
SAUDI REINSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND AUDITORS' LIMITED REVIEW REPORT (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012**

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS AND AUDITORS' LIMITED REVIEW REPORT (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 2012, and the related interim statements of reinsurance operations, shareholders' operations, shareholders' comprehensive operations, changes in shareholders' equity, reinsurance operations' cash flows and shareholders' cash flows for the three month period then ended and the notes which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard (IAS 34) "Interim Financial Reporting" and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (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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Jumada Al-Awal 24, 1433 H
April 16, 2012

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 March 2012

		31 March 2012 (Unaudited) SR	31 December 2011 (Audited) SR
	Notes		
REINSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	4	4,679,799	8,293,673
Investments held at fair value through income statement	7	56,188,794	44,644,961
Premiums receivable		16,346,566	19,126,852
Accrued insurance premiums		95,562,373	53,148,018
Retroceded share of unearned premiums		16,642,943	24,836,358
Retroceded share of outstanding claims		84,091,370	86,634,442
Deferred acquisition costs		35,780,485	19,842,071
Deferred excess of loss premiums		5,129,701	10,316,395
Prepaid expenses and other assets		814,732	238,160
Due from shareholders' operations		213,101	14,017,816
Property and equipment, net		2,389,264	2,332,994
TOTAL REINSURANCE OPERATIONS' ASSETS		317,839,128	283,431,740
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	4	2,072,146	140,053,940
Time deposits	5	143,887,221	258,438,845
Accrued special commission income from time deposits		2,448,307	1,900,346
Accrued special commission income from bonds and sukuk		1,816,062	2,987,001
Investments held at fair value through income statement	7	506,125,604	256,000,702
Held to maturity investments	8	210,013,596	209,791,799
Statutory deposit	6	100,000,000	100,000,000
Other assets		3,309,091	3,036,627
TOTAL SHAREHOLDERS' ASSETS		969,672,027	972,209,260
TOTAL ASSETS		1,287,511,155	1,255,641,000
REINSURANCE OPERATIONS' LIABILITIES			
Retrocession balances payable		13,627,859	24,722,282
Accrued retroceded premiums		9,791,589	14,196,773
Gross unearned premiums		130,951,647	81,351,095
Gross outstanding claims		150,819,142	146,505,565
Unearned commission income		4,683,648	6,926,491
Accrued expenses and other liabilities		6,872,022	8,790,916
Employees' end of service benefits		1,093,221	938,618
TOTAL REINSURANCE OPERATIONS' LIABILITIES		317,839,128	283,431,740
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Provision for zakat and income tax		30,266,584	25,163,344
Due to reinsurance operations		213,101	14,017,816
Other liabilities		3,309,091	3,036,627
TOTAL SHAREHOLDERS' LIABILITIES		33,788,776	42,217,787
SHAREHOLDERS' EQUITY			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	6,070,924
Accumulated deficit		(70,187,673)	(76,079,451)
TOTAL SHAREHOLDERS' EQUITY		935,883,251	929,991,473
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		969,672,027	972,209,260
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SHAREHOLDERS' LIABILITIES AND EQUITY		1,287,511,155	1,255,641,000

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 REINSURANCE OPERATIONS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

	Notes	For The Three Month Period Ended	
		31 March 2012 SR	31 March 2011 SR
Gross premiums written		89,790,045	79,682,282
Retroceded premiums		(529,397)	(39,975,945)
Excess of loss expenses		(5,271,647)	(1,081,918)
Net premiums written		83,989,001	38,624,419
Change in net unearned premiums		(57,793,967)	(26,178,406)
Net premiums earned		26,195,034	12,446,013
Net claims paid	9	(6,622,990)	(1,790,375)
Change in net outstanding claims		(6,856,649)	(8,042,101)
Gross acquisition costs		(10,321,740)	(8,392,763)
Commissions on retroceded business		2,468,675	5,351,141
Supervision and inspection fees		(448,951)	(349,233)
Net underwriting results		4,413,379	(777,318)
Realized gains on investments held at fair value through income statement	7	3,899	-
Unrealized gains on investments held at fair value through income statement	7	130,120	85,553
General and administrative expenses		(6,273,858)	(13,519,161)
Board of directors' remunerations and expenses	10	(62,939)	(101,942)
Net deficit from reinsurance operations		(1,789,399)	(14,312,868)
Net deficit transferred to the interim statement of shareholders' operations		1,789,399	14,312,868
Net result for the period		-	-




