
SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2015**

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three And Nine Month Periods Ended 30 September 2015

INDEX	PAGES
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM STATEMENT OF FINANCIAL POSITION	2
INTERIM STATEMENT OF INCOME - REINSURANCE OPERATIONS	3
INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS	4
INTERIM STATEMENT OF COMPREHENSIVE INCOME - SHAREHOLDERS' OPERATIONS	5
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	6
INTERIM STATEMENT OF CASH FLOWS - REINSURANCE OPERATIONS	7
INTERIM STATEMENT OF CASH FLOWS - SHAREHOLDERS' OPERATIONS	8
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	9 - 21



KPMG Al Fozan & Al Sadhan



Al-Bassam & Al-Nemer
Allied Accountants

**INDEPENDENT AUDITORS' 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 2015, the related interim statements of income - reinsurance operations, shareholders' operations and statement of comprehensive income - shareholders' operations for the three month and nine month periods then ended, the related interim statement of changes in shareholders' equity, statements of cash flows - reinsurance operations and shareholders' operations for the nine month period then ended and notes 1 to 14 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 review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A 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 auditing standards generally accepted in the Kingdom of Saudi Arabia, 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:

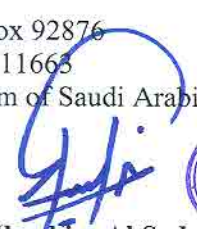
Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

EMPHASIS OF 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.

KPMG Al Fozan & Al Sadhan

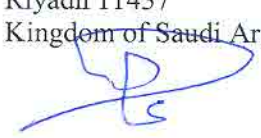
P. O. Box 92876
Riyadh 11665
Kingdom of Saudi Arabia


Khalil Ibrahim Al Sedais
Certified Public Accountant
Registration No. 371



**PKF Al-Bassam & Al-Nemer
Allied Accountants**

P. O. Box 28355
Riyadh 11437
Kingdom of Saudi Arabia


Abdul Mohsen M. Al Nemer
Certified Public Accountant
License No. 399

8 Muharram 1437H
(21 October 2015)



Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	<i>Notes</i>	30 September 2015 (Unaudited) SR	31 December 2014 (Audited) SR
<u>REINSURANCE OPERATIONS' ASSETS</u>			
Cash and bank balances		22,813,216	1,454,864
Time deposits	5	13,125,000	13,125,000
Premium receivables, net	4	123,963,776	112,739,098
Investments held at fair value through income statement	7	123,897,105	124,911,737
Accrued insurance premiums		553,431,691	220,186,253
Retroceded share of unearned premiums		8,939,006	2,080,440
Retroceded share of outstanding claims		82,505,681	105,139,646
Deferred acquisition costs		116,496,832	63,512,581
Deferred excess of loss premiums		23,584,609	17,311,815
Prepaid expenses and other assets		30,772,537	28,113,134
Due from shareholders' operations		228,549,227	188,019,813
Property and equipment, net		5,901,442	6,269,040
TOTAL REINSURANCE OPERATIONS' ASSETS		1,333,980,122	882,863,421
<u>SHAREHOLDERS' ASSETS</u>			
Cash and bank balances		123,809,414	2,567,730
Time deposits	5	45,000,000	24,000,000
Accrued special commission income from time deposits		267,753	70,035
Accrued special commission income from bonds and sukuk		3,125,817	3,703,766
Investments held at fair value through income statement	7	722,168,960	732,671,564
Held to maturity investments	8	--	145,470,427
Prepaid expenses and other assets		134,934	7,100,713
Statutory deposit	6	107,589,256	100,000,000
Property and equipment, net		33,053,198	33,521,502
TOTAL SHAREHOLDERS' ASSETS		1,035,149,332	1,049,105,737
TOTAL ASSETS		2,369,129,454	1,931,969,158
<u>REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS</u>			
Accounts payable		17,391,517	22,617,656
Retrocession balances payable		24,925,866	4,173,060
Accrued retroceded premiums		1,721,059	1,129,253
Gross unearned premiums		615,204,825	238,458,639
Gross outstanding claims		663,751,812	609,842,291
Unearned commission income		2,188,282	749,782
Accrued expenses and other liabilities		4,972,501	2,479,662
Employees' end of service benefits		2,892,183	2,481,001
TOTAL REINSURANCE OPERATIONS' LIABILITIES		1,333,048,045	881,931,344
<u>REINSURANCE OPERATIONS' SURPLUS</u>			
Accumulated surplus		932,077	932,077
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS		1,333,980,122	882,863,421
<u>SHAREHOLDERS' LIABILITIES AND EQUITY</u>			
<u>SHAREHOLDERS' LIABILITIES</u>			
Provision for zakat and income tax		33,913,667	35,441,642
Due to reinsurance operations		228,549,227	188,019,813
Accrued expenses and other liabilities		9,092,943	8,219,064
TOTAL SHAREHOLDERS' LIABILITIES		271,555,837	231,680,519
<u>SHAREHOLDERS' EQUITY</u>			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	6,070,924
Accumulated deficit		(242,477,429)	(188,645,706)
TOTAL SHAREHOLDERS' EQUITY		763,593,495	817,425,218
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		1,035,149,332	1,049,105,737
TOTAL REINSURANCE OPERATIONS' LIABILITIES, SURPLUS, SHAREHOLDERS' LIABILITIES AND EQUITY		2,369,129,454	1,931,969,158

