

SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' LIMITED REVIEW REPORT (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013**

Saudi Reinsurance Company (A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
(UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013**

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**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
TO THE SHAREHOLDERS OF SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW

We have reviewed the accompanying interim statement of financial position of Saudi Reinsurance Company (the "Company") – A Saudi Joint Stock Company as at 31 March 2013, and the related interim statements of reinsurance operations and accumulated surplus, shareholders' operations, shareholders' comprehensive operations, changes in shareholders' equity, reinsurance operations' cash flows and shareholders' cash flows for the three month period then ended and the notes which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard (IAS 34) "Interim Financial Reporting" and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (the "SOCPA"). A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

CONCLUSION

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

EMPHASIS OF A MATTER

We draw attention that these interim condensed financial statements are prepared in accordance with IAS 34 and not in accordance with the Standard on Interim Financial Reporting issued by the SOCPA.

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April 20, 2013

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 March 2013

	Notes	31 March 2013 (Unaudited) SR	31 December 2012 (Audited) SR
REINSURANCE OPERATIONS' ASSETS			
Cash and bank balances	4	4,153,879	582,850
Investments held at fair value through income statement	7	65,945,896	83,244,130
Premiums receivable		36,014,773	27,607,624
Accrued insurance premiums		205,504,885	91,900,865
Retrocession balances receivable		6,977,858	-
Retroceded share of unearned premiums		4,467,607	5,755,601
Retroceded share of outstanding claims		39,824,090	42,123,104
Deferred acquisition costs		71,402,621	32,506,462
Deferred excess of loss premiums		5,828,420	11,592,791
Prepaid expenses and other assets		1,302,769	967,944
Due from shareholders' operations		3,023,488	4,252,046
Property and equipment, net		5,979,477	5,303,065
TOTAL REINSURANCE OPERATIONS' ASSETS		450,425,763	305,836,482
SHAREHOLDERS' ASSETS			
Cash and bank balances	4	592,858	615,353
Time deposits	5	187,500,000	187,500,000
Accrued special commission income from time deposits		1,383,905	477,740
Accrued special commission income from bonds and sukuk		3,780,050	3,279,972
Investments held at fair value through income statement	7	458,948,161	445,743,014
Held to maturity investments	8	208,198,678	209,047,506
Statutory deposit	6	100,000,000	100,000,000
Property and equipment		29,850,920	29,784,000
Prepaid expenses and other assets		4,586,656	4,282,585
TOTAL SHAREHOLDERS' ASSETS		994,841,228	980,730,170
TOTAL ASSETS		1,445,266,991	1,286,566,652
REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Accounts payable		6,649,208	4,768,189
Retrocession balances payable		-	3,265,617
Accrued retroceded premiums		4,110,495	4,243,430
Gross unearned premiums		263,244,987	122,378,709
Gross outstanding claims		165,641,628	159,413,407
Unearned commission income		1,220,751	1,580,555
Surplus distribution payable		932,077	932,077
Accrued expenses and other liabilities		6,738,121	7,892,283
Employees' end of service benefits		1,346,012	1,362,215
TOTAL REINSURANCE OPERATIONS' LIABILITIES		449,883,279	305,836,482
REINSURANCE OPERATIONS' SURPLUS		542,484	-
Accumulated surplus		542,484	-
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS		450,425,763	305,836,482
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accounts payable		1,000,000	1,000,000
Provision for zakat and income tax		35,141,402	30,086,812
Due to reinsurance operations		3,023,488	4,252,046
Accrued expenses and other liabilities		6,748,192	6,415,665
TOTAL SHAREHOLDERS' LIABILITIES		45,913,082	41,754,523
SHAREHOLDERS' EQUITY			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	6,070,924
Accumulated deficit		(57,142,778)	(67,095,277)
TOTAL SHAREHOLDERS' EQUITY		948,928,146	938,975,647
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		994,841,228	980,730,170
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY		1,445,266,991	1,286,566,652

