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# **SAUDI REINSURANCE COMPANY**

**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
AND AUDITORS' LIMITED REVIEW REPORT (UNAUDITED)  
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012**

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## **Saudi Reinsurance Company (A Saudi Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND AUDITORS' LIMITED REVIEW REPORT (UNAUDITED)  
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012**

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**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 30 June 2012, and the related interim statements of reinsurance operations and accumulated surplus, shareholders' operations and shareholders' comprehensive operations for the three and six month periods then ended, the interim statements of changes in shareholders' equity, reinsurance operations' cash flows and shareholders' cash flows for the six 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 (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 SOCPA.

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Ramadan 2, 1433 H  
July 21, 2012

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## INTERIM STATEMENT OF FINANCIAL POSITION

As At 30 June 2012

	Notes	30 June 2012 (Unaudited) SR	31 December 2011 (Audited) SR
<b>REINSURANCE OPERATIONS' ASSETS</b>			
Cash and cash equivalents	4	3,414,176	8,293,673
Investments held at fair value through income statement	7	58,332,279	44,644,961
Premiums receivable		22,217,510	19,126,852
Accrued insurance premiums		99,944,621	53,148,018
Retrocession balances receivable		5,742,018	-
Retroceded share of unearned premiums		11,573,909	24,836,358
Retroceded share of outstanding claims		74,451,561	86,634,442
Deferred acquisition costs		35,723,995	19,842,071
Deferred excess of loss premiums		-	10,316,395
Prepaid expenses and other assets		1,394,488	238,160
Due from shareholders' operations		-	14,017,816
Property and equipment, net		2,331,085	2,332,994
<b>TOTAL REINSURANCE OPERATIONS' ASSETS</b>		<b>315,125,642</b>	<b>283,431,740</b>
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents	4	108,980,132	140,053,940
Time deposits	5	37,500,000	258,438,845
Accrued special commission income from time deposits		577,316	1,900,346
Accrued special commission income from bonds and sukuk		3,784,902	2,987,001
Investments held at fair value through income statement	7	482,770,713	256,000,702
Held to maturity investments	8	208,581,228	209,791,799
Due from reinsurance operations		9,059,804	-
Statutory deposit	6	100,000,000	100,000,000
Other assets		3,566,725	3,036,627
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>954,820,820</b>	<b>972,209,260</b>
<b>TOTAL ASSETS</b>		<b>1,269,946,462</b>	<b>1,255,641,000</b>
<b>REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>			
Accounts payable		2,624,419	2,486,081
Retrocession balances payable		-	22,236,201
Accrued retroceded premiums		7,714,833	14,196,773
Gross unearned premiums		134,454,357	81,351,095
Gross outstanding claims		148,836,396	146,505,565
Unearned commission income		3,229,094	6,926,491
Due to shareholders' operations		9,059,804	-
Accrued expenses and other liabilities		7,592,150	8,790,916
Employees' end of service benefits		1,249,072	938,618
<b>TOTAL REINSURANCE OPERATIONS' LIABILITIES</b>		<b>314,760,125</b>	<b>283,431,740</b>
<b>REINSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		365,517	-
<b>TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>		<b>315,125,642</b>	<b>283,431,740</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Provision for zakat and income tax		20,234,347	25,163,344
Due to reinsurance operations		-	14,017,816
Other liabilities		3,566,725	3,036,627
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>23,801,072</b>	<b>42,217,787</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	6,070,924
Accumulated deficit		(75,051,176)	(76,079,451)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>931,019,748</b>	<b>929,991,473</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>954,820,820</b>	<b>972,209,260</b>
<b>TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>1,269,946,462</b>	<b>1,255,641,000</b>

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 AND ACCUMULATED SURPLUS

(UNAUDITED)