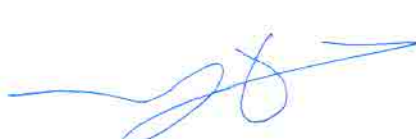
The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME - REINSURANCE OPERATIONS

For the three and nine month periods ended 30 September 2015

	(Unaudited)			
	For the three month		For the nine month	
	period ended		period ended	
	30 September	30 September	30 September	30 September
	2015	2014	2015	2014
Notes	SR	SR	SR	SR
Gross written premiums	397,054,831	131,960,148	743,637,425	522,323,527
Retroceded premiums	(3,284,061)	(1,817,615)	(9,354,536)	(5,216,094)
Excess of loss expenses	(6,939,130)	(5,717,821)	(31,146,699)	(23,778,417)
Net written premiums	386,831,640	124,424,712	703,136,190	493,329,016
Change in unearned premiums, net	(234,440,395)	15,827,720	(369,887,623)	(119,820,876)
Net earned premiums	152,391,245	140,252,432	333,248,567	373,508,140
Net claims paid	9 (39,610,232)	(60,258,297)	(189,735,548)	(160,473,482)
Change in outstanding claims, net	(98,590,230)	(52,951,050)	(76,543,487)	(157,515,483)
Net claims incurred	(138,200,462)	(113,209,347)	(266,279,035)	(317,988,965)
Change in premium deficiency reserve	--	(1,681,444)	--	20,528,731
Gross acquisition costs	(38,903,604)	(29,081,562)	(79,319,309)	(76,323,353)
Supervision and inspection fees	(1,985,274)	(659,801)	(3,718,187)	(2,611,618)
Commissions on retroceded business	(246,060)	924,253	1,342,471	2,494,897
Net acquisition costs	(41,134,938)	(28,817,110)	(81,695,025)	(76,440,074)
Deficit from reinsurance operations	(26,944,155)	(3,455,469)	(14,725,493)	(392,168)
Special commission income from time deposits	33,542	--	99,531	--
Realized gains on investments held at fair value through income statement	7 --	--	14,940	--
Unrealized gains on investments held at fair value through income statement	7 268,473	454,763	1,455,504	2,080,100
Other income	--	59,100	216,469	59,100
Investment management expenses	(75,038)	(52,427)	(228,273)	(142,468)
General and administrative expenses	(8,961,038)	(6,011,592)	(28,445,178)	(19,515,335)
Foreign exchange gain / (loss)	(2,794,910)	(38,350)	(2,351,707)	(115,615)
Net deficit from reinsurance operations	(38,473,126)	(9,043,975)	(43,964,207)	(18,026,386)
Shareholders' appropriation from reinsurance operations' deficit	2 38,473,126	9,043,975	43,964,207	18,026,386
Reinsurance operations' deficit 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



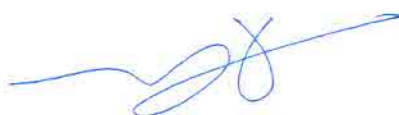

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS

For the three and nine month periods ended 30 September 2015

	(Unaudited)			
	For the three month period ended		For the nine month period ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	<i>Notes</i> SR	SR	SR	SR
Special commission income from time deposits	103,500	269,844	267,950	737,658
Special commission income from bonds and sukuk	1,274,539	2,026,448	4,119,709	6,424,685
Realized (losses) / gains on investments held at fair value through income statement	7 (139,717)	56	2,737,174	1,281,126
Unrealized (losses) / gains on investments held at fair value through income statement	7 (24,061,120)	13,016,790	(5,728,963)	43,006,641
Realized gains on investments held to maturity	6,032,940	--	6,032,940	--
Other income	--	--	2,716	248,129
Total investment income	(16,789,858)	15,313,138	7,431,526	51,698,239
General and administrative expenses	(1,077,488)	(3,908,018)	(3,589,809)	(11,825,150)
Investment management expenses	(754,901)	(1,026,961)	(2,335,800)	(2,361,118)
Board of directors' remunerations, meeting fees and expenses	(143,197)	(127,168)	(1,461,865)	(1,442,652)
Foreign exchange translation losses	--	--	(21,816)	(549,774)
Shareholders' appropriation from reinsurance operations' deficit	2 (38,473,126)	(9,043,975)	(43,964,207)	(18,026,386)
Net (loss) / income for the period	(57,238,570)	1,207,016	(43,941,971)	17,493,159
Basic and diluted (losses) / earnings per share for the period	12 (0.57)	0.01	(0.44)	0.17
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 COMPREHENSIVE INCOME - SHAREHOLDERS' OPERATIONS

For the three and nine month periods ended 30 September 2015

	(Unaudited)			
	For the three month period ended		For the nine month period ended	
	30 September 2015 SR	30 September 2014 SR	30 September 2015 SR	30 September 2014 SR
Net (loss) / income for the period	(57,238,570)	1,207,016	(43,941,971)	17,493,159
Total comprehensive (loss) / income for the period	<u>(57,238,570)</u>	<u>1,207,016</u>	<u>(43,941,971)</u>	<u>17,493,159</u>



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

