
SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2014**

Saudi Reinsurance Company (A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS(UNAUDITED)
AND INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
For The Three And Nine Month Periods Ended 30 September 2014**

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**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 (A Saudi Joint Stock Company) (the "Company") as at 30 September 2014 and the related interim statements of reinsurance comprehensive operations and accumulated surplus, shareholders' operations and shareholders' comprehensive operations for the three and nine month periods then ended and the interim statements of changes in shareholders' equity, reinsurance operations' cash flows and shareholders' cash flows for the nine month period then ended and the related 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 – 34 "Interim Financial Reporting" (IAS 34) 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 ("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 to the fact 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 SOCPA.

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29 Dhul-Hijjah 1435H
(23 October 2014)

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Notes	30 September 2014 (Unaudited) SR	31 December 2013 (Audited) SR
REINSURANCE OPERATIONS' ASSETS			
Cash and bank balances		5,718,132	5,268,638
Premium receivables, net	4	129,270,259	70,492,623
Investments held at fair value through income statement	7	115,278,631	95,329,159
Accrued insurance premiums		284,029,127	164,869,180
Retroceded share of unearned premiums		214,327	2,344,151
Retroceded share of outstanding claims		99,355,063	104,888,575
Deferred acquisition costs		83,547,754	54,445,929
Deferred excess of loss premiums		23,075,910	15,716,948
Prepaid expenses and other assets		2,139,747	1,069,002
Due from shareholders' operations		206,326,336	173,315,949
Property and equipment, net		6,391,792	7,337,119
TOTAL REINSURANCE OPERATIONS' ASSETS		955,347,078	695,077,273
SHAREHOLDERS' ASSETS			
Cash and bank balances		15,273,455	85,673,516
Time deposits	5	50,625,000	37,500,000
Accrued special commission income from time deposits		1,777,898	1,040,241
Accrued special commission income from bonds and sukuk		1,974,483	3,295,158
Investments held at fair value through income statement	7	717,733,316	595,179,554
Held to maturity investments	8	145,495,336	173,995,409
Prepaid expenses and other assets		6,716,513	5,738,119
Statutory deposit	6	100,000,000	100,000,000
Property and equipment		33,707,922	32,991,742
TOTAL SHAREHOLDERS' ASSETS		1,073,303,923	1,035,413,739
TOTAL ASSETS		2,028,651,001	1,730,491,012
REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Accounts payable		20,562,289	8,143,048
Retrocession balances payable		8,735,127	7,615,523
Accrued retroceded premiums		1,746,155	4,463,127
Gross unearned premiums		332,716,122	215,025,067
Gross outstanding claims		576,258,476	424,276,504
Premium deficiency reserve		5,638,269	26,167,000
Unearned commission income		225,690	810,894
Accrued expenses and other liabilities		6,275,553	5,923,389
Employees' end of service benefits		2,257,320	1,720,644
TOTAL REINSURANCE OPERATIONS' LIABILITIES		954,415,001	694,145,196
REINSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		932,077	932,077
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS		955,347,078	695,077,273
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accounts payable		-	500,000
Provision for zakat and income tax		31,053,271	33,184,598
Due to reinsurance operations		206,326,336	173,315,949
Accrued expenses and other liabilities		7,456,442	6,641,169
TOTAL SHAREHOLDERS' LIABILITIES		244,836,049	213,641,716
SHAREHOLDERS' EQUITY			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	6,070,924
Accumulated deficit		(177,603,050)	(184,298,901)
TOTAL SHAREHOLDERS' EQUITY		828,467,874	821,772,023
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		1,073,303,923	1,035,413,739
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY		2,028,651,001	1,730,491,012

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF REINSURANCE COMPREHENSIVE OPERATIONS AND ACCUMULATED SURPLUS (UNAUDITED)