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF REINSURANCE OPERATIONS AND ACCUMULATED SURPLUS

(UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

		31 March 2013	31 March 2012 (Reclassified - note 13)
	Notes	SR	SR
Gross written premiums		219,076,421	89,790,045
Retroceded premiums		(1,140,881)	(529,397)
Excess of loss expenses		(5,764,370)	(5,271,647)
Net written premiums		212,171,170	83,989,001
Change in net unearned premiums		(142,154,272)	(57,793,967)
Net earned premiums		70,016,898	26,195,034
Net claims paid	9	(31,129,616)	(6,622,990)
Change in net outstanding claims		(8,527,235)	(6,856,649)
Gross acquisition costs		(19,539,664)	(10,321,740)
Commissions on retroceded business		649,164	2,468,675
Supervision and inspection fees		(1,095,382)	(448,951)
Net underwriting results		10,374,165	4,413,379
Realized gains on investments held at fair value through income statement	7	41,671	3,899
Unrealized gains on investments held at fair value through income statement	7	167,738	130,120
Other income		102,638	-
Investment management expenses		(14,136)	-
General and administrative expenses	13	(5,247,237)	(3,663,264)
Net surplus from reinsurance operations		5,424,839	884,134
Shareholders' appropriation from reinsurance operations' surplus		(4,882,355)	(795,721)
Accumulated surplus at the end of the period		542,484	88,413

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

	Notes	31 March 2013	31 March 2012 (Reclassified - note 13)
Special commission income from time deposits		906,164	1,194,683
Special commission income from bonds and sukuk		2,417,531	2,412,081
Realized gains on investments held at fair value through income statement	7	-	50,609
Unrealized gains on investments held at fair value through income statement	7	11,055,929	8,978,853
Foreign exchange translation (losses) / gains		(600,568)	378,588
Investment management expenses		(547,498)	(230,397)
General and administrative expenses	13	(3,006,448)	(2,610,594)
Board of directors' remunerations, meeting fees and expenses	10	(100,376)	(62,939)
Shareholders' appropriation from reinsurance operations' surplus		4,882,355	795,721
Net income for the period		15,007,089	10,906,605
Basic and diluted earnings per share for the period	12	0.150	0.109
Weighted average number of issued shares during the period		100,000,000	100,000,000




The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

**INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013**

	31 March 2013 SR	31 March 2012 SR
Net income for the period	15,007,089	10,906,605
Other comprehensive expenses:		
Zakat and income tax	(5,054,590)	(5,103,240)
Total comprehensive income for the period	<u>9,952,499</u>	<u>5,803,365</u>



The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

	GCC Founding Shareholders and General Public			Non - GCC Founding Shareholders			Total			
	Share capital SR	Statutory reserve SR	Accumulated deficit SR	Share capital SR	Statutory reserve SR	(Accumulated deficit) / Retained earnings SR	Share capital SR	Statutory reserve SR	Accumulated deficit SR	Total SR
Balance as at 1 January 2012	941,000,000	5,712,740	(75,130,640)	59,000,000	358,184	(948,811)	1,000,000,000	6,070,924	(76,079,451)	929,991,473
Net income for the period	-	-	10,263,115	-	-	643,490	-	-	10,906,605	10,906,605
Zakat and income tax	-	-	(5,005,934)	-	-	(97,306)	-	-	(5,103,240)	(5,103,240)
Balance as at 31 March 2012	941,000,000	5,712,740	(69,873,459)	59,000,000	358,184	(402,627)	1,000,000,000	6,070,924	(70,276,086)	935,794,838
Balance as at 1 January 2013	941,000,000	5,712,740	(67,600,389)	59,000,000	358,184	505,112	1,000,000,000	6,070,924	(67,095,277)	938,975,647
Net income for the period	-	-	14,121,671	-	-	885,418	-	-	15,007,089	15,007,089
Zakat and income tax	-	-	(4,921,776)	-	-	(132,814)	-	-	(5,054,590)	(5,054,590)
Balance as at 31 March 2013	941,000,000	5,712,740	(58,400,494)	59,000,000	358,184	1,257,716	1,000,000,000	6,070,924	(57,142,778)	948,928,146




The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF REINSURANCE OPERATIONS' CASH FLOWS (UNAUDITED) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

