

GREENLIGHT CAPITAL RE, LTD.  
Form 10-Q  
July 29, 2013

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-33493

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GREENLIGHT CAPITAL RE, LTD.  
(Exact name of registrant as specified in its charter)

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CAYMAN ISLANDS (State or other jurisdiction of incorporation or organization)	N/A (I.R.S. employer identification no.)
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65 MARKET STREET SUITE 1207, CAMANA BAY P.O. BOX 31110 GRAND CAYMAN CAYMAN ISLANDS (Address of principal executive offices)	KY1-1205 (Zip code)
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(345) 943-4573  
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Class A Ordinary Shares, \$0.10 par value	30,617,161
Class B Ordinary Shares, \$0.10 par value	6,254,949
(Class)	Outstanding as of July 26, 2013

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GREENLIGHT CAPITAL RE, LTD.

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## PART I — FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

## GREENLIGHT CAPITAL RE, LTD.

## CONDENSED CONSOLIDATED BALANCE SHEETS

June 30, 2013 and December 31, 2012

(expressed in thousands of U.S. dollars, except per share and share amounts)

	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Assets		
Investments		
Debt instruments, trading, at fair value	\$8,506	\$1,763
Equity securities, trading, at fair value	912,202	1,042,715
Other investments, at fair value	93,741	133,450
Total investments	1,014,449	1,177,928
Cash and cash equivalents	177,838	21,890
Restricted cash and cash equivalents	1,226,080	1,206,837
Financial contracts receivable, at fair value	56,117	22,744
Reinsurance balances receivable	171,849	173,221
Loss and loss adjustment expenses recoverable	20,136	34,451
Deferred acquisition costs, net	63,712	59,177
Unearned premiums ceded	2,901	3,616
Notes receivable	15,919	19,330
Other assets	6,269	3,559
Total assets	\$2,755,270	\$2,722,753
Liabilities and equity		
Liabilities		
Securities sold, not yet purchased, at fair value	\$950,076	\$908,368
Financial contracts payable, at fair value	27,345	19,637
Due to prime brokers	249,728	326,488
Loss and loss adjustment expense reserves	301,859	356,470
Unearned premium reserves	207,726	188,185
Reinsurance balances payable	35,307	35,292
Funds withheld	10,184	17,415
Other liabilities	9,906	10,488
Performance compensation payable to related party	21,923	—
Total liabilities	1,814,054	1,862,343
Equity		
Preferred share capital (par value \$0.10; authorized, 50,000,000; none issued)	—	—
Ordinary share capital (Class A: par value \$0.10; authorized, 100,000,000; issued and outstanding, 30,617,161 (2012: 30,447,179); Class B: par value \$0.10; authorized, 25,000,000; issued and outstanding, 6,254,949 (2012: 6,254,949))	3,687	3,670
Additional paid-in capital	494,509	492,469
Retained earnings	410,802	325,569
Shareholders' equity attributable to shareholders	908,998	821,708
Non-controlling interest in joint venture	32,218	38,702

Total equity	941,216	860,410
Total liabilities and equity	\$2,755,270	\$2,722,753

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

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GREENLIGHT CAPITAL RE, LTD.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (UNAUDITED)

For the three and six months ended June 30, 2013 and 2012

(expressed in thousands of U.S. dollars, except per share and share amounts)

	Three months ended June 30		Six months ended June 30		
	2013	2012	2013	2012	
Revenues					
Gross premiums written	\$135,198	\$83,986	\$262,162	\$236,206	
Gross premiums ceded	(2,514	) 4,602	1,464	(6,393	)
Net premiums written	132,684	88,588	263,626	229,813	
Change in net unearned premium reserves	316	41,426	(21,155	) 1,789	
Net premiums earned	133,000	130,014	242,471	231,602	
Net investment income (loss)	24,247	(36,896	) 85,386	34,711	
Other income (expense), net	(488	) (236	) (100	) (448	)
Total revenues	156,759	92,882			