For the three and nine month periods ended 30 September 2014

Notes	For the three month period ended		For the nine month period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	SR	SR	SR	SR
Gross written premiums	131,960,148	105,328,035	522,323,527	371,916,044
Retroceded premiums	(1,817,615)	(3,194,498)	(5,216,094)	(6,098,696)
Excess of loss expenses	(5,717,821)	(10,667,185)	(23,778,417)	(22,897,897)
Net written premiums	124,424,712	91,466,352	493,329,016	342,919,451
Change in net unearned premiums	15,827,720	(11,720,753)	(119,820,876)	(130,601,171)
Net earned premiums	140,252,432	79,745,599	373,508,140	212,318,280
Net claims paid	9 (60,258,297)	(21,050,504)	(160,473,482)	(62,819,861)
Change in net outstanding claims	(52,951,050)	(71,608,257)	(157,515,483)	(116,053,978)
Net claims incurred	(113,209,347)	(92,658,761)	(317,988,965)	(178,873,839)
Gross acquisition costs	(29,081,562)	(22,064,185)	(76,323,353)	(55,993,932)
Supervision and inspection fees	(659,801)	(526,640)	(2,611,618)	(1,859,580)
Commissions on retroceded business	924,253	369,526	2,494,897	2,673,547
Net acquisition costs	(28,817,110)	(22,221,299)	(76,440,074)	(55,179,965)
Change in premium deficiency reserve	(1,681,444)	-	20,528,731	-
Net underwriting results	(3,455,469)	(35,134,461)	(392,168)	(21,735,524)
Realized gains on investments held at fair value through income statement	7 -	-	-	31,939
Unrealized gains on investments held at fair value through income statement	7 454,763	521,568	2,080,100	252,574
Other income	59,100	-	59,100	102,638
Investment management expenses	(52,427)	(22,436)	(142,468)	(102,379)
General and administrative expenses	(6,049,942)	(5,759,043)	(19,630,950)	(15,733,715)
Net deficit from reinsurance operations	(9,043,975)	(40,394,372)	(18,026,386)	(37,184,467)
Shareholders' appropriation from reinsurance operations' surplus	9,043,975	40,394,372	18,026,386	37,184,467
Reinsurance operations' surplus after shareholders' appropriation	-	-	-	-
Accumulated surplus at the beginning of the period	-	-	932,077	932,077
Accumulated surplus at the end of the period	-	-	932,077	932,077

The accompanying notes 1 to 14 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 and nine month periods ended 30 September 2014

	Notes	For the three month period ended		For the nine month period ended	
		30 September 2014	30 September 2013	30 September 2014	30 September 2013
		SR	SR	SR	SR
Special commission income from time deposits		269,844	236,301	737,658	1,676,199
Special commission income from bonds and sukuk		2,026,448	2,678,863	6,424,685	7,218,038
Realized gains on investments held at fairvalue through income statement	7	56	750,000	1,281,126	758,495
Unrealized gains on investments held at fair value through income statement	7	13,016,790	16,607,082	43,006,641	28,251,490
Other Income		-	-	248,129	-
Total revenues		15,313,138	20,272,246	51,698,239	37,904,222
General and administrative expenses		(3,908,018)	(2,843,677)	(11,825,150)	(8,680,456)
Investment management expenses		(1,026,961)	(598,495)	(2,361,118)	(1,645,940)
Board of directors' remunerations, meeting fees and expenses		(127,168)	(89,796)	(1,442,652)	(328,120)
Foreign exchange translation gains (losses)		-	694,501	(549,774)	543,047
Shareholders' appropriation from reinsurance operations' deficit		(9,043,975)	(40,394,372)	(18,026,386)	(37,184,467)
Net income (loss) for the period		1,207,016	(22,959,593)	17,493,159	(9,391,714)
Basic and diluted earnings (loss) per share for the period	12	0.01	(0.23)	0.17	(0.09)
Weighted average number of issued and outstanding shares		100,000,000	100,000,000	100,000,000	100,000,000




The accompanying notes 1 to 14 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 and nine month periods ended 30 September 2014

	For the three month period ended		For the nine month period ended	
	30 September 2014 SR	30 September 2013 SR	30 September 2014 SR	30 September 2013 SR
Net income (loss) for the period	1,207,016	(22,959,593)	17,493,159	(9,391,714)
Other comprehensive loss: Items not to be reclassified subsequently to the income statement:				
Zakat and income tax	<u>(2,666,720)</u>	<u>(4,553,918)</u>	<u>(10,797,308)</u>	<u>(14,760,738)</u>
Total comprehensive (loss) income for the period	<u>(1,459,704)</u>	<u>(27,513,511)</u>	<u>6,695,851</u>	<u>(24,152,452)</u>



The accompanying notes 1 to 14 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

For the period ended 30 September 2014

	GCC Shareholders and General Public			Non – GCC 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 2013 (Audited)	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
Transfer during the period	31,739,000	192,685	271,725	(31,739,000)	(192,685)	(271,725)	-	-	-	-
Net loss for the period	-	-	(9,135,686)	-	-	(256,028)	-	-	(9,391,714)	(9,391,714)
Other comprehensive income										
Zakat and income tax	-	-	(14,760,738)	-	-	-	-	-	(14,760,738)	(14,760,738)
Total comprehensive loss for the period	-	-	(23,896,424)	-	-	(256,028)	-	-	(24,152,452)	(24,152,452)
Balance as at 30 September 2013 (Unaudited)	972,739,000	5,905,425	(91,225,088)	27,261,000	165,499	(22,641)	1,000,000,000	6,070,924	(91,247,729)	914,823,195
Balance as at 1 January 2014 (Audited)	976,578,000	5,928,731	(182,167,515)	23,422,000	142,193	(2,131,386)	1,000,000,000	6,070,924	(184,298,901)	821,772,023
Transfer during the period	2,177,850	13,221	2,191,071	(2,177,850)	(13,221)	(2,191,071)	-	-	-	-
Net income for the period	-	-	17,121,532	-	-	371,627	-	-	17,493,159	17,493,159
Other comprehensive income										
Zakat and income tax	-	-	(10,797,308)	-	-	-	-	-	(10,797,308)	(10,797,308)
Total comprehensive income for the period	-	-	6,324,224	-	-	371,627	-	-	6,695,851	6,695,851
Balance as at 30 September 2014 (Unaudited)	978,755,850	5,941,952	(173,652,220)	21,244,150	128,972	(3,950,830)	1,000,000,000	6,070,924	(177,603,050)	828,467,874

