330,480,733
	1,033,221,361	992,948,105
Less:		
- Retroceded share of outstanding claims	223,688,583	198,432,518
- Retroceded share of claims incurred but not reported	34,921,117	59,937,179
	258,609,700	258,369,697
Net outstanding claims reserves	774,611,661	734,578,408

10. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 810 million at 31 March 2019 (31 December 2018: SAR 810 million) consisting of 81 million shares (December 31, 2018: 81 million shares) of SAR 10 each.

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

	31 March 2019 (Unaudited)		
	Authorized and issued		Paid up
	No. of Shares	Value per share	SR
Ahmed Hamad Algosaiabi Brothers Co.	4,050,000	10	40,500,000
Others	76,950,000	10	769,500,000
	81,000,000	10	810,000,000

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
(CONTINUED)****For the three month period ended 31 March 2019****10. SHARE CAPITAL (CONTINUED)**

	31 December 2018 (Audited)		
	Authorized and issued	Paid up	
	No. of Shares	Value per share	SR
Ahmed Hamad Algozaibi Brothers Co.	4,050,000	10	40,500,000
Others	76,950,000	10	769,500,000
	81,000,000	10	810,000,000

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

The Board of Directors in their meeting held on 24 May 2017 recommended to the Extraordinary General Assembly meeting to reduce the Company's share capital from SR 1,000,000,000 to SR 810,000,000 to reduce the accumulated losses of the Company. On 1 January 2018, the Company got approval from the extra ordinary general meeting to reduce its share capital. Accordingly, the Company has revised its share capital after completing all the regulatory requirements.

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.

11. PROVISION FOR ZAKAT AND TAX

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

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	SR	%	SR	%
Saudi Shareholders	765,628,200	94.53%	767,345,400	94.73%
GCC Shareholders	16,313,400	2.01%	16,345,800	2.02%
Foreign Shareholders	28,058,400	3.46%	26,308,800	3.25%
Total	810,000,000	100%	810,000,000	100%

As of 31 March 2019, the authorized, issued and fully paid-up share capital of the Company consists of 81 million shares (31 December 2018: 81 million) of SAR 10 each. The Company's zakat and tax calculations and corresponding accruals and payments of zakat and tax are based on founding shareholders' ownership percentages in accordance with the relevant provisions of the Saudi Arabian Zakat and Income Tax regulations.

The zakat and tax liability as at period / year end are as follows:

	31 March 2019	31 December 2018
	SR (Unaudited)	SR (Audited)
Provision for zakat	41,245,935	37,108,412
Provision for tax	392,507	322,958
	41,638,442	38,244,253

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

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

For the three month period ended 31 March 2019

11 PROVISION FOR ZAKAT AND TAX (CONTINUED)

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

	31 March 2019 SR (Unaudited)	31 March 2018 SR (Unaudited)
Zakat charge for the period	3,362,888	2,977,583
Tax charge for the period	31,301	11,677
	3,394,189	2,989,260

The Company has recorded zakat and tax provision based on the circular No. 12746/16/1438H (18 January 2017) issued by the General Authority of Zakat and Income Tax (GAZT), in which Saudi public listed companies are to provide for tax and zakat based on the shareholding percentages of GCC and non-GCC founding shareholders. The shareholding percentages of GCC and non-GCC founding shareholders were 99.1% and 0.90% respectively as at 31 March 2019 and 31 December 2018.

The Company has filed its Tax / Zakat returns for the years ended 31 December 2008 to 2017 with the General Authority of Zakat and Income Tax (GAZT). The company has received the final assessments for the years ended 31 December 2008 to 2013 which shows additional zakat, tax and delay fines amounting to SR 32.55 million, principally on account of disallowance of long term investments and statutory deposits from the zakat base. The assessments for the years ended 31 December 2014 to 2017 are still outstanding.

Zakat and income tax provisions are calculated based on the Company's best understanding of the zakat and tax regulations. The Company deducts statutory deposit and other non-current assets while calculating the Zakat base. Additional zakat and income tax provisions are accounted for to cover any differences that may arise on the final Zakat and income tax assessments when received from GAZT and the Company's current provision for Zakat and income tax.

The Company has filed appeals against the GAZT's assessment of additional zakat, tax and delay fines for the years 2008 to 2013. The Preliminary Appeal Committee (PAC) has issued its Ruling on the appeals filed. The Ruling upheld the Company's appeal on certain items of the appeal and rejected the appeal on the other items. The Company has filed an appeal against the PAC Ruling with the Higher Appeal Committee (HAC). The HAC has not yet fixed a hearing session for the discussion of the said appeal. As required by the GAZT regulations, the Company has submitted a guarantee deposit for the items appealed against amounting to SR 29.39 million which is included in prepaid expenses, deposits and other assets.

12. 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.

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

Related party	Nature of transactions	Amount of transactions for the three month period ended		Balance as at	
		31 March 2019 (Unaudited) SR	31 March 2018 (Unaudited) SR	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
Board of Directors	- Consulting fees	38,022	80,065	--	--
	- Remunerations, meetings fees and expenses	564,188	589,562	2,213,750	1,740,000
Key management Personnel	- Short term benefits	2,755,298	2,227,627	1,469,126	2,249,464
	- End of service benefits	115,024	172,824	3,094,001	2,978,976

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

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

For the three month period ended 31 March 2019

12 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Related party	Nature of transactions	Amount of transactions for the three month period ended		Balance as at	
		31 March 2019 (Unaudited) SR	31 March 2018 (Unaudited) SR	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
Companies represented by the Board members	- Gross written premiums	52,654,077	21,681,595	3,201,667	578,688
	- Claims incurred	461,294	1,011,832	2,974,973	3,131,773
	- Commissions	94,261	9,614,935	--	--

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company. Companies represented by the Board members include Iskan Insurance Company, Probitas Holding (Bermuda) Limited (including its subsidiaries), Mamda Re and The Islamic Insurance Company.

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.

