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

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REVIEW REPORT  
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30  
SEPTEMBER 2020**

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

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

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Saudi Re for Cooperative Reinsurance Company (the "Company") as at 30 September 2020, the 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 ("IAS 34") "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 30 September 2020 of the Company are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in Kingdom of Saudi Arabia.

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29 Rabi-Al Awwal 1442 H  
15 November 2020



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

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	30 September 2020 (Unaudited) SR	31 December 2019 (Audited) SR
<b>ASSETS</b>			
Bank balances and cash	5	45,554,670	13,169,059
Time deposits		262,761,253	378,031,179
Accrued special commission income from time deposits		2,888,617	7,974,404
Premium receivables, net	4	269,885,540	233,392,376
Investments held at fair value through income statement	7	430,980,435	417,847,821
Held-to-maturity investments	8	146,560,496	37,500,000
Accrued reinsurance premiums	2	662,436,955	467,070,866
Retroceded share of unearned premiums	9	69,376,088	50,836,786
Deferred excess of loss premiums		17,356,405	11,743,563
Retroceded share of outstanding claims	10	226,549,076	282,718,771
Retroceded share of claims incurred but not reported	10	39,197,780	34,812,075
Deferred policy acquisition costs		188,279,811	106,279,101
Prepaid expenses, deposits and other assets	12	247,468,655	244,639,898
Property and equipment, net		33,244,123	33,575,528
Accrued special commission income from bonds and sukuk		3,696,209	2,793,154
Investment in an equity accounted investee	14	113,963,028	101,445,631
Statutory deposit	6	81,000,000	121,500,000
Accrued income on statutory deposit	6	20,009,107	17,992,463
<b>TOTAL ASSETS</b>		<b>2,861,208,248</b>	<b>2,563,322,675</b>
<b>LIABILITIES</b>			
Accounts payable		45,867,488	39,928,645
Retrocession balances payable		9,600,247	46,173,239
Accrued retroceded premiums		42,706,185	21,741,812
Unearned premiums	9	687,549,577	401,997,592
Outstanding claims	10	744,688,677	737,229,272
Claims incurred but not reported	10	341,165,422	355,254,946
Unearned retrocession commission		14,183,047	8,396,072
Accrued expenses and other liabilities		19,820,841	19,420,788
End of service indemnities		9,770,774	8,828,705
Provision for zakat and tax	12	16,134,061	23,742,062
Accrued commission income payable to SAMA	6	20,009,107	17,992,463
<b>TOTAL LIABILITIES EXCLUDING REINSURANCE OPERATIONS' SURPLUS</b>		<b>1,951,495,426</b>	<b>1,680,705,596</b>
<b>REINSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		9,548,976	7,546,140
<b>TOTAL REINSURANCE OPERATIONS' SURPLUS</b>		<b>9,548,976</b>	<b>7,546,140</b>
<b>TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS</b>		<b>1,961,044,402</b>	<b>1,688,251,736</b>
<b>EQUITY</b>			
Share capital	11	810,000,000	810,000,000
Statutory reserve		17,904,115	17,904,115
Retained earnings		74,187,058	49,113,416
Other reserves		(1,927,327)	(1,946,592)
<b>TOTAL EQUITY</b>		<b>900,163,846</b>	<b>875,070,939</b>
<b>TOTAL LIABILITIES INCLUDING REINSURANCE OPERATIONS' SURPLUS AND EQUITY</b>		<b>2,861,208,248</b>	<b>2,563,322,675</b>

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.



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

## INTERIM CONDENSED STATEMENT OF INCOME

For the three month and nine month periods ended 30 September 2020

	For the three month period ended		For the nine month period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR	(Unaudited) SR
<b>REVENUES</b>				
Gross written premiums	198,922,235	169,969,767	857,976,714	676,496,841
Retroceded premiums	(22,523,598)	(41,247,113)	(95,938,999)	(90,412,077)
Excess of loss expenses	(7,211,516)	17,747	(21,599,065)	(14,523,569)
<b>Net written premiums</b>	<b>169,187,121</b>	<b>128,740,401</b>	<b>740,438,650</b>	<b>571,561,195</b>
Changes in unearned premiums, net	26,031,755	24,969,066	(267,012,683)	(103,358,678)
<b>Net earned premiums</b>	<b>195,218,876</b>	<b>153,709,467</b>	<b>473,425,967</b>	<b>468,202,517</b>
Retrocession commissions	1,889,641	4,426,574	7,249,394	13,059,295
<b>TOTAL REVENUES</b>	<b>197,108,517</b>	<b>158,136,041</b>	<b>480,675,361</b>	<b>481,261,812</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>				
Gross claims paid	(131,946,932)	(95,788,232)	(320,809,325)	(286,243,323)
Retroceded share of claims paid	25,325,338	8,821,805	81,291,694	48,086,173
<b>Net claims paid</b>	<b>(106,621,594)</b>	<b>(86,966,427)</b>	<b>(239,517,631)</b>	<b>(238,157,150)</b>
Changes in outstanding claims, net	(12,682,459)	24,097,277	(63,629,100)	5,605,831
Changes in incurred but not reported claims, net	(5,645,340)	(29,352,032)	18,475,228	(67,981,886)
<b>Net claims incurred</b>	<b>(124,949,393)</b>	<b>(92,221,182)</b>	<b>(284,671,503)</b>	<b>(300,533,205)</b>
Policy acquisition costs and profit commissions	(55,161,548)	(38,803,522)	(146,452,379)	(124,544,140)
Other underwriting expenses	601,537	(918,078)	(2,688,720)	(2,598,168)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(179,509,404)</b>	<b>(131,942,782)</b>	<b>(433,812,602)</b>	<b>(427,675,513)</b>
<b>NET UNDERWRITING INCOME</b>	<b>17,599,113</b>	<b>26,193,259</b>	<b>46,862,759</b>	<b>53,586,299</b>
<b>OTHER OPERATING INCOME / (EXPENSES)</b>				
Special commission income from time deposits	2,057,688	4,514,431	8,712,351	13,051,764
Realized gains / (loss) on investments held at fair value through income statement	617,900	669,263	(309,716)	2,028,725
Unrealized gains on investments held at fair value through income statement	308,273	(4,964,761)	95,963	14,879,836
Special commission income from bonds and sukuk	3,965,494	1,192,997	8,483,631	3,014,673
Dividend income	858,066	592,248	1,875,695	2,595,399
Share of profit of equity accounted investee	1,082,288	434,970	8,801,233	7,857,631
Investment management expenses	(253,448)	(409,614)	(720,291)	(1,326,186)
<b>Net investment income</b>	<b>8,636,261</b>	<b>2,029,534</b>	<b>26,938,866</b>	<b>42,101,842</b>
Other income	140,880	251,958	813,339	747,658
(Charge) / reversal for doubtful debts	--	--	(457,676)	517,929
General and administrative expenses	(12,253,117)	(11,508,055)	(34,616,999)	(35,641,022)
Board of directors' remunerations, meetings fees and expenses	(603,287)	(546,449)	(1,901,127)	(1,705,469)
Foreign exchange translation gains / (losses)	3,393,609	(1,113,481)	(564,071)	(536,874)
<b>Total income for the period before zakat and tax</b>	<b>16,913,459</b>	<b>15,306,766</b>	<b>37,075,091</b>	<b>59,070,363</b>
<b>Total income attributed to the reinsurance operations</b>	<b>(1,156,612)</b>	<b>(1,720,547)</b>	<b>(2,002,835)</b>	<b>(2,914,358)</b>
<b>Net income for the period before zakat and tax</b>	<b>15,756,847</b>	<b>13,586,219</b>	<b>35,072,256</b>	<b>56,156,005</b>
<b>Zakat and tax charge for the period</b>	<b>(3,549,943)</b>	<b>(3,253,939)</b>	<b>(9,998,614)</b>	<b>(10,301,875)</b>
<b>Net income for the period after zakat and tax attributable to the shareholders</b>	<b>12,206,904</b>	<b>10,332,280</b>	<b>25,073,642</b>	<b>45,854,130</b>

Basic and diluted earnings per share for the period

18 0.15 0.13 0.31 0.57

Managing Director / Chief Executive Officer

Chairman of the Board


Chief Financial Officer

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**For the three month and nine month periods ended 30 September 2020**

	For the three month period ended		For the nine month period Ended	
	30 September 2020 (Unaudited) SR	30 September 2019 (Unaudited) SR	30 September 2020 (Unaudited) SR	30 September 2019 (Unaudited) SR
Net income for the period after zakat and tax attributable to shareholder	12,206,904	10,332,280	25,073,642	45,854,130
<i>Other comprehensive income</i>				
<b>Items that may be classified to income statement subsequently</b>				
Share of foreign currency translation reserve of an equity accounted investee	893,527	376,381	19,265	(853,511)
<b>Total comprehensive income for the period</b>	<b>13,100,431</b>	<b>10,708,661</b>	<b>25,092,907</b>	<b>45,000,619</b>

  
 Managing Director / Chief Executive Officer

  
 Chairman of the Board

  
 Chief Financial Officer

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.



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

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2020

	GCC Shareholders and General Public				Non – GCC Shareholders				Total				
	Share Capital	Statutory reserve	Retained earnings	Other reserves	Share capital	Statutory reserve	Retained earnings	Other reserves	Share Capital	Statutory reserve	Retained earnings	Other reserves	Total
	SR	SR	SR		SR	SR	SR		SR	SR	SR		SR
Balance as at 1 January 2020 (Audited)	749,907,990	16,575,765	42,683,543	(1,821,931)	60,092,010	1,328,350	6,429,873	(124,661)	810,000,000	17,904,115	49,113,416	(1,946,592)	875,070,939
Transferred during the period	15,047,900	332,702	3,698,675	(16,411)	(15,047,900)	(332,702)	(3,698,675)	16,411	–	–	–	–	–
Net profit for the period	–	–	23,679,297	–	–	–	1,394,345	–	–	–	25,073,642	–	25,073,642
Other comprehensive income	–	–	–	18,194	–	–	–	1,071	–	–	–	19,265	19,265
Total comprehensive income for the period	–	–	23,679,297	18,194	–	–	1,394,345	1,071	–	–	25,073,642	19,265	25,092,907
Balance as at 30 September 2020 (Unaudited)	764,955,890	16,908,467	70,061,515	(1,820,148)	45,044,110	995,648	4,125,543	(107,179)	810,000,000	17,904,115	74,187,058	(1,927,327)	900,163,846
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	55,549	810,000,000	8,815,260	12,757,997	1,074,616	832,647,873
Transferred during the period	(29,817,540)	(324,503)	(358,862)	(38,773)	29,817,540	324,503	358,862	38,773	--	--	--	--	--
Net profit for the period	--	--	42,040,623	--	--	--	3,813,507	--	--	--	45,854,130	--	45,854,130
Other comprehensive income	--	--	--	(794,372)	--	--	--	(59,139)	--	--	--	(853,511)	(853,511)
Total comprehensive income for the period	--	--	42,040,623	(794,372)	--	--	3,813,507	(59,139)	--	--	45,854,130	(853,511)	45,000,619
Balance as at 30 September 2019 (Unaudited)	753,876,210	8,204,398	51,113,714	185,922	56,123,790	610,862	7,498,413	35,183	810,000,000	8,815,260	58,612,127	221,105	877,648,492

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 21 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 nine month period ended 30 September 2020