	31 March 2013 SR	31 March 2012 SR
OPERATING ACTIVITIES		
Reinsurance operations' surplus after shareholders' appropriation	542,484	88,413
Adjustments for:		
Employees' end of service benefits	107,736	154,603
Depreciation	180,713	171,506
Realized gains on investments held at fair value through income statement	(41,671)	(3,899)
Unrealized gains on investments held at fair value through income statement	(167,738)	(130,120)
Shareholders' appropriation from reinsurance operations' surplus	4,882,355	795,721
Operating profit before changes in operating assets and liabilities	5,503,879	1,076,224
Changes in operating assets and liabilities:		
Premiums receivable	(8,407,149)	2,780,286
Accrued insurance premiums	(113,604,020)	(42,414,355)
Retrocession balances receivable	(6,977,858)	-
Retroceded share of unearned premiums	1,287,994	8,193,415
Retroceded share of outstanding claims	2,299,014	2,543,072
Deferred acquisition costs	(38,896,159)	(15,938,414)
Deferred excess of loss premiums	5,764,371	5,186,694
Prepaid expenses and other assets	(334,825)	(576,572)
Due from shareholders' operations	(3,653,797)	12,920,581
Accounts payable	1,881,019	-
Retrocession balances payable	(3,265,617)	(11,094,423)
Accrued retroceded premiums	(132,935)	(4,405,184)
Gross unearned premiums	140,866,278	49,600,552
Gross outstanding claims	6,228,221	4,313,577
Unearned commission income	(359,804)	(2,242,843)
Accrued expenses and other liabilities	(1,154,162)	(1,918,894)
Employees' end of service benefits paid	(123,939)	-
Net cash (used in) / from operating activities	(13,079,489)	8,023,716
INVESTING ACTIVITIES		
Purchase of property and equipment	(857,125)	(227,776)
Additions in investments held at fair value through income statement	(24,994,669)	(19,010,000)
Proceeds from investments held at fair value through income statement	42,502,312	7,600,186
Net cash from / (used in) investing activities	16,650,518	(11,637,590)
NET CHANGE IN CASH AND BANK BALANCES	3,571,029	(3,613,874)
Cash and bank balances at the beginning of the period	582,850	8,293,673
CASH AND BANK BALANCES AT THE END OF THE PERIOD	4,153,879	4,679,799




The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)**INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)**

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

	31 March 2013 SR	31 March 2012 SR
OPERATING ACTIVITIES		
Net income for the period	15,007,089	10,906,605
Adjustments for:		
Realized gains on investments held at fair value through income statement	-	(50,609)
Unrealized gains on investments held at fair value through income statement	(11,055,929)	(8,978,853)
Shareholders' appropriation from reinsurance operations' surplus	(4,882,355)	(795,721)
Operating (deficit) / profit before changes in operating assets and liabilities	(931,195)	1,081,422
Changes in operating assets and liabilities:		
Due to reinsurance operations	3,653,797	(12,920,581)
Prepaid expenses and other assets	(304,071)	(272,464)
Accrued expenses and other liabilities	332,527	272,464
Net cash from / (used in) operating activities	2,751,058	(11,839,159)
INVESTING ACTIVITIES		
Purchase of property and equipment	(66,920)	-
Proceeds from investments held at fair value through income statement	-	125,000,000
Accrued special commission income from time deposits	(906,165)	(547,961)
Accrued special commission income from bonds and sukuk	(500,078)	1,170,939
Additions in investments held at fair value through income statement	(2,149,218)	(366,095,440)
Time deposits, net	-	114,551,624
Held to maturity investments	848,828	(221,797)
Net cash used in investing activities	(2,773,553)	(126,142,635)
NET CHANGE IN CASH AND BANK BALANCES	(22,495)	(137,981,794)
Cash and bank balances at the beginning of the period	615,353	140,053,940
CASH AND BANK BALANCES AT THE END OF THE PERIOD	592,858	2,072,146



The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Reinsurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010250125 dated 12 Jumad Al-Awal 1429H (corresponding to 17 May 2008). The address of the Company's registered office is at P.O. Box 300259, Riyadh 11372, 6th Floor, Bahrain Towers, King Fahd Road, Riyadh, 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

The interim condensed financial statements for the three month period ended 31 March 2013 have been prepared in accordance with International Accounting Standard (IAS 34) – "Interim Financial Reporting".