The accompanying notes 1 to 14 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 nine month period ended 30 September

	2014 SR	2013 SR
OPERATING ACTIVITIES		
Reinsurance operations' surplus after shareholders' appropriation	-	-
Adjustments for:		
Employees' end of service benefits	536,676	190,453
Depreciation	1,346,499	783,791
Realized gains on investments held at fair value through income statement	-	(31,939)
Unrealized gain on investments held at fair value through income statement	(2,080,100)	(252,574)
Shareholders' appropriation from reinsurance operations' surplus	(18,026,386)	(37,184,467)
Operating deficit before changes in operating assets and liabilities	(18,223,311)	(36,494,736)
Changes in operating assets and liabilities:		
Premiums receivable, net	(58,777,636)	(60,477,734)
Accrued insurance premiums	(119,159,947)	(85,974,582)
Retroceded share of unearned premiums	2,129,824	1,232,919
Retroceded share of outstanding claims	5,533,512	(56,428,450)
Deferred acquisition costs	(29,101,825)	(39,579,257)
Deferred excess of loss premiums	(7,358,962)	(9,145,652)
Prepaid expenses and other assets	(1,070,745)	(398,051)
Accounts payable	12,419,241	2,912,914
Retrocession balances payable	1,119,604	16,000,555
Accrued retroceded premiums	(2,716,972)	239,488
Gross unearned premiums	117,691,055	129,368,255
Gross outstanding claims	151,981,972	172,482,427
Premium deficiency reserves	(20,528,731)	-
Unearned commission income	(585,204)	(269,251)
Accrued expenses and other liabilities	352,164	(4,979,408)
Net cash from operating activities	33,704,039	28,489,437
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,265,407)	(2,774,126)
Additions in investments held at fair value through income statement	(43,289,658)	(19,487,002)
Proceeds from disposal of property plant and equipment	864,235	-
Proceeds from investments held at fair value through income statement	25,420,286	17,507,643
Net cash used in investing activities	(18,270,544)	(4,753,485)
FINANCING ACTIVITY		
Due from shareholders' operations	(14,984,001)	(21,177,325)
Net cash used in financing activity	(14,984,001)	(21,177,325)
INCREASE IN CASH AND BANK BALANCES	449,494	2,558,627
Cash and bank balances at the beginning of the period	5,268,638	582,850
CASH AND BANK BALANCES AT THE END OF THE PERIOD	5,718,132	3,141,477




The accompanying notes 1 to 14 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 nine month period ended 30 September

	2014 SR	2013 SR
OPERATING ACTIVITIES		
Net income (loss) for the period	17,493,159	(9,391,714)
Adjustments for:		
Depreciation	497,122	-
Realized gains on investments held at fair value through income statement	(1,281,126)	(758,495)
Unrealized gains on investments held at fair value through income statement	(43,006,641)	(28,251,490)
Shareholders' appropriation from reinsurance operations' surplus	18,026,386	37,184,467
Operating deficit before changes in operating assets and liabilities	<u>(8,271,100)</u>	<u>(1,217,232)</u>
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(978,394)	(987,540)
Accrued expenses and other liabilities	815,273	2,368,342
Accounts payable	(500,000)	(500,000)
Zakat and income tax paid	(12,928,635)	(14,451,677)
Net cash used in operating activities	<u>(21,862,856)</u>	<u>(14,788,107)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,213,302)	(2,825,698)
Accrued special commission income from time deposits	(737,657)	(326,199)
Accrued special commission income from bonds and sukuk	1,320,675	1,123,020
Additions in investments held at fair value through income statement	(231,526,946)	(147,820,968)
Proceeds from investments held at fair value through income statement	153,260,951	-
Time deposits, net	(13,125,000)	150,000,000
Held to maturity investments	28,500,073	9,552,766
Net cash (used in) from investing activities	<u>(63,521,206)</u>	<u>9,702,921</u>
FINANCING ACTIVITY		
Due to reinsurance operations	14,984,001	21,177,325
Cash from financing activity	<u>14,984,001</u>	<u>21,177,325</u>
(DECREASE) INCREASE IN CASH AND BANK BALANCES	(70,400,061)	16,092,139
Cash and bank balances at the beginning of the period	<u>85,673,516</u>	<u>615,353</u>
CASH AND BANK BALANCES AT THE END OF THE PERIOD	<u><u>15,273,455</u></u>	<u><u>16,707,492</u></u>




