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**SAUDI REINSURANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2009**

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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

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For The Three Month Period and Year Ended 31 December 2009

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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 December 2009

	Notes	31 December 2009 (Unaudited) SR	31 December 2008 (Audited) SR
<b><u>REINSURANCE OPERATIONS' ASSETS</u></b>			
Cash and cash equivalents	4	2,716,710	33,604
Premiums receivable		13,112,294	2,257,167
Accrued insurance premiums		12,256,370	-
Retroceded share of unearned premiums		19,968,169	2,357,805
Retroceded share of outstanding claims		15,260,001	158,616
Deferred acquisition costs		7,486,779	612,007
Prepaid expenses and other assets		1,298,409	426,427
Due from shareholders' operations		11,756,134	196,048
Property and equipment, net		3,170,931	3,689,719
<b>TOTAL REINSURANCE OPERATIONS' ASSETS</b>		<b>87,025,797</b>	<b>9,731,393</b>
<b><u>SHAREHOLDERS' ASSETS</u></b>			
Cash and cash equivalents	4	1,945,304	412,330,351
Time deposits	5	243,263,605	600,000,000
Accrued special commission income from time deposits		5,857,623	13,720,726
Accrued special commission income from bonds		1,185,207	-
Investments held at fair value through income statement	7	573,632,717	-
Held to maturity investments	8	115,706,278	-
Statutory deposit	6	100,000,000	-
Other assets		680,834	-
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>1,042,271,568</b>	<b>1,026,051,077</b>
<b>TOTAL ASSETS</b>		<b>1,129,297,365</b>	<b>1,035,782,470</b>
<b><u>REINSURANCE OPERATIONS' LIABILITIES</u></b>			
Retrocession balances payable		17,243,405	1,913,175
Accrued retroceded premiums		8,041,644	-
Gross unearned premiums		28,447,374	2,891,122
Gross outstanding claims		22,055,663	202,623
Unearned commission income		6,128,576	612,814
Accrued expenses and other liabilities		4,499,186	3,745,127
Employees' end of service benefits		609,949	366,532
<b>TOTAL REINSURANCE OPERATIONS' LIABILITIES</b>		<b>87,025,797</b>	<b>9,731,393</b>
<b><u>SHAREHOLDERS' LIABILITIES AND EQUITY</u></b>			
<b><u>SHAREHOLDERS' LIABILITIES</u></b>			
Provision for zakat and income tax		24,202,000	329,606
Due to reinsurance operations		11,756,134	196,048
Other liabilities		680,834	-
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>36,638,968</b>	<b>525,654</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
Share capital		1,000,000,000	1,000,000,000
Statutory reserve		6,070,924	5,105,085
(Deficit)/Retained earnings		(438,324)	20,420,338
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,005,632,600</b>	<b>1,025,525,423</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>1,042,271,568</b>	<b>1,026,051,077</b>
<b>TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>1,129,297,365</b>	<b>1,035,782,470</b>

The accompanying notes 1 to 13 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 And Year Ended 31 December 2009

Note	For The Three Month Period Ended 31 December		For The Year Ended 31 December 2009	For The Period 1 May 2008 to 31 December 2008
	2009 SR	2008 SR	SR	SR
Gross premiums written	4,123,977	3,217,946	51,053,121	3,217,946
Retroceded premiums	(2,752,721)	(2,613,851)	(34,765,056)	(2,613,851)
<b>Net premiums written</b>	<b>1,371,256</b>	<b>604,095</b>	<b>16,288,065</b>	<b>604,095</b>
Change in net unearned premiums	2,023,311	(533,317)	(7,945,887)	(533,317)
<b>Net premiums earned</b>	<b>3,394,567</b>	<b>70,778</b>	<b>8,342,178</b>	<b>70,778</b>
Net claims paid	1,225,156	-	1,675,140	-
Change in net outstanding claims	(2,834,056)	(44,007)	(6,751,654)	(44,007)
Gross acquisition costs	(2,132,800)	(90,604)	(5,948,618)	(90,604)
Commissions on retroceded business	1,642,752	87,862	4,808,194	87,862
Excess of loss expenses	(284,033)	(293,506)	(1,576,162)	(293,506)
<b>Net underwriting results</b>	<b>1,011,586</b>	<b>(269,477)</b>	<b>549,078</b>	<b>(269,477)</b>
General and administrative expenses	(5,940,443)	(5,678,927)	(20,484,984)	(10,520,651)
Board of directors' remunerations and expenses	9 349,165	(425,401)	(609,727)	(1,135,363)
<b>Net deficit from reinsurance operations</b>	<b>(4,579,692)</b>	<b>(6,373,805)</b>	<b>(20,545,633)</b>	<b>(11,925,491)</b>
Net deficit transferred to the interim statement of shareholders' operations	4,579,692	6,373,805	20,545,633	11,925,491
<b>Net result for the period / Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The accompanying notes 1 to 13 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 And Year Ended 31 December 2009

