
SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2010**

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
For The Three And Nine Month Periods Ended 30 September 2010

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INDEPENDENT AUDITOR'S 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 September 2010, and the related interim statements of reinsurance operations, shareholders' operations, shareholders' comprehensive operations for the three and nine month periods then ended and the interim statements of changes in shareholders' equity, reinsurance operations and shareholders' cash flows for the nine month period then ended and the notes which form 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 International Accounting Standard (IAS 34).

EMPHASIS OF A MATTER:

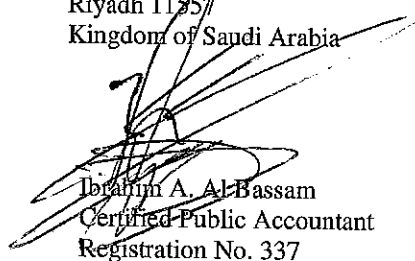
These interim condensed financial statements are prepared in accordance with International Accounting Standard (IAS 34) and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

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Dulal-Qa'dah 8, 1431H
October 16, 2010

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

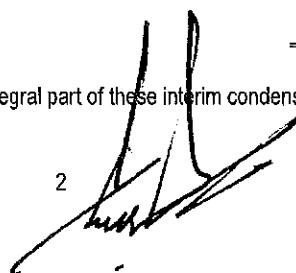
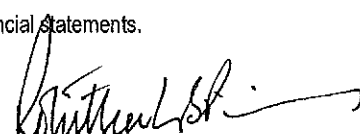
As At 30 September 2010

	Notes	30 September 2010 (Unaudited) SR	31 December 2009 (Audited) SR
REINSURANCE OPERATIONS' ASSETS			
Banks balances		3,011,381	2,716,710
Premiums receivable		9,912,221	13,112,294
Accrued insurance premiums		36,995,939	12,256,370
Retroceded share of unearned premiums		42,483,846	19,968,169
Retroceded share of outstanding claims		47,326,135	15,260,001
Deferred acquisition costs		17,881,635	7,486,779
Prepaid expenses and other assets		2,487,374	1,298,409
Due from shareholders' operations		23,518,866	11,756,134
Property and equipment, net		2,573,805	3,170,931
TOTAL REINSURANCE OPERATIONS' ASSETS		186,191,202	87,025,797
SHAREHOLDERS' ASSETS			
Cash and bank balances		2,049,095	1,945,304
Time deposits	4	303,929,953	243,263,605
Accrued special commission income from time deposits		3,504,113	5,857,623
Accrued special commission income from bonds		4,221,010	1,185,207
Investments held at fair value through income statement	6	398,350,118	573,632,717
Held to maturity investments	7	211,180,574	115,706,278
Statutory deposit	5	100,000,000	100,000,000
Other assets		938,100	680,834
TOTAL SHAREHOLDERS' ASSETS		1,024,172,963	1,042,271,568
TOTAL ASSETS		1,210,364,165	1,129,297,365
REINSURANCE OPERATIONS' LIABILITIES			
Retrocession balances payable		12,744,687	17,243,405
Accrued retroceded premiums		21,571,986	8,041,644
Gross unearned premiums		66,891,331	28,447,374
Gross outstanding claims		65,304,563	22,055,663
Unearned commission income		13,095,984	6,128,576
Accrued expenses and other liabilities		5,792,854	4,499,186
Employees' end of service benefits		789,797	609,949
TOTAL REINSURANCE OPERATIONS' LIABILITIES		186,191,202	87,025,797
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Provision for zakat and income tax		15,941,483	24,202,000
Due to reinsurance operations		23,518,866	11,756,134
Other liabilities		938,100	680,834
TOTAL SHAREHOLDERS' LIABILITIES		40,398,449	36,638,968
SHAREHOLDERS' EQUITY			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	6,070,924
Accumulated deficit		(22,296,410)	(438,324)
TOTAL SHAREHOLDERS' EQUITY		983,774,514	1,005,632,600
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		1,024,172,963	1,042,271,568
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SHAREHOLDERS' LIABILITIES AND EQUITY		1,210,364,165	1,129,297,365

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.