	30 September 2020 (Unaudited) SR	30 September 2019 (Unaudited) SR
<i>Note</i>		
<b>OPERATING ACTIVITIES</b>		
Total income for the period before zakat & tax	37,075,091	59,070,363
<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	1,517,484	1,087,213
Depreciation of property and equipment	1,733,207	1,350,951
Realized loss / (gains) on investments held at fair value through income statement	309,716	(2,028,725)
Unrealized gains on investments held at fair value through income statement	(95,963)	(14,879,836)
Share of profit of equity accounted investee	(8,801,233)	(7,857,631)
Charge / (reversal) of doubtful debts	457,676	(517,929)
Operating income before changes in operating assets and liabilities	32,195,978	36,224,406
<b>Changes in operating assets and liabilities:</b>		
Premiums receivable, gross	(36,950,840)	(12,485,628)
Accrued reinsurance premiums	(195,366,089)	(151,734,897)
Retroceded share of unearned premiums	(18,539,302)	(13,732,890)
Unearned premiums	285,551,985	117,091,568
Retroceded share of outstanding claims	56,169,695	(18,858,105)
Retroceded share of claims incurred but not reported	(4,385,705)	(8,754,425)
Deferred acquisition costs	(82,000,710)	(33,292,691)
Deferred excess of loss premiums	(5,612,842)	(4,480,619)
Prepaid expenses, deposits and other assets	(2,828,757)	(2,446,793)
Accounts payable	5,938,843	11,529,685
Retrocession balances payable	(36,572,992)	38,521,259
Accrued retroceded premiums	20,964,373	4,732,289
Outstanding claims	7,459,405	13,252,276
Claims incurred but not reported	(14,089,524)	76,736,308
Unearned commission income	5,786,975	1,665,581
Accrued expenses and other liabilities	400,053	1,590,957
	18,120,546	55,558,281
Zakat and income tax paid	(17,606,615)	(12,793,825)
Employees' end of service benefits paid	(575,415)	(369,183)
<b>Net cash (used in) / generated from operating activities</b>	(61,484)	42,395,273
<b>INVESTING ACTIVITIES</b>		
Time deposits	80,605,051	(160,909,599)
Statutory deposit	40,500,000	-
Accrued special commission income on time deposits	5,085,787	(4,562,324)
Accrued special commission income from bonds and sukuk	(903,055)	(934,772)
Purchase of property and equipment	(1,401,801)	(2,011,102)
Additions in investment in an associate	(3,696,899)	-
Additions in investments held at fair value through income statement	(305,693,977)	(191,645,880)
Additions in held-to-maturity investments	(109,060,496)	(37,500,000)
Proceeds from disposal of investments held at fair value through income statement	292,347,610	330,264,797
<b>Net cash used in investing activities</b>	(2,217,780)	(67,298,880)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,279,264)	(24,903,607)
Cash and cash equivalents at the beginning of the period*	47,833,934	81,635,536
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	45,554,670	56,731,929

\*Includes time deposits less than three months amounting to SR 34,664,875

Managing Director / Chief Executive Officer

Chairman of the Board

Chief Financial Officer

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.



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

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

### **For the three month and nine month periods ended 30 September 2020**

#### **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 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 2020 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 of Certified Public 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, 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 benefits and accrued commission income payable to SAMA.

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

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

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

The accompanying unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at 31 December 2019.

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 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.

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

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

### **For the three month and nine month periods ended 30 September 2020**

#### **2. BASIS OF PREPARATION (CONTINUED)**

##### **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 End of Service Benefits (EOSB) at present value.

##### **Functional and presentation currency**

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

##### **Fiscal year**

The Company's fiscal year is aligned with the calendar year i.e. it begins at 1 January and ends at 31 December.

##### **Critical accounting judgments, estimates and assumptions**

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies, the risk management policies and the key sources of estimation uncertainty except for estimation of accrued reinsurance premium as mentioned below, were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2019. Further, the Company has considered the following:

- On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.
- In response to the spread of the Covid-19 virus in the GCC, non-GCC and other territories where the Company operates and its consequential disruption to the social and economic activities in those markets, the Company's management has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures and processes to ensure:
  - the health and safety of its employees and the wider community where it is operating
  - the continuity of its business throughout the world is protected and kept intact.

- **Change in estimates of accrued reinsurance premium**

Effective 1 January 2020, the Company has revised method of estimating accrued reinsurance premium to enhance objectivity and consistency in the process. Accordingly, the accrued reinsurance premium at the reporting date is now determined by using actuarial techniques unlike previous basis of estimated premium income (EPI) recommended by the underwriters. The change has not resulted in a material adjustment in the interim condensed statement of income, however it has resulted in an increase in accrued reinsurance premium balance as of 30 September 2020 by SR 10 million. The change in the estimation of accrued reinsurance premium has not only impacted the gross written premium for the period but also various elements including retroceded premium, change in unearned premium, net, retrocession commissions, changes in incurred but not reported claims, net, policy acquisition cost and profit commissions, other underwriting expenses and their related balances in the statement of financial position.

The management believes that it is not practicable for the Company to quantify and disclose the impact of the change in the estimation methodology on the individual financial statement captions as it would require undue cost and effort to recompute impact on individual elements.

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

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

### **For the three month and nine month periods ended 30 September 2020**

#### **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 2019.

##### **A) Standards issued but not yet effective**

The following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards, which have been published and are mandatory for compliance for the Company with effect from future dates.

##### **IFRS 9 – Financial Instruments**

This standard was published on July 24, 2014 and has replaced IAS 39. The new standard addresses the following items related to financial instruments:

##### **Classification and measurement**

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if both:

- i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and;
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

The financial asset is measured at fair value through other comprehensive income and realized gains or losses would be recycled through profit or loss upon sale, if both conditions are met:

- i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and for sale and;
- ii) the contractual terms of cash flows are SPPI

Assets not meeting either of these categories are measured at fair value through profit or loss. Additionally, at initial recognition, an entity can use the option to designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

For equity instruments that are not held for trading, an entity can also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the instruments (including realized gains and losses), dividends being recognized in profit or loss.

Additionally, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

##### **Impairment**

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the IFRS 9 approach, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

##### **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



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

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

### **For the three month and nine month periods ended 30 September 2020**

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

##### **A) Standards issued but not yet effective (Continued)**

###### **Effective date (Continued)**

- b) annual reporting periods beginning on or after January 1, 2023. On 17 March 2020, the International Accounting Standards Board ("IASB") decided to extend the effective date of IFRS 17 and the IFRS 9 temporary exemption in IFRS 4 from January 1, 2021 to January 1, 2023. Additional disclosures related to financial assets are required during the deferral period. This option is only available to entities whose activities are predominately connected with insurance and have not applied IFRS 9 previously; or;
- 2) adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contract standard is implemented. During the interim period, additional disclosures are required.

The Company has performed a preliminary assessment which included below:

- (1) The carrying amount of the Company's liabilities arising from contracts within the scope of IFRS 4 (including deposit components or embedded derivatives unbundled from insurance contracts) were compared to the total carrying amount of all its liabilities; and
- (2) The total carrying amount of the Company's liabilities connected with insurance were compared to the total carrying amount of all its liabilities. Based on these assessments the Company determined that it is eligible for the temporary exemption. Consequently, the Company has decided to defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Disclosures related to financial assets required during the deferral period are included in the Company's interim condensed financial statements.

##### **Impact assessment**

The Company is currently assessing the impact of the application and implementation of IFRS 9. As of the date of the publication of these interim condensed financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company expects the classification and measurement of financial assets to be impacted from implementation of IFRS 9 as 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).

###### **Measurement**

In contrast to the requirements in IFRS 4, which permitted insurers to continue to use the accounting policies for measurement purposes that existed prior to January 2015, IFRS 17 provides the following different measurement models:

The General Measurement Model (GMM) is based on the following "building blocks":

- b) the fulfilment cash flows (FCF), which comprise:
- probability-weighted estimates of future cash flows,
  - an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows,
  - and a risk adjustment for non-financial risk;

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

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

### **For the three month and nine month periods ended 30 September 2020**

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

##### **A) Standards issued but not yet effective (Continued)**

##### **IFRS 17 Insurance Contracts (continued)**

##### **Measurement (continued)**

- c) the Contractual Service Margin (CSM). The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately.

At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:

- the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date; and
- the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

The CSM is adjusted subsequently for changes in cash flows related to future services but the CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss.

The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.

The Variable Fee Approach (VFA) is a mandatory model for measuring contracts with direct participation features (also referred to as 'direct participating contracts'). This assessment of whether the contract meets these criteria is made at inception of the contract and not reassessed subsequently. For these contracts, in addition to adjustment under GMM, the CSM is also adjusted for:

- i) the entity's share of the changes in the fair value of underlying items;
- ii) the effect of changes in the time value of money and in financial risks not relating to the underlying items.

In addition, a simplified Premium Allocation Approach (PAA) is permitted for the measurement of the liability for remaining coverage if it provides a measurement that is not materially different from the General Measurement Model for the group of contracts or if the coverage period for each contract in the group is one year or less. With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less insurance acquisition cash flows. The General Measurement Model remains applicable for the measurement of the liability for incurred claims.

However, the entity is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid/received in one year or less from the date the claims are incurred.

##### **Effective date**

The Company intends to apply the Standard on its effective date i.e. 1 January 2023. The IASB issued an Exposure Draft Amendments to IFRS 17 proposing certain amendments to IFRS 17 during June 2019 and received comments from various stakeholders. On 17 March 2020, the IASB completed its discussions on the amendments to IFRS 17 Insurance Contracts that were proposed for public consultation in June 2019. It decided that the effective date of the Standard will be deferred to annual reporting periods beginning on or after 1 January 2023. The IASB expects to issue the amendments to IFRS 17 in the second quarter of 2020. Earlier application is permitted if both IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments have also been applied.

##### **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.

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

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

### For the three month and nine month periods ended 30 September 2020

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

##### A) Standards issued but not yet effective (Continued)

##### IFRS 17 Insurance Contracts (continued)

##### 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 interim condensed financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company expects a material impact on measurement and disclosure of reinsurance and retrocession that will affect both the statement of income and the statement of financial position. The Company has decided not to early adopt this new standard.

The Company has started its implementation process and has set up a project team, supervised by an IFRS executive management committee.

#### 4. PREMIUM RECEIVABLES, NET

<u>Reinsurance operations</u>	<b>30 September 2020 (Unaudited) SR</b>	<b>31 December 2019 (Audited) SR</b>
Policyholders	<b>272,621,360</b>	235,474,039
Related parties (note 13)	<b>915,565</b>	1,112,046
Less: provision for doubtful debts*	<b>(3,651,385)</b>	(3,193,709)
	<b><u>269,885,540</u></b>	<b><u>233,392,376</u></b>

The movement in provision for doubtful debt is as follows:

	<b>30 September 2020 (Unaudited) SR</b>	<b>31 December 2019 (Audited) SR</b>
Opening balance	<b>3,193,709</b>	3,711,638
Charge / (Reversal) for the year	<b>457,676</b>	(517,929)
Closing balance	<b><u>3,651,385</u></b>	<b><u>3,193,709</u></b>

#### 5. CASH AND CASH EQUIVALENTS

	<b>30 September 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>
Cash in hand	<b>48,999</b>	40,000
Bank balances	<b>31,724,163</b>	6,021,323
<b>Total Bank balances and cash (A)</b>	<b><u>31,773,162</u></b>	<b><u>6,061,323</u></b>
Deposits maturing within 3 months from the acquisition date (B)	<b>--</b>	21,586,875
<b>Total Cash and cash equivalents for reinsurance operations</b>	<b><u>31,773,162</u></b>	<b><u>27,648,198</u></b>



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

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

For the three month and nine month periods ended 30 September 2020

### 5. CASH AND CASH EQUIVALENTS (CONTINUED)

	<b>Shareholders' operations</b>	
	<b>30 September 2020 (Unaudited)</b>	<b>31 December 2019 (Audited)</b>
Bank balances (C)	<b>13,781,508</b>	7,107,736
Deposits maturing within 3 months from the acquisition date (D)	--	13,078,000
<b>Total Cash and cash equivalents for shareholders' operations</b>	<b>13,781,508</b>	20,185,736
<b>Total Bank balances and cash (A+C)</b>	<b>45,554,670</b>	13,169,059
<b>Total Deposits maturing within 3 months from acquisition date (B+D)*</b>	--	34,664,875
<b>Total Cash and cash equivalents for reinsurance operations and shareholders' operations</b>	<b>45,554,670</b>	47,833,934

\*Included within time deposits

### 6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 81 million (31 December 2019: SR 121.5 million) with a local bank, which has been rated "A" by Standard & Poor's Rating agency representing the statutory deposit of 10% of its paid-up capital as required by the Implementing Regulations of the "Law On Supervision of Cooperative Insurance Companies" issued by SAMA. This statutory deposit cannot be withdrawn without the consent of SAMA. The statutory deposit generates special commission income which is accrued on regular basis and is shown as a separate line item as part of the shareholders' liabilities in the Statement of Financial Position as "Accrued commission income payable to SAMA". The accrued commission on the deposit as at 30 September 2020 is SAR 20,009,107 (31 December 2019: 17,992,463) and has also been disclosed in assets as "Accrued income on statutory deposit".