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

	Notes	For The Three Month Period Ended		For The Six Month Period Ended	
		30 June 2012 SR	30 June 2011 SR	30 June 2012 SR	30 June 2011 SR
Gross written premiums		48,370,949	19,011,664	138,160,994	98,693,946
Retroceded premiums		(66,790)	(11,294,219)	(596,187)	(51,270,164)
Excess of loss expenses		(5,370,895)	(491,910)	(10,642,542)	(1,573,828)
<b>Net written premiums</b>		<b>42,933,264</b>	<b>7,225,535</b>	<b>126,922,265</b>	<b>45,849,954</b>
Change in net unearned premiums		(8,571,744)	4,613,732	(66,365,711)	(21,564,674)
<b>Net earned premiums</b>		<b>34,361,520</b>	<b>11,839,267</b>	<b>60,556,554</b>	<b>24,285,280</b>
Net claims paid	9	(9,706,340)	(6,066,557)	(16,329,330)	(7,856,932)
Change in net outstanding claims		(7,657,063)	(5,773,486)	(14,513,712)	(13,815,587)
Gross acquisition costs		(10,577,004)	(7,526,666)	(20,898,744)	(15,919,429)
Commissions on retroceded business		1,340,556	4,939,848	3,809,231	10,290,989
Supervision and inspection fees		(241,854)	(298,839)	(690,805)	(648,072)
<b>Net underwriting results</b>		<b>7,519,815</b>	<b>(2,886,433)</b>	<b>11,933,194</b>	<b>(3,663,751)</b>
Realized gains on investments held at fair value through income statement	7	3,775	-	7,674	-
Unrealized gains on investments held at fair value through income statement	7	139,743	68,172	269,863	153,725
Other income	10	5,625,000	-	5,625,000	-
General and administrative expenses		(7,741,588)	(7,255,172)	(14,015,446)	(20,774,333)
Board of directors' remunerations and expenses	10	(102,172)	(115,730)	(165,111)	(217,672)
<b>Net surplus/(deficit) from reinsurance operations</b>		<b>5,444,573</b>	<b>(10,189,163)</b>	<b>3,655,174</b>	<b>(24,502,031)</b>
Shareholders' appropriation from reinsurance operations' (surplus)/deficit		(5,079,056)	10,189,163	(3,289,657)	24,502,031
<b>Reinsurance operations' surplus after shareholders' appropriation</b>		<b>365,517</b>	<b>-</b>	<b>365,517</b>	<b>-</b>
Accumulated surplus at the beginning of the period		-	-	-	-
<b>Accumulated surplus at the end of the period</b>		<b>365,517</b>	<b>-</b>	<b>365,517</b>	<b>-</b>

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 SIX MONTH PERIODS ENDED 30 JUNE 2012

	Notes	For The Three Month Period Ended		For The Six Month Period Ended	
		30 June 2012	30 June 2011	30 June 2012	30 June 2011
		SR	SR	SR	SR
Special commission income from time deposits		650,671	2,215,424	1,845,354	5,182,545
Special commission income from bonds and sukuk		2,424,344	2,316,591	4,836,425	4,611,175
Realized gains on investments held at fair value through income statement	7	367,841	64,832	418,450	70,180
Unrealized (loss) / gains on investments held at fair value through income statement	7	(7,016,418)	865,779	1,962,435	1,699,221
Foreign exchange translation (losses) / gains		(1,221,088)	133,984	(842,500)	1,492,447
Other expenses		(136,015)	-	(366,412)	-
Shareholders' appropriation from reinsurance operations' surplus / (deficit)		5,079,056	(10,189,163)	3,289,657	(24,502,031)
<b>Net income / (loss) for the period</b>		<b>148,391</b>	<b>(4,592,553)</b>	<b>11,143,409</b>	<b>(11,446,463)</b>
<b>Basic and diluted earnings / (loss) per share for the period</b>	12	<b>0.0015</b>	<b>(0.0459)</b>	<b>0.1114</b>	<b>(0.1145)</b>
<b>Weighted average number of issued shares during the period</b>		<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>

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 SIX MONTH PERIODS ENDED 30 JUNE 2012**

	For The Three Month Period Ended		For The Six Month Period Ended	
	30 June 2012 SR	30 June 2011 SR	30 June 2012 SR	30 June 2011 SR
Net income / (loss) for the period	148,391	(4,592,553)	11,143,409	(11,446,463)
Other comprehensive expenses:				
Zakat and income tax	(5,011,894)	(4,899,655)	(10,115,134)	(10,307,931)
Total comprehensive (loss) / income for the period	(4,863,503)	(9,492,208)	1,028,275	(21,754,394)

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 (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2012

	GCC Founding Shareholders and General Public			Non – GCC Founding Shareholders			Total			Total SR
	Share capital SR	Statutory reserve SR	Accumulated deficit SR	Share capital SR	Statutory reserve SR	Retained earnings / (Accumulated deficit) SR	Share capital SR	Statutory reserve SR	Accumulated deficit SR	
Balance as at 1 January 2011	941,000,000	5,712,740	(22,731,362)	59,000,000	358,184	1,075,236	1,000,000,000	6,070,924	(21,656,126)	984,414,798
Net loss for the period	-	-	(10,771,122)	-	-	(675,341)	-	-	(11,446,463)	(11,446,463)
Zakat and income tax	-	-	(10,307,931)	-	-	-	-	-	(10,307,931)	(10,307,931)
Balance as at 30 June 2011	941,000,000	5,712,740	(43,810,415)	59,000,000	358,184	399,895	1,000,000,000	6,070,924	(43,410,520)	962,660,404
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	-	-	10,485,948	-	-	657,461	-	-	11,143,409	11,143,409
Zakat and income tax	-	-	(10,016,515)	-	-	(98,619)	-	-	(10,115,134)	(10,115,134)
Balance as at 30 June 2012	941,000,000	5,712,740	(74,661,207)	59,000,000	358,184	(389,969)	1,000,000,000	6,070,924	(75,051,176)	931,019,748

