

**SANAD COOPERATIVE INSURANCE AND
REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
For the three month period ended 31 March 2012
together with the
Independent auditors' review report**



Aldar Audit Bureau
Abdullah AlBasri & Co.



KPMG Al Fozan & Al Sadhan

INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY (A Saudi Joint Stock Company)

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Sanad Cooperative Insurance and Reinsurance Company (A Saudi Joint Stock Company) (the "Company") as at 31 March 2012 and the related interim statements of insurance operations and shareholders' comprehensive income for the three months period then ended and the statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for three months period then ended and notes 1 to 11 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 review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A 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 auditing standards generally accepted in Saudi Arabia, 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 review, we are not aware of any material modification that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

EMPHASIS OF MATTER:

We draw attention to the fact 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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Date: 23 Jamada I 1433
Corresponding to: 15 April 2012

SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2012
(Saudi Riyals)

	<u>Note</u>	31 March 2012 <u>(Unaudited)</u>	31 December 2011 <u>(Audited)</u>
INSURANCE OPERATIONS' ASSETS			
Cash and bank balances		93,603,761	118,055,360
Premiums receivable, net	8	94,565,535	61,083,979
Reinsurers' balance receivable, net	9	19,938,084	24,679,216
Reinsurers' share of outstanding claims and other technical reserves	7	39,127,537	32,128,970
Reinsurers' share of unearned premium		32,335,828	27,294,892
Deferred policy acquisition cost		13,015,714	10,117,495
Prepayments and other assets		6,718,845	6,114,363
Property and equipment, net		4,813,211	4,819,063
Total insurance operations' assets		304,118,515	284,293,338
SHAREHOLDERS' ASSETS			
Cash and bank balances		45,125,182	34,655,033
Statutory deposit		20,778,852	20,778,852
Investments – available for sale	6	48,655,521	43,702,108
Loan receivable		500,000	500,000
Due from insurance operations		2,816,177	15,386,473
Prepayments and other assets		937,066	426,614
Total shareholders' assets		118,812,798	115,449,080
Total Assets		422,931,313	399,742,418
INSURANCE OPERATIONS' LIABILITIES			
Unearned premium reserve		111,532,452	83,486,109
Reinsurers' balances payable		32,183,332	35,603,651
Accrued expenses and other liabilities		50,251,186	40,305,391
Outstanding claims and other technical reserves	7	100,617,748	104,267,446
Unearned commission income		4,473,985	3,334,401
End-of-service indemnities		2,243,635	1,909,867
Due to shareholders operations		2,816,177	15,386,473
Total insurance operations' liabilities		304,118,515	284,293,338
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		6,025	97,525
Zakat payable		8,002,965	8,242,480
Total shareholders' liabilities		8,008,990	8,340,005
TOTAL LIABILITIES		312,127,505	292,633,343
SHAREHOLDERS' EQUITY			
Share capital		200,000,000	200,000,000
Fair value reserve on investment	6	10,039,529	5,086,116
Accumulated deficit		(99,235,721)	(97,977,041)
Total shareholders' equity		110,803,808	107,109,075
Total Liabilities and Shareholders' Equity		422,931,313	399,742,418



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

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Yasir Rashid

SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF INSURANCE OPERATIONS
(Saudi Riyals)