The Company had requested SAMA to reduce the statutory deposit from 15% (31 December 2019: 121.5 million) to 10% (30 September 2020: 81 million) on its paid-up capital based on the Article 85 of the implementing regulation of insurance companies. SAMA has approved the Company's request vide their letter dated 06/09/2020 sent to the Company. Therefore, the Company has adjusted the statutory deposit and accrued commission income related to the deposit in its financial statements for the current period.

### 7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

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

	<b>30 September 2020 (Unaudited)</b>			<b>31 December 2019 (Audited)</b>		
	<b>Reinsurance operations SR</b>	<b>Shareholders' operations SR</b>	<b>Total SR</b>	<b>Reinsurance operations SR</b>	<b>Shareholders' operations SR</b>	<b>Total SR</b>
Money market funds	<b>131,646,433</b>	<b>135,808,434</b>	<b>267,454,867</b>	40,877,141	197,916,148	238,793,289
Investment and real estate funds	--	<b>102,117,984</b>	<b>102,117,984</b>	--	71,081,131	71,081,131
Equities	--	--	--	--	17,460,885	17,460,885
Fixed-rate bonds/sukuk	--	<b>41,407,584</b>	<b>41,407,584</b>	--	50,512,516	50,512,516
Floating-rate bonds/sukuk	--	<b>20,000,000</b>	<b>20,000,000</b>	--	40,000,000	40,000,000
	<b>131,646,433</b>	<b>299,334,002</b>	<b>430,980,435</b>	40,877,141	376,970,680	417,847,821

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

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

### For the three month and nine month periods ended 30 September 2020

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

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

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

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

As at 30 September 2020 and 31 December 2019, the investment in money market funds under reinsurance operations amounting to SR 131.65 million (31 December 2019 SR 40.88 million) is classified as level 2 investments. The following table shows an analysis of financial instruments under shareholders' operations measured at fair value by level of the fair value hierarchy:

	30 September 2020 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	135,808,434	--	135,808,434
Investment and real estate funds	--	--	102,117,984	102,117,984
Equities	--	--	--	--
Fixed-rate bonds/sukuk	--	--	41,407,584	41,407,584
Floating-rate bonds/sukuk	--	--	20,000,000	20,000,000
	--	135,808,434	163,525,568	299,334,002

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

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

### For the three month and nine month periods ended 30 September 2020

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

	31 December 2019 (Audited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Money market funds	--	197,916,148	--	197,916,148
Investment and real estate funds	--	--	71,081,131	71,081,131
Equities	17,460,885	--	--	17,460,885
Fixed-rate bonds/sukuk	--	--	50,512,516	50,512,516
Floating-rate bonds/sukuk	--	--	40,000,000	40,000,000
	<u>17,460,885</u>	<u>197,916,148</u>	<u>161,593,647</u>	<u>376,970,680</u>

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

	Opening	Purchase	Sale/Matured	Realized loss	Unrealized gain	Closing
<b>For the nine-month period ended 30 September 2020 (Unaudited)</b>	<b><u>161,593,647</u></b>	<b><u>26,800,000</u></b>	<b><u>(30,000,000)</u></b>	<b><u>--</u></b>	<b><u>5,131,921</u></b>	<b><u>163,525,568</u></b>
For the year ended 31 December 2019 (Audited)	<u>116,387,865</u>	<u>46,081,132</u>	<u>(1,047,575)</u>	<u>(340,290)</u>	<u>512,515</u>	<u>161,593,647</u>

#### Sensitivity Analysis

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

	<b>30 September 2020 (Unaudited)</b>	31 December 2019 (Audited)
<b>Investments held at fair value through income statement</b>	<b><u>41,407,584</u></b>	<u>50,512,516</u>
Impact on Unrealized Gain for the period / year ended:		
<b>If increased by 5% in market rate</b>	<b><u>(41,891)</u></b>	<u>(134,430)</u>
<b>If decreased by 5% in market rate</b>	<b><u>41,891</u></b>	<u>134,430</u>

- iii. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 30 September 2020 and year ended 31 December 2019.
- iv. Investment in real-estate funds have various unobservable inputs.
- v. The movements of investments held at fair value through income statement are as follows:

	30 September 2020 (Unaudited)			31 December 2019 (Audited)		
	Reinsurance operations SR	Shareholders' operations SR	Total SR	Reinsurance operations SR	Shareholders' operations SR	Total SR
Opening balance	40,877,141	376,970,680	417,847,821	56,100,346	496,473,761	552,574,107
Additions	105,504,777	200,189,200	305,693,977	38,572,307	315,673,142	354,245,449
Disposals	(14,196,699)	(278,150,911)	(292,347,610)	(54,204,897)	(452,462,698)	(506,667,595)
Unrealized (losses)/ gains	(697,536)	793,499	95,963	216,118	3,576,588	3,792,706
Realized gains/(losses)	158,750	(468,466)	(309,716)	193,267	13,709,887	13,903,154
<b>Closing balance</b>	<b><u>131,646,433</u></b>	<b><u>299,334,002</u></b>	<b><u>430,980,435</u></b>	<u>40,877,141</u>	<u>376,970,680</u>	<u>417,847,821</u>



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

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

### For the three month and nine month periods ended 30 September 2020

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

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

	30 September 2020 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	135,808,434	--	135,808,434
Investment and real estate funds	--	102,117,984	102,117,984
Equities	--	--	--
Fixed-rate bonds/sukuk	--	41,407,584	41,407,584
Floating-rate bonds/sukuk	--	20,000,000	20,000,000
	<b>135,808,434</b>	<b>163,525,568</b>	<b>299,334,002</b>
31 December 2019 (Audited)			
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money market funds	197,916,148	--	197,916,148
Investment and real estate funds	--	71,081,131	71,081,131
Equities	17,460,885	--	17,460,885
Fixed-rate bonds/sukuk	--	50,512,516	50,512,516
Floating-rate bonds/sukuk	--	40,000,000	40,000,000
	<b>215,377,033</b>	<b>161,593,647</b>	<b>376,970,680</b>

As at 30 September 2020 and 31 December 2019, 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	
	30 September 2020 (Unaudited) SR	31 December 2019 (Audited) SR	30 September 2020 (Unaudited) SR	31 December 2019 (Audited) SR	30 September 2020 (Unaudited) SR	31 December 2019 (Audited) SR
<b>Reinsurance operations</b>						
Money Market Funds	<b>131,646,433</b>	40,877,141	--	--	<b>131,646,433</b>	40,877,141
	<b>131,646,433</b>	40,877,141	--	--	<b>131,646,433</b>	40,877,141

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

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

### For the three month and nine month periods ended 30 September 2020

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

	Domestic		International		Total	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SR	SR	SR	SR	SR	SR
<b>Shareholders' operations</b>						
Money Market Funds	135,808,434	197,916,148	--	--	135,808,434	197,916,148
Investment and real estate funds	102,117,984	71,081,131	--	--	102,117,984	71,081,131
Equities	--	17,460,885	--	--	--	17,460,885
Fixed-Rate Bonds/Sukuk	41,407,584	40,480,100	--	10,032,416	41,407,584	50,512,516
Floating-Rate Bonds/Sukuk	20,000,000	40,000,000	--	--	20,000,000	40,000,000
	<b>299,334,002</b>	<b>366,938,264</b>	<b>--</b>	<b>10,032,416</b>	<b>299,334,002</b>	<b>376,970,680</b>
<b>Total</b>	<b>430,980,435</b>	<b>407,815,405</b>	<b>--</b>	<b>10,032,416</b>	<b>430,980,435</b>	<b>417,847,821</b>

#### 8. HELD-TO-MATURITY INVESTMENTS

Held to maturity investments consist of the following as at:

	Shareholders' operations	
	30 September 2020 (Unaudited)	31 December 2019 (Audited)
At the beginning of the period / year	37,500,000	--
Purchases	109,060,496	37,500,000
Disposals/Maturities	--	--
<b>Balance at the end of the period / year</b>	<b>146,560,496</b>	<b>37,500,000</b>
	30 September 2020 (Unaudited)	31 December 2019 (Audited)
STC Sukuk (A)	38,055,269	37,500,000
Omani Bonds (B)	88,494,694	--
GIB Bonds (C)	20,010,533	--

- (A) This represents investment in local issued Sukuk amounting to SR 37.50 million (31 December 2019: SR 37.5 million). The interest rate on the Sukuk is 3.89% and it will be maturing in year 2029. The credit rating of the counter party is A1 by Moody's and A- by Standard & Poors credit quality agencies. The accrued income on this investment as at 30 Sep 2020 amounted to SR 555,269 (December 31, 2019: SR 210,708).
- (B) This represent investment in GCC issued Bonds amounting to SR 87.70 million (31 December 2019: SR Nil). The interest rate on the Bonds ranges from 3.88% to 4.88% and it will be maturing in years 2022/23/25. The credit rating of the counter party is Ba3 by Moody's and BB- by Standard & Poors credit quality agencies. The accrued income on this investment as at 30 Sep 2020 amounted to SR 718,673 (December 31, 2019: SR Nil).
- (C) This represent investment in GCC issued Bonds amounting to SR 20.00 million (31 December 2019: SR Nil). The interest rate on the Bonds ranges from 2.37% to 3.70% and it will be maturing in years 2025/09/23. The credit rating of the counter party is Ba3 by Moody's and BBB+ by Standard & Poors credit quality agencies. The accrued income on this investment as at 30 Sep 2020 amounted to SR 10,533 (December 31, 2019: SR Nil).

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

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

For the three month and nine month periods ended 30 September 2020

### 9. UNEARNED PREMIUM

#### Reinsurance operations

	30 September 2020 (Unaudited)		
	Gross SR	Retroceded share SR	Net SR
Opening balance	401,997,592	(50,836,786)	351,160,806
Premiums written during the period	857,976,714	(117,538,064)	740,438,650
Premium earned	(572,424,729)	98,998,762	(473,425,967)
Changes in unearned premiums	285,551,985	(18,539,302)	267,012,683
Closing balance	687,549,577	(69,376,088)	618,173,489

	31 December 2019 (Audited)		
	Gross SR	Retroceded share SR	Net SR
Opening balance	380,171,285	(33,080,894)	347,090,391
Premiums written during the year	792,847,561	(146,242,284)	646,605,277
Premiums earned	(771,021,254)	128,486,392	(642,534,862)
Changes in unearned premiums	21,826,307	(17,755,892)	4,070,415
Closing balance	401,997,592	(50,836,786)	351,160,806

### 10. CLAIMS RESERVES

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<b>Reinsurance operations</b>		
Outstanding claims	744,688,677	737,229,272
Claims incurred but not reported	341,165,422	355,254,946
	<b>1,085,854,099</b>	<b>1,092,484,218</b>
Less:		
- Retroceded share of outstanding claims	226,549,076	282,718,771
- Retroceded share of claims incurred but not reported	39,197,780	34,812,075
	<b>265,746,856</b>	<b>317,530,846</b>
<b>Net outstanding claims reserves</b>	<b>820,107,243</b>	<b>774,953,372</b>

### 11. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 810 million at 30 September 2020 (31 December 2019: SAR 810 million) consisting of 81 million shares (December 31, 2019: 81 million shares) of SAR 10 each.