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 SIX MONTH PERIOD ENDED 30 JUNE 2012

	For The Six Month Period Ended	
	30 June 2012 SR	30 June 2011 SR
<b>OPERATING ACTIVITIES</b>		
Reinsurance operations' surplus after shareholders' appropriation	365,517	-
Adjustments for:		
Employees' end of service benefits	317,454	303,710
Depreciation	340,045	491,600
Realized gains on investments held at fair value through income statement	(7,674)	-
Unrealized gains on investments held at fair value through income statement	(269,863)	(153,725)
Gains from disposal of property and equipment	-	(146,695)
Shareholders' appropriation from reinsurance operations' surplus / (deficit)	3,289,657	(24,502,031)
Operating profit / (deficit) before changes in operating assets and liabilities	4,035,136	(24,007,141)
<b>Changes in operating assets and liabilities:</b>		
Premiums receivable	(3,090,658)	(2,139,136)
Accrued insurance premiums	(46,796,603)	(33,424,250)
Retrocession balances receivable	(5,742,018)	-
Retroceded share of unearned premiums	13,262,449	(18,071,720)
Retroceded share of outstanding claims	12,182,881	(15,258,865)
Deferred acquisition costs	(15,881,924)	(10,433,087)
Deferred excess of loss premiums	10,316,395	-
Prepaid expenses and other assets	(1,156,328)	360,806
Due from / to shareholders' operations	19,787,963	13,313,113
Accounts payable	138,338	-
Retrocession balances payable	(22,236,201)	(1,552,120)
Accrued retroceded premiums	(6,481,940)	15,898,328
Gross unearned premiums	53,103,262	39,636,394
Gross outstanding claims	2,330,831	29,074,451
Unearned commission income	(3,697,397)	4,912,823
Accrued expenses and other liabilities	(1,198,766)	2,639,244
Employees' end of service benefits paid	(7,000)	(610,260)
<b>Net cash from operating activities</b>	<b>8,868,420</b>	<b>338,580</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(338,136)	(566,291)
Proceeds from disposal of property and equipment	-	150,000
Investments held at fair value through income statement	(24,010,000)	-
Proceeds from investments held at fair value through income statement	10,600,219	-
<b>Net cash used in investing activities</b>	<b>(13,747,917)</b>	<b>(416,291)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,879,497)</b>	<b>(77,711)</b>
Cash and cash equivalents at the beginning of the period	8,293,673	3,935,529
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,414,176</b>	<b>3,857,818</b>
<b>Non - cash transactions:</b>		
Transfer of investments held at fair value through income statement from shareholders' operations	-	26,734,062

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 SIX MONTH PERIOD ENDED 30 JUNE 2012

	For The Six Month Period Ended	
	30 June 2012 SR	30 June 2011 SR
<b>OPERATING ACTIVITIES</b>		
Net income / (loss) for the period	11,143,409	(11,446,463)
Adjustments for:		
Realized gains on investments held at fair value through income statement	(418,450)	(70,180)
Unrealized gains on investments held at fair value through income statement	(1,962,435)	(1,699,221)
Shareholders' appropriation from reinsurance operations' (surplus) / deficit	(3,289,657)	24,502,031
Operating profit before changes in operating assets and liabilities	5,472,867	11,286,167
<b>Changes in operating assets and liabilities:</b>		
Due from / to reinsurance operations	(19,787,963)	(13,313,113)
Other assets	(530,098)	(601,771)
Other liabilities	530,098	601,771
Zakat and income tax paid	(15,044,131)	(16,313,938)
<b>Net cash used in operating activities</b>	<b>(29,359,227)</b>	<b>(18,340,884)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from investments held at fair value through income statement	167,328,554	24,491,147
Accrued special commission income from time deposits	1,323,030	3,429,139
Accrued special commission income from bonds and sukuk	(797,901)	(575,518)
Investments held at fair value through income statement	(391,717,680)	(100,528,400)
Time deposits, net	220,938,845	148,164,815
Held to maturity investments	1,210,571	(1,111,620)
<b>Net cash (used in) / from investing activities</b>	<b>(1,714,581)</b>	<b>73,869,563</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(31,073,808)</b>	<b>55,528,679</b>
Cash and cash equivalents at the beginning of the period	140,053,940	1,168,051
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>108,980,132</b>	<b>56,696,730</b>
<b>Non - cash transactions:</b>		
Transfer of investments held at fair value through income statement to reinsurance operations	-	26,734,062

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)**

**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012**

### **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, 6<sup>th</sup> 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 and six month periods ended 30 June 2012 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 annual financial statements as at 31 December 2011.

