
**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND
LIMITED REVIEW REPORT**

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT
For The Three Month Period Ended 31 March 2012

INDEX	PAGE
Limited review report	1
Interim statement of financial position	2 - 3
Interim statement of insurance operations	4
Interim statement of shareholders' comprehensive operations	5
Interim statement of changes in shareholders' equity	6
Interim statement of insurance operations' cash flows	7
Interim statement of shareholders' cash flows	8
Notes to the interim condensed financial statements	9 - 16

**LIMITED REVIEW REPORT TO THE SHAREHOLDERS OF
BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Buruj Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 31 March 2012, the related interim statements of insurance operations, shareholders' comprehensive operations, changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for the three month period then ended and the related notes 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 – 34 "Interim Financial Reporting" (IAS 34) 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.

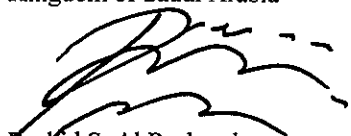
CONCLUSION:

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 IAS 34.

EMPHASIS OF A 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.

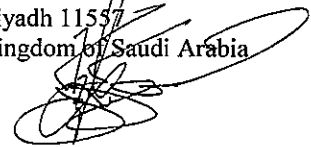
Ernst & Young
P O Box 2732
Riyadh 11461
Kingdom of Saudi Arabia



Rashid S. Al Rashoud
Certified Public Accountant
Registration No. 366

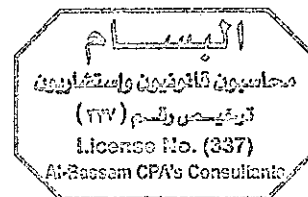


**Al Bassam Certified Public
Accountants & Consultants**
P O Box 69658
Riyadh 11557
Kingdom of Saudi Arabia



Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337

24 Jumada Awal 1433H
(16 April 2012)

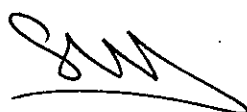


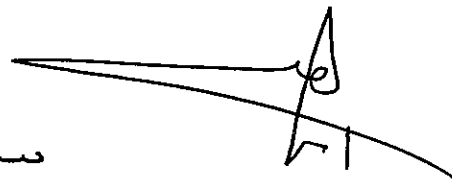
**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	<i>Note</i>	<i>31 March 2012 (Unaudited) SR</i>	<i>31 December 2011 (Audited) SR</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	66,853,924	35,673,588
Premiums and reinsurance balances receivable, net		46,002,985	37,771,509
Reinsurers' share of outstanding claims		18,016,879	16,422,034
Prepayments and other assets		2,977,934	1,316,622
Deferred policy acquisition costs		10,607,218	7,616,181
Reinsurers' share of unearned premiums		16,256,455	12,804,232
Property and equipment, net		4,932,727	5,228,188
TOTAL INSURANCE OPERATIONS' ASSETS		165,648,122	116,832,354
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	34,783,289	33,379,381
Available for sale investments	6	33,051,351	34,170,224
Due from insurance operations		7,940,622	11,553,307
Prepayments and other assets		1,009,124	822,348
Statutory deposit	7	13,110,708	13,000,000
TOTAL SHAREHOLDERS' ASSETS		89,895,094	92,925,260
TOTAL ASSETS		255,543,216	209,757,614





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

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2012

	<i>Note</i>	<i>31 March 2012 (Unaudited) SR</i>	<i>31 December 2011 (Audited) SR</i>
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims		34,220,166	33,758,195
Reinsurance and insurance balances payable		24,441,875	15,536,104
Accrued expenses and other liabilities		4,332,400	4,008,156
Employees' end of service benefits		955,867	793,421
Due to shareholders' operations		7,940,622	11,553,307
Unearned reinsurance commission		4,553,316	3,410,350
Gross unearned premiums		86,759,213	45,328,158
Premium deficiency and other reserves		2,444,663	2,444,663
TOTAL INSURANCE OPERATIONS' LIABILITIES		165,648,122	116,832,354
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		130,000,000	130,000,000
Accumulated losses		(48,803,472)	(44,766,205)
Change in fair values of available for sale investments	6 (iii)	278,945	(104,897)
Total shareholders' equity		81,475,473	85,128,898
Shareholders' liabilities			
Zakat payable		6,172,082	5,852,347
Accrued expenses and other liabilities		2,174,968	1,869,311
Due to a related party	8	72,571	74,704
Total shareholders' liabilities		8,419,621	7,796,362
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		89,895,094	92,925,260
TOTAL LIABILITIES AND EQUITY		255,543,216	209,757,614