The 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 financial statements as at 31 December 2012.

In management's opinion, the interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. The Company's interim results may not be indicative of its annual results.

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements as of and for the year ended 31 December 2012, except for the adoption of new standards, amendments and revisions to existing standards as mentioned below which had no significant financial impact on the interim condensed financial statements of the Company:

- IAS 1 Amendment – Presentation of items of other comprehensive income
- IFRS 10 – Consolidated financial statements
- IFRS 11 – Joint arrangements
- IFRS 12 – Disclosure of interests in other entities
- IFRS 13 – Fair value measurement
- IAS 19 (revised 2011) – Employee benefits
- IAS 27 (revised 2011) – Separate financial statements
- IAS 28 (revised 2011) – Associates and joint ventures
- IFRS 7 Amendments – Disclosures on offsetting financial assets and liabilities
- Amendment to the basis for conclusions on IAS 1, 16, 32 and 34 (Annual improvements 2011)

In addition to the above, the Company has chosen not to early adopt IFRS 9 (2010) – Financial instruments and the amendment to IAS 32 – Presentation on offsetting financial assets and liabilities, which have been published, but will not be effective until January 1, 2015 and January 1, 2014 respectively.

The management is currently assessing the implication of the above standards and amendments on the Company and the timing of adoption.

4. CASH AND BANK BALANCES

	31 March 2013 (Unaudited)		31 December 2012 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Cash on hand	5,002	-	-	-
Cash at banks	4,148,877	592,858	582,850	615,353
	4,153,879	592,858	582,850	615,353

Cash at banks are placed with counterparties that have good credit ratings.

The carrying amounts disclosed above reasonably approximate their fair values at the interim statement of financial position date.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

5. TIME DEPOSITS

Time deposits represent deposits with banks with maturity period of more than three months from the date of original placement. Such deposits earn special commission at an average rate of 2.3% per annum as at 31 March 2013 (31 December 2012: 2.3% per annum).

Time deposits are placed with counterparties that have a good credit rating.

The carrying amounts of the time deposits reasonably approximate their fair values at the interim statement of financial position date.

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 100 million (31 December 2012: SR 100 million) with a local bank 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 the Saudi Arabian Monetary Agency. This statutory deposit cannot be withdrawn without the consent of the Saudi Arabian Monetary Agency.

7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

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

	31 March 2013 (Unaudited)		31 December 2012 (Audited)	
	Reinsurance operations	Shareholders' operations	Reinsurance operations	Shareholders' operations
	SR	SR	SR	SR
Funds	40,916,153	76,367,687	83,244,130	74,035,494
Equity Portfolios	-	145,130,644	-	135,863,916
Bond Portfolios	25,029,743	212,449,830	-	210,843,604
Sukuk	-	25,000,000	-	25,000,000
	65,945,896	458,948,161	83,244,130	445,743,014

- ii. Determination of fair value and fair values hierarchy

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

- Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repacking).
 Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.
 Level 3: Valuation techniques for which any significant input is not based on observable market data.

As at 31 March 2013 and 31 December 2012, all financial instruments under reinsurance operations which are fair valued are Level 1 instruments. The following table shows an analysis of financial instruments under shareholders' operations recorded at fair value by level of the fair value hierarchy:

	31 March 2013 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Funds	51,367,687	-	25,000,000	76,367,687
Equity Portfolios	145,130,644	-	-	145,130,644
Bond Portfolios	212,449,830	-	-	212,449,830
Sukuk	-	-	25,000,000	25,000,000
	408,948,161	-	50,000,000	458,948,161

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

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

	31 December 2012 (Audited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Funds	49,035,494	-	25,000,000	74,035,494
Equity Portfolios	135,863,916	-	-	135,863,916
Bond Portfolios	210,843,604	-	-	210,843,604
Sukuk	-	-	25,000,000	25,000,000
	395,743,014	-	50,000,000	445,743,014

The fair value of level 3 real estate funds and sukuk portfolio was determined using valuation techniques that require significant management judgments in determining appropriate assumptions including commission rates and estimated cash flows.