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 MONTH PERIOD ENDED 31 MARCH 2012

		For The Three Month Period Ended	
		31 March 2012	31 March 2011
	Notes	SR	SR
Special commission income from time deposits		1,194,683	2,967,121
Special commission income from bonds and sukuk		2,412,081	2,294,584
Realized gains on investments held at fair value through income statement	7	50,609	5,348
Unrealized gains on investments held at fair value through income statement	7	8,978,853	833,442
Foreign exchange translation gains		378,588	1,358,463
Other expenses		(230,397)	-
Net deficit transferred from reinsurance operations		(1,789,399)	(14,312,868)
Net income / (loss) for the period		10,995,018	(6,853,910)
Basic and diluted earnings / (loss) per share for the period	12	0.110	(0.069)
Weighted average number of issued shares during the period		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 MONTH PERIOD ENDED 31 MARCH 2012

	For The Three Month Period Ended	
	31 March 2012 SR	31 March 2011 SR
Net income / (loss) for the period	10,995,018	(6,853,910)
Other comprehensive expenses:		
Zakat and income tax	(5,103,240)	(5,408,276)
Total comprehensive income / (loss) for the period	<u>5,891,778</u>	<u>(12,262,186)</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 (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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	-	-	(6,449,529)	-	-	(404,381)	-	-	(6,853,910)	(6,853,910)
Zakat and income tax	-	-	(5,408,276)	-	-	-	-	-	(5,408,276)	(5,408,276)
Balance as at 31 March 2011	941,000,000	5,712,740	(34,589,167)	59,000,000	358,184	670,855	1,000,000,000	6,070,924	(33,918,312)	972,152,612
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	-	-	10,346,312	-	-	648,706	-	-	10,995,018	10,995,018
Zakat and income tax	-	-	(5,005,934)	-	-	(97,306)	-	-	(5,103,240)	(5,103,240)
Balance as at 31 March 2012	941,000,000	5,712,740	(69,790,262)	59,000,000	358,184	(397,411)	1,000,000,000	6,070,924	(70,187,673)	935,883,251

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 THREE MONTH PERIOD ENDED 31 MARCH 2012

	For The Three Month Period Ended	
	31 March 2012 SR	31 March 2011 SR
OPERATING ACTIVITIES		
Net result for the period	-	-
Adjustments for:		
Employees' end of service benefits	154,603	164,436
Depreciation	171,506	261,587
Realized gains on investments held at fair value through income statement	(3,899)	-
Unrealized gains on investments held at fair value through income statement	(130,120)	(85,553)
Gains from disposal of property and equipment	-	(146,695)
Net deficit transferred to the interim statement of shareholders' operations	(1,789,399)	(14,312,868)
Operating deficit before changes in operating assets and liabilities	(1,597,309)	(14,119,093)
Changes in operating assets and liabilities:		
Premiums receivable	2,780,286	(880,749)
Accrued insurance premiums	(42,414,355)	(42,519,949)
Retroceded share of unearned premiums	8,193,415	(22,739,749)
Retroceded share of outstanding claims	2,543,072	(10,734,609)
Deferred acquisition costs	(15,938,414)	(14,500,600)
Deferred excess of loss premiums	5,186,694	-
Prepaid expenses and other assets	(576,572)	73,210
Due from shareholders' operations	15,594,114	10,923,360
Retrocession balances payable	(11,094,423)	(1,965,733)
Accrued retroceded premiums	(4,405,184)	19,647,570
Gross unearned premiums	49,600,552	48,918,154
Gross outstanding claims	4,313,577	18,776,709
Unearned commission income	(2,242,843)	7,345,147
Accrued expenses and other liabilities	(1,918,894)	1,071,418
Employees' end of service benefits paid	-	(593,180)
Net cash from / (used in) operating activities	8,023,716	(1,298,094)
INVESTING ACTIVITIES		
Purchase of property and equipment	(227,776)	(367,897)
Proceeds from disposal of property and equipment	-	150,000
Investments held at fair value through income statement	(19,010,000)	-
Proceeds from investments held at fair value through income statement	7,600,186	-
Net cash used in investing activities	(11,637,590)	(217,897)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,613,874)	(1,515,991)
Cash and cash equivalents at the beginning of the period	8,293,673	3,935,529
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,679,799	2,419,538
Non - cash transactions:		
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 THREE MONTH PERIOD ENDED 31 MARCH 2012