<u>Note</u>	Three Months ended 31 March 2012	Three Months ended 31 March 2011
Gross written premiums	84,208,818	91,343,178
Gross inward written reinsurance premiums	1,020,404	736,465
Gross Written Premium	85,229,222	92,079,643
Reinsurance premiums ceded	(23,903,570)	(13,526,922)
Net written premiums	61,325,652	78,552,721
Changes in unearned premiums	(28,046,343)	(43,961,272)
Changes in reinsurance unearned premiums	5,040,936	2,767,488
Net earned premiums	38,320,245	37,358,937
Reinsurance commission	2,805,820	1,938,921
Policy fee	66,522	73,420
Underwriting revenue	41,192,587	39,371,278
Gross claims paid	(43,445,734)	(24,485,578)
Reinsurance share of claims paid	8,228,016	10,870,491
Net Claim Paid	(35,217,718)	(13,615,087)
Net changes in outstanding claim reserve	10,265,542	(4,524,704)
Net changes in claims Technical reserve	382,723	(1,231,208)
Net Claims incurred	(24,569,453)	(19,370,999)
Policy acquisition costs	(7,101,633)	(5,718,339)
Other underwriting expenses, net	(935,314)	(505,405)
Impairment against doubtful receivables	1,188,388	(5,393,815)
Underwriting expenses	(31,418,012)	(30,988,558)
Underwriting results	9,774,575	8,382,720
General and administration expenses	(10,781,575)	(10,183,991)
Deficit from insurance operations	(1,007,000)	(1,801,272)
Other income	172,922	33,778
Net deficit from insurance operations	(834,078)	(1,767,494)
Shareholders' appropriation	834,078	1,767,494
Net results for the period	--	--

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



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF COMPREHENSIVE RESULTS - SHAREHOLDERS' OPERATIONS
(Saudi Riyals)

<u>Note</u>	Three Months ended 31 March 2012	Three Months ended 31 March 2011
INCOME		
Commission income	196,419	72,712
Dividend income from investments	462,500	1,382,241
	<u>658,919</u>	<u>1,454,953</u>
EXPENSES		
Appropriation of deficit from insurance operations	(834,078)	(1,767,494)
General and administration expenses	(429,620)	(336,276)
	<u>(604,779)</u>	<u>(648,817)</u>
NET LOSS FOR THE PERIOD BEFORE ZAKAT	(604,779)	(648,817)
Zakat	(653,901)	(418,288)
NET LOSS FOR THE PERIOD AFTER ZAKAT	(1,258,680)	(1,067,105)
Changes in fair value of available for sale investments, net ⁶	4,953,413	(202,542)
Total comprehensive profit / loss for the period	3,694,733	(1,269,647)
Basic and diluted loss per share	(0.06)	(0.05)
Basic and diluted profit / (loss) per share on comprehensive profit / (loss)	0.18	(0.06)
Weighted average number of shares in issue	20,000,000	20,000,000

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



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Jasim Rashid

SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012
(Saudi Riyals)

	Share Capital	Fair value reserve on Investment	Accumulated deficit	Total
2012				
Balance at 31 December 2011	200,000,000	5,086,116	(97,977,041)	107,109,075
Comprehensive profit for the period	--	4,953,413	(1,258,680)	3,694,733
Balance at 31 March 2012	200,000,000	10,039,529	(99,235,721)	110,803,808
2011				
Balance at 31 December 2010	200,000,000	2,757,507	(67,915,230)	134,842,277
Comprehensive loss for the period	--	(202,542)	(1,067,105)	(1,269,647)
Balance at 31 March 2011	200,000,000	2,554,965	(68,982,335)	133,572,630

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



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS (UNAUDITED)
(Saudi Riyals)

	<u>Three months ended 31 March 2012</u>	<u>Three months ended 31 March 2011</u>
Operating Activities		
Net results for the period	--	--
<i>Adjustments for non cash items:</i>		
Shareholders' appropriation	(834,078)	(1,767,494)
Depreciation	544,052	413,450
Provision for employees' end of service benefits	382,155	100,848
Impairment against doubtful receivables	(1,188,388)	5,393,815
Loss on sale of fixed assets	57,162	--
Changes in operating assets and liabilities:		
Premiums receivable	(31,294,920)	(24,362,118)
Deferred policy acquisition costs, net	(2,898,219)	(5,836,187)
Prepayments and other assets	(604,482)	(3,521,410)
Unearned premium reserves, net	23,005,407	41,193,784
Unearned commission income	1,139,584	1,631,953
Reinsurers' balances payable	(3,420,319)	(570,836)
Accrued and other liabilities	9,945,795	6,185,455
Outstanding claims and other technical reserves, net	(10,648,265)	(3,277,476)
Employees' end of service benefits paid	(48,387)	(43,208)
Due to shareholders' operations	(11,736,218)	3,966,988
Reinsurance balance receivable	3,742,884	--
Net cash from operating activities	<u>(23,856,237)</u>	<u>19,507,564</u>
Investing Activities		
Additions to property and equipment	(620,362)	(367,532)
Consideration received from sale of property and equipment	25,000	--
Net cash used in investing activities	<u>(595,362)</u>	<u>(367,532)</u>
Net changes in cash and bank balances	(24,451,599)	19,140,032
Cash and bank balances, beginning of the period	<u>118,055,360</u>	<u>49,728,434</u>
Cash and bank balances, end of the period	<u>93,603,761</u>	<u>68,868,466</u>