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 December 31, 2011, except for the adoption of amendments and revisions to existing standards as mentioned below which had no significant financial impact on the interim condensed financial statements of the Company:

- a) Amendment to IFRS 7 - Financial instruments: Transfers of financial assets:  
This amendment is effective from 1 July 2011 and requires additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's balance sheet. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities.
- b) Amendment to IAS 12, 'Income taxes' on deferred tax (effective 1 January 2012):  
Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which has been withdrawn.

The Company has chosen not to early adopt the following new standards and amendments, which are effective for the Company's financial years starting 2013 and thereafter:

- 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) – Investments in associates and joint ventures
- Amendments to IAS 32 and IFRS 7 – Financial instruments: Disclosures on offsetting financial assets and liabilities

In addition to the above, the Company has chosen not to early adopt the amendments to the basis for conclusions on IAS 1, 16, 32, and 34 which are effective starting 2013. In addition, the Company has chosen not to early adopt IFRS 9 (2010) – Financial instruments, which has been published, but will not be effective until January 1, 2015.

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

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 4. CASH AND CASH EQUIVALENTS

	30 June 2012 (Unaudited)		31 December 2011 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Cash in hand	5,000	-	-	-
Cash at banks	3,409,176	80,507	8,293,673	53,940
Murabaha deposit	-	108,899,625	-	140,000,000
	<b>3,414,176</b>	<b>108,980,132</b>	<b>8,293,673</b>	<b>140,053,940</b>

Murabaha deposits represent deposits with banks with maturity period of three months or less from the date of original acquisition. Such deposits earn special commission at an average rate of 0.4% per annum as at 30 June 2012 (31 December 2011: 2.17% per annum).

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

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

### 5. TIME DEPOSITS

Time deposits represent deposits with banks with maturity period of more than three months from the date of original acquisition. Such deposits earn special commission at an average rate of 2.50% per annum as at 30 June 2012 (31 December 2011: 2.19% per annum).

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

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

### 6. STATUTORY DEPOSIT

The Company has deposited an amount of 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

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

	30 June 2012 (Unaudited)		31 December 2011 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Funds	58,332,279	226,956,175	44,644,961	126,079,764
Equity Portfolios	-	127,803,293	-	29,927,604
Bond Portfolios	-	103,011,245	-	99,993,334
Sukuk	-	25,000,000	-	-
	<b>58,332,279</b>	<b>482,770,713</b>	<b>44,644,961</b>	<b>256,000,702</b>



# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

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

The movements of investments held at fair value through income statement are as follows:

	For The Six Month Period Ended 30 June 2012 (Unaudited)		For The Year Ended 31 December 2011 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Opening balance	44,644,961	256,000,702	-	307,400,220
Additions	24,010,000	391,717,680	17,600,000	442,173,227
Disposals	(10,600,219)	(167,328,554)	-	(470,851,315)
Transfer from shareholders' operations to reinsurance operations	-	-	26,741,870	(26,741,870)
Unrealized gains	269,863	1,962,435	303,091	552,211
Realized gains	7,674	418,450	-	3,468,229
Ending balance	58,332,279	482,770,713	44,644,961	256,000,702

Investments under shareholders' operations include SR 26 million as at 30 June 2012 (31 December 2011: SR 113 million) 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 2011: 4.41% per annum).

### 9. NET CLAIMS PAID

	For The Three Month Period Ended (Unaudited)		For The Six Month Period Ended (Unaudited)	
	30 June 2012 SR	30 June 2011 SR	30 June 2012 SR	30 June 2011 SR
Gross claims paid	19,681,522	14,026,371	36,423,217	18,995,856
Retroceded share of claims paid	(9,975,182)	(7,959,814)	(20,093,887)	(11,138,924)
Net claims paid	9,706,340	6,066,557	16,329,330	7,856,932

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 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 six month period ended		Balance as at	
		30 June 2012 (Unaudited)	30 June 2011 (Unaudited)	30 June 2012 (Unaudited)	31 December 2011 (Audited)
		SR	SR	SR	SR
Board of directors	Consulting fees	190,798	-	-	-
	Remunerations	-	-	257,130	257,130
	Expenses	100,002	102,500	88,502	129,500
Key management personnel	Short term benefits	4,451,621	7,808,560	1,310,500	2,448,500
	End of service benefits	132,116	149,526	415,544	383,727

During the quarter ended 30 June 2012, a founding member of the Company paid SR 5.6 million to the Company on account of severance dues paid by the Company, in 2011, to the previous chief executive officer (CEO) of the Company. The payment in 2011 by the Company, to the previous CEO, was recognized in the reinsurance operations and accordingly the recovery of this amount has been recognized as other income.