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

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



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

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

### For the three month and nine month periods ended 30 September 2020

#### 11. SHARE CAPITAL (CONTINUED)

	31 December 2019 (Audited)		
	Authorized and issued	Paid up	
	No. of Shares	Value per share	SR
Ahmed Hamad Algosaibi Brothers Co.	4,050,000	10	40,500,000
Others	76,950,000	10	769,500,000
	<b>81,000,000</b>	<b>10</b>	<b>810,000,000</b>

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

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

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

#### 12. PROVISION FOR ZAKAT AND TAX

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

	30 September 2020 (Unaudited)		31 December 2019 (Audited)	
	SR	%	SR	%
Saudi Shareholders	<b>662,337,000</b>	<b>81.770%</b>	734,022,000	90.62%
GCC Shareholders	<b>102,618,890</b>	<b>12.669%</b>	15,876,000	1.96%
<b>GCC Shareholders and general public</b>	<b>764,955,890</b>	<b>94.439%</b>	749,898,000	92.58%
Non-GCC Shareholders	<b>45,044,110</b>	<b>5.561%</b>	60,102,000	7.42%
<b>Total</b>	<b>810,000,000</b>	<b>100%</b>	810,000,000	100%

As at 30 September 2020 and 31 December 2019, the authorized, issued and fully paid-up share capital of the Company consists of 100 million shares of SAR 10 each. The Company's zakat and tax calculations and corresponding accruals and payments of zakat and tax are based on the above ownership percentages in accordance with the relevant provisions of the Saudi Arabian Zakat and Income Tax regulations.

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

	30 September 2020 SR (Unaudited)	31 December 2019 SR (Audited)
Provision for zakat	<b>15,799,478</b>	23,300,536
Provision for tax	<b>334,583</b>	441,526
	<b>16,134,061</b>	23,742,062

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

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

### For the three month and nine month periods ended 30 September 2020

#### 12 PROVISION FOR ZAKAT AND TAX (CONTINUED)

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

	30 September 2020 SR (Unaudited)	30 September 2019 SR (Unaudited)
Zakat charge for the period	9,947,909	10,224,409
Tax charge for the period	50,705	77,466
	<b>9,998,614</b>	<b>10,301,875</b>

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 99.58% and 0.43% respectively as at 30 September 2020 and 31 December 2019.

#### Status of assessment

The Company has filed its tax / Zakat returns for the years ended 31 December 2014 to 2018 with the General Authority of Zakat and Income Tax (GAZT). The Company received the final assessments for the years up to 31 December 2013 and the assessments for the years ended 31 December 2014 to 2018 are still outstanding.

#### Status of VAT assessment

Other assets include payment made by the Company in relation to VAT assessment raised by General Authority of Zakat and Tax ("GAZT") for 2018 and 2019 financial years amounting to SR 38.5 million. The payments were made to GAZT, 'Paid under Protest', to avoid penalties and subsequent to period ended 30 September 2020, the Company has submitted objections to the GAZT assessment. The Company's management believes that there is strong basis that the assessment raised by the GAZT will be reversed and the full amount will be refunded in due course.

#### 13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders and key management personnel of the Company. The Company transacts with its related parties in the ordinary course of business. The transactions with related parties are undertaken at mutually agreed terms, which are approved by the management.

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company. Companies represented by the Board members include Ashmore Investment Saudi Arabia (2019: Iskan Insurance Company, Mamde Re and The Islamic Insurance Company), whereas Associate include Probitas Holding (Bermuda) Limited (including its subsidiaries)

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

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

Related party	Nature of transactions	Amount of transactions for the nine-month period ended		Balance as at	
		30 September 2020 (Unaudited) SR	30 September 2019 (Unaudited) SR	30 September 2020 (Unaudited) SR	31 December 2019 (Audited) SR
Board of Directors	- Consulting fees	119,768	113,066	--	--
	- Remunerations, meetings fees and expenses	1,782,378	1,690,469	2,358,754	1,875,000

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

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

### For the three month and nine month periods ended 30 September 2020

#### 13 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

##### Key management

##### Personnel

- Short term benefits	<b>8,618,958</b>	7,543,592	<b>1,617,027</b>	2,854,771
- End of service benefits	<b>826,162</b>	349,416	<b>3,990,964</b>	3,164,802

##### Companies

##### represented by the

##### Board members

- Gross written premiums	--	3,630,256	--	1,121,153
- Claims incurred	--	1,372,394	--	2,829,748
- Commissions expense	--	986,587	--	--
- Realized loss on investments held at fair value through income statement	<b>(293,050)</b>	--	--	--
- Unrealized loss on investments held at fair value through income statement	<b>(4,373,055)</b>	--	--	--
- Investments	--	--	<b>79,930,804</b>	88,246,912
- Investments management fees	<b>327,719</b>	--	--	--

##### Associate\*

- Gross written premiums	<b>149,623,565</b>	72,969,006	<b>915,565</b>	747,157
- Commissions expense	<b>60,247,476</b>	11,829,802	--	--

\*No claims have yet been paid to or reported by the associate.

#### 14 INVESTMENT IN AN EQUITY ACCOUNTED INVESTEE

Shareholders' operations	30 September 2020 (Unaudited) SR	31 December 2019 (Audited) SR
Balance at the beginning of the period / year	<b>101,445,631</b>	97,293,816
Addition during the period / year	<b>3,696,899</b>	--
Share of profit of an equity accounted investee for the period / year	<b>8,801,233</b>	5,114,506
Share in foreign currency translation adjustments for the period / year	<b>19,265</b>	(962,691)
Balance at the end of the period / year	<b>113,963,028</b>	101,445,631

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.

During the three-month period ended 30 September 2020, the Company subscribed to the rights issue of shares of Probitas Holdings Bermuda Ltd., for the purpose of providing funding of its own Lloyds Managing Agency to manage the Syndicate 1492. The Company retained its ordinary shareholding percentage of 49.9% by fully subscribing to the 141,644 ordinary shares allocated through the rights issue on payment of SR 3,696,899

#### 15 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 (UNAUDITED)

### For the three month and nine month periods ended 30 September 2020

#### 15. SEGMENTAL INFORMATION (CONTINUED)

##### 15.1 Business segments

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

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



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

**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the three-month period ended 30 September 2019 (Unaudited)										
<b><u>REVENUES</u></b>										
Gross written premiums	19,097,027	49,333,880	39,392,030	6,601,583	3,865,572	9,815,072	149,372	19,314,813	22,400,418	169,969,767
Retroceded premiums	(1,411,462)	(3,959,857)	(26,572,757)	--	412,841	--	--	--	(9,715,878)	(41,247,113)
Excess of loss expenses	(763,657)	1,565,388	(134,427)	--	20,972	(182,513)	--	--	(488,016)	17,747
Net written premiums	16,921,908	46,939,411	12,684,846	6,601,583	4,299,385	9,632,559	149,372	19,314,813	12,196,524	128,740,401
Changes in unearned premiums, net	(398,135)	(2,029,663)	854,273	7,987,787	6,917,273	3,984,034	6,399,999	(2,641,004)	3,894,502	24,969,066
Net earned premiums	16,523,773	44,909,748	13,539,119	14,589,370	11,216,658	13,616,593	6,549,371	16,673,809	16,091,026	153,709,467
Retrocession commissions	488,722	939,356	877,571	--	1,007,465	(503)	--	--	1,113,963	4,426,574
<b><u>TOTAL REVENUES</u></b>	<b>17,012,495</b>	<b>45,849,104</b>	<b>14,416,690</b>	<b>14,589,370</b>	<b>12,224,123</b>	<b>13,616,090</b>	<b>6,549,371</b>	<b>16,673,809</b>	<b>17,204,989</b>	<b>158,136,041</b>
<b><u>UNDERWRITING COSTS AND EXPENSES</u></b>										
Gross claims paid	(15,619,632)	(30,298,529)	(6,904,489)	(10,445,761)	(8,836,054)	(9,728,017)	(4,208,692)	--	(9,747,058)	(95,788,232)
Retroceded share of claims paid	78,736	2,842,484	2,259,524	--	3,641,061	--	--	--	--	8,821,805
Net claims paid	(15,540,896)	(27,456,045)	(4,644,965)	(10,445,761)	(5,194,993)	(9,728,017)	(4,208,692)	--	(9,747,058)	(86,966,427)
Changes in outstanding claims, net	9,156,977	11,544,781	(2,483,666)	2,529,692	797,348	283,656	(633,290)	--	2,901,779	24,097,277
Changes in Incurred but not reported claims, net	(7,674,333)	(8,541,581)	(2,985,717)	3,790,804	(7,667,614)	(2,259,021)	(1,374,472)	(11,904,163)	9,264,065	(29,352,032)
Net claims incurred	(14,058,252)	(24,452,845)	(10,114,348)	(4,125,265)	(12,065,259)	(11,703,382)	(6,216,454)	(11,904,163)	2,418,786	(92,221,182)
Policy acquisition costs and profit commissions	(5,721,982)	(12,163,220)	(4,668,814)	(2,040,610)	(3,509,521)	(858,417)	(193,576)	(6,948,720)	(2,698,662)	(38,803,522)
Other underwriting expenses	(80,877)	(244,526)	(166,995)	(77,713)	(73,594)	(68,685)	(32,747)	(96,574)	(76,367)	(918,078)
<b><u>TOTAL UNDERWRITING COSTS AND EXPENSES</u></b>	<b>(19,861,111)</b>	<b>(36,860,591)</b>	<b>(14,950,157)</b>	<b>(6,243,588)</b>	<b>(15,648,374)</b>	<b>(12,630,484)</b>	<b>(6,442,777)</b>	<b>(18,949,457)</b>	<b>(356,243)</b>	<b>(131,942,782)</b>
<b>NET UNDERWRITING INCOME / (LOSS)</b>	<b>(2,848,616)</b>	<b>8,988,513</b>	<b>(533,467)</b>	<b>8,345,782</b>	<b>(3,424,251)</b>	<b>985,606</b>	<b>106,594</b>	<b>(2,275,648)</b>	<b>16,848,746</b>	<b>26,193,259</b>

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**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

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

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

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

**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Total SR
For the nine month period ended 30 September 2019 (Unaudited)										
<u>REVENUES</u>										
Gross written premiums	69,825,701	186,374,216	79,365,743	59,143,517	53,545,251	42,256,363	19,549,479	71,839,935	94,596,636	676,496,841
Retroceded premiums	(5,833,139)	(16,395,016)	(26,848,543)	--	(18,857,308)	--	--	--	(22,478,071)	(90,412,077)
Excess of loss expenses	(2,880,994)	(4,477,726)	(537,703)	--	(84,484)	(558,855)	--	--	(5,983,807)	(14,523,569)
Net written premiums	61,111,568	165,501,474	51,979,497	59,143,517	34,603,459	41,697,508	19,549,479	71,839,935	66,134,758	571,561,195
Changes in unearned premiums, net	(8,912,176)	(29,203,004)	(12,940,480)	(3,118,447)	1,250,987	(4,231,662)	(4,025,960)	(23,296,356)	(18,881,580)	(103,358,678)
Net earned premiums	52,199,392	136,298,470	39,039,017	56,025,070	35,854,446	37,465,846	15,523,519	48,543,579	47,253,178	468,202,517
Retrocession commissions	1,356,872	3,282,568	1,100,258	--	2,788,433	(5,941)	--	--	4,537,105	13,059,295
<u>TOTAL REVENUES</u>	53,556,264	139,581,038	40,139,275	56,025,070	38,642,879	37,459,905	15,523,519	48,543,579	51,790,283	481,261,812
<u>UNDERWRITING COSTS AND EXPENSES</u>										
Gross claims paid	(35,559,987)	(99,717,460)	(14,441,216)	(27,973,550)	(25,880,198)	(30,731,788)	(11,028,073)	--	(40,911,051)	(286,243,323)
Retroceded share of claims paid	578,896	17,620,238	4,226,489	--	6,982,487	--	--	--	18,678,063	48,086,173
Net claims paid	(34,981,091)	(82,097,222)	(10,214,727)	(27,973,550)	(18,897,711)	(30,731,788)	(11,028,073)	--	(22,232,988)	(238,157,150)
Changes in outstanding claims, net	(2,118,950)	9,627,607	(4,209,577)	(5,641,018)	(424,673)	2,759,243	(770,813)	--	6,384,012	5,605,831
Changes in Incurred but not reported claims, net	(9,239,304)	(4,571,733)	(8,812,782)	(4,142,148)	(4,416,374)	617,398	(4,318,002)	(33,764,483)	665,542	(67,981,886)
Net claims incurred	(46,339,345)	(77,041,348)	(23,237,086)	(37,756,716)	(23,738,758)	(27,355,147)	(16,116,888)	(33,764,483)	(15,183,434)	(300,533,205)
Policy acquisition costs and profit commissions	(18,667,718)	(40,588,816)	(13,363,218)	(6,946,120)	(11,874,254)	(3,443,249)	(946,607)	(19,249,166)	(9,464,992)	(124,544,140)
Other underwriting expenses	(241,236)	(762,885)	(302,767)	(284,811)	(230,122)	(184,364)	(77,618)	(207,596)	(306,769)	(2,598,168)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(65,248,299)	(118,393,049)	(36,903,071)	(44,987,647)	(35,843,134)	(30,982,760)	(17,141,113)	(53,221,245)	(24,955,195)	(427,675,513)
NET UNDERWRITING (LOSS) / INCOME	(11,692,035)	21,187,989	3,236,204	11,037,423	2,799,745	6,477,145	(1,617,594)	(4,677,666)	26,835,088	53,586,299