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



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)
(Saudi Riyals)

	Three months ended 31 March 2012	Three months ended 31 March 2011
Operating Activities		
Net loss for the period	(604,779)	(648,817)
<i>Adjustments for non cash items:</i>		
Appropriation from insurance operations	834,078	1,767,494
Changes in operating assets and liabilities:		
Accrued expenses and other liabilities	(91,500)	26,998
Prepayments and other assets	(510,452)	(52,301)
Due from insurance operations	11,736,218	(3,966,988)
Zakat paid	(893,416)	--
Net cash from / (used) in operating activities	10,470,149	(2,873,614)
Net changes in cash and bank balances	10,470,149	(2,873,614)
Cash and bank balances, beginning of the period	34,655,033	35,727,409
Cash and bank balances, end of the period	45,125,182	32,853,795
Non – cash supplemental information:		
Change in fair value of investments	4,953,413	(202,542)

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



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

Sanad Cooperative Insurance & Reinsurance Company ("the Company") is a Saudi Joint Stock Company incorporated under Ministerial Resolution dated 15 Jumada II, 1428 H, (corresponding to 30 June 2007). The Company is registered in the Kingdom of Saudi Arabia under commercial registration number 1010235409 dated 23 Jumada II, 1428 H (corresponding to 8 July 2007). The objective of the Company is to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia. The Company was listed on the Saudi Stock Exchange on 21 July 2007.

The Registered Office of the Company is located at Dareen Center, Al Ahsa Street, Riyadh, 11417, Kingdom of Saudi Arabia. These interim condensed financial statements cover the period from 01 January 2012 to 31 March 2012 (the "period").

2 BASIS OF PREPARATION

2.1 *Basis of measurement*

The interim condensed financial statements have been prepared under the historical cost convention, except for the available-for-sale investments measured at fair value.

2.2 *Statement of compliance*

The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting.

As required by Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and Board of Directors.

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

2.3 *Functional and presentation currency*

The interim condensed financial statements have been presented in Saudi Riyals, being the functional currency of the Company.



SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

2 BASIS OF PREPARATION (Continued)

2.4 *Use of accounting judgements, estimates and assumptions in the preparation of interim condensed financial statements*

The preparation of interim condensed financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these judgments, estimates and assumptions are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- Unearned premium reserve
- Outstanding claims and other technical reserve
- Impairment of receivables
- Impairment in value of investment – available for sale

3 SIGNIFICANT ACCOUNTING POLICIES

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 year ended 31 December 2011.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies used by the management are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2011.

5 RELATED PARTY TRANSACTIONS

Saudi Continental Insurance Company is a related party being 10% founding shareholder in the Company and through common directorship, and Aggad Investment Company is a related party through 90% shares in Saudi Continental Insurance Company and also having a common directorship.



SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

5. RELATED PARTY TRANSACTIONS (Continued)

The following are the details of related party transactions during the period. There were no outstanding balances at the balance sheet dates.

Related party	Nature of transaction	For the three months ended	
		31 March 2012	31 March 2011
		SR	SR
Key management personnel	Remuneration	1,098,071	1,058,764

6. INVESTMENTS

Investments in available for sale securities

Investment in available for sale securities comprise of the following:

	31 March 2011			31 December 2011
	Cost SR	Market value SR	Unrealised gain SR	Market value SR
<u>Quoted</u>				
Mutual Funds	10,498,332	10,936,910	438,578	10,923,622
Global Sukuk Fund deposits	9,450,000	10,415,533	965,533	10,245,408
Equities	16,744,582	25,380,000	8,635,418	20,610,000
	36,692,914	46,732,443	10,039,529	41,779,030
<u>Unquoted</u>				
Equities	1,923,078	1,923,078	--	1,923,078
Total investments in available for sale	38,615,992	48,655,521	10,039,529	43,702,108

Movements in available for sale investments are as follows:

	31 March 2012	31 March 2011
At the beginning of the period	43,702,108	85,223,611
Change in fair value	4,953,413	(202,584)
At the end of the period	48,655,521	85,021,027

There were no additions or disposals in investments during the quarter ended 31 March 2012 (31 March 2011: Nil).