The accompanying notes 1 to 14 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)

30 September 2014

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) with a branch in the Federal Territory of Labuan, Malaysia with license number IS2014146. The address of the Company's registered office is at P.O. Box 30025, Riyadh 11372, Al Wadi, Northern Ring Road West, Exit 7, Building 4130, 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 and nine month periods ended 30 September 2014 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 2013.

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 and risk management policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2013 except for the adoption of the following amendments to existing standard mentioned below:

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments have no impact the Company's financial position.

New standard issued but not yet effective:

The Company has chosen not to early adopt the following new standard to the International Financial Reporting Standards

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

4. PREMIUM RECEIVABLES, NET

	30 September 2014 (Unaudited) SR	31 December 2013 (Audited) SR
Premium receivable	132,827,547	72,815,780
Allowance for doubtful receivables	<u>(3,557,288)</u>	<u>(2,323,157)</u>
	<u>129,270,259</u>	<u>70,492,623</u>

5. TIME DEPOSITS

Time deposits represent deposits with banks with investment grade credit ratings and have maturity period of more than three months from the date of original placement. Such deposits earn special commission at an average effective commission rate of 2.12% per annum (31 December 2013: 2.5% per annum).

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 100 million (31 December 2013: 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 (SAMA). This statutory deposit cannot be withdrawn without the consent of the SAMA.

7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

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

	30 September 2014 (Unaudited)		31 December 2013 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Bond portfolios	36,633,250	305,273,340	-	156,796,858
Equity portfolios	-	188,998,699	-	164,109,001
Funds	78,645,381	183,424,207	95,329,159	234,236,625
Sukuk	-	40,037,070	-	40,037,070
Total investments	<u>115,278,631</u>	<u>717,733,316</u>	<u>95,329,159</u>	<u>595,179,554</u>

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 (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.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

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

As at 30 September 2014 and 31 December 2013, all financial instruments under reinsurance operations which are measured at fair value are Level 1 instruments. 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 2014 (Unaudited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Bond portfolios	305,273,340	-	-	305,273,340
Equity portfolios	188,998,699	-	-	188,998,699
Funds	158,424,207	-	25,000,000	183,424,207
Sukuk	-	-	40,037,070	40,037,070
	<u>652,696,246</u>	<u>-</u>	<u>65,037,070</u>	<u>717,733,316</u>

	31 December 2013 (Audited)			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Bond portfolios	156,796,858	-	-	156,796,858
Equity portfolios	164,109,001	-	-	164,109,001
Funds	209,236,625	-	25,000,000	234,236,625
Sukuk	-	-	40,037,070	40,037,070
	<u>530,142,484</u>	<u>-</u>	<u>65,037,070</u>	<u>595,179,554</u>

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 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 30 September 2014 and year ended 31 December 2013.
- iv. The movements of investments held at fair value through income statement are as follows:

	For the nine month period ended 30 September 2014 (Unaudited)		For the year ended 31 December 2013 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Opening balance	95,329,159	595,179,554	83,244,130	445,743,014
Additions	43,289,658	231,526,946	60,268,130	242,129,034
Disposals	(25,420,286)	(153,260,951)	(48,879,720)	(136,069,250)
Unrealized gains	2,080,100	43,006,641	657,960	41,700,233
Realized gains	-	1,281,126	38,659	1,676,523
Ending balance	<u>115,278,631</u>	<u>717,733,316</u>	<u>95,329,159</u>	<u>595,179,554</u>

Investments under reinsurance and shareholders' operations include SR 3.5 million and SR 15.8 million respectively as at 30 September 2014 (31 December 2013: 12.3 million and SR 4.2 million respectively) cash deposits with reputable 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.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

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8. HELD TO MATURITY INVESTMENTS

Held to maturity investments represent debt instruments with a 4 to 10 year time horizon yielding an average special commission of 4.52% per annum (31 December 2013: 4.35% per annum). For fair value hierarchy, for disclosure purpose, held to maturity investments are classified as level 3. The fair value of held to maturity investments amounted to SR153,462,598 (31 December 2013: SR 183,878,544).