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS (UNAUDITED)

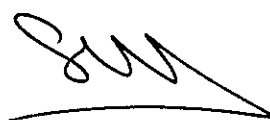
	<i>For the three month period ended</i>	
	<i>31 March 2012</i>	<i>31 March 2011</i>
	<i>SR</i>	<i>SR</i>
Gross written premiums	71,739,752	30,135,066
Reinsurance premiums ceded	(11,864,068)	(10,305,810)
Excess of loss premiums	(3,833,741)	(791,647)
NET PREMIUMS WRITTEN	56,041,943	19,037,609
Movement in unearned premiums, net	(37,978,832)	(11,610,630)
NET PREMIUMS EARNED	18,063,111	7,426,979
Reinsurance commission income	2,114,672	1,517,782
Policy fees	90,918	105,062
TOTAL REVENUES	20,268,701	9,049,823
Gross claims paid	(17,078,170)	(11,975,365)
Reinsurance share of claims paid	3,065,582	6,452,095
NET CLAIMS PAID	(14,012,588)	(5,523,270)
Movement in outstanding claims, net	1,132,874	192,403
NET CLAIMS INCURRED	(12,879,714)	(5,330,867)
Policy acquisition costs	(4,277,834)	(1,834,132)
Inspection and supervision fees	(355,696)	(140,399)
Other underwriting expenses	(76,553)	-
TOTAL UNDERWRITING COSTS	(17,589,797)	(7,305,398)
NET UNDERWRITING SURPLUS	2,678,904	1,744,425
General and administrative expenses	(7,442,532)	(6,109,927)
Reversal of / (allowance for) doubtful debts	1,150,438	(1,596,607)
Special commission income from time deposits	5,003	17,810
Loss on disposal of property and equipment	(2,682)	-
NET DEFICIT FROM INSURANCE OPERATIONS	(3,610,869)	(5,944,299)
Net deficit transferred to shareholders' operations	3,610,869	5,944,299
NET RESULT FOR THE PERIOD	-	-

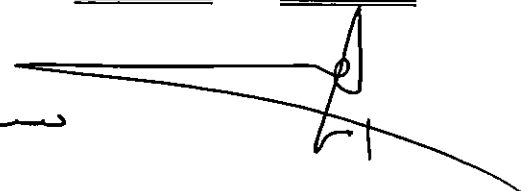
The accompanying notes 1 to 11 form part of these interim condensed financial statements.

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS
(UNAUDITED)

	Note	<i>For the three month period ended</i>	
		<i>31 March 2012</i>	<i>31 March 2011</i>
		<i>SR</i>	<i>SR</i>
Net deficit transferred from insurance operations		(3,610,869)	(5,944,299)
EXPENSES			
General and administrative		(459,006)	(448,013)
LOSS FROM OPERATIONS		(4,069,875)	(6,392,312)
Special commission income from time deposits	5	57,700	243,474
Special commission income from available for sale investments		267,311	129,886
Realized gain from available for sale investments		27,332	-
Other income		-	104,337
LOSS BEFORE ZAKAT		(3,717,532)	(5,914,615)
Zakat		(319,735)	(398,537)
NET LOSS FOR THE PERIOD		(4,037,267)	(6,313,152)
OTHER COMPREHENSIVE (INCOME) LOSS:			
Change in fair values of available for sale investments	6	383,842	(496,206)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(3,653,425)	(6,809,358)
BASIC AND DILUTED LOSS PER SHARE FOR THE PERIOD	9	(0.31)	(0.49)





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

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)**

For the Three Month Period Ended 31 March 2012

	<i>Share Capital SR</i>	<i>Accumulated losses SR</i>	<i>Change in fair values of available for sale investments SR</i>	<i>Total SR</i>
Balance as at 1 January 2011	130,000,000	(28,991,698)	-	101,008,302
Net loss for the period	-	(6,313,152)	-	(6,313,152)
Other comprehensive loss for the period	-	-	(496,206)	(496,206)
<i>Total comprehensive loss for the period</i>	-	(6,313,152)	(496,206)	(6,809,358)
Balance as at 31 March 2011	130,000,000	(35,304,850)	(496,206)	94,198,944
Balance as at 1 January 2012	130,000,000	(44,766,205)	(104,897)	85,128,898
Net loss for the period	-	(4,037,267)	-	(4,037,267)
Other comprehensive income for the period	-	-	383,842	383,842
<i>Total comprehensive loss for the period</i>	-	(4,037,267)	383,842	(3,653,425)
Balance as at 31 March 2012	130,000,000	(48,803,472)	278,945	81,475,473