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

7. OUTSTANDING CLAIMS AND OTHER TECHNICAL RESERVES

	31 March 2012 (SR)		
	Gross	Reinsurers' Share	Net
Outstanding claim reserves	61,561,994	(26,187,970)	35,374,024
Incurring but not reported reserve	33,374,332	(12,939,567)	20,434,765
Unallocated loss adjustment expense reserve	5,681,422	--	5,681,422
Outstanding claims and other technical reserves	100,617,748	(39,127,537)	61,490,211

	31 December 2011 (SR)		
	Gross	Reinsurers' Share	Net
Outstanding claim reserves	70,802,230	(25,162,644)	45,639,586
Incurring but not reported reserve	27,545,912	(6,966,306)	20,579,606
Unallocated loss adjustment expense reserve	5,919,304	--	5,919,304
Outstanding claims and other technical reserves	104,267,446	(32,128,970)	72,138,476

8. PREMIUMS RECEIVABLE

	31 March 2011 SR	31 December 2011 SR
Premiums receivable	121,161,432	89,866,512
Less : Impairment against doubtful receivables	(26,595,897)	(28,782,533)
	94,565,535	61,083,979

	Total SR	Neither past due nor impaired SR	Past due but not impaired SR	Past due and impaired SR
31 March 2012	121,161,432	41,490,265	37,761,411	41,909,756
31 December 2011	89,866,512	18,793,884	38,961,926	32,110,702

The Company classifies receivable balances as 'past due and impaired' on a case to case basis, impairment against which is recorded in the statement of insurance operations. The Company does not obtain collateral against premium receivables. Amount which are neither past due nor considered impaired by management, in respect of premium receivables, are from individuals and unrated corporate policy holders.

9. REINSURERS' BALANCE RECEIVABLE

	31 March 2011 SR	31 December 2011 SR
Reinsurers' balance receivable	20,936,332	24,679,216
Less: Impairment against doubtful receivables	(998,248)	--
	19,938,084	24,679,216

	Total SR	Past due but not impaired SR	Past due and impaired SR
31 March 2012	20,936,332	3,947,810	16,988,522
31 December 2011	24,679,216	24,679,216	--



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Jasim Rashid

SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

10. SEGMENT INFORMATION

Consistent with the Company's internal reporting process, business 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 administration expenses and other income.

Segment assets do not include insurance operations' property and equipment, prepayments and other assets, premiums receivable and cash and cash equivalents. Accordingly they are included in unallocated assets. Premiums receivable are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

Segment liabilities do not include insurance operations' due to shareholders operations, end-of-service indemnities, reinsurers' balances payable, accrued expenses and other liabilities and due to shareholders operations. Accordingly they are included in unallocated liabilities. All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