9. NET CLAIMS PAID

	For the three month period ended		For the nine month period ended	
	30 September 2014 (Unaudited) SR	30 September 2013 (Unaudited) SR	30 September 2014 (Unaudited) SR	30 September 2013 (Unaudited) SR
Gross claims paid	(73,196,115)	(21,920,353)	(185,978,088)	(70,235,675)
Retroceded share of claims paid	12,937,818	869,849	25,504,606	7,415,814
Net claims paid	(60,258,297)	(21,050,504)	(160,473,482)	(62,819,861)

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 nine month period ended		Balance as at	
		30 September 2014 (Unaudited) SR	30 September 2013 (Unaudited) SR	30 September 2014 (Unaudited) SR	31 December 2013 (Audited) SR
Board of directors	Consulting fees	190,996	266,243	-	-
	Remunerations	1,020,000	-	-	248,129
	Meeting fees and expenses	422,651	328,120	195,750	-
Key management personnel	Short term benefits	7,136,320	5,415,548	1,842,356	2,173,000
	End of service benefits	277,281	157,157	730,426	446,650

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

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
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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, other income, investment management expenses and all general and administrative expenses.

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.

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	General Accident SR	Others SR	Total SR
For the three month period ended								
30 September 2014 (Unaudited)								
Reinsurance operations' results								
Gross written premiums	27,873,454	53,070,530	17,367,715	7,288,153	15,908,659	6,772,502	3,679,135	131,960,148
Retroceded premiums	(988,799)	(587,844)	(103,917)	-	-	(137,055)	-	(1,817,615)
Excess of loss expenses	(1,543,340)	(3,449,584)	(236,210)	-	(339,866)	-	(148,821)	(5,717,821)
Net written premiums	25,341,315	49,033,102	17,027,588	7,288,153	15,568,793	6,635,447	3,530,314	124,424,712
Change in net unearned premiums	(6,336,079)	(5,143,893)	(1,801,116)	2,166,156	22,109,358	862,995	3,970,299	15,827,720
Net earned premiums	19,005,236	43,889,209	15,226,472	9,454,309	37,678,151	7,498,442	7,500,613	140,252,432
Net claims paid	(4,993,585)	(14,153,699)	(3,347,112)	(3,727,398)	(23,922,647)	(767,667)	(9,346,189)	(60,258,297)
Change in net outstanding claims	(6,085,995)	(34,881,139)	925,817	(1,827,167)	(9,263,256)	(271,483)	(1,547,827)	(52,951,050)
Net claims incurred	(11,079,580)	(49,034,838)	(2,421,295)	(5,554,565)	(33,185,903)	(1,039,150)	(10,894,016)	(113,209,347)
Gross acquisition costs	(6,695,409)	(12,607,100)	(4,796,017)	(725,290)	(1,531,292)	(2,052,482)	(673,972)	(29,081,562)
Supervision and inspection fees	(139,368)	(265,352)	(86,838)	(36,441)	(79,543)	(33,862)	(18,397)	(659,801)
Commissions on retroceded business	473,539	194,685	88,965	-	-	167,064	-	924,253
Net acquisition costs	(6,361,238)	(12,677,767)	(4,793,890)	(761,731)	(1,610,835)	(1,919,280)	(692,369)	(28,817,110)
Change in premium deficiency reserve	5,101,586	18,231,000	(1,350,070)	1,287,446	(18,693,200)	(1,967,430)	(4,290,776)	(1,681,444)
Net underwriting results	6,666,004	407,604	6,661,217	4,425,459	(15,811,787)	2,572,582	(8,376,548)	(3,455,469)

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

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								
30 September 2013 (Unaudited)								
Reinsurance operations' results								
Gross written premiums	22,860,605	34,664,314	14,549,904	9,084,803	11,474,591	6,974,589	5,719,229	105,328,035
Retroceded premiums	(1,809,208)	(5,437)	(457,388)	-	(921,823)	(642)	-	(3,194,498)
Excess of loss expenses	(1,373,565)	(8,511,247)	(239,963)	(130,195)	(164,546)	(138,272)	(109,397)	(10,667,185)
Net written premiums	19,677,832	26,147,630	13,852,553	8,954,608	10,388,222	6,835,675	5,609,832	91,466,352
Change in net unearned premiums	(5,544,800)	(59,489)	(3,790,519)	560,080	(757,656)	(1,722,052)	(406,317)	(11,720,753)
Net earned premiums	14,133,032	26,088,141	10,062,034	9,514,688	9,630,566	5,113,623	5,203,515	79,745,599
Net claims paid	(1,460,146)	(4,950,234)	(2,976,352)	(2,411,482)	(5,604,021)	453,090	(4,101,359)	(21,050,504)
Change in net outstanding claims	(5,140,993)	(55,083,275)	(988,148)	(6,867,050)	(366,358)	(1,212,905)	(1,949,528)	(71,608,257)
Net claims incurred	(6,601,139)	(60,033,509)	(3,964,500)	(9,278,532)	(5,970,379)	(759,815)	(6,050,887)	(92,658,761)
Gross acquisition costs	(5,059,454)	(9,158,248)	(3,344,574)	(2,256,377)	(514,742)	(1,326,998)	(403,792)	(22,064,185)
Supervision and inspection fees	(114,303)	(173,322)	(72,750)	(45,424)	(57,371)	(34,873)	(28,597)	(526,640)
Commissions on retroceded business	538,822	202,865	(135,202)	-	-	(250,372)	13,413	369,526
Net acquisition costs	(4,634,935)	(9,128,705)	(3,552,526)	(2,301,801)	(572,113)	(1,612,243)	(418,976)	(22,221,299)
Change in premium deficiency reserve	-	-	-	-	-	-	-	-
Net underwriting results	2,896,958	(43,074,073)	2,545,008	(2,065,645)	3,088,074	2,741,565	(1,266,348)	(35,134,461)