	For The Three Month Period Ended	
	31 March 2012 SR	31 March 2011 SR
OPERATING ACTIVITIES		
Net income / (loss) for the period	10,995,018	(6,853,910)
Adjustments for:		
Realized gains on investments held at fair value through income statement	(50,609)	(5,348)
Unrealized gains on investments held at fair value through income statement	(8,978,853)	(833,442)
Net deficit transferred to the interim statement of shareholders' operations	1,789,399	14,312,868
Operating profit before changes in operating assets and liabilities	3,754,955	6,620,168
Changes in operating assets and liabilities:		
Due to reinsurance operations	(15,594,114)	(10,923,360)
Other assets	(272,464)	(266,714)
Other liabilities	272,464	266,714
Net cash used in operating activities	(11,839,159)	(4,303,192)
INVESTING ACTIVITIES		
Proceeds from investments held at fair value through income statement	125,000,000	7,991,147
Accrued special commission income from time deposits	(547,961)	(474,468)
Accrued special commission income from bonds and sukuk	1,170,939	1,675,586
Investments held at fair value through income statement	(366,095,440)	-
Time deposits, net	114,551,624	97,880,601
Held to maturity investments	(221,797)	(1,171,086)
Net cash (used in) / from investing activities	(126,142,635)	105,901,780
NET CHANGE IN CASH AND CASH EQUIVALENTS	(137,981,794)	101,598,588
Cash and cash equivalents at the beginning of the period	140,053,940	1,168,051
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,072,146	102,766,639
Non - cash transactions:		
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) (Continued) **FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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, 6th Floor, Bahrain Towers, King Fahd Road, Riyadh, Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative reinsurance and related activities inside and outside the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

The interim condensed financial statements for the three month period ended 31 March 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 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 amendment, 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 adopt IFRS 9 (2010) – Financial instruments, which has been published and may also be early adopted, 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 MONTH PERIOD ENDED 31 MARCH 2012

4. CASH AND CASH EQUIVALENTS

	31 March 2012 (Unaudited)		31 December 2011 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Cash on hand	88,700	-	-	-
Cash at banks	4,591,099	2,072,146	8,293,673	53,940
Time deposits	-	-	-	140,000,000
	4,679,799	2,072,146	8,293,673	140,053,940

Time 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 Nil per annum as at 31 March 2012 (31 December 2011: 2.17% per annum).

Cash at banks and time 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 2.41% per annum as at 31 March 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 as at:

	31 March 2012 (Unaudited)		31 December 2011 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Funds	56,188,794	242,877,970	44,644,961	126,079,764
Equity Portfolios	-	137,555,350	-	29,927,604
Bond Portfolios	-	100,692,284	-	99,993,334
Sukuk	-	25,000,000	-	-
	56,188,794	506,125,604	44,644,961	256,000,702

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

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

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

	For The Three Month Period Ended 31 March 2012 (Unaudited)		For The Year Ended 31 December 2011 (Audited)	
	Reinsurance operations	Shareholders' operations	Reinsurance operations	Shareholders' operations
	SR	SR	SR	SR
Opening balance	44,644,961	256,000,702	-	307,400,220
Additions	19,010,000	366,095,440	17,600,000	442,173,227
Disposals	(7,600,186)	(125,000,000)	-	(470,851,315)
Transfer from shareholders' operations to reinsurance operations	-	-	26,741,870	(26,741,870)
Unrealized gains	130,120	8,978,853	303,091	552,211
Realized gains	3,899	50,609	-	3,468,229
Ending balance	56,188,794	506,125,604	44,644,961	256,000,702

Investments under shareholders' operations include SR 60 million as at 31 March 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.

The resulting effect of disposal of units in investment funds during the three month periods ended 31 March 2012 and 2011 on the realized gains in the interim statements of reinsurance and shareholders' operations is as follows:

	For The Three Month Period Ended 31 March 2012 (Unaudited)		For The Three Month Period Ended 31 March 2011 (Unaudited)	
	Reinsurance operations	Shareholders' operations	Reinsurance operations	Shareholders' operations
	SR	SR	SR	SR
Proceeds from disposal of units	7,600,186	125,000,000	-	7,991,147
Less: Historical cost of disposed units	(7,589,306)	(124,344,216)	-	(7,923,052)
	10,880	655,784	-	68,095
Less: Accumulated unrealized gains for disposed units which were recognized in previous periods in the interim statements of reinsurance and shareholders' operations	(6,981)	(605,175)	-	(62,747)
Realized gains from disposed units for the period	3,899	50,609	-	5,348

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 4.31% per annum (31 December 2011: 4.41% per annum).