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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF REINSURANCE OPERATIONS (UNAUDITED)

For The Three And Nine Month Periods Ended 30 September 2010

	For The Three Month Period Ended 30 September 2010 SR	For The Three Month Period Ended 30 September 2009 SR	For The Nine Month Period Ended 30 September 2010 SR	For The Nine Month Period Ended 30 September 2009 SR
Gross premiums written	31,469,678	21,124,201	93,135,276	46,929,144
Retroceded premiums	(17,289,040)	(15,049,872)	(58,697,738)	(32,012,335)
Net premiums written	14,180,638	6,074,329	34,437,538	14,916,809
Change in net unearned premiums	(6,712,255)	(3,610,254)	(15,928,281)	(9,969,198)
Net premiums earned	7,468,383	2,464,075	18,509,257	4,947,611
Net claims paid	(3,281,143)	535,849	(5,325,412)	449,984
Change in net outstanding claims	721,844	(2,322,169)	(11,182,767)	(3,917,598)
Gross acquisition costs	(5,211,057)	(1,978,856)	(13,721,821)	(3,815,818)
Commissions on retroceded business	3,988,384	1,678,215	10,782,830	3,165,442
Excess of loss expenses	(453,342)	(351,517)	(1,120,140)	(1,292,129)
Net underwriting results	3,233,069	25,597	(2,058,053)	(462,508)
General and administrative expenses	(5,674,518)	(5,181,042)	(17,898,400)	(14,544,541)
Board of directors' remunerations and expenses	(317,993)	(334,783)	(1,034,762)	(958,892)
Net deficit from reinsurance operations	(2,759,442)	(5,490,228)	(20,991,215)	(15,965,941)
Net deficit transferred to the interim statement of shareholders' operations	2,759,442	5,490,228	20,991,215	15,965,941
Net result for the period	-	-	-	-

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS (UNAUDITED)

For The Three And Nine Month Periods Ended 30 September 2010

	For The Three Month Period Ended 30 September 2010 SR	For The Three Month Period Ended 30 September 2009 SR	For The Nine Month Period Ended 30 September 2010 SR	For The Nine Month Period Ended 30 September 2009 SR
Special commission income from time deposits	3,100,648	2,596,618	9,036,394	14,991,793
Special commission income from bonds	2,306,450	-	5,860,079	-
Realized gains from investments held at fair value through income statement	6 181,637	3,137	781,267	81,658
Unrealized gains on investments held at fair value through income statement	947,699	2,004,128	2,629,223	5,288,980
Foreign exchange translation income / (losses)	1,924,975	-	(3,294,295)	-
Other expenses	(223)	-	(23,813)	-
Net deficit transferred from reinsurance operations	(2,759,442)	(5,490,228)	(20,991,215)	(15,965,941)
Net income / (loss) for the period	5,701,744	(886,345)	(6,002,360)	4,396,490
Earnings / (Loss) per share	10 0,0570	(0,0089)	(0,0600)	0,0440

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS (UNAUDITED)

For The Three And Nine Month Periods Ended 30 September 2010

	For The Three Month Period Ended 30 September 2010 SR	For The Three Month Period Ended 30 September 2009 SR	For The Nine Month Period Ended 30 September 2010 SR	For The Nine Month Period Ended 30 September 2009 SR
Net income / (loss) for the period	5,701,744	(886,345)	(6,002,360)	4,396,490
Other comprehensive expenses:				
Zakat and income tax	(4,203,024)	(6,337,823)	(15,855,726)	(18,675,393)
Total comprehensive income / loss for the period	1,498,720	(7,224,168)	(21,858,086)	(14,278,903)

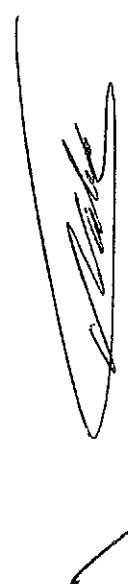
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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For The Nine Month Period Ended 30 September 2010

	GCC Founding Shareholders and general public			Non - GCC Founding Shareholders			Total			
	Share capital SR	Statutory reserve SR	Retained Earnings / (Accumulated deficit) SR	Share capital SR	Statutory reserve SR	Retained Earnings SR	Share capital SR	Statutory reserve SR	Retained Earnings / (Accumulated deficit) SR	Total SR
Balance as at 31 December 2008	941,000,000	4,803,885	19,525,697	59,000,000	301,200	894,641	1,000,000,000	5,105,085	20,420,338	1,025,525,423
Net income for the period	-	-	4,137,097	-	-	259,393	-	-	4,396,490	4,396,490
Zakat & income tax	-	-	(18,623,514)	-	-	(51,879)	-	-	(18,675,393)	(18,675,393)
Balance as at 30 September 2009	941,000,000	4,803,885	5,039,280	59,000,000	301,200	1,102,155	1,000,000,000	5,105,085	6,141,435	1,011,246,520
Balance as at 31 December 2009	941,000,000	5,712,740	(1,510,904)	59,000,000	358,184	1,072,580	1,000,000,000	6,070,924	(438,324)	1,005,632,600
Net loss for the period	-	-	(5,646,221)	-	-	(854,139)	-	-	(6,002,360)	(6,002,360)
Zakat	-	-	(15,855,726)	-	-	-	-	-	(15,855,726)	(15,855,726)
Balance as at 30 September 2010	941,000,000	5,712,740	(23,014,851)	59,000,000	358,184	718,441	1,000,000,000	6,070,924	(22,296,410)	983,774,514