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

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 nine month period ended								
30 September 2014 (Unaudited)								
Reinsurance operations' results								
Gross written premiums	83,990,853	198,943,886	56,268,598	23,541,374	91,917,062	35,879,244	31,782,510	522,323,527
Retroceded premiums	(4,812,952)	(819,396)	128,206	-	(506)	178,180	110,374	(5,216,094)
Excess of loss expenses	(5,667,138)	(14,708,846)	(956,098)	(390,013)	(1,171,580)	(411,886)	(472,856)	(23,778,417)
Net written premiums	73,510,763	183,415,644	55,440,706	23,151,361	90,744,976	35,645,538	31,420,028	493,329,016
Change in net unearned premiums	(18,262,441)	(54,574,091)	(15,336,307)	9,370,052	(20,722,941)	(10,021,981)	(10,273,167)	(119,820,876)
Net earned premiums	55,248,322	128,841,553	40,104,399	32,521,413	70,022,035	25,623,557	21,146,861	373,508,140
Net claims paid	(10,909,039)	(73,539,039)	(9,833,307)	(17,345,296)	(35,940,678)	(736,477)	(12,169,646)	(160,473,482)
Change in net outstanding claims	(41,817,992)	(47,578,660)	(11,043,786)	(13,451,353)	(18,664,590)	(6,563,486)	(18,395,616)	(157,515,483)
Net claims incurred	(52,727,031)	(121,117,699)	(20,877,093)	(30,796,649)	(54,605,268)	(7,299,963)	(30,565,262)	(317,988,965)
Gross acquisition costs	(15,587,903)	(34,316,282)	(11,153,101)	(4,653,267)	(2,858,490)	(5,823,412)	(1,930,898)	(76,323,353)
Supervision and inspection fees	(419,954)	(994,719)	(281,343)	(117,707)	(459,585)	(179,396)	(158,914)	(2,611,618)
Commissions on retroceded business	1,484,845	643,316	181,047	-	14,553	180,731	(9,595)	2,494,897
Net acquisition costs	(14,523,012)	(34,667,685)	(11,253,397)	(4,770,974)	(3,303,522)	(5,822,077)	(2,099,407)	(76,440,074)
Change in premium deficiency reserve	(5,869,485)	32,785,703	(1,123,291)	3,431,661	(5,850,759)	(718,310)	(2,126,788)	20,528,731
Net underwriting results	(17,871,206)	5,841,872	6,850,618	385,451	6,262,486	11,783,207	(13,644,596)	(392,168)

Saudi Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
30 September 2014

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 nine month period ended								
30 September 2013 (Unaudited)								
Reinsurance operations' results								
Gross written premiums	71,136,893	140,216,381	45,870,341	49,619,666	28,620,863	17,044,526	19,407,374	371,916,044
Retroceded premiums	(4,248,037)	(199,565)	(603,445)	-	(921,823)	(71,122)	(54,704)	(6,098,696)
Excess of loss expenses	(2,987,970)	(15,634,258)	(2,214,087)	(221,934)	(802,469)	(637,306)	(399,873)	(22,897,897)
Net written premiums	63,900,886	124,382,558	43,052,809	49,397,732	26,896,571	16,336,098	18,952,797	342,919,451
Change in net unearned premiums	(25,844,209)	(48,111,467)	(14,299,300)	(23,335,889)	(7,591,733)	(6,279,029)	(5,139,544)	(130,601,171)
Net earned premiums	38,056,677	76,271,091	28,753,509	26,061,843	19,304,838	10,057,069	13,813,253	212,318,280
Net claims paid	(3,608,132)	(21,521,368)	(6,602,441)	(5,138,826)	(6,852,553)	206,497	(19,303,038)	(62,819,861)
Change in net outstanding claims	(11,021,993)	(89,131,333)	(5,897,158)	(14,351,494)	(2,495,860)	(2,300,933)	9,144,793	(116,053,978)
Net claims incurred	(14,630,125)	(110,652,701)	(12,499,599)	(19,490,320)	(9,348,413)	(2,094,436)	(10,158,245)	(178,873,839)
Gross acquisition costs	(13,331,716)	(23,992,171)	(8,597,740)	(4,373,314)	(950,524)	(3,418,833)	(1,329,634)	(55,993,932)
Supervision and inspection fees	(355,684)	(701,082)	(229,352)	(248,098)	(143,104)	(85,223)	(97,037)	(1,859,580)
Commissions on retroceded business	2,241,373	356,764	146,303	-	30,377	(116,871)	15,601	2,673,547
Net acquisition costs	(11,446,027)	(24,336,489)	(8,680,789)	(4,621,412)	(1,063,251)	(3,620,927)	(1,411,070)	(55,179,965)
Change in premium deficiency reserve	-	-	-	-	-	-	-	-
Net underwriting results	11,980,525	(58,718,099)	7,573,121	1,950,111	8,893,174	4,341,706	2,243,938	(21,735,524)