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) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 11. SEGMENTAL INFORMATION

Consistent with the Company's internal reporting process, business and geographical segments have been approved by Management 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, general and administrative expenses, and board of directors' remunerations and expenses.

Segment assets do not include cash and cash equivalents 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 accrued expenses and other liabilities, due to shareholders' operations 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	Health SR	Others SR	Total SR
<b>For the three month period ended 30 June 2012 (Unaudited)</b>								
<b>Reinsurance operations' results</b>								
Gross written premiums	15,106,460	14,104,666	428,644	659,461	5,116,061	-	12,955,657	48,370,949
Retroceded premiums	(764,389)	(57,584)	417,627	-	393	-	337,163	(66,790)
Excess of loss expenses	(2,203,615)	(2,184,939)	(345,278)	(36,993)	-	-	(600,070)	(5,370,895)
<b>Net written premiums</b>	<b>12,138,456</b>	<b>11,862,143</b>	<b>500,993</b>	<b>622,468</b>	<b>5,116,454</b>	<b>-</b>	<b>12,692,750</b>	<b>42,933,264</b>
Change in net unearned premiums	(6,014,224)	2,576,303	4,342,002	1,623,700	(2,901,284)	428,920	(8,627,161)	(8,571,744)
<b>Net earned premiums</b>	<b>6,124,232</b>	<b>14,438,446</b>	<b>4,842,995</b>	<b>2,246,168</b>	<b>2,215,170</b>	<b>428,920</b>	<b>4,065,589</b>	<b>34,361,520</b>
Net claims paid	(644,162)	(5,354,596)	(732,997)	(2,372,655)	(365,347)	-	(236,583)	(9,706,340)
Change in net outstanding claims	(3,119,157)	(1,586,398)	(1,779,821)	598,882	(20,582)	(172,769)	(1,577,218)	(7,657,063)
Gross acquisition costs	(3,318,234)	(4,484,096)	(1,761,230)	(376,411)	(77,329)	-	(559,704)	(10,577,004)
Commissions on retroceded business	841,999	478,768	96,482	-	-	-	(76,693)	1,340,556
Supervision and inspection fees	(75,532)	(70,523)	(2,143)	(3,297)	(25,581)	-	(64,778)	(241,854)
<b>Net underwriting results</b>	<b>(190,854)</b>	<b>3,421,601</b>	<b>663,286</b>	<b>92,687</b>	<b>1,726,331</b>	<b>256,151</b>	<b>1,550,613</b>	<b>7,519,815</b>
<b>Other items:</b>								
Depreciation	49,257	56,733	10,434	3,546	12,229	-	36,240	168,539



# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 11. SEGMENTAL INFORMATION (continued)

#### 11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	Health SR	Others SR	Total SR
For the three month period ended 30 June 2011 (Unaudited)								
<b>Reinsurance operations' results</b>								
Gross written premiums	6,752,335	10,186,085	1,234,961	(533,432)	1,073,097	-	298,618	19,011,664
Retroceded premiums	(4,693,121)	(5,810,494)	(734,694)	-	(30,994)	-	(24,916)	(11,294,219)
Excess of loss expenses	(131,568)	(213,112)	(84,021)	(34,883)	-	-	(28,326)	(491,910)
<b>Net written premiums</b>	<b>1,927,646</b>	<b>4,162,479</b>	<b>416,246</b>	<b>(568,315)</b>	<b>1,042,103</b>	<b>-</b>	<b>245,376</b>	<b>7,225,535</b>
Change in net unearned premiums	304,256	59,285	1,781,566	2,309,018	(451,857)	-	611,464	4,613,732
<b>Net premiums earned</b>	<b>2,231,902</b>	<b>4,221,764</b>	<b>2,197,812</b>	<b>1,740,703</b>	<b>590,246</b>	<b>-</b>	<b>856,840</b>	<b>11,839,267</b>
Net claims paid	(230,972)	(3,461,546)	(281,593)	(1,892,801)	(119,865)	-	(79,780)	(6,066,557)
Change in net outstanding claims	(765,361)	(3,449,224)	(1,005,327)	(373,634)	(39,292)	-	(140,648)	(5,773,486)
Gross acquisition costs	(1,962,361)	(2,970,036)	(1,702,727)	(408,924)	(29)	-	(482,589)	(7,526,666)
Commissions on retroceded business	1,492,822	2,087,899	1,070,830	(1,154)	979	-	288,472	4,939,848
Supervision and inspection fees	(92,763)	(152,245)	(34,278)	(3,822)	(5,365)	-	(10,366)	(298,839)
<b>Net underwriting results</b>	<b>673,267</b>	<b>(3,723,388)</b>	<b>244,717</b>	<b>(939,632)</b>	<b>426,674</b>	<b>-</b>	<b>431,929</b>	<b>(2,886,433)</b>
<b>Other items:</b>								
Depreciation	65,350	107,257	29,465	11,852	5,345	-	10,744	230,013

