
SAUDI REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

INDEX	PAGE
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM STATEMENT OF FINANCIAL POSITION	2
INTERIM STATEMENT OF REINSURANCE OPERATIONS	3
INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS	4
INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS	5
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	6
INTERIM STATEMENT OF REINSURANCE OPERATIONS' CASH FLOWS	7
INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS	8
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	9 - 13

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 June 2010, and the related interim statements of reinsurance operations, shareholders' operations, shareholders' comprehensive operations for the three and six month periods then ended, and statements of changes in shareholders' equity, reinsurance operations and shareholders' cash flows for the six 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:

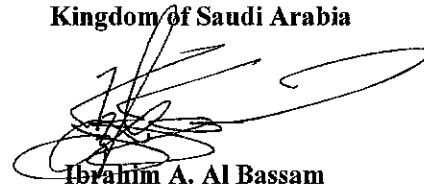
These interim condensed financial statements are prepared in accordance with International Accounting Standard (IAS 34) and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

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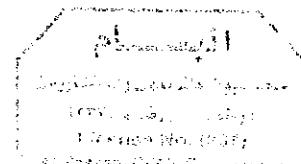
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14 July 2010



Saudi Reinsurance Company (A Saudi Joint Stock Company)

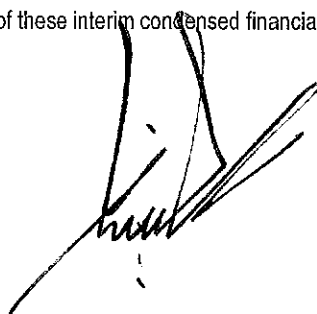
INTERIM STATEMENT OF FINANCIAL POSITION

As At 30 June 2010

	Notes	30 June 2010 (Unaudited) SR	31 December 2009 (Audited) SR
REINSURANCE OPERATIONS' ASSETS			
Bank balances		11,294,198	2,716,710
Premiums receivable		9,899,007	13,112,294
Accrued insurance premiums		29,509,371	12,256,370
Retroceded share of unearned premiums		38,513,074	19,968,169
Retroceded share of outstanding claims		48,707,917	15,260,001
Deferred acquisition costs		14,936,399	7,486,779
Prepaid expenses and other assets		825,361	1,298,409
Due from shareholders' operations		22,627,425	11,756,134
Property and equipment, net		2,814,696	3,170,931
TOTAL REINSURANCE OPERATIONS' ASSETS		179,127,448	87,025,797
SHAREHOLDERS' ASSETS			
Cash and bank balances		60,197	1,945,304
Time deposits	4	296,172,347	243,263,605
Accrued special commission income from time deposits		8,048,938	5,857,623
Accrued special commission income from bonds		3,473,335	1,185,207
Investments held at fair value through income statement	6	399,223,871	573,632,717
Held to maturity investments	7	209,662,991	115,706,278
Statutory deposit	5	100,000,000	100,000,000
Other assets		938,100	680,834
TOTAL SHAREHOLDERS' ASSETS		1,017,579,779	1,042,271,568
TOTAL ASSETS		1,196,707,227	1,129,297,365
REINSURANCE OPERATIONS' LIABILITIES			
Retrocession balances payable		19,931,524	17,243,405
Accrued retroceded premiums		19,016,884	8,041,644
Gross unearned premiums		56,208,304	28,447,374
Gross outstanding claims		67,408,189	22,055,663
Unearned commission income		11,800,979	6,128,576
Accrued expenses and other liabilities		4,068,996	4,499,186
Employees' end of service benefits		692,572	609,949
TOTAL REINSURANCE OPERATIONS' LIABILITIES		179,127,448	87,025,797
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Provision for zakat and income tax		11,738,459	24,202,000
Due to reinsurance operations		22,627,425	11,756,134
Other liabilities		938,100	680,834
TOTAL SHAREHOLDERS' LIABILITIES		35,303,984	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		(23,795,129)	(438,324)
TOTAL SHAREHOLDERS' EQUITY		982,275,795	1,005,632,600
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		1,017,579,779	1,042,271,568
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SHAREHOLDERS' LIABILITIES AND EQUITY		1,196,707,227	1,129,297,365