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
30 September 2014

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 30 September 2014 (Unaudited)								
Segment assets	137,909,204	251,617,379	68,461,337	18,662,002	88,540,467	37,201,127	17,100,924	619,492,440
Segment liabilities	219,103,334	424,017,184	69,416,429	55,804,774	80,974,039	38,630,669	57,935,699	945,882,128
As at 31 December 2013 (Audited)								
Segment assets	103,527,160	166,836,664	41,668,488	36,199,379	45,316,934	13,281,021	5,927,760	412,757,406
Segment liabilities	157,268,596	355,912,832	41,327,375	55,423,795	31,057,348	19,120,778	26,431,256	686,541,980

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Total SR
For the three month period ended 30 September 2014 (Unaudited)					
Reinsurance operations' results					
Gross written premiums	64,182,318	33,822,959	15,399,581	18,555,290	131,960,148
Retroceded premiums	(1,676,464)	(121,823)	(19,328)	-	(1,817,615)
Excess of loss expenses	(2,635,723)	(1,418,317)	(1,236,548)	(427,233)	(5,717,821)
Net written premiums	59,870,131	32,282,819	14,143,705	18,128,057	124,424,712
Change in net unearned premiums	9,954,204	(9,108,014)	5,723,709	9,257,821	15,827,720
Net earned premiums	69,824,335	23,174,805	19,867,414	27,385,878	140,252,432
Net claims paid	(27,392,144)	(9,030,367)	(17,460,335)	(6,375,451)	(60,258,297)
Change in net outstanding claims	(25,816,048)	(8,519,246)	(11,741,185)	(6,874,571)	(52,951,050)
Net claims incurred	(53,208,192)	(17,549,613)	(29,201,520)	(13,250,022)	(113,209,347)
Gross acquisition costs	(14,129,111)	(5,321,218)	(3,007,116)	(6,624,117)	(29,081,562)
Supervision and inspection fees	(320,912)	(169,114)	(76,998)	(92,777)	(659,801)
Commissions on retroceded business	888,584	29,553	6,116	-	924,253
Net acquisition costs	(13,561,439)	(5,460,779)	(3,077,998)	(6,716,894)	(28,817,110)
Change in premium deficiency reserve	(14,741,986)	4,577,493	3,222,839	5,260,210	(1,681,444)
Net underwriting results	(11,687,282)	4,741,906	(9,189,265)	12,679,172	(3,455,469)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Total SR
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For the three month period ended 30 September 2013 (Unaudited)

Reinsurance operations' results					
Gross written premiums	56,789,031	29,600,433	6,986,796	11,951,775	105,328,035
Retroceded premiums	(3,025,954)	(150,701)	(17,843)	-	(3,194,498)
Excess of loss expenses	(8,041,918)	(1,830,015)	(486,217)	(309,035)	(10,667,185)
Net written premiums	45,721,159	27,619,717	6,482,736	11,642,740	91,466,352
Change in net unearned premiums	(3,554,716)	(10,895,834)	2,404,835	324,962	(11,720,753)
Net earned premiums	42,166,443	16,723,883	8,887,571	11,967,702	79,745,599
Net claims paid	(17,225,127)	(1,994,349)	(4,343,009)	2,511,981	(21,050,504)
Change in net outstanding claims	(49,545,025)	(12,309,658)	(3,406,383)	(6,347,191)	(71,608,257)
Net claims incurred	(66,770,152)	(14,304,007)	(7,749,392)	(3,835,210)	(92,658,761)
Gross acquisition costs	(13,397,828)	(3,828,071)	(2,038,138)	(2,800,148)	(22,064,185)
Supervision and inspection fees	(283,945)	(148,002)	(34,934)	(59,759)	(526,640)
Commissions on retroceded business	300,980	59,593	8,953	-	369,526
Net acquisition costs	(13,380,793)	(3,916,480)	(2,064,119)	(2,859,907)	(22,221,299)
Change in premium deficiency reserve	-	-	-	-	-
Net underwriting results	(37,984,502)	(1,496,604)	(925,940)	5,272,585	(35,134,461)