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

9. NET CLAIMS PAID

	For The Three Month Period Ended (Unaudited)	
	31 March 2012 SR	31 March 2011 SR
Gross claims paid	16,741,695	4,969,485
Retroceded share of claims paid	(10,118,705)	(3,179,110)
Net claims paid	6,622,990	1,790,375

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:

Related party	Nature of transactions	Amounts of transactions for the three month period ended		Balance as at	
		31 March 2012 (Unaudited) SR	31 March 2011 (Unaudited) SR	31 March 2012 (Unaudited) SR	31 December 2011 (Audited) SR
Board of directors	Consulting fees	107,715	-	-	-
	Remunerations	-	-	257,130	257,130
	Expenses	62,939	101,942	169,250	129,500
Key management personnel	Short term benefits	2,209,544	5,272,300	655,248	2,448,500
	End of service benefits	66,058	72,429	449,786	383,727

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 MONTH PERIOD ENDED 31 MARCH 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, 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 and employees' end of service benefits.

11.1 Business segments

	Engineering SR	Fire SR	Marine SR	Motor SR	Life SR	Health SR	Others SR	Total SR
For the three month period ended 31 March 2012 (Unaudited)								
Reinsurance operations' results								
Gross premiums written	21,911,377	39,950,213	17,018,576	3,488,763	(147,348)	-	7,568,464	89,790,045
Retroceded premiums	(419,351)	658,708	(671,249)	-	-	-	(97,505)	(529,397)
Excess of loss expenses	(1,199,210)	(2,467,774)	(1,049,889)	(37,405)	-	-	(517,369)	(5,271,647)
Net premiums written	20,292,816	38,141,147	15,297,438	3,451,358	(147,348)	-	6,953,590	83,989,001
Change in net unearned premiums	(15,274,628)	(25,779,964)	(10,604,358)	(2,674,774)	916,186	428,920	(4,805,349)	(57,793,967)
Net premiums earned	5,018,188	12,361,183	4,693,080	776,584	768,838	428,920	2,148,241	26,195,034
Net claims paid	(320,238)	(4,591,912)	(609,008)	(889,972)	-	-	(211,860)	(6,622,990)
Change in net outstanding claims	(2,026,888)	(1,454,102)	(2,048,272)	(694,604)	(55,786)	-	(576,997)	(6,856,649)
Gross acquisition costs	(2,618,368)	(4,387,857)	(2,308,006)	(100,423)	(66,287)	-	(840,799)	(10,321,740)
Commissions on retroceded business	929,471	840,887	500,554	-	-	-	197,763	2,468,675
Supervision and inspection fees	(109,557)	(199,751)	(85,093)	(17,444)	737	-	(37,843)	(448,951)
Net underwriting results	872,608	2,568,448	143,255	(925,859)	647,502	428,920	678,505	4,413,379
Other items:								
Depreciation	41,852	76,308	32,507	6,664	-	-	14,175	171,506

During the first quarter of 2012, the Company revised its estimated gross premium upon receipt of actual information from cedants. In some business segments, this has resulted in negative net premiums written.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 2011 (Unaudited)								
Reinsurance operations' results								
Gross premiums written	18,676,830	33,282,405	13,728,669	8,543,684	-	-	5,450,694	79,682,282
Retroceded premiums	(10,309,370)	(20,145,607)	(7,025,449)	(141)	-	-	(2,495,378)	(39,975,945)
Excess of loss expenses	(305,394)	(404,195)	(57,910)	(71,908)	-	-	(242,511)	(1,081,918)
Net premiums written	8,062,066	12,732,603	6,645,310	8,471,635	-	-	2,712,805	38,624,419
Change in net unearned premiums	(6,268,195)	(8,296,467)	(4,458,170)	(5,130,991)	-	-	(2,024,583)	(26,178,406)
Net premiums earned	1,793,871	4,436,136	2,187,140	3,340,644	-	-	688,222	12,446,013
Net claims paid	(143,918)	(339,920)	(163,308)	(1,182,392)	-	-	39,163	(1,790,375)
Change in net outstanding claims	(542,029)	(2,342,327)	(883,622)	(3,969,240)	-	-	(304,883)	(8,042,101)
Gross acquisition costs	(1,734,563)	(3,642,253)	(1,800,125)	(626,759)	-	-	(589,063)	(8,392,763)
Commissions on retroceded business	1,260,257	2,586,667	1,125,679	-	-	-	378,538	5,351,141
Supervision and inspection fees	(84,358)	(137,574)	(61,435)	(40,858)	-	-	(25,008)	(349,233)
Net underwriting results	549,260	560,729	404,329	(2,478,605)	-	-	186,969	(777,318)
Other items:								
Depreciation	61,314	109,262	45,070	28,048	-	-	17,893	261,587