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





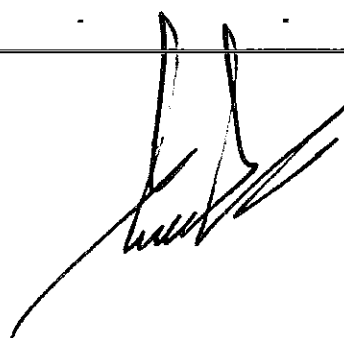
Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF REINSURANCE OPERATIONS (UNAUDITED)

For The Three And Six Month Periods Ended 30 June 2010

Note	For The Three Month Period Ended 30 June 2010 SR	For The Three Month Period Ended 30 June 2009 SR	For The Six Month Period Ended 30 June 2010 SR	For The Six Month Period Ended 30 June 2009 SR
Gross premiums written	18,161,281	17,749,734	61,665,599	25,804,944
Retroceded premiums	(14,140,227)	(11,479,589)	(41,408,698)	(16,962,463)
Net premiums written	4,021,054	6,270,145	20,256,901	8,842,481
Change in net unearned premiums	1,681,345	(4,270,838)	(9,216,026)	(6,358,944)
Net premiums earned	5,702,399	1,999,307	11,040,875	2,483,537
Net claims paid	(1,212,382)	(85,865)	(2,044,270)	(85,865)
Change in net outstanding claims	(5,697,847)	(1,272,825)	(11,904,611)	(1,595,429)
Gross acquisition costs	(4,435,038)	(1,468,829)	(8,510,763)	(1,836,962)
Commissions on retroceded business	3,651,305	1,176,328	6,794,445	1,487,226
Excess of loss expenses	(314,075)	(467,532)	(666,798)	(940,612)
Net underwriting results	(2,305,638)	(119,416)	(5,291,122)	(488,105)
General and administrative expenses	(7,362,739)	(5,061,346)	(12,223,882)	(9,363,499)
Board of directors' remunerations and expenses	8 (382,121)	(335,245)	(716,769)	(624,109)
Net deficit from reinsurance operations	(10,050,498)	(5,516,007)	(18,231,773)	(10,475,713)
Net deficit transferred to the interim statement of shareholders' operations	10,050,498	5,516,007	18,231,773	10,475,713
Net result for the period	-	-	-	-

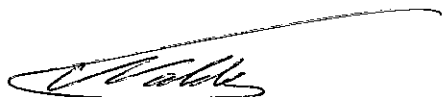


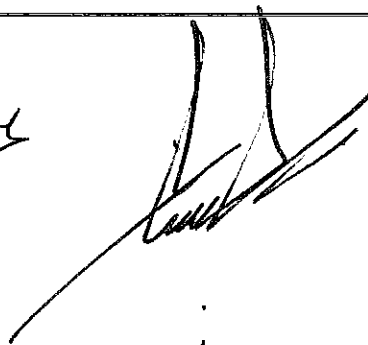


The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

Saudi Reinsurance Company (A Saudi Joint Stock Company)
 INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS (UNAUDITED)
 For The Three And Six Month Periods Ended 30 June 2010

	Notes	For The Three Month Period Ended 30 June 2010 SR	For The Three Month Period Ended 30 June 2009 SR	For The Six Month Period Ended 30 June 2010 SR	For The Six Month Period Ended 30 June 2009 SR
Special commission income from time deposits		3,233,345	2,017,568	5,935,746	12,395,175
Special commission income on bonds		2,290,976	-	3,553,630	-
Realized gains on investments held at fair value through income statement	6	240,218	78,521	599,630	78,521
Unrealized gains on investments held at fair value through income statement		953,673	2,379,338	1,681,525	3,284,852
Foreign exchange translation losses		(2,705,416)	-	(5,219,270)	-
Other expenses		(106)	-	(23,591)	-
Net deficit transferred from reinsurance operations		(10,050,498)	(5,516,007)	(18,231,773)	(10,475,713)
Net (loss) / income for the period		(6,037,808)	(1,040,580)	(11,704,103)	5,282,835
(Loss) / earnings per share	10	(0.0604)	(0.0104)	(0.1170)	0.0528