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

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

**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
<b>As at 30 September 2020</b>												
<b>(Unaudited)</b>												
<b><u>ASSETS</u></b>												
Bank balances and cash	--	--	--	--	--	--	--	--	--	31,773,162	13,781,508	45,554,670
Time deposits	--	--	--	--	--	--	--	--	--	32,320,312	230,440,941	262,761,253
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	609,991	2,278,626	2,888,617
Premium receivables, net	58,219,755	108,747,532	34,790,618	32,404,244	23,168,914	24,699,744	7,858,018	3,116	87,900,866	(107,907,267)	--	269,885,540
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	131,646,433	299,334,002	430,980,435
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	146,560,496	146,560,496
Accrued reinsurance premiums	116,223,225	128,163,459	45,525,235	42,683,577	38,251,228	34,465,423	16,979,767	182,513,043	57,631,998	--	--	662,436,955
Retroceded share of unearned premiums	30,560,874	6,865,351	15,293,675	--	13,166,929	465,495	--	--	3,023,764	--	--	69,376,088
Deferred excess of loss premiums	4,247,624	5,438,905	800,835	--	142,360	239,850	--	--	6,486,831	--	--	17,356,405
Retroceded share of outstanding claims	5,136,034	26,018,601	84,178,288	(995,031)	3,062,659	114,331	--	--	109,034,194	--	--	226,549,076
Retroceded share of claims incurred but not reported	2,712,880	6,073,344	6,434,239	316,819	10,443,947	755,863	--	1,670	12,459,018	--	--	39,197,780
Deferred policy acquisition costs	38,849,487	46,543,664	14,425,707	6,015,166	11,472,297	2,577,165	320,385	59,192,410	8,883,530	--	--	188,279,811
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	167,781,584	79,687,071	247,468,655
Property and equipment, net	--	--	--	--	--	--	--	--	--	4,193,990	29,050,133	33,244,123
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	--	--	--	--	3,696,209	3,696,209
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	113,963,028	113,963,028
Statutory deposit	--	--	--	--	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	20,009,107	20,009,107
<b>TOTAL ASSETS</b>	<b>255,949,879</b>	<b>327,850,856</b>	<b>201,448,597</b>	<b>80,424,775</b>	<b>99,708,334</b>	<b>63,317,871</b>	<b>25,158,170</b>	<b>241,710,239</b>	<b>285,420,201</b>	<b>260,418,205</b>	<b>1,019,801,121</b>	<b>2,861,208,248</b>

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

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

**For the three month and nine month periods ended 30 September 2020**

**15. SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
<b>As at 30 September 2020 (Unaudited)</b>												
<b>LIABILITIES</b>												
Accounts payable	(2,285,695)	(1,601,125)	(206,789)	(1,941,249)	(465,375)	1,163,154	671,812	--	11,972,399	38,560,356	--	45,867,488
Retrocession balances payable	--	--	--	--	--	--	--	--	--	9,600,247	--	9,600,247
Accrued retroceded premiums	18,075,710	4,235,889	104,806	125,581	15,878,841	104,634	--	117	4,180,607	--	--	42,706,185
Unearned premiums	150,546,954	163,241,122	59,649,768	35,302,086	40,813,408	25,712,937	11,385,286	145,764,200	55,133,816	--	--	687,549,577
Outstanding claims	88,142,670	223,461,033	118,561,118	52,840,522	29,982,762	31,380,553	11,849,976	--	188,470,043	--	--	744,688,677
Claims incurred but not reported	30,525,021	37,832,690	26,146,088	50,984,404	31,660,026	22,665,974	12,532,976	94,791,411	34,026,832	--	--	341,165,422
Unearned retrocession commission	7,118,661	2,647,727	272,321	--	3,355,155	32,687	--	--	756,496	--	--	14,183,047
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	16,653,340	3,167,501	19,820,841
End of service indemnities	--	--	--	--	--	--	--	--	--	9,770,774	--	9,770,774
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	16,134,061	16,134,061
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	20,009,107	20,009,107
<b>TOTAL LIABILITIES</b>	<b>292,123,321</b>	<b>429,817,336</b>	<b>204,527,312</b>	<b>137,311,344</b>	<b>121,224,817</b>	<b>81,059,939</b>	<b>36,440,050</b>	<b>240,555,728</b>	<b>294,540,193</b>	<b>74,584,717</b>	<b>39,310,669</b>	<b>1,951,495,426</b>



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

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

**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2019												
<b>ASSETS</b>												
Bank balances and cash	--	--	--	--	--	--	--	--	--	6,061,323	7,107,736	13,169,059
Time deposits	--	--	--	--	--	--	--	--	--	138,195,362	239,835,817	378,031,179
Accrued special commission income from time deposits	--	--	--	--	--	--	--	--	--	1,728,030	6,246,374	7,974,404
Premium receivables, net	41,176,448	93,225,725	16,348,014	25,012,608	19,080,882	9,079,607	6,077,569	(308,692)	74,556,629	(50,856,414)	--	233,392,376
Investments held at fair value through income statement	--	--	--	--	--	--	--	--	--	40,877,141	376,970,680	417,847,821
Held-to-maturity investments	--	--	--	--	--	--	--	--	--	--	37,500,000	37,500,000
Accrued reinsurance premiums	45,237,422	92,142,828	31,036,428	28,103,983	31,708,390	38,383,493	16,671,462	133,976,736	49,810,124	--	--	467,070,866
Retroceded share of unearned premiums	7,061,901	5,456,335	6,597,140	--	9,593,658	--	--	--	22,127,752	--	--	50,836,786
Deferred excess of loss premiums	3,015,897	3,794,146	403,280	--	99,749	--	--	--	4,430,491	--	--	11,743,563
Retroceded share of outstanding claims	6,785,245	46,220,224	116,859,302	(995,031)	3,542,132	1,626,261	--	--	108,680,638	--	--	282,718,771
Retroceded share of claims incurred but not reported	3,755,287	4,727,577	3,431,631	32,904	8,726,492	--	--	--	14,138,184	--	--	34,812,075
Deferred policy acquisition costs	20,867,565	27,478,912	6,844,095	3,257,350	7,274,190	1,313,273	129,394	31,879,345	7,234,977	--	--	106,279,101
Prepaid expenses, deposits and other assets	--	--	--	--	--	--	--	--	--	171,904,335	72,735,563	244,639,898
Property and equipment, net	--	--	--	--	--	--	--	--	--	3,941,322	29,634,206	33,575,528
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	--	--	--	--	2,793,154	2,793,154
Investment in an equity accounted investee	--	--	--	--	--	--	--	--	--	--	101,445,631	101,445,631
Statutory deposit	--	--	--	--	--	--	--	--	--	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	--	--	--	--	--	--	--	--	--	17,992,463	17,992,463
<b>TOTAL ASSETS</b>	<b>127,899,765</b>	<b>273,045,747</b>	<b>181,519,890</b>	<b>55,411,814</b>	<b>80,025,493</b>	<b>50,402,634</b>	<b>22,878,425</b>	<b>165,547,389</b>	<b>280,978,795</b>	<b>311,851,099</b>	<b>1,013,761,624</b>	<b>2,563,322,675</b>

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

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

**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.1 Business segments (continued)**

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Protection SR	Health SR	Speciality SR	Others SR	Unallocated SR	Shareholders SR	Total SR
As at 31 December 2019												
<b>LIABILITIES</b>												
Accounts payable	(4,835,815)	7,007,543	(16,377,915)	5,093,599	(1,891,045)	(1,585,379)	1,147,290	--	(20,746,114)	72,116,481	--	39,928,645
Retrocession balances payable	--	--	--	--	--	--	--	--	--	46,173,239	--	46,173,239
Accrued retroceded premiums	1,176,668	2,625,156	787,215	--	6,995,292	73,543	--	--	10,083,938	--	--	21,741,812
Unearned premiums	71,388,608	97,227,443	28,929,678	18,293,464	27,725,120	21,263,471	8,091,261	81,440,011	47,638,536	--	--	401,997,592
Outstanding claims	101,508,874	216,947,133	144,953,939	52,744,829	27,148,368	26,341,460	7,426,620	--	160,158,049	--	--	737,229,272
Claims incurred but not reported	33,946,957	49,242,742	15,544,440	49,680,204	32,306,225	25,366,145	25,454,102	88,661,520	35,052,611	--	--	355,254,946
Unearned retrocession commission	1,283,599	1,972,899	91,998	--	1,966,475	--	--	--	3,081,101	--	--	8,396,072
Accrued expenses and other liabilities	--	--	--	--	--	--	--	--	--	15,509,872	3,910,916	19,420,788
Employees' end of service benefits	--	--	--	--	--	--	--	--	--	8,828,705	--	8,828,705
Provision for zakat and tax	--	--	--	--	--	--	--	--	--	--	23,742,062	23,742,062
Accrued commission income payable to SAMA	--	--	--	--	--	--	--	--	--	--	17,992,463	17,992,463
<b>TOTAL LIABILITIES</b>	<b>204,468,891</b>	<b>375,022,916</b>	<b>173,929,355</b>	<b>125,812,096</b>	<b>94,250,435</b>	<b>71,459,240</b>	<b>42,119,273</b>	<b>170,101,531</b>	<b>235,268,121</b>	<b>142,628,297</b>	<b>45,645,441</b>	<b>1,680,705,596</b>

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

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

**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.2 Geographical segments**

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

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.2 Geographical segments (continued)**

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 30 September 2019 (Unaudited)						
Reinsurance operations' results						
<b>REVENUES</b>						
Gross written premiums	87,506,940	26,856,992	11,530,014	24,767,570	19,308,251	169,969,767
Retroceded premiums	(41,651,445)	(8,952)	--	413,284	--	(41,247,113)
Excess of loss expenses	(1,791,678)	(455,878)	(264,397)	2,567,369	(37,669)	17,747
Net written premiums	44,063,817	26,392,162	11,265,617	27,748,223	19,270,582	128,740,401
Changes in unearned premiums, net	3,219,635	(4,603,983)	672,704	27,292,745	(1,612,035)	24,969,066
Net earned premiums	47,283,452	21,788,179	11,938,321	55,040,968	17,658,547	153,709,467
Retrocession commissions	3,545,989	13,396	--	867,189	--	4,426,574
<b>TOTAL REVENUES</b>	<b>50,829,441</b>	<b>21,801,575</b>	<b>11,938,321</b>	<b>55,908,157</b>	<b>17,658,547</b>	<b>158,136,041</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(31,069,561)	(20,219,206)	(4,751,530)	(39,708,817)	(39,118)	(95,788,232)
Retroceded share of claims paid	5,197,203	28,755	--	3,595,847	--	8,821,805
Net claims paid	(25,872,358)	(20,190,451)	(4,751,530)	(36,112,970)	(39,118)	(86,966,427)
Changes in outstanding claims, net	5,544,262	3,302,951	(34,862)	15,495,294	(210,368)	24,097,277
Changes in Incurred but not reported claims, net	10,516,847	(7,570,127)	(3,081,641)	(17,466,838)	(11,750,273)	(29,352,032)
Net claims incurred	(9,811,249)	(24,457,627)	(7,868,033)	(38,084,514)	(11,999,759)	(92,221,182)
Policy acquisition costs and profit commissions	(10,483,455)	(5,893,270)	(3,215,341)	(12,146,932)	(7,064,524)	(38,803,522)
Other underwriting expenses	(505,763)	(134,285)	(57,650)	(123,838)	(96,542)	(918,078)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(20,800,467)</b>	<b>(30,485,182)</b>	<b>(11,141,024)</b>	<b>(50,355,284)</b>	<b>(19,160,825)</b>	<b>(131,942,782)</b>
<b>NET UNDERWRITING INCOME</b>	<b>30,028,974</b>	<b>(8,683,607)</b>	<b>797,297</b>	<b>5,552,873</b>	<b>(1,502,278)</b>	<b>26,193,259</b>