13 INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE

Shareholders' operations	31 March 2019 (Unaudited) SR	31 December 2018 (Audited) SR
Balance at the beginning of the period / year	97,293,816	91,954,382
Addition during the period / year	--	--
Share of profit of an equity accounted investee for the period / year	1,501,178	2,303,238
Share in foreign currency translation adjustments for the period / year	120,111	3,036,196
Balance at the end of the period / year	98,915,105	97,293,816

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

14 SEGMENTAL INFORMATION

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

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14. SEGMENTAL INFORMATION (CONTINUED)

14.1 Business segments

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

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the three month period ended 31 March 2019 (Unaudited)										
REVENUES										
Gross written premiums	40,815,955	108,579,618	36,567,441	47,229,278	44,241,756	11,661,891	25,246,985	61,182,339	48,795,299	424,320,562
Retroceded premiums	(1,987,188)	(6,213,367)	(77,491)	--	118,703	--	--	--	(5,278,441)	(13,437,784)
Excess of loss expenses	(698,505)	(4,344,649)	(201,638)	--	(52,043)	(193,830)	--	--	(2,695,580)	(8,186,245)
Net written premiums	38,130,262	98,021,602	36,288,312	47,229,278	44,308,416	11,468,061	25,246,985	61,182,339	40,821,278	402,696,533
Changes in unearned premiums, net	(18,909,978)	(51,845,653)	(22,865,436)	(23,128,181)	(29,998,009)	(1,135,606)	(17,036,976)	(39,666,074)	(23,916,858)	(228,502,771)
Net earned premiums	19,220,284	46,175,949	13,422,876	24,101,097	14,310,407	10,332,455	8,210,009	21,516,265	16,904,420	174,193,762
Retrocession commissions	418,173	1,133,260	146,754	--	622,848	(5,438)	--	--	1,366,394	3,681,991
TOTAL REVENUES	19,638,457	47,309,209	13,569,630	24,101,097	14,933,255	10,327,017	8,210,009	21,516,265	18,270,814	177,875,753
UNDERWRITING COSTS AND EXPENSES										
Gross claims paid	(7,848,525)	(47,360,369)	(5,592,345)	(13,751,784)	(3,538,767)	(10,730,758)	(2,848,529)	--	(16,913,809)	(108,584,886)
Retroceded share of claims paid	373,194	14,518,469	1,938,586	--	--	--	--	--	10,509,140	27,339,389
Net claims paid	(7,475,331)	(32,841,900)	(3,653,759)	(13,751,784)	(3,538,767)	(10,730,758)	(2,848,529)	--	(6,404,669)	(81,245,497)
Changes in outstanding claims, net	(12,368,837)	2,989,388	(270,255)	(2,677,634)	(1,934,547)	1,465,912	1,308,462	--	(276,557)	(11,764,068)
Changes in Incurred but not reported claims, net	(2,424,296)	3,223,029	(2,781,503)	(4,571,728)	(3,596,800)	3,999,382	(6,214,547)	(15,902,766)	47	(28,269,182)
Net claims incurred	(22,268,464)	(26,629,483)	(6,705,517)	(21,001,146)	(9,070,114)	(5,265,464)	(7,754,614)	(15,902,766)	(6,681,179)	(121,278,747)
Policy acquisition costs and profit commissions	(6,454,070)	(13,797,591)	(4,598,577)	(2,355,837)	(4,246,312)	(1,177,517)	(554,336)	(8,366,611)	(3,346,359)	(44,897,210)
Other underwriting expenses	(77,734)	(255,188)	(72,818)	(119,407)	(79,404)	(47,347)	(41,050)	(86,773)	(62,009)	(841,730)
TOTAL UNDERWRITING COSTS AND EXPENSES	(28,800,268)	(40,682,262)	(11,376,912)	(23,476,390)	(13,395,830)	(6,490,328)	(8,350,000)	(24,356,150)	(10,089,547)	(167,017,687)
NET UNDERWRITING INCOME	(9,161,811)	6,626,947	2,192,718	624,707	1,537,425	3,836,689	(139,991)	(2,839,885)	8,181,267	10,858,066

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the three month period ended 31 March 2018 (Unaudited)										
REVENUES										
Gross written premiums	36,252,898	128,911,253	34,848,752	101,330,887	59,683,122	20,168,136	25,332,132	91,962,832	29,892,343	528,382,355
Retroceded premiums	(2,713,506)	(8,285,908)	(2,055,094)	--	(12,815,313)	--	--	--	(2,504,087)	(28,373,908)
Excess of loss expenses	(1,799,245)	(2,429,950)	(142,506)	--	(62,128)	(214,529)	--	--	(3,050,632)	(7,698,990)
Net written premiums	31,740,147	118,195,395	32,651,152	101,330,887	46,805,681	19,953,607	25,332,132	91,962,832	24,337,624	492,309,457
Changes in unearned premiums, net	(20,861,193)	(73,140,076)	(21,308,138)	(79,719,684)	(26,899,818)	(2,984,794)	(19,224,414)	(69,288,581)	(10,112,969)	(323,539,667)
Net earned premiums	10,878,954	45,055,319	11,343,014	21,611,203	19,905,863	16,968,813	6,107,718	22,674,251	14,224,655	168,769,790
Retrocession commissions	313,099	1,387,295	220,734	--	763,064	--	--	--	1,114,245	3,798,437
TOTAL REVENUES	11,192,053	46,442,614	11,563,748	21,611,203	20,668,927	16,968,813	6,107,718	22,674,251	15,338,900	172,568,227
UNDERWRITING COSTS AND EXPENSES										
Gross claims paid	(17,582,175)	(14,996,700)	(8,418,655)	(10,381,882)	(5,596,371)	(16,247,832)	(4,386,328)	--	(6,899,474)	(84,509,417)
Retroceded share of claims paid	960,318	23,673	15,960	--	1,116,759	--	--	--	--	2,116,710
Net claims paid	(16,621,857)	(14,973,027)	(8,402,695)	(10,381,882)	(4,479,612)	(16,247,832)	(4,386,328)	--	(6,899,474)	(82,392,707)
Changes in outstanding claims, net	6,817,033	(11,107,608)	(105,791)	562,346	460,576	(2,598,719)	1,782,385	--	(8,623,630)	(12,813,408)
Changes in Incurred but not reported claims, net	4,615,483	(1,042,833)	(957,258)	(5,151,577)	(5,649,424)	3,660,615	(1,107,872)	(15,596,732)	3,933,932	(17,295,666)
Net claims incurred	(5,189,341)	(27,123,468)	(9,465,744)	(14,971,113)	(9,668,460)	(15,185,936)	(3,711,815)	(15,596,732)	(11,589,172)	(112,501,781)
Policy acquisition costs and profit commissions	(4,432,330)	(13,619,180)	(3,819,064)	(3,066,529)	(4,897,704)	(698,171)	(152,687)	(9,033,397)	(2,340,908)	(42,059,970)
Other underwriting expenses	(181,264)	(644,556)	(174,244)	(506,654)	(298,416)	(100,841)	(126,661)	(459,814)	(149,462)	(2,641,912)
TOTAL UNDERWRITING COSTS AND EXPENSES	(9,802,935)	(41,387,204)	(13,459,052)	(18,544,296)	(14,864,580)	(15,984,948)	(3,991,163)	(25,089,943)	(14,079,542)	(157,203,663)
NET UNDERWRITING INCOME	1,389,118	5,055,410	(1,895,304)	3,066,907	5,804,347	983,865	2,116,555	(2,415,692)	1,259,358	15,364,564