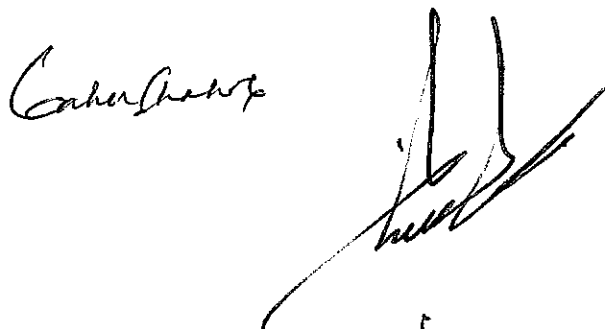
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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS (UNAUDITED)

For The Three And Six Month Periods Ended 30 June 2010

	For The Three Month Period Ended 30 June 2010 SR	For The Three Month Period Ended 30 June 2009 SR	For The Six Month Period Ended 30 June 2010 SR	For The Six Month Period Ended 30 June 2009 SR
Net (loss) / income for the period	(6,037,808)	(1,040,580)	(11,704,103)	5,282,835
Other comprehensive expenses:				
Zakat and income tax	(5,784,670)	(6,121,833)	(11,652,702)	(12,337,570)
Total comprehensive loss for the period	(11,822,478)	(7,162,413)	(23,356,805)	(7,054,735)

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 CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For The Six Month Period Ended 30 June 2010

	GCC Founding Shareholders and general public			Non - GCC Founding Shareholders			Total			
	Share capital	Statutory reserve	Retained Earnings / (Accumulated deficit)	Share capital	Statutory reserve	Retained Earnings	Share capital	Statutory reserve	Retained Earnings / (Accumulated deficit)	
	SR	SR	SR	SR	SR	SR	SR	SR	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	-	-	4,971,148	-	-	311,687	-	-	5,282,835	5,282,835
Zakat & income tax	-	-	(12,275,233)	-	-	(62,337)	-	-	(12,337,570)	(12,337,570)
Balance as at 30 June 2009	941,000,000	4,803,885	12,221,612	59,000,000	301,200	1,143,991	1,000,000,000	5,105,085	13,365,603	1,018,470,888
Balance as at 31 December 2009	941,000,000	5,712,740	(1,510,504)	59,000,000	358,184	1,072,580	1,000,000,000	6,070,924	(438,324)	1,005,652,600
Net loss for the period	-	-	(11,013,561)	-	-	(690,542)	-	-	(11,704,103)	(11,704,103)
Zakat	-	-	(11,652,702)	-	-	-	-	-	(11,652,702)	(11,652,702)
Balance as at 30 June 2010	941,000,000	5,712,740	(24,177,167)	59,000,000	358,184	332,038	1,000,000,000	5,070,924	23,795,129	982,275,795





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 Six Month Period Ended 30 June 2010