	For The Three Month Period Ended 31 December		For The Year Ended 31 December 2009	For The Period 1 May 2008 to 31 December 2008
	2009 SR	2008 SR	SR	SR
Special commission income from time deposits	2,955,275	14,986,203	17,947,068	29,538,749
Special commission income on bonds	808,877	-	808,877	-
Realized gains from investments held at fair value through income statement	727,568	-	727,568	-
Unrealized gains on investments held at fair value through income statement	520,677	-	5,891,316	-
Net deficit transferred from reinsurance operations	(4,579,692)	(6,373,805)	(20,545,633)	(11,925,491)
<b>Net income for the period/year before income from pre-incorporation</b>	<b>432,705</b>	<b>8,612,398</b>	<b>4,829,196</b>	<b>17,613,258</b>
Net income from pre-incorporation	-	-	-	8,241,771
<b>Net income for the period/year</b>	<b>432,705</b>	<b>8,612,398</b>	<b>4,829,196</b>	<b>25,855,029</b>
Earnings per share	12 0.004	0.086	0.048	0.259

The accompanying notes 1 to 13 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 And Year Ended 31 December 2009

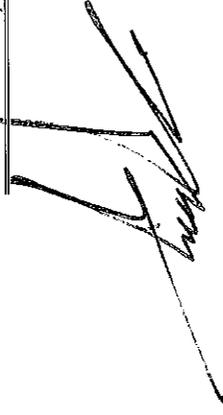
	For The Three Month Period Ended				
	31 December 2009	31 December 2008	For The Year Ended 31 December 2009	For The Period from 1 May to 31 December 2008	
	Note	SR	SR	SR	
Net income for the period / year		432,705	8,612,398	4,829,196	25,855,029
Other comprehensive expenses:					
Zakat and income tax	11	(6,046,626)	(223,243)	(24,722,019)	(329,606)
Total comprehensive (deficit) income for the period/year		(5,613,921)	8,389,155	(19,892,823)	25,525,423

The accompanying notes 1 to 13 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 Year Ended 31 December 2009

Note	Share capital	Statutory reserve	(Deficit) / Retained earnings	Total
	SR	SR	SR	SR
Balance as at 1 May 2008	1,000,000,000	-	-	1,000,000,000
Net income for the period	-	-	25,855,029	25,855,029
Income tax	-	-	(329,606)	(329,606)
Transfer to statutory reserve	-	5,105,085	(5,105,085)	-
Balance as at 31 December 2008	1,000,000,000	5,105,085	20,420,338	1,025,525,423
Net income for the year	-	-	4,829,196	4,829,196
Zakat & income tax	-	-	(24,722,019)	(24,722,019)
Transfer to statutory reserve	-	965,839	(965,839)	-
<b>Balance as at 31 December 2009</b>	<b>1,000,000,000</b>	<b>6,070,924</b>	<b>(438,324)</b>	<b>1,005,632,600</b>





The accompanying notes 1 to 13 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 Year Ended 31 December 2009