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 March 2019 (Unaudited)												
<u>ASSETS</u>												
Bank balances and cash	--	--	--	--	--	--	--	--	--	29,652,707	11,220,836	40,873,543
Time deposits	--	--	--	--	--	--	--	--	--	121,133,866	319,104,876	440,238,742
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	1,208,776	2,074,409	3,283,185
Premium receivables, net	33,824,067	70,668,662	13,668,148	25,457,790	16,377,607	11,155,920	11,928,413	35,716	34,955,801	(6,245,760)	--	211,826,364
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	2,098,583	394,068,510	396,167,093
Accrued reinsurance premiums	60,292,719	135,369,247	44,593,294	44,553,066	56,835,944	36,935,069	35,188,656	146,533,639	50,501,137	--	--	610,802,771
Retroceded share of unearned premiums	8,401,205	8,525,049	220,780	--	3,477,144	--	--	--	7,592,724	--	--	28,216,902
Deferred excess of loss premiums	1,418,831	1,706,860	201,638	--	49,391	547,538	--	--	2,226,536	--	--	6,150,794
Retroceded share of outstanding claims	5,695,427	62,105,771	49,158,207	(995,031)	3,306,485	115,249	--	--	104,302,475	--	--	223,688,583
Retroceded share of claims incurred but not reported	1,769,298	3,683,363	2,550,653	1,646	6,555,983	--	--	--	20,360,174	--	--	34,921,117
Deferred policy acquisition costs	28,457,175	43,286,248	13,236,162	8,549,750	15,402,667	1,049,711	772,750	40,735,877	7,022,563	--	--	158,512,903
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	179,310,399	31,087,551	210,397,950
Property and equipment, net	--	--	--	--	--	--	--	--	--	2,442,965	30,169,352	32,612,317
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	--	--	--	--	2,337,537	2,337,537
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	98,915,105	98,915,105
Statutory deposit	--	--	--	--	--	--	--	--	--	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	16,174,925	16,174,925
TOTAL ASSETS	139,858,722	325,345,200	123,628,882	77,567,221	102,005,221	49,803,487	47,889,819	187,305,232	226,961,410	329,601,536	1,026,653,101	2,636,619,831

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14. SEGMENTAL INFORMATION (CONTINUED)

14.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 March 2019 (Unaudited)												
LIABILITIES												
Accounts payable	356,652	3,265,774	(10,084,264)	2,270,624	716,150	5,672,743	--	--	(1,272,538)	27,161,592	--	28,086,733
Retrocession balances payable	--	--	--	--	--	--	--	--	--	6,800,673	--	6,800,673
Accrued retroceded premiums	1,301,476	7,719,465	28,978	--	2,856,243	--	--	--	9,383,026	--	--	21,289,188
Unearned premiums	92,078,713	155,960,394	42,247,492	50,990,109	61,030,449	22,153,508	27,673,827	105,672,898	46,002,674	--	--	603,810,064
Outstanding claims	115,151,276	238,564,313	80,593,903	45,178,252	28,670,799	22,309,123	5,585,316	--	163,434,527	--	--	699,487,509
Claims incurred but not reported	24,500,308	36,414,651	14,017,880	53,123,441	29,526,827	22,620,178	22,318,923	96,880,039	34,331,605	--	--	333,733,852
Unearned retrocession commission	1,562,191	1,638,439	65,130	--	736,006	--	--	--	1,940,228	--	--	5,941,994
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	9,603,123	4,533,657	14,136,780
End of service indemnities	--	--	--	--	--	--	--	--	--	6,856,764	--	6,856,764
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	41,638,442	41,638,442
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	16,174,925	16,174,925
TOTAL LIABILITIES	234,950,616	443,563,036	126,869,119	151,562,426	123,536,474	72,755,552	55,578,066	202,552,937	253,819,522	50,422,152	62,347,024	1,777,956,924

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14. SEGMENTAL INFORMATION (CONTINUED)