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Total SR
For the nine month period ended 30 September 2014 (Unaudited)					
Reinsurance operations' results					
Gross written premiums	262,947,558	93,344,883	58,495,993	107,535,093	522,323,527
Retroceded premiums	(4,666,422)	(495,894)	(53,778)	-	(5,216,094)
Excess of loss expenses	(13,203,415)	(4,351,364)	(3,225,920)	(2,997,718)	(23,778,417)
Net written premiums	245,077,721	88,497,625	55,216,295	104,537,375	493,329,016
Change in net unearned premiums	(53,956,889)	(20,085,612)	(5,867,308)	(39,911,067)	(119,820,876)
Net earned premiums	191,120,832	68,412,013	49,348,987	64,626,308	373,508,140
Net claims paid	(104,918,027)	(19,890,849)	(26,904,324)	(8,760,282)	(160,473,482)
Change in net outstanding claims	(57,684,517)	(33,241,420)	(23,811,434)	(42,778,112)	(157,515,483)
Net claims incurred	(162,602,544)	(53,132,269)	(50,715,758)	(51,538,394)	(317,988,965)
Gross acquisition costs	(37,929,099)	(12,440,844)	(11,208,376)	(14,745,034)	(76,323,353)
Supervision and inspection fees	(1,314,738)	(466,724)	(292,480)	(537,676)	(2,611,618)
Commissions on retroceded business	2,128,549	369,250	(2,902)	-	2,494,897
Net acquisition costs	(37,115,288)	(12,538,318)	(11,503,758)	(15,282,710)	(76,440,074)
Change in premium deficiency reserve	6,820,114	6,615,279	5,420,970	1,672,368	20,528,731
Net underwriting results	(1,776,886)	9,356,705	(7,449,559)	(522,428)	(392,168)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Total SR
For the nine month period ended 30 September 2013 (Unaudited)					
Reinsurance operations' results					
Gross written premiums	211,932,543	69,110,830	37,651,735	53,220,936	371,916,044
Retroceded premiums	(4,938,052)	(1,068,589)	(92,055)	-	(6,098,696)
Excess of loss expenses	(16,181,216)	(2,916,159)	(2,625,102)	(1,175,420)	(22,897,897)
Net written premiums	190,813,275	65,126,082	34,934,578	52,045,516	342,919,451
Change in net unearned premiums	(69,160,920)	(21,908,882)	(13,875,090)	(25,656,279)	(130,601,171)
Net earned premiums	121,652,355	43,217,200	21,059,488	26,389,237	212,318,280
Net claims paid	(33,702,028)	(6,240,613)	(9,217,831)	(13,659,389)	(62,819,861)
Change in net outstanding claims	(93,327,673)	(17,494,620)	(4,570,077)	(661,608)	(116,053,978)
Net claims incurred	(127,029,701)	(23,735,233)	(13,787,908)	(14,320,997)	(178,873,839)
Gross acquisition costs	(34,413,764)	(10,177,865)	(5,220,093)	(6,182,210)	(55,993,932)
Supervision and inspection fees	(1,059,663)	(345,554)	(188,259)	(266,104)	(1,859,580)
Commissions on retroceded business	2,197,348	416,195	60,004	-	2,673,547
Net acquisition costs	(33,276,079)	(10,107,224)	(5,348,348)	(6,448,314)	(55,179,965)
Change in premium deficiency reserve	-	-	-	-	-
Net underwriting results	(38,653,425)	9,374,743	1,923,232	5,619,926	(21,735,524)

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

30 September 2014

11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Total SR
As at 30 September 2014 (Unaudited)					
Reinsurance operations					
Segment assets	386,099,323	91,310,909	45,338,371	96,743,837	619,492,440
Segment liabilities	565,981,095	163,776,653	71,638,565	144,485,815	945,882,128
As at 31 December 2013 (Audited)					
Reinsurance operations					
Segment assets	282,957,953	59,283,701	33,769,136	36,746,616	412,757,406
Segment liabilities	475,410,789	109,832,941	39,632,655	61,665,595	686,541,980

12. BASIC AND DILUTE EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share for the three and nine month periods ended 30 September 2014 and 2013 have been calculated by dividing net income (loss) for the period by the weighted average number of ordinary issued and outstanding shares at the end of the periods.

13. 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 8 above, approximate their fair values at the interim condensed financial statements date.

14. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on Dhul-Hijjah 1435H corresponding to 23 October 2014.