	For The Year Ended 31 December 2009 SR	For The Period from 1 May 2008 to 31 December 2008 SR
Note		
<b>OPERATING ACTIVITIES</b>		
Net result for the year/period	-	-
Adjustments for:		
Employees' end of service benefits	243,417	366,532
Depreciation	928,624	818,044
	<hr/>	<hr/>
Operating profit before changes in operating assets and liabilities:	1,172,041	1,184,576
Premiums receivable	(10,855,127)	(2,257,167)
Accrued insurance premiums	(12,256,370)	-
Retroceded share of unearned premiums	(17,610,364)	(2,357,805)
Retroceded share of outstanding claims	(15,101,385)	(158,616)
Deferred acquisition costs	(6,874,772)	(612,007)
Prepaid expenses and other assets	(871,982)	(426,427)
Due from shareholders' operations	(11,560,086)	(196,048)
Retrocession balances payable	15,330,230	1,913,175
Accrued retroceded premiums	8,041,644	-
Gross unearned premiums	25,556,252	2,891,122
Gross outstanding claims	21,853,040	202,623
Unearned commission income	5,515,762	612,814
Accrued expenses and other liabilities	754,059	3,745,127
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>3,092,942</b>	<b>4,541,367</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(409,836)	(4,507,763)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(409,836)</b>	<b>(4,507,763)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the year/period	2,683,106	33,604
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD</b>	<b>4 2,716,710</b>	<b>33,604</b>

The accompanying notes 1 to 13 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 Year Ended 31 December 2009

	For The Year Ended 31 December 2009 SR	For The Period from 1 May 2008 to 31 December 2008 SR
<b>OPERATING ACTIVITIES</b>		
Net income for the year/period	4,829,196	25,855,029
Adjustments for:		-
Realized gains from investments held at fair value through income statement	(727,568)	-
Unrealized gains on investments held at fair value through income statement	(5,891,316)	-
Operating(Deficit) profit before changes in operating assets and liabilities:	(1,789,688)	25,855,029
<b>Changes in operating assets and liabilities:</b>		
Statutory deposit	(100,000,000)	-
Due to reinsurance operations	11,560,086	196,048
Other assets	(680,834)	-
Other Liabilities	680,834	-
Zakat and income tax paid	(849,625)	-
<b>Net cash (used in) from operating activities</b>	<b>(91,079,227)</b>	<b>26,051,077</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from investments held at fair value through income statement	360,000,000	-
Accrued special commission income from time deposits	7,863,103	(13,720,726)
Accrued special commission income from bonds	(1,185,207)	-
Investments held at fair value through income statement	(927,013,833)	-
Time deposits, net	356,736,395	(600,000,000)
Held to maturity investments	(115,706,278)	-
<b>Net cash used in investing activities</b>	<b>(319,305,820)</b>	<b>(613,720,726)</b>
<b>FINANCING ACTIVITIES</b>		
Issue of share capital	-	1,000,000,000
<b>Net cash from financing activities</b>	<b>-</b>	<b>1,000,000,000</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(410,385,047)</b>	<b>412,330,351</b>
Cash and cash equivalents at the beginning of the year/period	412,330,351	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/ PERIOD</b>	<b>412,330,351</b>	<b>412,330,351</b>
	4	1,945,304

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

## 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 Awal 1429H (corresponding to 17 May 2008). The address of the Company's registered office is at P.O. Box 30025, Riyadh 11372, 6<sup>th</sup> 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 months period and Year ended 31 December 2009 have been prepared in accordance with IAS 34 - Interim Financial Reporting.

The Company has not issued the interim condensed financial statements for the period from 1 October 2008 to 31 December 2008 and neither these interim condensed financial statements were published nor the related review report was issued as the Capital Market Authority has exempted the Company from the requirements of publishing the quarterly interim financial statements for the year 2008.

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 2008.

## 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 financial statements for the period ended 31 December 2008, except for the impact of the adoption of the new standards and accounting policies noted below:

### **New Standards adopted:**

The following are the new standards adopted by the Company during the current period:

- IFRS 8 - Operating Segments
- IAS 1 - Presentation of financial statements (Revised)

The application of the above Standards has resulted in amendments to the presentation of the interim condensed financial statements.

### **Investments held at fair value through income statement**

Investments held at fair value through income statement are investments designated at fair value through income statement at inception. For investments designated as at fair value through income statement, the following criteria must be met:

- This designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets and liabilities or recognising gains or losses on a different basis, or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both, such assets and liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are measured at fair value. Fair value adjustments and realised gains and losses are recognized in the interim statement of shareholders' operations.

### **Held to Maturity Investments**

Investments with fixed or determinable payments whereby the Company has the positive intention and ability to hold till maturity are measured, after acquisition, at amortized cost less impairment in its value. The amortized cost is computed taken into consideration the discount or the premium at the acquisition date. Income or loss resulting from these investments is recognized in the statement of shareholders' operations upon derecognizing these investments or decrease in its value.

# Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three Month Period And Year Ended 31 December 2009

### 4. CASH AND CASH EQUIVALENTS

	31 December 2009 (Unaudited)		31 December 2008 (Audited)	
	Reinsurance SR	Shareholders SR	Reinsurance SR	Shareholders SR
Cash in hand	-	20,000	-	28,045
Cash at banks	2,716,710	1,925,304	33,604	302,306
Time deposits	-	-	-	412,000,000
	<u>2,716,710</u>	<u>1,945,304</u>	<u>33,604</u>	<u>412,330,351</u>

Cash at banks and time deposits are placed with counterparties who have good credit ratings.

Time deposits are made for varying periods between one day and three months depending on the cash requirements of the Company. All deposits result in an average commission rate of 2.16% per annum (31 December 2008: 4.75% per annum).

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

### 5. TIME DEPOSITS

The time deposits represent deposits with foreign 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 5.90% per annum (31 December 2008: 6.16% 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.

### 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 represent units in investment funds at local banks.

### 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 income of 4.44% on annual basis.

### 9. RELATED PARTY TRANSACTIONS AND BALANCES

The following are the details of major related party transactions during the year and balances at the end of the year/period:

Related party	Nature of transactions	Amount of	Balance as at	Balance as at
		transactions for the year ended 31 December 2009 (Unaudited) SR	31 December 2009 (Unaudited) SR	31 December 2008 (Audited) SR
Board of directors	Consulting fees	1,469,441	269,441	244,000
	Remunerations	254,168	254,168	900,000
	Expenses	355,559	114,000	140,000
Key management personnel	Short term benefits	5,543,706	1,500,000	700,000
	End of service benefits	206,468	449,551	235,348
Others	Consulting fees	92,000	92,000	150,000

Balances with related parties are included in accrued expenses and other liabilities 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 And Year Ended 31 December 2009

10. 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' remuneration and expenses.

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

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

10.1 Business segments

	Engineering SR	Fire SR	Marine SR	Motor SR	Others SR	Shareholders SR	Total SR
<b>For the year ended 31 December 2009 (Unaudited)</b>							
<b>Reinsurance operations</b>							
Gross premiums written	14,535,833	21,528,634	9,291,060	3,016,685	2,680,909	-	51,053,121
Retroceded premiums	(10,790,192)	(15,736,641)	(6,471,647)	-	(1,766,576)	-	(34,765,056)
Net premiums written	3,745,641	5,791,993	2,819,413	3,016,685	914,333	-	16,288,065
Change in net unearned premiums	(2,208,615)	(2,598,936)	(1,527,967)	(1,131,958)	(478,411)	-	(7,945,887)
Net premiums earned	1,537,026	3,193,057	1,291,446	1,884,727	435,922	-	8,342,178
Net claims paid	(12,894)	1,767,244	(40,169)	(233,252)	194,211	-	1,675,140
Change in net outstanding claims	(994,473)	(4,403,260)	(402,464)	(545,634)	(405,823)	-	(6,751,654)
Gross acquisition costs	(1,461,395)	(2,512,400)	(1,360,313)	(353,576)	(260,934)	-	(5,948,618)
Commissions on retroceded business	1,296,580	2,214,448	1,085,270	-	211,896	-	4,808,194
Excess of loss expenses	(459,432)	(655,090)	(328,702)	(96,056)	(36,882)	-	(1,576,162)
<b>Net underwriting results</b>	<b>(94,588)</b>	<b>(396,001)</b>	<b>245,068</b>	<b>656,209</b>	<b>138,390</b>	<b>-</b>	<b>549,078</b>
<b>Shareholders' operations</b>							
Special commission income from time deposits	-	-	-	-	-	-	17,947,068
Special commission income from bonds	-	-	-	-	-	-	808,877
Realized gains from sale of investments held at fair value through income statement	-	-	-	-	-	-	727,568
Unrealized gains on investments held at fair value through income statement	-	-	-	-	-	-	5,891,316
Net deficit transferred from reinsurance operations	-	-	-	-	-	-	(20,545,633)
<b>Net income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,829,196</b>
<b>At 31 December 2009 (Unaudited)</b>							
Segment assets	19,801,604	32,096,568	11,200,850	1,204,458	3,780,133	1,042,271,568	1,110,355,181
Segment liabilities	19,324,535	46,766,835	10,662,618	1,677,592	3,485,082	36,638,968	118,555,630
<b>At 31 December 2008 (Audited)</b>							
Segment assets	4,306,150	950,900	128,545	-	-	1,026,051,077	1,031,436,672
Segment liabilities	4,407,531	1,085,425	126,778	-	-	525,654	6,145,388