a) Statement of results for insurance operations

For the three months ended 31 March 2012

	SR					
	Medical	Motor	Marine	Engineering	Others	Total
Gross written premiums	36,774,139	30,373,015	5,960,801	5,757,444	6,363,823	85,229,222
Reinsurance premiums ceded	(8,552,946)	(489,700)	(4,413,167)	(5,395,051)	(5,052,706)	(23,903,570)
Net written premiums	28,221,193	29,883,315	1,547,634	362,393	1,311,117	61,325,652
Net changes in unearned premiums	(8,358,357)	(14,257,177)	65,975	292,025	(747,873)	(23,005,407)
Net earned premiums	19,862,836	15,626,138	1,613,609	654,418	563,244	38,320,245
Reinsurance commission earned	--	--	1,249,111	739,806	816,903	2,805,820
Other underwriting income	5,600	31,562	15,155	1,635	12,570	66,522
Total underwriting revenue	19,868,436	15,657,700	2,877,875	1,395,859	1,392,717	41,192,587
Gross claims paid	(26,919,598)	(14,335,538)	(623,070)	(406,541)	(1,160,987)	(43,445,734)
Reinsurance share of claims paid	6,497,765	--	471,965	314,687	943,599	8,228,016
Net claims paid	(20,421,833)	(14,335,538)	(151,105)	(91,854)	(217,388)	(35,217,718)
Net changes in claims reserves	12,437,600	2,382,703	(2,655,328)	(529,053)	(987,657)	10,648,265
Net claims incurred	(7,984,233)	(11,952,835)	(2,806,433)	(620,907)	(1,205,045)	(24,569,453)
Policy acquisition costs	(2,607,994)	(2,536,379)	(805,166)	(514,190)	(637,904)	(7,101,633)
Other underwriting expenses	(681,437)	(166,940)	(29,804)	(25,872)	(31,261)	(935,314)
Impairment against doubtful receivables	1,078,240	110,148	--	--	--	1,188,388
Total underwriting expenses	(10,195,424)	(14,546,006)	(3,641,403)	(1,160,969)	(1,874,210)	(31,418,012)
Underwriting surplus / (deficit) before administration expenses	9,673,013	1,111,693	(763,528)	214,890	(461,493)	9,774,575
Unallocated income						172,922
Unallocated expenses						(10,781,575)
Net deficit from insurance operations						(834,078)



Jasim Rashid

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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

10. SEGMENT INFORMATION (continued)

a) Statement of results for insurance operations (continued)

For the three months ended 31 March 2011
(SR)

	Medical	Motor	Marine	Engineering	Others	Total
Gross written premiums	51,684,191	25,225,522	4,334,822	4,333,074	6,502,034	92,079,643
Reinsurance premium ceded	(281,550)	(543,853)	(3,275,911)	(3,854,983)	(5,570,625)	(13,526,922)
Net written premiums	51,402,641	24,681,669	1,058,911	478,091	931,409	78,552,721
Net changes in unearned premiums	(30,896,983)	(9,031,715)	(812,697)	(36,231)	(416,158)	(41,193,784)
Net earned premium	20,505,658	15,649,954	246,214	441,860	515,251	37,358,937
Reinsurance commission earned	--	--	311,316	593,470	1,034,135	1,938,921
Other underwriting income	10,900	27,830	16,380	1,660	16,650	73,420
Total Underwriting revenue	20,516,558	15,677,784	573,910	1,036,990	1,566,036	39,371,278
Gross Claim paid	(14,618,686)	(7,768,135)	(1,658,752)	(28,000)	(412,005)	(24,485,578)
Reinsurance share of claims paid	9,909,732	--	958,622	--	2,137	10,870,491
Net Claims paid	(4,708,954)	(7,768,135)	(700,130)	(28,000)	(409,868)	(13,615,087)
Net changes in claim reserve	(2,916,737)	(2,315,499)	(79,738)	42,354	(486,292)	(5,755,912)
Net Claim cost	(7,625,691)	(10,083,634)	(779,868)	14,354	(896,160)	(19,370,999)
policy acquisition costs	(1,654,964)	(2,569,837)	(341,655)	(434,672)	(717,211)	(5,718,339)
Other underwriting expenses	(283,171)	(138,328)	(21,659)	(19,827)	(42,420)	(505,405)
Impairment against doubtful receivables	(2,682,261)	(2,711,554)	--	--	--	(5,393,815)
Total Underwriting expenses	(12,246,087)	(15,503,353)	(1,143,182)	(440,145)	(1,655,791)	(30,988,558)
Underwriting results before administration expenses	8,270,471	174,431	(569,272)	596,845	(89,755)	8,382,720
Unallocated income						33,778
Unallocated expenses						(10,183,992)
Net Deficit from insurance operations						(1,767,494)