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 11. SEGMENTAL INFORMATION (continued)

#### 11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	Health SR	Others SR	Total SR
For the six month period ended 30 June 2012 (Unaudited)								
<b>Reinsurance operations' results</b>								
Gross written premiums	37,017,837	54,054,879	17,447,220	4,148,224	4,968,713	-	20,524,121	138,160,994
Retroceded premiums	(1,183,740)	601,124	(253,622)	-	393	-	239,658	(596,187)
Excess of loss expenses	(3,402,825)	(4,652,713)	(1,395,167)	(74,398)	-	-	(1,117,439)	(10,642,542)
<b>Net written premiums</b>	<b>32,431,272</b>	<b>50,003,290</b>	<b>15,798,431</b>	<b>4,073,826</b>	<b>4,969,106</b>	<b>-</b>	<b>19,646,340</b>	<b>126,922,265</b>
Change in net unearned premiums	(21,288,852)	(23,203,661)	(6,262,356)	(1,051,074)	(1,985,098)	857,840	(13,432,510)	(66,365,711)
<b>Net earned premiums</b>	<b>11,142,420</b>	<b>26,799,629</b>	<b>9,536,075</b>	<b>3,022,752</b>	<b>2,984,008</b>	<b>857,840</b>	<b>6,213,830</b>	<b>60,556,554</b>
Net claims paid	(964,400)	(9,946,508)	(1,342,005)	(3,262,627)	(365,347)	-	(448,443)	(16,329,330)
Change in net outstanding claims	(5,146,045)	(3,040,500)	(3,828,093)	(95,722)	(76,368)	(172,769)	(2,154,215)	(14,513,712)
Gross acquisition costs	(5,936,602)	(8,871,953)	(4,069,236)	(476,834)	(143,616)	-	(1,400,503)	(20,898,744)
Commissions on retroceded business	1,771,470	1,319,655	597,036	-	-	-	121,070	3,809,231
Supervision and inspection fees	(185,089)	(270,274)	(87,236)	(20,741)	(24,844)	-	(102,621)	(690,805)
<b>Net underwriting results</b>	<b>681,754</b>	<b>5,990,049</b>	<b>806,541</b>	<b>(833,172)</b>	<b>2,373,833</b>	<b>685,071</b>	<b>2,229,118</b>	<b>11,933,194</b>
<b>Other items:</b>								
Depreciation	91,109	133,041	42,941	10,210	12,229	-	50,515	340,045

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 11. SEGMENTAL INFORMATION (continued)

#### 11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	Health SR	Others SR	Total SR
For the six month period ended 30 June 2011 (Unaudited)								
<b>Reinsurance operations' results</b>								
Gross written premiums	25,429,165	43,468,490	14,963,630	8,010,252	1,073,097	-	5,749,312	98,693,946
Retroceded premiums	(15,002,491)	(25,956,101)	(7,760,143)	(141)	(30,994)	-	(2,520,294)	(51,270,164)
Excess of loss expenses	(436,962)	(617,307)	(141,931)	(106,791)	-	-	(270,837)	(1,573,828)
<b>Net written premiums</b>	<b>9,989,712</b>	<b>16,895,082</b>	<b>7,061,556</b>	<b>7,903,320</b>	<b>1,042,103</b>	<b>-</b>	<b>2,958,181</b>	<b>45,849,954</b>
Change in net unearned premiums	(5,963,939)	(8,237,182)	(2,676,604)	(2,821,973)	(451,857)	-	(1,413,119)	(21,564,674)
<b>Net earned premiums</b>	<b>4,025,773</b>	<b>8,657,900</b>	<b>4,384,952</b>	<b>5,081,347</b>	<b>590,246</b>	<b>-</b>	<b>1,545,062</b>	<b>24,285,280</b>
Net claims paid	(374,890)	(3,801,466)	(444,901)	(3,075,193)	(119,865)	-	(40,617)	(7,856,932)
Change in net outstanding claims	(1,307,390)	(5,791,551)	(1,888,949)	(4,342,874)	(39,292)	-	(445,531)	(13,815,587)
Gross acquisition costs	(3,696,924)	(6,612,289)	(3,502,852)	(1,035,683)	(29)	-	(1,071,652)	(15,919,429)
Commissions on retroceded business	2,753,079	4,674,566	2,196,509	(1,154)	979	-	667,010	10,290,989
Supervision and inspection fees	(177,121)	(289,819)	(95,713)	(44,680)	(5,365)	-	(35,374)	(648,072)
<b>Net underwriting results</b>	<b>1,222,527</b>	<b>(3,162,659)</b>	<b>649,046</b>	<b>(3,418,237)</b>	<b>426,674</b>	<b>-</b>	<b>618,898</b>	<b>(3,663,751)</b>
<b>Other items:</b>								
Depreciation	126,664	216,519	74,535	39,900	5,345	-	28,637	491,600