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three Month Period And Year Ended 31 December 2009

10. SEGMENTAL INFORMATION (continued)

10.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern countries SR	Africa SR	Total SR
<b>For the year ended 31 December 2009 (Unaudited)</b>				
<b>Reinsurance operations</b>				
Gross premiums written	42,774,890	5,139,625	3,138,606	51,053,121
Retroceded premiums	(29,465,055)	(3,219,178)	(2,080,823)	(34,765,056)
Net premiums written	13,309,835	1,920,447	1,057,783	16,288,065
Change in net unearned premiums	(6,773,504)	(803,313)	(369,070)	(7,945,887)
Net premiums earned	6,536,331	1,117,134	688,713	8,342,178
Net claims paid	1,696,755	(15,383)	(6,232)	1,675,140
Change in net outstanding claims	(6,237,550)	(339,258)	(174,846)	(6,751,654)
Gross acquisition costs	(4,927,469)	(447,592)	(573,557)	(5,948,618)
Commissions on retroceded business	3,990,743	365,615	451,836	4,808,194
Excess of loss expenses	(1,223,882)	(205,412)	(146,868)	(1,576,162)
<b>Net underwriting results</b>	<b>(165,072)</b>	<b>475,104</b>	<b>239,046</b>	<b>549,078</b>
<b>Shareholders' operations</b>				
Special commission income from time deposits	11,165,958	6,781,110	-	17,947,068
Special commission income from bonds	223,864	585,013	-	808,877
Realized gains from sale of investments held at fair value through income statement	727,568	-	-	727,568
Unrealized gains on investments held at fair value through income statement	5,891,316	-	-	5,891,316
Net deficit transferred from reinsurance operations	(20,545,633)	-	-	(20,545,633)
<b>Net income for the year</b>	<b>(2,536,927)</b>	<b>7,366,123</b>	<b>-</b>	<b>4,829,196</b>
<b>At 31 December 2009 (Unaudited)</b>				
<b>Reinsurance operations</b>				
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
<b>Shareholders</b>				
Segment assets	748,476,865	293,794,703	-	1,042,271,568
Segment liabilities	36,638,968	-	-	36,638,968
<b>At 31 December 2008 (Audited)</b>				
<b>Reinsurance operations</b>				
Segment assets	4,190,064	580,690	614,841	5,385,595
Segment liabilities	4,210,392	634,312	775,030	5,619,734
<b>Shareholders</b>				
Segment assets	1,026,051,077	-	-	1,026,051,077
Segment liabilities	525,654	-	-	525,654

**11. ZAKAT & INCOME TAX**

**A) Zakat**

The Zakat base is composed of the following:

	<u>SR</u>
Share Capital	1,000,000,000
Statutory reserve – beginning of the year	5,105,085
Retained earnings – beginning of the year	20,420,338
Net income for the year	4,829,196
Provisions	<u>609,949</u>
<b>Deduct:</b>	
Property and equipment, net	<u>(3,170,931)</u>
Zakat base	<u><u>1,027,793,637</u></u>

**Zakat for the year**

The Zakat for the year includes the following:

	Year ended 31 December 2009 SR
Portion of the Saudi shareholders' Zakat base (94.1%)	<u>967,153,812</u>
Zakat for the year (2.5%)	<u><u>24,672,019</u></u>

**B) Income tax**

Income tax for the year includes the following:

	Year ended 31 December 2009 SR
Portion of net income for non-Saudi shareholders (5.9%)	<u>284,923</u>
Income tax for the year (20%)	<u>50,000</u>
Zakat and income tax charge for the year	<u><u>24,722,019</u></u>

**12. EARNINGS PER SHARE**

Earnings per share for the three month period and year ended 31 December 2009 has been calculated by dividing net income for the period/year by the ordinary issued and outstanding shares at the end of the period/year.

**13. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements have been approved by the Board of Directors on 17 January 2010.