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 2012 (Unaudited)								
Segment assets	68,494,668	129,740,216	33,278,731	7,902,618	1,015,786	65	13,121,354	253,553,438
Segment liabilities	75,573,184	168,274,940	34,033,458	14,946,301	1,461,940	691,148	14,892,914	309,873,885
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 MONTH PERIOD ENDED 31 MARCH 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 31 March 2012 (Unaudited)					
Reinsurance operations' results					
Gross premiums written	70,778,462	11,429,391	2,187,646	5,394,546	89,790,045
Retroceded premiums	(263,619)	(272,342)	6,564	-	(529,397)
Excess of loss expenses	(4,354,105)	(124,310)	(151,498)	(641,734)	(5,271,647)
Net premiums written	66,160,738	11,032,739	2,042,712	4,752,812	83,989,001
Change in net unearned premiums	(46,934,594)	(5,005,137)	(1,420,744)	(4,433,492)	(57,793,967)
Net premiums earned	19,226,144	6,027,602	621,968	319,320	26,195,034
Net claims paid	(5,849,676)	(235,712)	(537,602)	-	(6,622,990)
Change in net outstanding claims	(6,554,254)	(2,693,792)	2,785,004	(393,607)	(6,856,649)
Gross acquisition costs	(7,958,294)	(1,880,115)	(258,738)	(224,593)	(10,321,740)
Commissions on retroceded business	1,921,004	455,007	92,664	-	2,468,675
Supervision and inspection fees	(353,892)	(57,147)	(10,939)	(26,973)	(448,951)
Net underwriting results	431,032	1,615,843	2,692,357	(325,853)	4,413,379
Other items:					
Depreciation	135,192	21,831	4,179	10,304	171,506

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Emerging Markets SR	Total SR
For the three month period ended 31 March 2011 (Unaudited)					
Reinsurance operations' results					
Gross premiums written	69,846,534	8,258,871	1,576,877	-	79,682,282
Retroceded premiums	(34,198,265)	(4,863,852)	(913,828)	-	(39,975,945)
Excess of loss expenses	(875,180)	(145,551)	(61,187)	-	(1,081,918)
Net premiums written	34,773,089	3,249,468	601,862	-	38,624,419
Change in net unearned premiums	(24,137,110)	(1,660,059)	(381,237)	-	(26,178,406)
Net premiums earned	10,635,979	1,589,409	220,625	-	12,446,013
Net claims paid	(1,724,757)	(56,654)	(8,964)	-	(1,790,375)
Change in net outstanding claims	(7,390,389)	(613,175)	(38,537)	-	(8,042,101)
Gross acquisition costs	(7,003,458)	(1,179,197)	(210,108)	-	(8,392,763)
Commissions on retroceded business	4,460,048	746,505	144,588	-	5,351,141
Supervision and inspection fees	(349,233)	-	-	-	(349,233)
Net underwriting results	(1,371,810)	486,888	107,604	-	(777,318)
Other items:					
Depreciation	229,298	27,113	5,176	-	261,587

Saudi Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 31 March 2012 (Unaudited)					
Reinsurance operations					
Segment assets	208,359,530	31,536,989	8,006,384	5,650,535	253,553,438
Segment liabilities	248,368,755	38,909,528	16,949,749	5,645,853	309,873,885
As at 31 December 2011 (Audited)					
Reinsurance operations					
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 month periods ended 31 March 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 Jumada Al-Awal 24, 1433 corresponding to April 16, 2012.