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 11. SEGMENTAL INFORMATION (continued)

#### 11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	Health SR	Others SR	Total SR
As at 30 June 2012 (Unaudited)								
Segment assets	71,350,112	120,375,438	25,775,335	5,056,573	6,574,892	-	20,521,264	249,653,614
Segment liabilities	77,553,344	152,380,187	27,122,405	11,071,441	4,500,131	431,277	23,800,314	296,859,099
As at 31 December 2011 (Audited)								
Segment assets	52,199,391	98,470,269	29,081,849	11,809,507	6,176,517	2,311,943	13,854,660	213,904,136
Segment liabilities	66,792,016	125,998,171	37,211,839	15,110,919	7,903,196	2,958,259	17,727,806	273,702,206

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 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 30 June 2012 (Unaudited)					
<b>Reinsurance operations' results</b>					
Gross written premiums	12,990,509	7,820,677	758,406	26,801,357	48,370,949
Retroceded premiums	290,259	(291,845)	(65,204)	-	(66,790)
Excess of loss expenses	(2,188,169)	(1,083,656)	(949)	(2,098,121)	(5,370,895)
<b>Net written premiums</b>	<b>11,092,599</b>	<b>6,445,176</b>	<b>692,253</b>	<b>24,703,236</b>	<b>42,933,264</b>
Change in net unearned premiums	12,667,554	75,790	257,365	(21,572,453)	(8,571,744)
<b>Net earned premiums</b>	<b>23,760,153</b>	<b>6,520,966</b>	<b>949,618</b>	<b>3,130,783</b>	<b>34,361,520</b>
Net claims paid	(8,595,529)	(309,372)	(754,043)	(47,396)	(9,706,340)
Change in net outstanding claims	(2,829,309)	(3,240,861)	830,274	(2,417,167)	(7,657,063)
Gross acquisition costs	(7,112,027)	(2,027,231)	(222,675)	(1,215,071)	(10,577,004)
Commissions on retroceded business	1,039,496	288,619	12,441	-	1,340,556
Supervision and inspection fees	(64,953)	(39,103)	(3,791)	(134,007)	(241,854)
<b>Net underwriting results</b>	<b>6,197,831</b>	<b>1,193,018</b>	<b>811,824</b>	<b>(682,858)</b>	<b>7,519,815</b>
<b>Other items:</b>					
Depreciation	70,982	25,548	3,072	68,937	168,539

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Emerging Markets SR	Total SR
For the three month period ended 30 June 2011 (Unaudited)					
<b>Reinsurance operations' results</b>					
Gross written premiums	13,818,959	3,798,603	1,394,102	-	19,011,664
Retroceded premiums	(7,832,310)	(2,624,225)	(837,684)	-	(11,294,219)
Excess of loss expenses	(399,655)	(58,108)	(34,147)	-	(491,910)
<b>Net written premiums</b>	<b>5,586,994</b>	<b>1,116,270</b>	<b>522,271</b>	<b>-</b>	<b>7,225,535</b>
Change in net unearned premiums	4,377,384	403,989	(167,641)	-	4,613,732
<b>Net earned premiums</b>	<b>9,964,378</b>	<b>1,520,259</b>	<b>354,630</b>	<b>-</b>	<b>11,839,267</b>
Net claims paid	(5,808,597)	(253,503)	(4,457)	-	(6,066,557)
Change in net outstanding claims	(5,243,817)	(324,056)	(205,613)	-	(5,773,486)
Gross acquisition costs	(6,280,065)	(1,034,561)	(212,040)	-	(7,526,666)
Commissions on retroceded business	4,027,676	758,194	153,978	-	4,939,848
Supervision and inspection fees	(69,094)	(181,349)	(48,396)	-	(298,839)
<b>Net underwriting results</b>	<b>(3,409,519)</b>	<b>484,984</b>	<b>38,102</b>	<b>-</b>	<b>(2,886,433)</b>
<b>Other items:</b>					
Depreciation	187,444	32,946	9,623	-	230,013