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.2 Geographical segments**

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



**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three month and nine month periods ended 30 September 2020**

**15 SEGMENTAL INFORMATION (CONTINUED)**

**15.2 Geographical segments (continued)**

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the nine month period ended 30 September 2019 (Unaudited)						
Reinsurance operations' results						
<u>REVENUES</u>						
Gross written premiums	252,952,284	83,434,668	45,074,191	219,489,666	75,546,032	676,496,841
Retroceded premiums	(71,418,586)	(155,259)	(4,027)	(18,834,205)	--	(90,412,077)
Excess of loss expenses	(6,345,549)	(3,945,356)	(938,633)	(3,205,607)	(88,424)	(14,523,569)
Net written premiums	175,188,149	79,334,053	44,131,531	197,449,854	75,457,608	571,561,195
Changes in unearned premiums, net	(29,693,229)	(8,556,685)	(11,757,814)	(29,377,993)	(23,972,957)	(103,358,678)
Net earned premiums	145,494,920	70,777,368	32,373,717	168,071,861	51,484,651	468,202,517
Retrocession commissions	10,519,409	28,747	3,432	2,507,707	--	13,059,295
<u>TOTAL REVENUES</u>	156,014,329	70,806,115	32,377,149	170,579,568	51,484,651	481,261,812
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(112,927,336)	(48,953,326)	(16,743,953)	(107,590,514)	(28,194)	(286,243,323)
Retroceded share of claims paid	40,517,991	86,640	29,529	7,452,013	--	48,086,173
Net claims paid	(72,409,345)	(48,866,686)	(16,714,424)	(100,138,501)	(28,194)	(238,157,150)
Changes in outstanding claims, net	1,118,896	1,950,999	1,215,274	3,257,275	(1,936,613)	5,605,831
Changes in Incurred but not reported claims, net	343,905	(7,846,302)	(3,125,454)	(22,529,183)	(34,824,852)	(67,981,886)
Net claims incurred	(70,946,544)	(54,761,989)	(18,624,604)	(119,410,409)	(36,789,659)	(300,533,205)
Policy acquisition costs and profit commissions	(35,019,286)	(20,543,739)	(8,920,082)	(40,444,666)	(19,616,367)	(124,544,140)
Other underwriting expenses	(1,109,797)	(375,601)	(160,313)	(734,915)	(217,542)	(2,598,168)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(107,075,627)	(75,681,329)	(27,704,999)	(160,589,990)	(56,623,568)	(427,675,513)
<u>NET UNDERWRITING INCOME / (LOSS)</u>	48,938,702	(4,875,214)	4,672,150	9,989,578	(5,138,917)	53,586,299

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**
**For the three month and nine month periods ended 30 September 2020**
**15 SEGMENTAL INFORMATION (CONTINUED)**
**15.2 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
<b>As at 30 September 2020</b>								
<b>(Unaudited)</b>								
<b>ASSETS</b>								
Bank balances and cash	28,432,286	--	--	3,340,876	--	--	13,781,508	45,554,670
Time deposits	--	--	--	--	--	32,320,312	230,440,941	262,761,253
Accrued special commission income from time deposits	--	--	--	--	--	609,991	2,278,626	2,888,617
Premium receivables, net	110,301,295	59,493,845	39,213,513	59,185,274	920,751	770,862	--	269,885,540
Investments held at fair value through income statement	--	--	--	--	--	131,646,433	299,334,002	430,980,435
Held-to-maturity investments	--	--	--	--	--	--	146,560,496	146,560,496
Accrued reinsurance premiums	184,658,146	72,075,734	29,295,048	192,995,277	183,389,982	22,768	--	662,436,955
Retroceded share of unearned premiums	55,714,475	467,811	26,871	13,166,931	--	--	--	69,376,088
Deferred excess of loss premiums	14,918,860	1,303,497	121,053	1,012,995	--	--	--	17,356,405
Retroceded share of outstanding claims	201,765,321	11,206,722	928,170	12,648,863	--	--	--	226,549,076
Retroceded share of claims incurred but not reported	24,668,174	2,158,391	515,052	11,951,351	(95,188)	--	--	39,197,780
Deferred policy acquisition costs	46,117,909	24,061,496	8,156,215	50,686,905	59,241,339	15,947	--	188,279,811
Prepaid expenses, deposits and other assets	70,456,856	--	--	204,992	97,119,736	--	79,687,071	247,468,655
Property and equipment, net	2,959,378	--	--	1,234,612	--	--	29,050,133	33,244,123
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	3,696,209	3,696,209
Investment in an equity accounted investee	--	--	--	--	--	--	113,963,028	113,963,028
Statutory deposit	--	--	--	--	--	--	81,000,000	81,000,000
Accrued income on statutory deposit	--	--	--	--	--	--	20,009,107	20,009,107
<b>TOTAL ASSETS</b>	<b>739,992,700</b>	<b>170,767,496</b>	<b>78,255,922</b>	<b>346,428,076</b>	<b>340,576,620</b>	<b>165,386,313</b>	<b>1,019,801,121</b>	<b>2,861,208,248</b>
<b>LIABILITIES</b>								
Accounts payable	24,481,690	7,656,291	3,629,211	4,168,229	2,894,497	3,037,570	--	45,867,488
Retrocession balances payable	--	--	--	--	--	9,600,247	--	9,600,247
Accrued retroceded premiums	22,699,344	6,746,009	600,973	4,257,004	73,407	8,329,448	--	42,706,185
Unearned premiums	234,217,037	85,750,250	27,924,368	192,680,264	146,946,916	30,742	--	687,549,577
Outstanding claims	362,607,652	132,646,051	25,660,220	221,162,616	2,612,138	--	--	744,688,677
Claims incurred but not reported	108,681,594	37,842,126	12,450,865	86,062,939	96,127,898	--	--	341,165,422
Unearned retrocession commission	10,518,663	87,530	5,285	2,814,540	--	757,029	--	14,183,047
Accrued expenses and other liabilities	--	--	--	--	--	16,653,341	3,167,500	19,820,841
End of service indemnities	--	--	--	--	--	9,770,774	--	9,770,774
Provision for zakat and tax	--	--	--	--	--	--	16,134,061	16,134,061
Accrued commission income payable to SAMA	--	--	--	--	--	--	20,009,107	20,009,107
<b>TOTAL LIABILITIES</b>	<b>763,205,980</b>	<b>270,728,257</b>	<b>70,270,922</b>	<b>511,145,592</b>	<b>248,654,856</b>	<b>48,179,151</b>	<b>39,310,668</b>	<b>1,951,495,426</b>

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

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

For the three month and nine month periods ended 30 September 2020

### 15 SEGMENTAL INFORMATION (CONTINUED)

#### 15.2 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 2019								
<b>ASSETS</b>								
Bank balances and cash	5,300,551	--	--	760,772	--	--	7,107,736	13,169,059
Time deposits	78,881,124	--	--	59,314,238	--	--	239,835,817	378,031,179
Accrued special commission income from time deposits	863,471	--	--	864,559	--	--	6,246,374	7,974,404
Premium receivables, net	112,557,458	45,533,263	23,783,305	53,855,741	(3,313,544)	976,153	--	233,392,376
Investments held at fair value through income statement	--	--	--	--	--	40,877,141	376,970,680	417,847,821
Held-To-Maturity investment	--	--	--	--	--	--	37,500,000	37,500,000
Accrued reinsurance premiums	136,607,255	52,954,230	28,976,678	113,640,819	134,891,884	--	--	467,070,866
Retroceded share of unearned premiums	41,115,249	126,581	1,298	9,593,658	--	--	--	50,836,786
Deferred excess of loss premiums	10,684,229	1,059,334	--	--	--	--	--	11,743,563
Retroceded share of outstanding claims	244,360,997	20,333,649	1,582,715	16,441,410	--	--	--	282,718,771
Retroceded share of claims incurred but not reported	23,801,093	916,722	204,631	9,842,863	46,766	--	--	34,812,075
Deferred policy acquisition costs	30,013,241	13,651,794	5,381,604	25,344,262	31,888,200	--	--	106,279,101
Prepaid expenses, deposits and other assets	15,058,631	--	--	155,394	--	156,690,309	72,735,564	244,639,898
Property and equipment, net	2,472,186	--	--	1,469,136	--	--	29,634,206	33,575,528
Accrued special commission income from bonds and sukuk	--	--	--	--	--	--	2,793,154	2,793,154
Investment in an equity accounted investee	--	--	--	--	--	--	101,445,631	101,445,631
Statutory deposit	--	--	--	--	--	--	121,500,000	121,500,000
Accrued income on statutory deposit	--	--	--	--	--	--	17,992,463	17,992,463
<b>TOTAL ASSETS</b>	<b>701,715,485</b>	<b>134,575,573</b>	<b>59,930,231</b>	<b>291,282,852</b>	<b>163,513,306</b>	<b>198,543,603</b>	<b>1,013,761,625</b>	<b>2,563,322,675</b>
<b>LIABILITIES</b>								
Accounts payable	12,420,446	11,542,237	2,519,498	8,790,765	2,087,962	2,567,737	--	39,928,645
Retrocession balances payable	--	--	--	--	--	46,173,239	--	46,173,239
Accrued retroceded premiums	533,382	(1,124,041)	(311,533)	7,243,582	--	15,400,422	--	21,741,812
Unearned premiums	157,880,145	46,341,278	18,504,245	97,806,899	81,465,025	--	--	401,997,592
Outstanding claims	402,401,571	136,453,774	22,019,223	173,189,167	3,165,537	--	--	737,229,272
Claims incurred but not reported	121,578,164	44,964,529	18,261,640	80,004,135	90,446,478	--	--	355,254,946
Unearned retrocession commission	6,404,367	24,928	302	1,966,475	--	--	--	8,396,072
Accrued expenses and other liabilities	--	--	--	--	--	15,509,872	3,910,916	19,420,788
Employees' end of service benefits	8,828,705	--	--	--	--	--	--	8,828,705
Provision for zakat and tax	--	--	--	--	--	--	23,742,062	23,742,062
Accrued commission income payable to SAMA	--	--	--	--	--	--	17,992,463	17,992,463
<b>TOTAL LIABILITIES</b>	<b>710,046,780</b>	<b>238,202,705</b>	<b>60,993,375</b>	<b>369,001,023</b>	<b>177,165,002</b>	<b>79,651,270</b>	<b>45,645,441</b>	<b>1,680,705,596</b>

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three month and nine month periods ended 30 September 2020**