	30 June 2010 SR	30 June 2009 SR
OPERATING ACTIVITIES		
Net result for the period	-	-
Adjustments for:		
Employees' end of service benefits	108,945	95,188
Depreciation	501,474	457,689
	<hr/>	<hr/>
Operating profit before changes in operating assets and liabilities	610,419	552,877
Changes in operating assets and liabilities		
Premiums receivable	3,213,287	(4,270,994)
Accrued insurance premiums	(17,253,001)	(12,864,022)
Retroceded share of unearned premiums	(18,544,905)	(11,826,542)
Retroceded share of outstanding claims	(33,447,916)	(3,827,416)
Deferred acquisition costs	(7,449,620)	(4,508,925)
Prepaid expenses and other assets	473,048	(507,814)
Due from shareholders' operations	(10,871,291)	(166,757)
Retrocession balances payable	2,688,119	4,554,324
Accrued retroceded premiums	10,975,240	7,976,457
Gross unearned premiums	27,760,930	18,185,486
Gross outstanding claims	45,352,526	5,833,461
Unearned commission income	5,672,403	3,529,355
Accrued expenses and other liabilities	(430,190)	(726,563)
Employees' end of service benefits paid	(26,322)	-
	<hr/>	<hr/>
Net cash from operating activities	8,722,727	1,932,927
INVESTING ACTIVITIES		
Purchase of property and equipment	(145,239)	(205,986)
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Net cash used in investing activities	(145,239)	(205,986)
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NET INCREASE IN BANK BALANCES	8,577,488	1,726,941
Bank balances at the beginning of the period	2,716,710	33,604
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BANK BALANCES AT THE END OF THE PERIOD	11,294,198	1,760,545





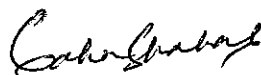
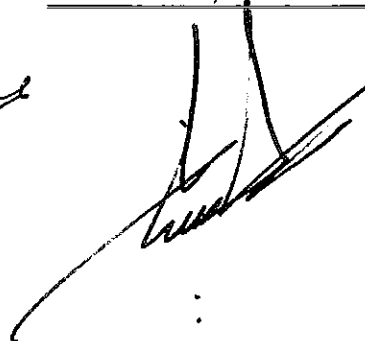
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Saudi Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)

For The Six Month Period Ended 30 June 2010

	30 June 2010 SR	30 June 2009 SR
OPERATING ACTIVITIES		
Net (loss) / income for the period	(11,704,103)	5,282,835
Adjustments for:		
Realized gains on investments held at fair value through income statement	(599,630)	(78,521)
Unrealized gains on investments held at fair value through income statement	(1,681,525)	(3,284,852)
Operating (deficit) profit before changes in operating assets and liabilities:	(13,985,258)	1,919,462
Changes in operating assets and liabilities:		
	-	(100,000,000)
Statutory deposit		
Due to reinsurance operations	10,871,291	166,757
Other assets	(257,266)	(77,500)
Other liabilities	257,266	77,500
Zakat and income tax paid	(24,116,243)	-
Net cash used in operating activities	(27,230,210)	(97,913,781)
INVESTING ACTIVITIES		
Proceeds from investments held at fair value through income statement	636,000,001	206,300,000
Accrued special commission income from time deposits	(2,191,315)	12,391,338
Accrued special commission income from bonds	(2,288,128)	-
Investments held at fair value through income statement	(459,310,000)	(927,000,001)
Time deposits, net	(52,908,742)	497,630,000
	(93,956,713)	-
Held to maturity investments		
Net cash from / (used in) investing activities	25,345,103	(210,678,663)
NET DECREASE IN CASH AND BANK BALANCES	(1,885,107)	(308,592,444)
Cash and bank balances at the beginning of the period	1,945,304	412,330,351
CASH AND BANK BALANCES AT THE END OF THE PERIOD	60,197	103,737,907

The accompanying notes 1 to 11 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 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 six month periods ended 30 June 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 4.61% 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 Six Month Periods Ended 30 June 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	636,000,001
Less: Historical cost of disposed units	<u>(629,896,673)</u>
	6,103,328
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>(5,503,698)</u>
Realized gains from disposed units for the period	<u>599,630</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 4.43% 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 six month period ended		Balance as at 30 June 2010 (Unaudited) SR	Balance as at 31 December 2009 (Audited) SR
		30 June 2010 (Unaudited) SR	30 June 2009 (Unaudited) SR		
Board of directors	Consulting fees	715,628	732,500	115,628	269,441
	Remunerations	450,000	450,000	704,168	254,168
	Expenses	266,769	174,109	96,000	114,000
Key management personnel	Short term benefits	4,812,292	1,867,300	2,250,000	1,500,000
	End of service benefits	131,621	89,275	499,153	449,551
Others	Consulting fees	83,500	46,000	46,000	92,000

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 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.