The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF REINSURANCE OPERATIONS' CASH FLOWS (UNAUDITED)

For The Nine Month Period Ended 30 September 2010

	30 September 2010 SR	30 September 2009 SR
OPERATING ACTIVITIES		
Net result for the period	-	-
Adjustments for:		
Employees' end of service benefits	206,170	148,613
Depreciation	761,521	683,417
Operating profit before changes in operating assets and liabilities	967,691	832,030
Changes in operating assets and liabilities:		
Premiums receivable	3,200,073	(6,632,652)
Accrued insurance premiums	(24,739,569)	(19,294,088)
Retroceded share of unearned premiums	(22,515,677)	(21,000,352)
Retroceded share of outstanding claims	(32,066,134)	(8,250,878)
Deferred acquisition costs	(10,394,856)	(8,311,537)
Prepaid expenses and other assets	(1,188,965)	(1,606,727)
Due from shareholders' operations	(11,762,732)	(5,432,830)
Retrocession balances payable	(4,498,718)	10,309,288
Accrued retroceded premiums	13,530,342	12,740,859
Gross unearned premiums	38,443,957	30,969,550
Gross outstanding claims	43,248,900	12,168,475
Unearned commission income	6,967,408	6,748,379
Accrued expenses and other liabilities	1,293,668	1,199,733
Employees' end of service benefits paid	(26,322)	-
Net cash from operating activities	459,066	4,439,250
INVESTING ACTIVITIES		
Purchase of property and equipment	(164,395)	(338,466)
Net cash used in investing activities	(164,395)	(338,466)
NET INCREASE IN BANKS BALANCES	294,671	4,100,784
Banks balances at the beginning of the period	2,716,710	33,604
BANKS BALANCES AT THE END OF THE PERIOD	3,011,381	4,134,388

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)

For The Nine Month Period Ended 30 September 2010

	30 September 2010 SR	30 September 2009 SR
OPERATING ACTIVITIES		
Net (loss) / income for the period	(6,002,360)	4,396,490
Adjustments for:		
Realized gains on investments held at fair value through income statement	(781,267)	(81,658)
Unrealized gains on investments held at fair value through income Statement	(2,629,223)	(5,288,980)
Operating deficit before changes in operating assets and liabilities:	(9,412,850)	(974,148)
Changes in operating assets and liabilities:		
Statutory deposit	-	(100,000,000)
Due to reinsurance operations	11,762,732	5,432,830
Other assets	(257,266)	(680,833)
Other liabilities	257,266	680,833
Zakat and income tax paid	(24,116,243)	(849,625)
Net cash used in operating activities	(21,766,361)	(96,390,943)
INVESTING ACTIVITIES		
Proceeds from investments held at fair value through income statement	694,003,090	207,300,001
Accrued special commission income from time deposits	2,353,510	10,818,378
Accrued special commission income from bonds	(3,035,803)	-
Investments held at fair value through income statement	(515,310,001)	(927,000,001)
Time deposits, net	(60,666,348)	394,236,357
Held to maturity investments	(95,474,296)	-
Net cash from / (used in) investing activities	21,870,152	(314,645,265)
NET DECREASE IN CASH AND BANKS BALANCES	103,791	(411,036,208)
Cash and banks balances at the beginning of the period	1,945,304	412,330,351
CASH AND BANKS BALANCES AT THE END OF THE PERIOD	2,049,095	1,294,143

The accompanying notes 1 to 11 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 Nine Month Periods Ended 30 September 2010

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 30025, Riyadh 11372, 6th Floor, Arch 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 and nine month periods ended 30 September 2010 have been prepared in accordance with 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 2009.