**16 SUPPLEMENTARY INFORMATION**

**Interim condensed statement of financial position**

	30 September 2020 (Unaudited)			31 December 2019 (Audited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>ASSETS</b>						
Bank balances and cash	31,773,162	13,781,508	45,554,670	6,061,323	7,107,736	13,169,059
Time deposits	32,320,312	230,440,941	262,761,253	138,195,362	239,835,817	378,031,179
Accrued special commission income from time deposits	609,991	2,278,626	2,888,617	1,728,030	6,246,374	7,974,404
Premium receivables, net	269,885,540	--	269,885,540	233,392,376	--	233,392,376
Investments held at fair value through income statement	131,646,433	299,334,002	430,980,435	40,877,141	376,970,680	417,847,821
Held-to-maturity investments	--	146,560,496	146,560,496	--	37,500,000	37,500,000
Accrued reinsurance premiums	662,436,955	--	662,436,955	467,070,866	--	467,070,866
Retroceded share of unearned premiums	69,376,088	--	69,376,088	--	--	--
Deferred excess of loss premiums	17,356,405	--	17,356,405	50,836,786	--	50,836,786
Retroceded share of outstanding claims	226,549,076	--	226,549,076	11,743,563	--	11,743,563
Retroceded share of claims incurred but not reported	39,197,780	--	39,197,780	282,718,771	--	282,718,771
Deferred policy acquisition costs	188,279,811	--	188,279,811	34,812,075	--	34,812,075
Prepaid expenses, deposits and other assets	167,781,584	79,687,071	247,468,655	106,279,101	--	106,279,101
Property and equipment, net	4,193,990	29,050,133	33,244,123	171,904,334	72,735,564	244,639,898
Accrued special commission income from bonds and sukuk	--	3,696,209	3,696,209	3,941,322	29,634,206	33,575,528
Investment in an equity accounted investee	--	113,963,028	113,963,028	--	2,793,154	2,793,154
Statutory deposit	--	81,000,000	81,000,000	--	101,445,631	101,445,631
Accrued income on statutory deposit	--	20,009,107	20,009,107	--	121,500,000	121,500,000
Due from shareholders' operations*	78,268,089	--	78,268,089	--	17,992,463	17,992,463
<b>TOTAL ASSETS</b>	<b>1,919,675,216</b>	<b>1,019,801,121</b>	<b>2,939,476,337</b>	<b>1,640,547,778</b>	<b>1,013,761,625</b>	<b>2,654,309,403</b>
<b>LIABILITIES</b>						
Accounts payable	45,867,488	--	45,867,488	39,928,645	--	39,928,645
Retrocession balances payable	9,600,247	--	9,600,247	46,173,239	--	46,173,239
Accrued retroceded premiums	42,706,185	--	42,706,185	21,741,812	--	21,741,812
Unearned premiums	687,549,577	--	687,549,577	401,997,592	--	401,997,592
Outstanding claims	744,688,677	--	744,688,677	737,229,272	--	737,229,272
Claims incurred but not reported	341,165,422	--	341,165,422	355,254,946	--	355,254,946
Unearned retrocession commission	14,183,047	--	14,183,047	8,396,072	--	8,396,072
Accrued expenses and other liabilities	16,653,340	3,167,501	19,820,841	15,509,872	3,910,916	19,420,788
End of service indemnities	9,770,774	--	9,770,774	8,828,705	--	8,828,705
Accumulated surplus	9,548,976	--	9,548,976	7,546,140	--	7,546,140
Provision for zakat and tax	--	16,134,061	16,134,061	--	23,742,062	23,742,062
Accrued commission income payable to SAMA	--	20,009,107	20,009,107	--	17,992,463	17,992,463
Due to reinsurance operations*	--	78,268,089	78,268,089	--	90,986,728	90,986,728
<b>TOTAL LIABILITIES</b>	<b>1,921,733,733</b>	<b>117,578,758</b>	<b>2,039,312,491</b>	<b>1,642,606,295</b>	<b>136,632,169</b>	<b>1,779,238,464</b>
<b>EQUITY</b>						
Share capital	--	810,000,000	810,000,000	--	810,000,000	810,000,000
Statutory reserve	--	17,904,115	17,904,115	--	17,904,115	17,904,115
Other reserves	(2,058,517)	131,190	(1,927,327)	(2,058,517)	111,925	(1,946,592)
Retained earnings	--	74,187,058	74,187,058	--	49,113,416	49,113,416
<b>TOTAL EQUITY</b>	<b>(2,058,517)</b>	<b>902,222,363</b>	<b>900,163,846</b>	<b>(2,058,517)</b>	<b>877,129,456</b>	<b>875,070,939</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,919,675,216</b>	<b>1,019,801,121</b>	<b>2,939,476,337</b>	<b>1,640,547,778</b>	<b>1,013,761,625</b>	<b>2,654,309,403</b>

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**16 SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of income**

	For the three month period ended 30 September 2020 (Unaudited)			For the three month period ended 30 September 2019 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross written premiums	198,922,235	--	198,922,235	169,969,767	--	169,969,767
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(22,523,598)	--	(22,523,598)	(41,247,113)	--	(41,247,113)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(7,211,516)	--	(7,211,516)	17,747	--	17,747
<b>Net written premiums</b>	<b>169,187,121</b>	<b>--</b>	<b>169,187,121</b>	<b>128,740,401</b>	<b>--</b>	<b>128,740,401</b>
Changes in unearned premiums, net	26,031,755	--	26,031,755	24,969,066	--	24,969,066
<b>Net earned premiums</b>	<b>195,218,876</b>	<b>--</b>	<b>195,218,876</b>	<b>153,709,467</b>	<b>--</b>	<b>153,709,467</b>
Retrocession commissions	1,889,641	--	1,889,641	4,426,574	--	4,426,574
<b>TOTAL REVENUES</b>	<b>197,108,517</b>	<b>--</b>	<b>197,108,517</b>	<b>158,136,041</b>	<b>--</b>	<b>158,136,041</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(131,946,932)	--	(131,946,932)	(95,788,232)	--	(95,788,232)
Retroceded share of claims paid	25,325,338	--	25,325,338	8,821,805	--	8,821,805
<b>Net claims paid</b>	<b>(106,621,594)</b>	<b>--</b>	<b>(106,621,594)</b>	<b>(86,966,427)</b>	<b>--</b>	<b>(86,966,427)</b>
Changes in outstanding claims, net	(12,682,459)	--	(12,682,459)	24,097,277	--	24,097,277
Changes in Incurred but not reported claims, net	(5,645,340)	--	(5,645,340)	(29,352,032)	--	(29,352,032)
<b>Net claims incurred</b>	<b>(124,949,393)</b>	<b>--</b>	<b>(124,949,393)</b>	<b>(92,221,182)</b>	<b>--</b>	<b>(92,221,182)</b>
Policy acquisition costs and profit commissions	(55,161,548)	--	(55,161,548)	(38,803,522)	--	(38,803,522)
Other underwriting expenses	601,537	--	601,537	(918,078)	--	(918,078)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(179,509,404)</b>	<b>--</b>	<b>(179,509,404)</b>	<b>(131,942,782)</b>	<b>--</b>	<b>(131,942,782)</b>
<b>NET UNDERWRITING INCOME</b>	<b>17,599,113</b>	<b>--</b>	<b>17,599,113</b>	<b>26,193,259</b>	<b>--</b>	<b>26,193,259</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Special commission income from time deposits	536,144	1,521,544	2,057,688	1,986,881	2,527,550	4,514,431
Realized gains / (loss) on investments held at fair value through income statement	--	617,900	617,900	--	669,263	669,263
Unrealized (losses) / gains on investments held at fair value through income statement	332,033	(23,760)	308,273	60,234	(5,024,995)	(4,964,761)
Special commission income from bonds and sukuk	--	3,965,494	3,965,494	--	1,192,997	1,192,997
Dividend income	--	858,066	858,066	--	592,248	592,248
Share of profit of equity accounted investee	--	1,082,288	1,082,288	--	434,970	434,970
Investment management expenses	(30,931)	(222,517)	(253,448)	(30,606)	(379,008)	(409,614)
<b>Net investment income</b>	<b>837,246</b>	<b>7,799,015</b>	<b>8,636,261</b>	<b>2,016,509</b>	<b>13,025</b>	<b>2,029,534</b>
Other income	36,000	104,880	140,880	--	251,958	251,958
Reversal/(Allowance) for doubtful debts	--	--	--	--	--	--
General and administrative expenses	(10,299,939)	(1,953,178)	(12,253,117)	(9,903,963)	(1,604,092)	(11,508,055)
Board of directors' remunerations, meetings fees and expenses	--	(603,287)	(603,287)	--	(546,449)	(546,449)
Foreign exchange translation losses	3,393,701	(92)	3,393,609	(1,113,481)	--	(1,113,481)
<b>Total income for the period before zakat and tax</b>	<b>11,566,121</b>	<b>5,347,338</b>	<b>16,913,459</b>	<b>17,192,324</b>	<b>(1,885,558)</b>	<b>15,306,766</b>
<b>Transfer of surplus to shareholders' operations</b>	<b>(10,409,509)</b>	<b>10,409,509</b>	<b>--</b>	<b>(15,471,777)</b>	<b>15,471,777</b>	<b>--</b>
<b>Net income for the period before zakat and tax</b>	<b>1,156,612</b>	<b>15,756,847</b>	<b>16,913,459</b>	<b>1,720,547</b>	<b>13,586,219</b>	<b>15,306,766</b>
<b>Zakat and tax charge for the period</b>	<b>--</b>	<b>(3,549,943)</b>	<b>(3,549,943)</b>	<b>--</b>	<b>(3,253,939)</b>	<b>(3,253,939)</b>
<b>Net income for the period after zakat and tax and shareholders' appropriations</b>	<b>1,156,612</b>	<b>12,206,904</b>	<b>13,363,516</b>	<b>1,720,547</b>	<b>10,332,280</b>	<b>12,052,827</b>



**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
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**16 SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of income (continued)**

	For the nine month period ended 30 September 2020 (Unaudited)			For the nine month period ended 30 September 2019 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross written premiums	857,976,714	--	857,976,714	676,496,841	--	676,496,841
Retroceded premiums						
- Local	--	--	--	--	--	--
- Foreign	(95,938,999)	--	(95,938,999)	(90,412,077)	--	(90,412,077)
Excess of loss expenses						
- Local	--	--	--	--	--	--
- Foreign	(21,599,065)	--	(21,599,065)	(14,523,569)	--	(14,523,569)
<b>Net written premiums</b>	<b>740,438,650</b>	<b>--</b>	<b>740,438,650</b>	<b>571,561,195</b>	<b>--</b>	<b>571,561,195</b>
Changes in unearned premiums, net	(267,012,683)	--	(267,012,683)	(103,358,678)	--	(103,358,678)
<b>Net earned premiums</b>	<b>473,425,967</b>	<b>--</b>	<b>473,425,967</b>	<b>468,202,517</b>	<b>--</b>	<b>468,202,517</b>
Retrocession commissions	7,249,394	--	7,249,394	13,059,295	--	13,059,295
<b>TOTAL REVENUES</b>	<b>480,675,361</b>	<b>--</b>	<b>480,675,361</b>	<b>481,261,812</b>	<b>--</b>	<b>481,261,812</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(320,809,325)	--	(320,809,325)	(286,243,323)	--	(286,243,323)
Retroceded share of claims paid	81,291,694	--	81,291,694	48,086,173	--	48,086,173
<b>Net claims paid</b>	<b>(239,517,631)</b>	<b>--</b>	<b>(239,517,631)</b>	<b>(238,157,150)</b>	<b>--</b>	<b>(238,157,150)</b>
Changes in outstanding claims, net	(63,629,100)	--	(63,629,100)	5,605,831	--	5,605,831
Changes in Incurred but not reported claims, net	18,475,228	--	18,475,228	(67,981,886)	--	(67,981,886)
<b>Net claims incurred</b>	<b>(284,671,503)</b>	<b>--</b>	<b>(284,671,503)</b>	<b>(300,533,205)</b>	<b>--</b>	<b>(300,533,205)</b>
Policy acquisition costs and profit commissions	(146,452,379)	--	(146,452,379)	(124,544,140)	--	(124,544,140)
Other underwriting expenses	(2,688,720)	--	(2,688,720)	(2,598,168)	--	(2,598,168)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(433,812,602)</b>	<b>--</b>	<b>(433,812,602)</b>	<b>(427,675,513)</b>	<b>--</b>	<b>(427,675,513)</b>
<b>NET UNDERWRITING INCOME</b>	<b>46,862,759</b>	<b>--</b>	<b>46,862,759</b>	<b>53,586,299</b>	<b>--</b>	<b>53,586,299</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Special commission income from time deposits	3,450,441	5,261,910	8,712,351	5,789,526	7,262,238	13,051,764
Realized gains on investments held at fair value through income statement	158,750	(468,466)	(309,716)	193,267	1,835,458	2,028,725
Unrealized gains / (losses) on investments held at fair value through income statement	(697,536)	793,499	95,963	85,237	14,794,599	14,879,836
Special commission income from bonds and sukuk	--	8,483,631	8,483,631	--	3,014,673	3,014,673
Dividend income	--	1,875,695	1,875,695	--	2,595,399	2,595,399
Share of profit of equity accounted investee	--	8,801,233	8,801,233	--	7,857,631	7,857,631
Investment management expenses	(87,785)	(632,506)	(720,291)	(124,512)	(1,201,674)	(1,326,186)
<b>Net investment income</b>	<b>2,823,870</b>	<b>24,114,996</b>	<b>26,938,866</b>	<b>5,943,518</b>	<b>36,158,324</b>	<b>42,101,842</b>
Other income	105,000	708,339	813,339	--	747,658	747,658
Allowance for doubtful debts	(457,676)	--	(457,676)	517,929	--	517,929
General and administrative expenses	(29,055,188)	(5,561,811)	(34,616,999)	(30,367,662)	(5,273,360)	(35,641,022)
Board of directors' remunerations, meetings fees and expenses	--	(1,901,127)	(1,901,127)	--	(1,705,469)	(1,705,469)
Foreign exchange translation losses	(250,405)	(313,666)	(564,071)	(536,874)	--	(536,874)
<b>Total income for the period before zakat and tax</b>	<b>20,028,360</b>	<b>17,046,731</b>	<b>37,075,091</b>	<b>29,143,210</b>	<b>29,927,153</b>	<b>59,070,363</b>
<b>Transfer of surplus to shareholders' operations</b>	<b>(18,025,525)</b>	<b>18,025,525</b>	<b>--</b>	<b>(26,228,852)</b>	<b>26,228,852</b>	<b>--</b>
<b>Net income for the period before zakat and tax</b>	<b>2,002,835</b>	<b>35,072,256</b>	<b>37,075,091</b>	<b>2,914,358</b>	<b>56,156,005</b>	<b>59,070,363</b>
<b>Zakat and tax charge for the period</b>	<b>--</b>	<b>(9,998,614)</b>	<b>(9,998,614)</b>	<b>--</b>	<b>(10,301,875)</b>	<b>(10,301,875)</b>
<b>Net income for the period after zakat and tax and shareholders' appropriations</b>	<b>2,002,835</b>	<b>25,073,642</b>	<b>27,076,477</b>	<b>2,914,358</b>	<b>45,854,130</b>	<b>48,768,488</b>