14.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2018 (Audited)												
<u>ASSETS</u>												
Bank balances and cash	--	--	--	--	--	--	--	--	--	22,343,716	9,542,390	31,886,106
Time deposits	--	--	--	--	--	--	--	--	--	73,896,431	196,235,246	270,131,677
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	408,367	1,671,257	2,079,624
Premium receivables, net	33,063,188	78,621,615	26,912,590	18,256,587	16,991,024	8,314,274	5,657,842	--	39,134,882	(26,928,489)	--	200,023,513
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	56,100,346	496,473,761	552,574,107
Accrued reinsurance premiums	45,037,704	95,556,383	24,345,102	24,596,627	28,688,727	36,594,299	19,382,544	109,680,062	25,896,689	--	--	409,778,137
Retroceded share of unearned premiums	8,010,935	7,175,832	2,619,072	--	6,220,529	--	--	--	9,054,526	--	--	33,080,894
Deferred excess of loss premiums	2,837,663	3,638,816	403,276	--	98,783	--	--	--	4,453,071	--	--	11,431,609
Retroceded share of outstanding claims	8,807,058	48,821,297	26,882,345	(993,866)	3,321,553	114,798	--	--	111,479,333	--	--	198,432,518
Retroceded share of claims incurred but not reported	8,097,132	5,620,750	1,605,731	445	5,721,604	651	--	--	38,890,866	--	--	59,937,179
Deferred policy acquisition costs	21,099,778	26,959,964	6,258,256	4,527,001	8,610,364	1,220,723	300,936	27,153,981	3,764,588	--	--	99,895,591
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	177,871,645	31,087,587	208,959,232
Property and equipment, net	--	--	--	--	--	--	--	--	--	2,212,848	30,376,050	32,588,898
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	--	--	--	--	2,663,892	2,663,892
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	97,293,816	97,293,816
Statutory deposit	--	--	--	--	--	--	--	--	--	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	15,549,401	15,549,401
TOTAL ASSETS	126,953,458	266,394,657	89,026,372	46,386,794	69,652,584	46,244,745	25,341,322	136,834,043	232,673,955	305,904,864	1,002,393,400	2,347,806,194

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2018 (Audited)												
LIABILITIES												
Accounts payable	243,793	8,841,262	391,426	490,530	1,008,131	1,624,317	--	--	4,138,668	3,189,512	--	19,927,639
Retrocession balances payable	--	--	--	--	--	--	--	--	--	22,898,559	--	22,898,559
Accrued retroceded premiums	2,021,819	4,615,122	28,978	--	2,945,797	--	--	--	6,228,001	--	--	15,839,717
Unearned premiums	72,778,665	101,381,181	21,780,349	27,861,928	33,086,082	21,017,901	10,636,850	68,080,710	23,547,619	--	--	380,171,285
Outstanding claims	105,894,071	232,426,687	58,047,786	42,461,041	26,739,043	23,774,585	6,893,779	--	166,230,380	--	--	662,467,372
Claims incurred but not reported	28,403,847	41,575,068	10,291,455	48,550,512	25,095,650	26,620,210	16,104,376	80,977,273	52,862,342	--	--	330,480,733
Unearned retrocession commission	3,004,693	(304,033)	147,595	--	1,543,719	--	--	--	2,018,266	--	--	6,410,240
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	7,560,114	4,986,838	12,546,952
End of service indemnities	--	--	--	--	--	--	--	--	--	6,593,975	--	6,593,975
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	38,244,253	38,244,253
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	15,549,401	15,549,401
TOTAL LIABILITIES	212,346,888	388,535,287	90,687,589	119,364,011	90,418,422	73,037,013	33,635,005	149,057,983	255,025,276	40,242,160	58,780,492	1,511,130,126

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
--	----------------------------------	--	--------------	------------	----------------------------	-------------

For the three month period ended 31 March 2019 (Unaudited)

Reinsurance operations' results

REVENUES

Gross written premiums	135,344,920	47,450,230	25,350,750	151,254,167	64,920,495	424,320,562
Retroceded premiums	(13,448,557)	(107,702)	(228)	118,703	--	(13,437,784)
Excess of loss expenses	(2,430,617)	(2,352,533)	(330,103)	(3,081,602)	8,610	(8,186,245)
Net written premiums	119,465,746	44,989,995	25,020,419	148,291,268	64,929,105	402,696,533
Changes in unearned premiums, net	(62,979,349)	(20,323,040)	(14,697,559)	(88,130,697)	(42,372,126)	(228,502,771)
Net earned premiums	56,486,397	24,666,955	10,322,860	60,160,571	22,556,979	174,193,762
Retrocession commissions	3,106,779	6,706	1,666	566,840	--	3,681,991
TOTAL REVENUES	59,593,176	24,673,661	10,324,526	60,727,411	22,556,979	177,875,753

UNDERWRITING COSTS AND EXPENSES

Gross claims paid	(59,135,125)	(14,431,500)	(7,435,549)	(27,593,637)	10,925	(108,584,886)
Retroceded share of claims paid	26,737,682	55,463	29,530	516,714	--	27,339,389
Net claims paid	(32,397,443)	(14,376,037)	(7,406,019)	(27,076,923)	10,925	(81,245,497)
Changes in outstanding claims, net	2,435,886	(1,632,939)	2,083,184	(13,295,542)	(1,354,657)	(11,764,068)
Changes in Incurred but not reported claims, net	(5,751,535)	(2,356,028)	553,683	(4,424,063)	(16,291,239)	(28,269,182)
Net claims incurred	(35,713,092)	(18,365,004)	(4,769,152)	(44,796,528)	(17,634,971)	(121,278,747)
Policy acquisition costs and profit commissions	(11,975,476)	(7,114,594)	(2,871,817)	(14,437,952)	(8,497,371)	(44,897,210)
Other underwriting expenses	(261,581)	(123,147)	(48,474)	(316,627)	(91,901)	(841,730)
TOTAL UNDERWRITING COSTS AND EXPENSES	(47,950,149)	(25,602,745)	(7,689,443)	(59,551,107)	(26,224,243)	(167,017,687)
NET UNDERWRITING INCOME	11,643,027	(929,084)	2,635,083	1,176,304	(3,667,264)	10,858,066

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
--	----------------------------------	--	--------------	------------	----------------------------	-------------

For the three month period ended 31 March 2018 (Unaudited)