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 period presented. The Company's interim results may not be indicative of its annual results.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed financial statements have been prepared on a historical cost basis, modified to include the measurement at fair value of investments held at fair value through income statement.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2009. The new standards, amendments to standards and interpretations which are mandatory for the first time for the financial year beginning 1 January 2010, did not result in material amendments to the presentation and disclosure of the accompanying interim condensed financial statements.

4. TIME DEPOSITS

The 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 income at a rate of 4.41% per annum (31 December 2009: 5.90% per annum).

The 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.

5. 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.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three And Nine Month Periods Ended 30 September 2010

6. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

Investments held at fair value through income statement represent units in investment funds at local banks.

The resulting effect of disposal of units in investment funds during the period on the realized gains is as follows:

	SR
Proceeds from disposal of units	<u>694,003,090</u>
Less: Historical cost of disposed units	<u>(687,352,743)</u>
	6,650,347
Less: Accumulated unrealized gains for disposed units as at 31 December 2009 which were recognized in previous periods in the interim statement of shareholders' operations	<u>(5,869,080)</u>
Realized gains from disposed units for the period	<u>781,267</u>

7. 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 income of 4.37% per annum (31 December 2009: 4.44% per annum).

8. 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	Amount of transactions for the nine month period ended		Balance as at 30 September 2010 (Unaudited) SR	Balance as at 31 December 2009 (Audited) SR
		30 September 2010 (Unaudited) SR	30 September 2009 (Unaudited) SR		
Board of directors	Consulting fees	1,073,981	1,102,499	53,981	269,441
	Remunerations	675,000	675,000	929,168	254,168
	Expenses	359,762	283,892	131,250	114,000
Key management personnel	Short term benefits	7,030,511	3,349,364	3,375,000	1,500,000
	End of service benefits	188,009	134,271	545,089	449,551

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

9. 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 general and administrative expenses, and board of directors' remunerations and expenses.

Segment assets do not include cash and cash equivalents of reinsurance operations, prepaid expenses and other assets, due from shareholders' operations and property and equipment, net.

Segment liabilities do not include accrued expenses, other liabilities, and employees' end of service benefits and due to reinsurance operations.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three And Nine Month Periods Ended 30 September 2010

9. SEGMENTAL INFORMATION (continued)

9.1 Business segments

	Engineering SR	Fire SR	Marine SR	Motor SR	Others SR	Total SR
For the nine month period ended 30 September 2010 (Unaudited)						
Reinsurance operations						
Gross premiums written	27,410,849	40,811,874	12,096,371	6,573,038	6,243,144	93,135,276
Retroceded premiums	(19,352,520)	(28,253,941)	(7,500,759)	(117,399)	(3,473,119)	(58,697,738)
Net premiums written	8,058,329	12,557,933	4,595,612	6,455,639	2,770,025	34,437,538
Change in net unearned premiums	(5,231,996)	(5,019,744)	(2,152,005)	(2,102,451)	(1,422,085)	(15,928,281)
Net premiums earned	2,826,333	7,538,189	2,443,607	4,353,188	1,347,940	18,509,257
Net claims paid	(106,355)	(3,403,497)	(207,442)	(1,512,902)	(95,216)	(5,325,412)
Change in net outstanding claims	(1,341,115)	(8,226,610)	(516,048)	(677,051)	(421,943)	(11,182,767)
Gross acquisition costs	(2,868,495)	(6,825,310)	(2,408,131)	(789,315)	(830,570)	(13,721,821)
Commissions on retroceded business	2,481,232	5,779,668	1,863,183	13,171	645,576	10,782,830
Excess of loss expenses	(329,671)	(490,845)	(145,483)	(79,054)	(75,087)	(1,120,140)
Net underwriting results	661,929	(5,628,405)	1,029,686	1,308,037	570,700	(2,058,053)
Others items						
Depreciation	224,125	333,698	98,906	53,744	51,048	761,521
For the nine month period ended 30 September 2009 (Unaudited)						
Reinsurance operations						
Gross premiums written	13,366,465	19,780,664	8,961,965	2,701,685	2,118,365	46,929,144
Retroceded premiums	(9,836,157)	(14,520,825)	(6,246,116)	-	(1,409,237)	(32,012,335)
Net premiums written	3,530,308	5,259,839	2,715,849	2,701,685	709,128	14,916,809
Change in net unearned premiums	(2,584,915)	(3,385,578)	(1,710,012)	(1,769,524)	(519,169)	(9,969,198)
Net premiums earned	945,393	1,874,261	1,005,837	932,161	189,959	4,947,611
Net claims paid	(1,415)	478,822	(4,453)	(89,898)	66,928	449,984
Change in net outstanding claims	(588,689)	(1,834,042)	(507,407)	(812,774)	(174,686)	(3,917,598)
Gross acquisition costs	(886,683)	(1,595,234)	(1,010,826)	(192,860)	(130,215)	(3,815,818)
Commissions on retroceded business	802,866	1,436,919	819,397	-	106,260	3,165,442
Excess of loss expenses	(376,593)	(373,321)	(148,273)	(330,044)	(63,898)	(1,292,129)
Net underwriting results	(105,121)	(12,595)	154,275	(493,415)	(5,652)	(462,508)
Others items						
Depreciation	194,653	288,062	130,511	39,344	30,847	683,417
As at 30 September 2010 (Unaudited)						
Segment assets	45,500,602	67,745,616	20,079,355	10,910,906	10,363,297	154,599,776
Segment liabilities	52,860,990	78,704,460	23,327,484	12,675,904	12,039,713	179,608,551
As at 31 December 2009 (Audited)						
Segment assets	19,801,604	32,096,568	11,200,850	1,204,458	3,780,133	68,083,613
Segment liabilities	19,324,535	46,766,835	10,662,618	1,677,592	3,485,082	81,916,662