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
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**16 SUPPLEMENTARY INFORMATION (CONTINUED)**

**Interim condensed statement of comprehensive income**

	For the three month period ended 30 September 2020 (Unaudited)			For the three month period ended 30 September 2019 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	1,156,612	12,206,904	13,363,516	1,720,547	10,332,280	12,052,827
Other comprehensive income						
Items that may be classified to income statement subsequently						
Share of foreign currency translation reserve an equity accounted investee	--	893,527	893,527	--	376,381	376,381
<b>Total comprehensive income for the period</b>	<b>1,156,612</b>	<b>13,100,431</b>	<b>14,257,043</b>	<b>1,720,547</b>	<b>10,708,661</b>	<b>12,429,208</b>
<b>Reconciliation:</b>						
Less: Net income attributable to reinsurance operations transferred to surplus payable			(1,156,612)			(1,720,547)
<b>Total comprehensive income for the period</b>			<b>13,100,431</b>			<b>10,708,661</b>
	For the nine month period ended 30 September 2020 (Unaudited)			For the nine month period ended 30 September 2019 (Unaudited)		
	Reinsurance operations	Shareholders' operations	Total	Reinsurance operations	Shareholders' operations	Total
Net income for the period after zakat and tax	2,002,835	25,073,642	27,076,477	2,914,358	45,854,130	48,768,488
Other comprehensive income						
Items that may be classified to income statement subsequently						
Share of foreign currency translation reserve an equity accounted investee	--	19,265	19,265	--	(853,511)	(853,511)
<b>Total comprehensive income for the period</b>	<b>2,002,835</b>	<b>25,092,907</b>	<b>27,095,742</b>	<b>2,914,358</b>	<b>45,000,619</b>	<b>47,914,977</b>
<b>Reconciliation:</b>						
Less: Net income attributable to reinsurance operations transferred to surplus payable			(2,002,835)	--	--	(2,914,358)
<b>Total comprehensive income for the period</b>			<b>25,092,907</b>			<b>45,000,619</b>

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**16 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 2020 (Unaudited)			For the nine month period ended 30 September 2019 (Unaudited)		
<b>OPERATING ACTIVITIES</b>						
Total income for the period before zakat and tax	2,002,835	35,072,256	37,075,091	2,914,358	56,156,005	59,070,363
Adjustments to reconcile net income for the period to net cash from operating activities:						
Employees' end of service benefits	1,517,484	--	1,517,484	1,087,213	--	1,087,213
Depreciation of property and equipment	1,149,134	584,073	1,733,207	742,857	608,094	1,350,951
Realized losses / (gains) on investments held at fair value through income statement	(158,750)	468,466	309,716	(193,267)	(1,835,458)	(2,028,725)
Unrealized gains on investments held at fair value through income statement	697,536	(793,499)	(95,963)	(85,237)	(14,794,599)	(14,879,836)
Share of profit of an equity accounted investee	--	(8,801,233)	(8,801,233)	--	(7,857,631)	(7,857,631)
Provision / (Reversal) for doubtful receivable	457,676	--	457,676	(517,929)	--	(517,929)
Operating income before changes in operating assets and liabilities	5,665,915	26,530,063	32,195,978	3,947,995	32,276,411	36,224,406
<b>Changes in operating assets and liabilities:</b>						
Premiums receivable, gross	(36,950,840)	--	(36,950,840)	(12,485,628)	--	(12,485,628)
Accrued reinsurance premiums	(195,366,089)	--	(195,366,089)	(151,734,897)	--	(151,734,897)
Retroceded share of unearned premiums	(18,539,302)	--	(18,539,302)	(13,732,890)	--	(13,732,890)
Unearned premiums	285,551,985	--	285,551,985	117,091,568	--	117,091,568
Retroceded share of outstanding claims	56,169,695	--	56,169,695	(18,858,105)	--	(18,858,105)
Retroceded share of claims incurred but not reported	(4,385,705)	--	(4,385,705)	(8,754,425)	--	(8,754,425)
Deferred acquisition costs	(82,000,710)	--	(82,000,710)	(33,292,691)	--	(33,292,691)
Deferred excess of loss premiums	(5,612,842)	--	(5,612,842)	(4,480,619)	--	(4,480,619)
Prepaid expenses, deposits and other assets	4,122,750	(6,951,507)	(2,828,757)	(2,464,468)	17,675	(2,446,793)
Accounts payable	5,938,843	--	5,938,843	11,529,685	--	11,529,685
Retrocession balances payable	(36,572,992)	--	(36,572,992)	38,521,259	--	38,521,259
Accrued retroceded premiums	20,964,373	--	20,964,373	4,732,289	--	4,732,289
Outstanding claims	7,459,405	--	7,459,405	13,252,276	--	13,252,276
Claims incurred but not reported	(14,089,524)	--	(14,089,524)	76,736,308	--	76,736,308
Unearned commission income	5,786,975	--	5,786,975	1,665,581	--	1,665,581
Accrued expenses and other liabilities	1,143,468	(743,415)	400,053	3,241,146	(1,650,189)	1,590,957
<b>Cash generated from operating activities</b>	<b>(714,595)</b>	<b>18,835,141</b>	<b>18,120,546</b>	<b>24,914,384</b>	<b>30,643,897</b>	<b>55,558,281</b>
Zakat and income tax paid	--	(17,606,615)	(17,606,615)	--	(12,793,825)	(12,793,825)
Employees' end of service benefits paid	(575,415)	--	(575,415)	(369,183)	--	(369,183)
<b>Net cash (used in) generated from operating activities</b>	<b>(1,290,010)</b>	<b>1,228,526</b>	<b>(61,484)</b>	<b>24,545,201</b>	<b>17,850,072</b>	<b>42,395,273</b>

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three month and nine month periods ended 30 September 2020**

**16 SUPPLEMENTARY INFORMATION (CONTINUED)**

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

	<b>Reinsurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>	<b>Reinsurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
	<b>For the nine month period ended 30 September 2020 (Unaudited)</b>			<b>For the nine month period ended 30 September 2019 (Unaudited)</b>		
<b>INVESTING ACTIVITIES</b>						
Time deposits	84,288,175	(3,683,124)	80,605,051	(114,145,786)	(46,763,813)	(160,909,599)
Statutory deposit		40,500,000	40,500,000			
Accrued special commission income on time deposits	1,118,039	3,967,748	5,085,787	(1,687,745)	(2,874,579)	(4,562,324)
Accrued special commission income from bonds and sukuk		(903,055)	(903,055)	--	(934,772)	(934,772)
Purchase of property and equipment	(1,401,801)	--	(1,401,801)	(2,011,102)	--	(2,011,102)
Additions in investment in an associate		(3,696,899)	(3,696,899)			
Additions in investments held at fair value through income statement	(105,504,777)	(200,189,200)	(305,693,977)	(10,124,625)	(181,521,255)	(191,645,880)
Additions in held-to-maturity investments	--	(109,060,496)	(109,060,496)	--	(37,500,000)	(37,500,000)
Proceeds from disposal of investments held at fair value through income statement	14,196,699	278,150,911	292,347,610	54,204,896	276,059,901	330,264,797
<b>Net cash (used in) / generated from investing activities</b>	<b>(7,303,665)</b>	<b>5,085,885</b>	<b>(2,217,780)</b>	<b>(73,764,362)</b>	<b>6,465,482</b>	<b>(67,298,880)</b>
<b>FINANCING ACTIVITIES</b>						
Due to / from reinsurance / shareholders' operations*	12,718,639	(12,718,639)	--	7,262,419	(7,262,419)	--
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,124,964</b>	<b>(6,404,228)</b>	<b>(2,279,264)</b>	<b>(41,956,742)</b>	<b>17,053,135</b>	<b>(24,903,607)</b>
Cash and cash equivalents at the beginning of the period**	27,648,198	20,185,736	47,833,934	72,093,146	9,542,390	81,635,536
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>31,773,162</b>	<b>13,781,508</b>	<b>45,554,670</b>	<b>30,136,404</b>	<b>26,595,525</b>	<b>56,731,929</b>

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

\*\*Includes time deposits less than three months for reinsurance operation and shareholders' operations amounting to SR 21,586,875 and SR 13,078,000 respectively as at 31 December 2019.

**Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
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**17 COMMITMENTS AND CONTINGENCIES**

As at 30 September 2020 the Company has deposited SR 47,250,000 out of which SR 37,330,434 has been pledged (31 December 2019: SR 37,330,434) with local bank to obtain the standby letter of credit towards Fund At Lloyds (FAL) for its participation in a Lloyds Syndicates and for 2017 and 2018 underwriting years. In addition, the Company has deposited SR 138,062,129 (31 December 2019: 109,440,309) with Lloyd's London as FAL for its continued participation in a Lloyds Syndicates and for 2018, 2019 and 2020 underwriting year. Upon issuance of stand by letter of credit, the deposit with Lloyds will be withdrawn.

**18 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share for the three and nine month periods ended 30 September 2020 and 30 September 2019 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.

**19 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.

**20 IMPACT OF COVID-19 OUTBREAK**

In response to the spread of the Covid-19 in GCC and other territories and its resulting disruptions to the social and economic activities in those markets, management has proactively assessed its impacts on its operations and has taken a series of preventive measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, and wider community. The Company's operation may get affected due to COVID-19 claims on life and protection policies and business interruption policies. In addition, the Company's operations currently remain largely unaffected on medical segment as the insurance industry is facilitated by the Government through free treatments of the COVID-19 affected patients.

Furthermore, some claims have been reported to the Company for life and business interruption policies at this stage, however, these are not material and the Company is closely monitoring its exposure, including (i) the operational impact on its business, (ii) the consequences of a deterioration in macroeconomic conditions or of a slowdown in the flow of people, goods and services, especially on new business volumes, (iii) the extent of reinsurance coverage impacted, including retrocession cover, and (iv) change in asset prices and financial conditions.

**21 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements have been approved by the Board of Directors on 21 Rabi-Al Awwal 1442H corresponding to 7 November 2020.