Saudi Reinsurance Company (A Saudi Joint Stock Company)

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

For The Three And Six Month Periods Ended 30 June 2010

9. SEGMENTAL INFORMATION (continued)

9.1 Business segments

	Engineering SR	Fire SR	Marine SR	Motor SR	Others SR	Total SR
For the six month period ended 30 June 2010 (Unaudited)						
Reinsurance operations						
Gross premiums written	17,417,778	27,567,761	7,172,387	5,587,330	3,920,343	61,665,599
Retroceded premiums	(13,328,351)	(20,330,224)	(5,004,577)	(117,399)	(2,628,147)	(41,408,698)
Net premiums written	4,089,427	7,237,537	2,167,810	5,469,931	1,292,196	20,256,901
Change in net unearned premiums	(2,468,842)	(2,717,588)	(756,935)	(2,735,069)	(537,592)	(9,216,026)
Net premiums earned	1,620,585	4,519,949	1,410,875	2,734,862	754,604	11,040,875
Net claims paid	(43,767)	(939,871)	(154,620)	(859,539)	(46,473)	(2,044,270)
Change in net outstanding claims	(789,897)	(9,791,540)	(395,295)	(497,193)	(430,686)	(11,904,611)
Gross acquisition costs	(1,722,757)	(4,218,419)	(1,475,536)	(524,124)	(569,927)	(8,510,763)
Commissions on retroceded business	1,514,583	3,642,947	1,178,050	8,733	450,132	6,794,445
Excess of loss expenses	(189,514)	(238,415)	(85,849)	(51,366)	(101,654)	(666,798)
Net underwriting results	389,233	(7,025,349)	477,625	811,373	55,996	(5,291,122)
Other items						
Depreciation	141,644	224,185	58,327	45,437	31,881	501,474
For the six month period ended 30 June 2009 (Unaudited)						
Reinsurance operations						
Gross premiums written	6,811,648	10,239,634	5,327,329	2,396,089	1,030,244	25,804,944
Retroceded premiums	(5,028,806)	(7,530,745)	(3,701,974)	-	(700,938)	(16,962,463)
Net premiums written	1,782,842	2,708,889	1,625,355	2,396,089	329,306	8,842,481
Change in net unearned premiums	(1,323,935)	(1,926,892)	(1,061,664)	(1,804,462)	(241,991)	(6,358,944)
Net premiums earned	458,907	781,997	563,691	591,627	87,315	2,483,537
Net claims paid	(55)	(59,815)	(424)	(21,163)	(4,408)	(85,865)
Change in net outstanding claims	(264,612)	(443,510)	(292,910)	(553,474)	(40,923)	(1,595,429)
Gross acquisition costs	(421,157)	(686,258)	(538,132)	(129,647)	(61,768)	(1,836,962)
Commissions on retroceded business	384,797	612,685	438,830	-	50,914	1,487,226
Excess of loss expenses	(360,184)	(281,383)	(148,273)	(250,222)	99,450	(940,612)
Net underwriting results	(202,304)	(76,284)	22,782	(362,879)	130,580	(488,105)
Other items						
Depreciation	120,815	181,615	94,488	42,498	18,273	457,689
As at 30 June 2010 (Unaudited)						
Segment assets	39,986,007	63,287,332	16,465,654	12,826,839	8,999,936	141,565,768
Segment liabilities	49,250,574	77,950,704	20,280,667	15,798,756	11,085,179	174,365,880
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 Six Month Periods Ended 30 June 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 six month period ended 30 June 2010 (Unaudited)				
Reinsurance operations				
Gross premiums written	48,738,496	11,043,528	1,883,575	61,665,599
Retroceded premiums	(32,634,096)	(7,395,580)	(1,379,022)	(41,408,698)
Net premiums written	16,104,400	3,647,948	504,553	20,256,901
Change in net unearned premiums	(7,325,111)	(1,803,312)	(87,603)	(9,216,026)
Net premiums earned	8,779,289	1,844,636	416,950	11,040,875
Net claims paid	(2,037,779)	(646)	(5,845)	(2,044,270)
Change in net outstanding claims	(7,781,698)	(1,119,731)	(3,003,182)	(11,904,611)
Gross acquisition costs	(6,831,658)	(1,186,278)	(492,827)	(8,510,763)
Commissions on retroceded business	5,396,841	1,005,139	392,465	6,794,445
Excess of loss expenses	(468,816)	(136,365)	(61,617)	(666,798)
Net underwriting results	(2,943,821)	406,755	(2,754,056)	(5,291,122)
Other items				
Depreciation	396,349	89,808	15,317	501,474
For the six month period ended 30 June 2009 (Unaudited)				
Reinsurance operations				
Gross premiums written	21,632,341	2,302,305	1,870,298	25,804,944
Retroceded premiums	(14,296,994)	(1,415,208)	(1,250,261)	(16,962,463)
Net premiums written	7,335,347	887,097	620,037	8,842,481
Change in net unearned premiums	(5,373,786)	(592,123)	(393,035)	(6,358,944)
Net premiums earned	1,961,561	294,974	227,002	2,483,537
Net claims paid	(85,865)	-	-	(85,865)
Change in net outstanding claims	(1,311,177)	(184,582)	(99,670)	(1,595,429)
Gross acquisition costs	(1,544,092)	(72,528)	(220,342)	(1,836,962)
Commissions in retroceded business	1,234,493	75,427	177,306	1,487,226
Excess of loss expenses	(704,096)	(132,594)	(103,922)	(940,612)
Net underwriting results	(449,176)	(19,303)	(19,626)	(488,105)
Other items				
Depreciation	383,682	40,835	33,172	457,689
As at 30 June 2010 (Unaudited)				
Reinsurance operations				
Segment assets	111,889,007	25,352,636	4,324,125	141,565,768
Segment liabilities	137,813,155	31,226,721	5,326,004	174,365,880
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