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 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 six month period ended 30 June 2012 (Unaudited)					
<b>Reinsurance operations' results</b>					
Gross written premiums	83,768,971	19,250,068	2,946,052	32,195,903	138,160,994
Retroceded premiums	26,640	(564,187)	(58,640)	-	(596,187)
Excess of loss expenses	(6,542,274)	(1,207,966)	(152,447)	(2,739,855)	(10,642,542)
<b>Net written premiums</b>	<b>77,253,337</b>	<b>17,477,915</b>	<b>2,734,965</b>	<b>29,456,048</b>	<b>126,922,265</b>
Change in net unearned premiums	(34,267,040)	(4,929,347)	(1,163,379)	(26,005,945)	(66,365,711)
<b>Net earned premiums</b>	<b>42,986,297</b>	<b>12,548,568</b>	<b>1,571,586</b>	<b>3,450,103</b>	<b>60,556,554</b>
Net claims paid	(14,445,205)	(545,084)	(1,291,645)	(47,396)	(16,329,330)
Change in net outstanding claims	(9,383,563)	(5,934,653)	3,615,278	(2,810,774)	(14,513,712)
Gross acquisition costs	(15,070,321)	(3,907,346)	(481,413)	(1,439,664)	(20,898,744)
Commissions on retroceded business	2,960,500	743,626	105,105	-	3,809,231
Supervision and inspection fees	(418,845)	(96,250)	(14,730)	(160,980)	(690,805)
<b>Net underwriting results</b>	<b>6,628,863</b>	<b>2,808,861</b>	<b>3,504,181</b>	<b>(1,008,711)</b>	<b>11,933,194</b>
<b>Other items:</b>					
Depreciation	206,174	47,379	7,251	79,241	340,045

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Emerging Markets SR	Total SR
For the six month period ended 30 June 2011 (Unaudited)					
<b>Reinsurance operations' results</b>					
Gross written premiums	83,665,493	12,057,474	2,970,979	-	98,693,946
Retroceded premiums	(42,030,575)	(7,488,077)	(1,751,512)	-	(51,270,164)
Excess of loss expenses	(1,274,835)	(203,659)	(95,334)	-	(1,573,828)
<b>Net written premiums</b>	<b>40,360,083</b>	<b>4,365,738</b>	<b>1,124,133</b>	<b>-</b>	<b>45,849,954</b>
Change in net unearned premiums	(19,759,726)	(1,256,070)	(548,878)	-	(21,564,674)
<b>Net earned premiums</b>	<b>20,600,357</b>	<b>3,109,668</b>	<b>575,255</b>	<b>-</b>	<b>24,285,280</b>
Net claims paid	(7,533,354)	(310,157)	(13,421)	-	(7,856,932)
Change in net outstanding claims	(12,634,206)	(937,231)	(244,150)	-	(13,815,587)
Gross acquisition costs	(13,283,523)	(2,213,758)	(422,148)	-	(15,919,429)
Commissions on retroceded business	8,487,724	1,504,699	298,566	-	10,290,989
Supervision and inspection fees	(418,327)	(181,349)	(48,396)	-	(648,072)
<b>Net underwriting results</b>	<b>(4,781,329)</b>	<b>971,872</b>	<b>145,706</b>	<b>-</b>	<b>(3,663,751)</b>
<b>Other items:</b>					
Depreciation	416,742	60,059	14,799	-	491,600



# Saudi Reinsurance Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2012

### 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 30 June 2012 (Unaudited)					
Segment assets	45,994,785	166,132,098	5,031,101	32,495,630	249,653,614
Segment liabilities	215,793,525	39,340,973	12,296,310	29,428,291	296,859,099
As at 31 December 2011 (Audited)					
Segment assets	165,756,870	41,525,298	6,621,968	-	213,904,136
Segment liabilities	212,095,109	53,133,922	8,473,175	-	273,702,206

### 12. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Earnings / (loss) per share for the three and six month periods ended 30 June 2012 and 2011 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 period.

### 13. COMPARATIVE FIGURES

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

### 14. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on Ramadan 2, 1433 corresponding to July 21, 2012.