Reinsurance operations' results

REVENUES

Gross written premiums	205,704,714	56,991,615	18,776,982	149,628,480	97,280,564	528,382,355
Retroceded premiums	(16,108,614)	(51,936)	(7,327)	(12,206,031)	--	(28,373,908)
Excess of loss expenses	(3,324,665)	(1,496,997)	(314,682)	(2,455,478)	(107,168)	(7,698,990)
Net written premiums	186,271,435	55,442,682	18,454,973	134,966,971	97,173,396	492,309,457
Changes in unearned premiums, net	(129,020,649)	(26,387,981)	(12,085,008)	(82,768,602)	(73,277,427)	(323,539,667)
Net earned premiums	57,250,786	29,054,701	6,369,965	52,198,369	23,895,969	168,769,790
Retrocession commissions	2,964,830	6,500	691	826,416	--	3,798,437
TOTAL REVENUES	60,215,616	29,061,201	6,370,656	53,024,785	23,895,969	172,568,227

UNDERWRITING COSTS AND EXPENSES

Gross claims paid	(42,729,171)	(18,251,065)	(3,391,436)	(20,137,745)	--	(84,509,417)
Retroceded share of claims paid	971,822	28,124	16	1,116,748	--	2,116,710
Net claims paid	(41,757,349)	(18,222,941)	(3,391,420)	(19,020,997)	--	(82,392,707)
Changes in outstanding claims, net	7,780,940	(3,201,235)	(9,421,229)	(7,961,595)	(10,289)	(12,813,408)
Changes in Incurred but not reported claims, net	2,454,009	(1,268,264)	2,216,422	(4,678,481)	(16,019,352)	(17,295,666)
Net claims incurred	(31,522,400)	(22,692,440)	(10,596,227)	(31,661,073)	(16,029,641)	(112,501,781)
Policy acquisition costs and profit commissions	(12,791,537)	(7,678,540)	(1,687,534)	(10,702,055)	(9,200,304)	(42,059,970)
Other underwriting expenses	(1,028,524)	(284,958)	(93,885)	(748,142)	(486,403)	(2,641,912)
TOTAL UNDERWRITING COSTS AND EXPENSES	(45,342,461)	(30,655,938)	(12,377,646)	(43,111,270)	(25,716,348)	(157,203,663)
NET UNDERWRITING INCOME	14,873,155	(1,594,737)	(6,006,990)	9,913,515	(1,820,379)	15,364,564

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 31 March 2019								
(Unaudited)								
ASSETS								
Bank balances and cash	6,302,840	--	--	22,705,915	643,952	--	11,220,836	40,873,543
Time deposits	94,872,119	--	--	26,261,747	--	--	319,104,876	440,238,742
Accrued special commission income from time deposits	796,564	--	--	412,212	--	--	2,074,409	3,283,185
Premium receivables, net	41,864,190	31,301,449	13,374,515	33,653,106	--	91,633,104	--	211,826,364
Investments held at fair value through income statement	--	--	--	--	--	2,098,583	394,068,510	396,167,093
Accrued reinsurance premiums	188,266,591	65,536,084	24,561,543	184,960,308	147,478,245	--	--	610,802,771
Retroceded share of unearned premiums	24,890,058	102,869	3,183	3,220,792	--	--	--	28,216,902
Deferred excess of loss premiums	1,943,811	1,126,339	869,675	1,803,731	407,238	--	--	6,150,794
Retroceded share of outstanding claims	186,443,327	19,485,588	2,611,952	15,147,716	--	--	--	223,688,583
Retroceded share of claims incurred but not reported	24,314,518	2,139,103	444,454	7,928,389	94,653	--	--	34,921,117
Deferred policy acquisition costs	38,837,572	21,743,105	8,673,187	48,163,602	41,095,437	--	--	158,512,903
Prepaid expenses, deposits and other assets	12,592,760	--	--	107,764	166,609,875	--	31,087,551	210,397,950
Property and equipment, net	1,750,118	--	--	692,847	--	--	30,169,352	32,612,317
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	2,337,537	2,337,537
Investment in an equity accounted investee	--	--	--	--	--	--	98,915,105	98,915,105
Statutory deposit	--	--	--	--	--	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	--	--	--	--	--	16,174,925	16,174,925
TOTAL ASSETS	622,874,468	141,434,537	50,538,509	345,058,129	356,329,400	93,731,687	1,026,653,101	2,636,619,831
LIABILITIES								
Accounts payable	14,595,777	2,320,383	5,312,468	9,611,205	--	(3,753,100)	--	28,086,733
Retrocession balances payable	--	--	--	--	--	6,800,673	--	6,800,673
Accrued retroceded premiums	4,794,497	(1,098,698)	(311,533)	2,838,032	--	15,066,890	--	21,289,188
Unearned premiums	204,050,924	73,883,443	29,144,490	188,061,965	108,669,242	--	--	603,810,064
Outstanding claims	351,717,416	140,466,404	20,202,618	184,316,404	2,784,667	--	--	699,487,509
Claims incurred but not reported	115,384,214	35,463,856	12,761,741	71,974,356	98,149,685	--	--	333,733,852
Unearned retrocession commission	5,258,007	22,810	795	660,382	--	--	--	5,941,994
Accrued expenses and other liabilities	--	--	--	--	--	9,603,123	4,533,657	14,136,780
End of service indemnities	6,856,764	--	--	--	--	--	--	6,856,764
Provision for zakat and tax	--	--	--	--	--	--	41,638,442	41,638,442
Accrued commission income payable to SAMA	--	--	--	--	--	--	16,174,925	16,174,925
TOTAL LIABILITIES	702,657,599	251,058,198	67,110,579	457,462,344	209,603,594	27,717,586	62,347,024	1,777,956,924