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

10. SEGMENT INFORMATION (continued)

b) Insurance operations' assets and liabilities

	At 31 March 2012					
	SR					Total
	Medical	Motor	Marine	Engineering	Others	
Insurance operations assets						
Reinsurers' balance receivable	15,579,773	1,382,910	--	--	2,975,401	19,938,084
Reinsurers' share of unearned premium	15,471,035	--	2,359,589	7,994,257	6,510,947	32,335,828
Reinsurers' share of outstanding claims and other technical reserves	13,770,804	4,817,964	9,532,885	4,588,900	6,416,984	39,127,537
Deferred policy acquisition cost	4,590,507	5,180,353	416,258	1,376,939	1,451,657	13,015,714
Allocated assets	49,412,119	11,381,227	12,308,732	13,960,096	17,354,989	104,417,163
Unallocated assets						199,701,352
Total insurance operations assets						304,118,515
Insurance operations liabilities						
Unearned premium reserves	55,287,332	35,406,243	3,145,832	8,619,806	9,073,239	111,532,452
Outstanding claims and other technical reserves	45,151,415	28,549,223	12,813,493	5,468,996	8,634,621	100,617,748
Unearned commission income	--	--	746,408	1,999,359	1,728,218	4,473,985
Allocated liabilities	100,438,747	63,955,466	16,705,733	16,088,161	19,436,078	216,624,185
Unallocated liabilities						87,494,330
Total insurance operations liabilities						304,118,515



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)

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

10. SEGMENT INFORMATION (continued)

b) Insurance operations' assets and liabilities (continued)

At 31 December 2011

	SR					Total
	Medical	Motor	Marine	Engineering	Others	
Insurance operations assets						
Reinsurers' balance receivable	17,791,180	1,499,703	908,513	217,961	4,261,859	24,679,216
Reinsurers' share of unearned premium	15,068,256	--	1,787,868	5,637,942	4,800,826	27,294,892
Reinsurers' share of outstanding claims and other technical reserves	13,381,438	4,817,964	3,890,929	4,331,404	5,707,235	32,128,970
Deferred policy acquisition cost	4,421,036	3,379,981	348,494	909,743	1,058,241	10,117,495
Allocated assets	50,661,910	9,697,648	6,935,804	11,097,050	15,828,161	94,220,573
Unallocated assets						190,072,765
Total insurance operations assets						284,293,338
Insurance operations liabilities						
Unearned premium reserves	46,526,196	21,149,066	2,640,085	6,555,516	6,615,246	83,486,109
Outstanding claims and other technical reserves	57,199,649	30,931,925	4,516,209	4,662,447	6,957,216	104,267,446
Unearned commission income	--	--	571,115	1,431,824	1,331,462	3,334,401
Allocated liabilities	103,725,845	52,080,991	7,727,409	12,649,787	14,903,924	191,087,956
Unallocated liabilities						93,205,382
Total insurance operations liabilities						284,293,338



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SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

10. SEGMENT INFORMATION (continued)

c) Outstanding claims and other technical reserves

At 31 March 2012

	SR					Total
	Medical	Motor	Marine	Engineering	Others	
Outstanding claim reserve	24,622,873	18,805,458	8,816,014	3,158,368	6,159,281	61,561,994
IBNR reserve	19,100,415	5,563,616	3,997,479	2,237,482	2,475,340	33,374,332
ULAE reserve	1,428,127	4,180,149	--	73,146	--	5,681,422
Total outstanding claims and other technical reserves	45,151,415	28,549,223	12,813,493	5,468,996	8,634,621	100,617,748

At 31 December 2011

	SR					Total
	Medical	Motor	Marine	Engineering	Others	
Outstanding claim reserve	38,299,062	20,900,744	3,018,730	3,051,818	5,531,876	70,802,230
IBNR reserve	17,234,578	5,851,033	1,497,479	1,537,482	1,425,340	27,545,912
ULAE reserve	1,666,009	4,180,148	--	73,147	--	5,919,304
Total outstanding claims and other technical reserves	57,199,649	30,931,925	4,516,209	4,662,447	6,957,216	104,267,446

11. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 15 April 2012 corresponding to 23 Jamada I 1433.



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