- iii. There were no transfers between level 1, 2 and 3 during the period 31 March 2013 and year ended 31 December 2012.
- iv. The movements of investments held at fair value through income statement are as follows:

	For The Three Month Period Ended 31 March 2013 (Unaudited)		For The Year Ended 31 December 2012 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Opening balance	83,244,130	445,743,014	44,644,961	256,000,702
Additions	24,994,669	2,149,218	71,516,844	640,460,749
Disposals	(42,502,312)	-	(33,601,941)	(470,328,552)
Unrealized gains	167,738	11,055,929	636,578	17,264,137
Realized gains	41,671	-	47,688	2,345,978
Ending balance	65,945,896	458,948,161	83,244,130	445,743,014

Investments under reinsurance and shareholders' operations include SR 3 million and SR 5.1 million respectively as at 31 March 2013 (31 December 2012: SR Nil and SR 4.8 million respectively) cash deposits with Saudi banks. These funds are placed by the Company with the assets managers and are independently operated by them. These funds are expected to be invested in the subsequent periods.

8. HELD TO MATURITY INVESTMENTS

The held to maturity investments represent debt instruments with a 4 to 10 year time horizon yielding an average special commission of 4.37% per annum (31 December 2012: 4.37% per annum). The fair value of held to maturity investments amounted to SR 222,329,874 (31 December 2012: SR 226,009,171) as at the interim statement of financial position date.

9. NET CLAIMS PAID

	For The Three Month Period Ended (Unaudited)	
	31 March 2013 SR	31 March 2012 SR
Gross claims paid	34,842,590	16,741,695
Retroceded share of claims paid	(3,712,974)	(10,118,705)
Net claims paid	31,129,616	6,622,990

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

10. RELATED PARTY TRANSACTIONS AND BALANCES

The following are the details of major related party transactions during the period and balances at the end of the period/year:

Related party	Nature of transactions	Amounts of transactions for the three month period ended		Balance as at	
		31 March 2013 (Unaudited) SR	31 March 2012 (Unaudited) SR	31 March 2013 (Unaudited) SR	31 December 2012 (Audited) SR
Board of directors	Consulting fees	87,944	107,715	-	-
	Remunerations	-	-	1,277,130	1,277,130
	Meeting fees and expenses	100,376	62,939	238,750	188,500
Key management personnel	Short term benefits	2,249,245	2,209,544	607,000	2,000,000
	End of service benefits	61,373	66,058	302,535	299,043

Balances with related parties are included in accrued expenses and other liabilities as shown in the interim statement of financial position.

11. 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.

Segment results do not include realized and unrealized gains on investments held at fair value through income statement, investment management expenses, other income, and all general and administrative expenses except depreciation.

Segment assets do not include cash and bank balances of reinsurance operations, investments held at fair value through income statement, prepaid expenses and other assets, due from shareholders' operations and property and equipment, net.

Segment liabilities do not include surplus distribution payable, accrued expenses and other liabilities and employees' end of service benefits.

11.1 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 took place.