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

14 SEGMENTAL INFORMATION (CONTINUED)

14.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2018 (Audited)								
ASSETS								
Bank balances and cash	16,237,729	--	--	6,105,987	--	--	9,542,390	31,886,106
Time deposits	19,397,000	--	--	54,499,431	--	--	196,235,246	270,131,677
Accrued special commission income from time deposits	168,615	--	--	239,752	--	--	1,671,257	2,079,624
Premium receivables, net	47,592,759	35,285,959	12,729,390	39,081,228	--	65,334,177	--	200,023,513
Investments held at fair value through income statement	--	--	--	--	--	56,100,346	496,473,761	552,574,107
Accrued reinsurance premiums	129,433,278	50,023,519	16,330,009	103,366,647	110,624,684	--	--	409,778,137
Retroceded share of unearned premiums	27,317,750	8,739	8,026	5,746,379	--	--	--	33,080,894
Deferred excess of loss premiums	7,162,684	1,068,000	--	3,200,925	--	--	--	11,431,609
Retroceded share of outstanding claims	167,245,423	13,694,224	4,615,894	12,876,977	--	--	--	198,432,518
Retroceded share of claims incurred but not reported	47,208,681	3,523,570	513,471	8,635,652	55,805	--	--	59,937,179
Deferred policy acquisition costs	26,401,087	15,853,687	4,177,417	26,206,480	27,256,920	--	--	99,895,591
Prepaid expenses, deposits and other assets	11,146,007	--	--	115,763	166,609,875	--	31,087,587	208,959,232
Property and equipment, net	1,908,364	--	--	--	304,484	--	30,376,050	32,588,898
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	2,663,892	2,663,892
Investment in an equity accounted investee	--	--	--	--	--	--	97,293,816	97,293,816
Statutory deposit	--	--	--	--	--	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	--	--	--	--	--	15,549,401	15,549,401
TOTAL ASSETS	501,219,377	119,457,698	38,374,207	260,075,221	304,851,768	121,434,523	1,002,393,400	2,347,806,194
LIABILITIES								
Accounts payable	3,281,697	1,865,259	4,632,891	9,694,103	--	453,689	--	19,927,639
Retrocession balances payable	--	--	--	--	--	22,898,559	--	22,898,559
Accrued retroceded premiums	53,735	(1,098,698)	(311,533)	2,927,586	--	14,268,627	--	15,839,717
Unearned premiums	142,114,411	54,204,990	13,867,561	101,613,323	68,371,000	--	--	380,171,285
Outstanding claims	336,536,294	133,051,389	21,361,851	168,733,151	2,784,687	--	--	662,467,372
Claims incurred but not reported	132,522,900	34,496,239	13,384,441	68,257,556	81,819,597	--	--	330,480,733
Unearned retrocession commission	3,184,955	1,748	2,051	1,178,198	--	2,043,288	--	6,410,240
Accrued expenses and other liabilities	--	--	--	--	--	7,560,114	4,986,838	12,546,952
End of service indemnities	6,593,975	--	--	--	--	--	--	6,593,975
Provision for zakat and tax	--	--	--	--	--	--	38,244,253	38,244,253
Accrued commission income payable to SAMA	--	--	--	--	--	--	15,549,401	15,549,401
TOTAL LIABILITIES	624,287,967	222,520,927	52,937,262	352,403,917	152,975,284	47,224,277	58,780,492	1,511,130,126

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

15. SUPPLEMENTARY INFORMATION

Interim condensed statement of financial position

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
ASSETS						
Bank balances and cash	29,652,707	11,220,836	40,873,543	22,343,716	9,542,390	31,886,106
Time deposits	121,133,866	319,104,876	440,238,742	73,896,431	196,235,246	270,131,677
Accrued special commission income from time deposits	1,208,776	2,074,409	3,283,185	408,367	1,671,257	2,079,624
Premium receivables, net	211,826,364	--	211,826,364	200,023,513	--	200,023,513
Investments held at fair value through income statement	2,098,583	394,068,510	396,167,093	56,100,346	496,473,761	552,574,107
Accrued reinsurance premiums	610,802,771	--	610,802,771	409,778,137	--	409,778,137
Retroceded share of unearned premiums	28,216,902	--	28,216,902	33,080,894	--	33,080,894
Deferred excess of loss premiums	6,150,794	--	6,150,794	11,431,609	--	11,431,609
Retroceded share of outstanding claims	223,688,583	--	223,688,583	198,432,518	--	198,432,518
Retroceded share of claims incurred but not reported	34,921,117	--	34,921,117	59,937,179	--	59,937,179
Deferred policy acquisition costs	158,512,903	--	158,512,903	99,895,591	--	99,895,591
Prepaid expenses, deposits and other assets	179,310,399	31,087,551	210,397,950	177,871,645	31,087,587	208,959,232
Property and equipment, net	2,442,965	30,169,352	32,612,317	2,212,848	30,376,050	32,588,898
Accrued special commission income from bonds and sukuk	--	2,337,537	2,337,537	--	2,663,892	2,663,892
Investment in an equity accounted investee	--	98,915,105	98,915,105	--	97,293,816	97,293,816
Statutory deposit	--	121,500,000	121,500,000	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	16,174,925	16,174,925	--	15,549,401	15,549,401
Due from shareholders' operations*	110,103,000	--	110,103,000	110,965,035	--	110,965,035
TOTAL ASSETS	1,720,069,730	1,026,653,101	2,746,722,831	1,456,377,829	1,002,393,400	2,458,771,229
LIABILITIES						
Accounts payable	28,086,733	--	28,086,733	19,927,639	--	19,927,639
Retrocession balances payable	6,800,673	--	6,800,673	22,898,559	--	22,898,559
Accrued retroceded premiums	21,289,188	--	21,289,188	15,839,717	--	15,839,717
Unearned premiums	603,810,064	--	603,810,064	380,171,285	--	380,171,285
Outstanding claims	699,487,509	--	699,487,509	662,467,372	--	662,467,372
Claims incurred but not reported	333,733,852	--	333,733,852	330,480,733	--	330,480,733
Unearned retrocession commission	5,941,994	--	5,941,994	6,410,240	--	6,410,240
Accrued expenses and other liabilities	9,603,123	4,533,657	14,136,780	7,560,114	4,986,838	12,546,952
End of service indemnities	6,856,764	--	6,856,764	6,593,975	--	6,593,975
Accumulated surplus	4,459,830	--	4,459,830	4,028,195	--	4,028,195
Provision for zakat and tax	--	41,638,442	41,638,442	--	38,244,253	38,244,253
Accrued commission income payable to SAMA	--	16,174,925	16,174,925	--	15,549,401	15,549,401
Due to reinsurance operations*	--	110,103,000	110,103,000	--	110,965,035	110,965,035
TOTAL LIABILITIES	1,720,069,730	172,450,024	1,892,519,754	1,456,377,829	169,745,527	1,626,123,356
SHAREHOLDERS' EQUITY						
Share capital	--	810,000,000	810,000,000	--	810,000,000	810,000,000
Statutory reserve	--	8,815,260	8,815,260	--	8,815,260	8,815,260
Other reserves	--	1,194,727	1,194,727	--	1,074,616	1,074,616
Retained earnings	--	34,193,090	34,193,090	--	12,757,997	12,757,997
TOTAL SHAREHOLDERS' EQUITY	--	854,203,077	854,203,077	--	832,647,873	832,647,873
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,720,069,730	1,026,653,101	2,746,722,831	1,456,377,829	1,002,393,400	2,458,771,229