10. (LOSS) / EARNINGS PER SHARE

(Loss) / earnings per share for the three and six month periods ended 30 June 2010 and 2009 has been calculated by dividing net (loss) / income 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 2 Shaaban 1431H corresponding to 14 July 2010.

Related party for Six months ended 30 June 2010

Related Party	Nature of transaction	Transactions 6 months	Balance as at 30 June 2010	Balance as at Dec 2009
Directors	Consulting fees	715,628	115,628	269,441
	Mousa Al-Rubalan	600,000	115,628	
	Gorge Lorenz	115,628		
	Remunerations & Expenses	716,769	800,168	368,168
	BOD Remunerations	450,000	704,168	254,168
	BOD Expenses	266,769	96,000	114,000
Key Management	Short term benefits	4,812,292	2,250,000	1,500,000
	Nouhad Taleb Salaries	1,058,220	2,250,000	
	Nouhad Taleb Rent	105,000		
	Nouhad Taleb Other benefits	2,450		
	Nouhad Taleb Bouns	2,250,000		
	Alaa Fares Salaries	375,805		
	Amer AlAmr Salaries	175,192		
	Arthur Underwood Salaries	465,625		
	Sami Sayegh Salaries	380,000		
	End of services	131,621	499,153	449,551
	End of services Nouhad Taleb	69,506	440,324	
	End of services Alaa Fares	13,135	0	
	End of services Amer AlAmr	6,674	0	
	End of services Arthur Underwood	22,470	28,801	
	End of services Sami Sayegh	19,836	30,027	
Other	Consulting fees	83,500	46,000	92,000
	Naiem Fahhy	23,000	23,000	
	Abdu Alaah AlFarraj	2,3000	23000	
	Ahmed Al-Rashood	37500		