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	General accident SR	Others SR	Total SR
For the three month period ended								
31 March 2013 (Unaudited)								
Reinsurance operations' results								
Gross written premiums	28,222,583	77,693,903	28,471,316	64,561,805	7,166,746	7,478,602	5,481,466	219,076,421
Retroceded premiums	(1,038,564)	14,140	(60,856)	-	-	(896)	(54,705)	(1,140,881)
Excess of loss expenses	(408,118)	(3,844,918)	(1,048,365)	(45,617)	-	(260,277)	(157,075)	(5,764,370)
Net written premiums	26,775,901	73,863,125	27,362,095	64,516,188	7,166,746	7,217,429	5,269,686	212,171,170
Change in net unearned premiums	(15,560,585)	(48,754,981)	(18,134,696)	(52,667,755)	(1,923,327)	(4,355,228)	(757,700)	(142,154,272)
Net earned premiums	11,215,316	25,108,144	9,227,399	11,848,433	5,243,419	2,862,201	4,511,986	70,016,898
Net claims paid	(827,562)	(11,709,467)	(1,631,022)	(1,865,640)	(67,752)	(57,633)	(14,970,540)	(31,129,616)
Change in net outstanding claims	(1,271,022)	(8,105,809)	(2,612,903)	(7,353,303)	(434,422)	(575,842)	11,826,066	(8,527,235)
Gross acquisition costs	(4,120,105)	(7,567,109)	(3,358,916)	(2,982,332)	(199,185)	(1,070,200)	(261,817)	(19,539,664)
Commissions on retroceded business	626,664	35,394	(15,458)	-	-	375	2,189	649,164
Supervision and inspection fees	(141,113)	(388,470)	(142,357)	(322,809)	(35,834)	(37,393)	(27,406)	(1,095,382)
Net underwriting results	5,482,178	(2,627,317)	1,466,743	(655,651)	4,506,226	1,121,508	1,080,478	10,374,165
Other items:								
Depreciation	23,280	64,089	23,486	53,256	5,912	6,169	4,521	180,713

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	General accident SR	Others SR	Total SR
For the three month period ended 31 March 2012 (Unaudited)								
Reinsurance operations' results								
Gross written premiums	21,911,377	39,950,213	17,018,576	3,488,763	(147,348)	5,983,386	1,585,078	89,790,045
Retroceded premiums	(419,351)	658,708	(671,249)	-	-	(92,066)	(5,439)	(529,397)
Excess of loss expenses	(1,199,210)	(2,467,774)	(1,049,889)	(37,405)	-	(491,553)	(25,816)	(5,271,647)
Net written premiums	20,292,816	38,141,147	15,297,438	3,451,358	(147,348)	5,399,767	1,553,823	83,989,001
Change in net unearned premiums	(15,274,628)	(25,779,964)	(10,604,358)	(2,674,774)	916,186	(4,116,583)	(259,846)	(57,793,967)
Net earned premiums	5,018,188	12,361,183	4,693,080	776,584	768,838	1,283,184	1,293,977	26,195,034
Net claims paid	(320,238)	(4,591,912)	(609,008)	(899,972)	-	(92,496)	(119,364)	(6,622,990)
Change in net outstanding claims	(2,026,888)	(1,454,102)	(2,048,272)	(694,604)	(55,786)	(540,256)	(36,741)	(6,856,649)
Gross acquisition costs	(2,618,368)	(4,387,857)	(2,308,006)	(100,423)	(66,287)	(784,569)	(56,230)	(10,321,740)
Commissions on retroceded business	929,471	840,887	500,554	-	-	194,065	3,698	2,468,675
Supervision and inspection fees	(109,557)	(199,751)	(85,093)	(17,444)	737	(29,917)	(7,926)	(448,951)
Net underwriting results	872,608	2,568,448	143,255	(925,859)	647,502	30,011	1,077,414	4,413,379
Other items:								
Depreciation	41,852	76,308	32,507	6,664	-	11,440	2,735	171,506

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	General accident SR	Others SR	Total SR
As at 31 March 2013 (Unaudited)								
Segment assets	75,870,428	132,932,054	46,565,389	76,787,791	20,602,676	14,246,839	3,015,077	370,020,254
Segment liabilities	93,174,963	189,760,122	42,602,470	76,594,769	12,423,064	14,855,956	11,455,725	440,867,069
As at 31 December 2012 (Audited)								
Segment assets	65,466,362	81,898,531	24,459,570	10,348,435	15,970,291	7,413,124	5,930,134	211,486,447
Segment liabilities	80,078,184	133,781,066	22,589,021	15,685,919	10,364,449	9,734,666	23,416,601	295,649,907

The results of reinsurance operations for the three month period ended 31 March 2012 and assets and liabilities of reinsurance operations as at 31 December 2012 were restated to include the business segment of general accident as its presentation requirement was met for the three month period ended and as at 31 March 2013, respectively.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