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

15. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income

	For the three month period ended 31 March 2019 (Unaudited)			For the three month period ended 31 March 2018 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
REVENUES						
Gross written premiums	424,320,562	--	424,320,562	528,382,355	--	528,382,355
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(13,437,784)	--	(13,437,784)	(28,373,908)	--	(28,373,908)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(8,186,245)	--	(8,186,245)	(7,698,990)	--	(7,698,990)
Net written premiums	402,696,533	--	402,696,533	492,309,457	--	492,309,457
Changes in unearned premiums, net	(228,502,771)	--	(228,502,771)	(323,539,667)	--	(323,539,667)
Net earned premiums	174,193,762	--	174,193,762	168,769,790	--	168,769,790
Retrocession commissions	3,681,991	--	3,681,991	3,798,437	--	3,798,437
TOTAL REVENUES	177,875,753	--	177,875,753	172,568,227	--	172,568,227
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(108,584,886)	--	(108,584,886)	(84,509,417)	--	(84,509,417)
Retroceded share of claims paid	27,339,389	--	27,339,389	2,116,710	--	2,116,710
Net claims paid	(81,245,497)	--	(81,245,497)	(82,392,707)	--	(82,392,707)
Changes in outstanding claims, net	(11,764,068)	--	(11,764,068)	(12,813,408)	--	(12,813,408)
Changes in Incurred but not reported claims, net	(28,269,182)	--	(28,269,182)	(17,295,666)	--	(17,295,666)
Net claims incurred	(121,278,747)	--	(121,278,747)	(112,501,781)	--	(112,501,781)
Policy acquisition costs and profit commissions	(44,897,210)	--	(44,897,210)	(42,059,970)	--	(42,059,970)
Other underwriting expenses	(841,730)	--	(841,730)	(2,641,912)	--	(2,641,912)
TOTAL UNDERWRITING COSTS AND EXPENSES	(167,017,687)	--	(167,017,687)	(157,203,663)	--	(157,203,663)
NET UNDERWRITING INCOME	10,858,066	--	10,858,066	15,364,564	--	15,364,564
OTHER OPERATING (EXPENSES)/ INCOME						
Special commission income from time deposits	1,771,760	1,976,668	3,748,428	380,845	24,845	405,690
Realized gains on investments held at fair value through income statement	193,267	615,241	808,508	--	877,017	877,017
Unrealized gains / (losses) on investments held at fair value through income statement	9,866	18,056,843	18,066,709	(490,924)	3,390,413	2,899,489
Special commission income from bonds and sukuk	--	801,048	801,048	--	769,593	769,593
Dividend income	--	172,839	172,839	--	345,936	345,936
Share of profit of an equity accounted investee	--	1,501,178	1,501,178	--	291,687	291,687
Investment management expenses	(47,327)	(293,131)	(340,458)	(150,107)	(1,048,810)	(1,198,917)
Net investment income / (loss)	1,927,566	22,830,686	24,758,252	(260,186)	4,650,681	4,390,495
Other income	--	246,481	246,481	362,250	150,627	512,877
Reversal / (charge) for doubtful debts	836,460	--	836,460	(398,077)	--	(398,077)
General and administrative expenses	(9,833,251)	(1,553,421)	(11,386,672)	(10,245,799)	(1,356,130)	(11,601,929)
Board of directors' remunerations, meetings fees and expenses	--	(579,188)	(579,188)	--	(589,562)	(589,562)
Foreign exchange translation income	527,519	--	527,519	507,485	(56,648)	450,837
Total income for the period	4,316,360	20,944,558	25,260,918	5,330,237	2,798,968	8,129,205
Total income attributed to the reinsurance operations	(431,636)	--	(431,636)	(533,024)	--	(533,024)
Total income for the period attributable to the shareholders	3,884,724	20,944,558	24,829,282	4,797,213	2,798,968	7,596,181

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)****For the three month period ended 31 March 2019****15 SUPPLEMENTARY INFORMATION (CONTINUED)****Interim condensed statement of comprehensive income**

	For the three month period ended 31 March 2019 (Unaudited)			For the three month period ended 31 March 2018 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Shareholders' absorption of deficit/ (Surplus transferred to Shareholders)	3,884,724	20,944,558	24,829,282	4,797,213	2,798,968	7,596,181
<i>Other comprehensive income</i>						
Items that may be classified to income statement subsequently						
Share of foreign currency translation reserve of an equity accounted investee	--	120,111	120,111	--	1,180,918	1,180,918
Total comprehensive income for the period	3,884,724	21,064,669	24,949,393	4,797,213	3,979,886	8,777,099