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three And Nine Month Periods Ended 30 September 2010

9. SEGMENTAL INFORMATION (continued)

9.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern countries SR	Africa SR	Total SR
For the nine month period ended 30 September 2010 (Unaudited)				
Reinsurance operations				
Gross premiums written	72,333,185	18,560,639	2,241,452	93,135,276
Retroceded premiums	(45,475,277)	(11,556,373)	(1,666,088)	(58,697,738)
Net premiums written	26,857,908	7,004,266	575,364	34,437,538
Change in net unearned premiums	(12,198,652)	(3,721,214)	(8,415)	(15,928,281)
Net premiums earned	14,659,256	3,283,052	566,949	18,509,257
Net claims paid	(5,277,904)	(32,063)	(15,445)	(5,325,412)
Change in net outstanding claims	(6,781,520)	(1,639,580)	(2,761,667)	(11,182,767)
Gross acquisition costs	(11,058,560)	(2,042,862)	(620,399)	(13,721,821)
Commissions on retroceded business	8,587,302	1,693,071	502,457	10,782,830
Excess of loss expenses	(869,953)	(223,229)	(26,958)	(1,120,140)
Net underwriting results	(741,379)	1,038,389	(2,355,063)	(2,058,053)
Others items				
Depreciation	591,432	151,761	18,328	761,521
For the nine month period ended 30 September 2009 (Unaudited)				
Reinsurance operations				
Gross premiums written	39,512,852	4,989,837	2,426,455	46,929,144
Retroceded premiums	(27,368,485)	(2,997,199)	(1,646,651)	(32,012,335)
Net premiums written	12,144,367	1,992,638	779,804	14,916,809
Change in net unearned premiums	(8,312,990)	(1,293,277)	(362,931)	(9,969,198)
Net premiums earned	3,831,377	699,361	416,873	4,947,611
Net claims paid	452,302	(2,318)	-	449,984
Change in net outstanding claims	(3,273,657)	(433,517)	(210,424)	(3,917,598)
Gross acquisition costs	(3,208,978)	(253,528)	(353,312)	(3,815,818)
Commissions in retroceded business	2,666,219	212,677	286,546	3,165,442
Excess of loss expenses	(787,743)	(160,020)	(344,366)	(1,292,129)
Net underwriting results	(320,480)	62,655	(204,683)	(462,508)
Others items				
Depreciation	575,418	72,666	35,333	683,417
As at 30 September 2010 (Unaudited)				
Reinsurance operations				
Segment assets	120,069,372	30,809,708	3,720,696	154,599,776
Segment liabilities	139,492,349	35,793,629	4,322,573	179,608,551
As at 31 December 2009 (Audited)				
Reinsurance operations				
Segment assets	57,043,897	6,854,121	4,185,595	68,083,613
Segment liabilities	68,633,926	8,246,724	5,036,012	81,916,662

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three And Nine Month Periods Ended 30 September 2010

10. EARNINGS / (LOSS) PER SHARE

Earnings / (loss) per share for the three and six month periods ended 30 September 2010 and 2009 has been calculated by dividing net income / (loss) for the period by the ordinary issued and outstanding shares at the end of the period.

11. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on Dulal-Qa'dah 8 1431H corresponding to October 16 2010.