11. SEGMENTAL INFORMATION (Continued)

11.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Emerging Markets SR	Total SR
For the three month period ended 31 March 2013 (Unaudited)					
Reinsurance operations' results					
Gross written premiums	158,848,025	26,126,395	23,994,187	10,107,814	219,076,421
Retroceded premiums	(898,642)	(213,237)	(29,002)	-	(1,140,881)
Excess of loss expenses	(3,666,634)	119,900	(1,567,256)	(650,380)	(5,764,370)
Net written premiums	154,282,749	26,033,058	22,397,929	9,457,434	212,171,170
Change in net unearned premiums	(109,834,015)	(12,580,097)	(16,724,241)	(3,015,919)	(142,154,272)
Net earned premiums	44,448,734	13,452,961	5,673,688	6,441,515	70,016,898
Net claims paid	(8,728,538)	(2,045,901)	(4,509,949)	(15,845,228)	(31,129,616)
Change in net outstanding claims	(16,922,448)	(4,613,388)	993,246	12,015,355	(8,527,235)
Gross acquisition costs	(12,941,987)	(3,280,203)	(1,847,408)	(1,470,066)	(19,539,664)
Commissions on retroceded business	529,960	94,901	24,303	-	649,164
Supervision and inspection fees	(794,240)	(130,632)	(119,971)	(50,539)	(1,095,382)
Net underwriting results	5,591,481	3,477,738	213,909	1,091,037	10,374,165
Other items:					
Depreciation	131,031	21,551	19,792	8,339	180,713

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Emerging Markets SR	Total SR
For the three month period ended 31 March 2012 (Unaudited)					
Reinsurance operations' results					
Gross written premiums	70,778,462	11,429,391	2,187,646	5,394,546	89,790,045
Retroceded premiums	(263,619)	(272,342)	6,564	-	(529,397)
Excess of loss expenses	(4,354,105)	(124,310)	(151,498)	(641,734)	(5,271,647)
Net written premiums	66,160,738	11,032,739	2,042,712	4,752,812	83,989,001
Change in net unearned premiums	(46,934,594)	(5,005,137)	(1,420,744)	(4,433,492)	(57,793,967)
Net earned premiums	19,226,144	6,027,602	621,968	319,320	26,195,034
Net claims paid	(5,849,676)	(235,712)	(537,602)	-	(6,622,990)
Change in net outstanding claims	(6,554,254)	(2,693,792)	2,785,004	(393,607)	(6,856,649)
Gross acquisition costs	(7,958,294)	(1,880,115)	(258,738)	(224,593)	(10,321,740)
Commissions on retroceded business	1,921,004	455,007	92,664	-	2,468,675
Supervision and inspection fees	(353,892)	(57,147)	(10,939)	(26,973)	(448,951)
Net underwriting results	431,032	1,615,843	2,692,357	(325,853)	4,413,379
Other items:					
Depreciation	135,192	21,831	4,179	10,304	171,506

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Emerging Markets SR	Total SR
As at 31 March 2013 (Unaudited)					
Reinsurance operations					
Segment assets	256,210,803	58,169,210	36,771,520	18,868,721	370,020,254
Segment liabilities	298,668,900	80,438,734	34,729,131	27,030,304	440,867,069
As at 31 December 2012 (Audited)					
Reinsurance operations					
Segment assets	132,448,697	44,343,118	14,653,667	20,040,965	211,486,447
Segment liabilities	178,139,075	61,756,619	18,880,674	36,873,539	295,649,907

12. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share for the three month periods ended 31 March 2013 and 2012 have been calculated by dividing net income for the period by the weighted average number of ordinary issued and outstanding shares at the end of the period.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of the current period.

The general and administrative expenses for the three month period ended 31 March 2013 were reclassified to separate the reinsurance operations related costs from shareholders' costs. Accordingly, the comparative figures for the three month period ended 31 March 2012 were also reclassified based on similar classification. As a result of the reclassification, an amount of SR 2.6 million was taken out from reinsurance operations' general and administrative expenses and charged to shareholders' operations.

14. 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 Company's management believe that the carrying value of all financial assets and liabilities, other than those disclosed in note 7 above, approximate their fair values at the interim condensed financial statements date.

15. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on Jumada Al Thani 10, 1434 corresponding to April 20, 2013.