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

15 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of cash flows

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the three month period ended 31 March 2019 (Unaudited)			For the three month period ended 31 March 2018 (Unaudited)		
OPERATING ACTIVITIES						
Net income for the period	431,636	24,829,282	25,260,918	533,024	7,596,181	8,129,205
<i>Adjustments to reconcile net income for the period to net cash from operating activities:</i>						
Employees' end of service benefits	325,843	--	325,843	561,223	--	561,223
Depreciation of property and equipment	205,420	206,698	412,118	482,687	218,382	701,069
Realized gains on investments held at fair value through income statement	(193,267)	(615,241)	(808,508)	--	(877,017)	(877,017)
Unrealized (gains) / losses on investments held at fair value through income statement	(9,866)	(18,056,843)	(18,066,709)	490,924	(3,390,413)	(2,899,489)
Share of profit of an equity accounted investee		(1,501,178)	(1,501,178)	--	(291,687)	(291,687)
(Reversal) / Provision for doubtful receivable	(836,460)	--	(836,460)	398,077	--	398,077
Operating (loss) / income before changes in operating assets and liabilities	(76,694)	4,862,718	4,786,024	2,465,935	3,255,446	5,721,381
Changes in operating assets and liabilities:						
Premiums receivable, gross	(10,966,392)	--	(10,966,392)	151,991,869	--	151,991,869
Accrued reinsurance premiums	(201,024,634)	--	(201,024,634)	(282,404,285)	--	(282,404,285)
Retroceded share of unearned premiums	4,863,992	--	4,863,992	37,065,698	--	37,065,698
Unearned premiums	223,638,779	--	223,638,779	286,473,969	--	286,473,969
Retroceded share of outstanding claims	(25,256,065)	--	(25,256,065)	(87,727,314)	--	(87,727,314)
Retroceded share of claims incurred but not reported	25,016,062	--	25,016,062	47,477,895	--	47,477,895
Deferred acquisition costs	(58,617,312)	--	(58,617,312)	(85,736,553)	--	(85,736,553)
Deferred excess of loss premiums	5,280,815	--	5,280,815	6,503,652	--	6,503,652
Prepaid expenses, deposits and other assets	(1,438,754)	36	(1,438,718)	(1,778,108)	(30,770,904)	(32,549,012)
Accounts payable	8,159,094	--	8,159,094	(2,993,341)	--	(2,993,341)
Retrocession balances payable	(16,097,886)	--	(16,097,886)	(192,613,894)	--	(192,613,894)
Accrued retroceded premiums	5,449,471	--	5,449,471	13,637,529	--	13,637,529
Outstanding claims	37,020,137	--	37,020,137	100,540,722	--	100,540,722
Claims incurred but not reported	3,253,119	--	3,253,119	(30,182,229)	--	(30,182,229)
Unearned commission income	(468,246)	--	(468,246)	3,168,352	--	3,168,352
Accrued expenses and other liabilities	2,043,009	(453,181)	1,589,828	12,875,720	240,417	13,116,137
Cash from / (used) in operating activities	778,495	4,409,573	5,188,068	(21,234,383)	(27,275,041)	(48,509,424)
Employees' end of service benefits paid	(63,054)	--	(63,054)	(147,342)	--	(147,342)
Net cash from / (used) in operating activities	715,441	4,409,573	5,125,014	(21,381,725)	(27,275,041)	(48,656,766)

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

15 SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of cash flows (continued)

	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
	For the three month period ended 31 March 2019 (Unaudited)			For the three month period ended 31 March 2018 (Unaudited)		
INVESTING ACTIVITIES						
Time deposits	(18,988,398)	(3,612,437)	(22,600,835)	(4,329,900)	--	(4,329,900)
Accrued special commission income on time deposits	(800,409)	(403,152)	(1,203,561)	593,992	3,250	597,242
Accrued special commission income from bonds and sukuk	--	326,355	326,355	--	1,510,731	1,510,731
Purchase of property and equipment	(435,537)	--	(435,537)	(122,825)	--	(122,825)
Additions in investments held at fair value through income statement	--	(97,732,000)	(97,732,000)	(6,000,000)	--	(6,000,000)
Proceeds from disposal of property and equipment	--	--	--	75,000	--	75,000
Proceeds from disposal of investments held at fair value through income statement	54,204,896	218,809,335	273,014,231	--	39,500,000	39,500,000
Statutory deposit	--	--	--	--	(21,500,000)	(21,500,000)
Net cash from / (used in) investing activities	33,980,552	117,388,101	151,368,653	(9,783,733)	19,513,981	9,730,248
FINANCING ACTIVITIES						
Due to / from reinsurance / shareholders' operations*	862,035	(862,035)	--	16,594,581	(16,594,581)	--
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
Cash and cash equivalents at the beginning of the period	72,093,146	9,542,390	81,635,536	53,494,191	31,737,579	85,231,770
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	107,651,174	130,478,029	238,129,203	38,923,314	7,381,938	46,305,252

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

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

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the three month period ended 31 March 2019

16 COMMITMENTS AND CONTINGENCIES

As at 31 March 2019, the Company has deposited and pledged SR 47,250,000 (31 December 2018: SR 47,250,000) with local bank to obtain the standby letter of credit towards Fund At Lloyds (FAL) for its participation in a Lloyds Syndicates and for 2015, 2016 and 2017 underwriting years. In addition, the Company has deposited SR 119,359,875 (31 December 2018: 119,359,875) with Lloyd's London as FAL for its continued participation in a Lloyds Syndicates and for 2018 underwriting year. Upon issuance of stand by letter of credit, the deposit with Lloyds will be withdrawn.

17 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the three month period ended 31 March 2019 and 31 March 2018 have been calculated by dividing net income for the period by the weighted average number of ordinary shares issued and outstanding at the end of the period.

The weighted average number of shares have been retrospectively adjusted for all prior periods to reflect the element of reduction in share capital as follows:

	31 March 2019	31 March 2018
No. of Shares		
Issue ordinary shares as at 1 January	81,000,000	100,000,000
Effect of decrease in capital	--	(19,000,000)
Weighted average outstanding number of ordinary shares	81,000,000	81,000,000

18 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.

19 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 7 Ramadan 1440H corresponding to 12 May 2019.