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS (UNAUDITED)

	<i>For the three month period ended</i>	
	<i>31 March 2012</i>	<i>31 March 2011</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net deficit from insurance operations	(3,610,869)	(5,944,299)
<i>Adjustments for:</i>		
Depreciation	431,935	389,361
Employees' end of service benefits	162,446	148,609
(Reversal of) / allowance for doubtful debts	(1,150,438)	1,596,607
Special commission income from time deposits	(5,003)	(17,810)
Loss on disposal of property and equipment	2,682	-
Net deficit before changes in operating assets and liabilities	(4,169,247)	(3,827,532)
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurance balances receivable	(7,081,038)	(18,549,017)
Reinsurers' share of outstanding claims	(1,594,845)	(12,555,794)
Prepayments and other assets	(1,661,312)	(590,622)
Deferred policy acquisition costs	(2,991,037)	(1,320,777)
Reinsurers' share of unearned premiums	(3,452,223)	(4,946,274)
Gross outstanding claims	461,971	12,363,391
Reinsurance and insurance balances payable	8,905,771	8,997,406
Accrued expenses and other liabilities	324,244	593,696
Unearned commission income	1,142,966	1,614,073
Gross unearned premiums	41,431,055	16,556,904
<i>Cash from (used in) operating activities</i>	31,316,305	(1,664,546)
Employees' end of service benefits paid	-	(444,430)
Net cash from (used in) operating activities	31,316,305	(2,108,976)
INVESTING ACTIVITIES		
Purchase of property and equipment	(139,156)	(174,750)
Special commission income from time deposits	5,003	17,810
Net cash used in investing activities	(134,153)	(156,940)
FINANCING ACTIVITY		
Due to shareholders' operations	(1,816)	2,882,022
Net cash (used in) from financing activity	(1,816)	2,882,022
INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	35,673,588	20,445,582
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	66,853,924	21,061,688

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

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)

	Note	<i>For the three month period ended</i>	
		<i>31 March 2012</i>	<i>31 March 2011</i>
		SR	SR
OPERATING ACTIVITIES			
Loss before zakat		(3,717,532)	(5,914,615)
<i>Adjustments for:</i>			
Net deficit transferred from insurance operations		3,610,869	5,944,299
Special commission income from time deposits		(57,700)	(243,474)
Special commission income from available for sale investments		(267,311)	(129,886)
Realised gain from available for sale investments		(27,332)	-
Net deficit before changes in operating assets and liabilities		(459,006)	(343,676)
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		(186,776)	(981,215)
Statutory deposit		(110,708)	-
Accrued expenses and other liabilities		305,657	356,158
Due to a related party		(2,133)	51,531
Net cash used in operating activities		(452,966)	(917,202)
INVESTING ACTIVITIES			
Special commission income from time deposits		57,700	243,474
Special commission income from available for sale investments		267,311	129,886
Realized gain from available for sale investments		27,332	-
Purchase of available for sale investments	6	(3,562,500)	(20,911,215)
Sale of available for sale investments	6	5,065,215	-
Net cash from (used in) investing activities		1,855,058	(20,537,855)
FINANCING ACTIVITIES			
Due from insurance operations		1,816	(2,882,022)
Net cash from (used in) from financing activities		1,816	(2,882,022)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		1,403,908	(24,337,079)
Cash and cash equivalents at the beginning of the period		33,379,381	87,486,216
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	<u>34,783,289</u>	<u>63,149,137</u>
<i>Non-cash transaction:</i>			
Net change in fair values of available for sale investments		278,945	(496,206)

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

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)**

31 March 2012

1 ORGANISATION AND PRINCIPAL ACTIVITIES

Buruj Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010280606 dated 10 Safar 1431H, corresponding to 26 January 2010. The registered office address of the Company is P O Box 51855, Riyadh 11553, Kingdom of Saudi Arabia. The objective of the Company is to transact cooperative insurance business and related activities in the Kingdom of Saudi Arabia. Its principal lines of business include all classes of general insurance. The Company was listed on the Tadawul (the Saudi Arabian Stock Market) on 15 February 2010.

The Company was licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree numbered 72/M dated 28 Shawal 1429H (corresponding to 29 October 2008), pursuant to Council of Ministers resolution numbered 313 dated 27 Shawal 1429H (corresponding to 28 October 2008).

On 15 Jumada Thani 1431H (corresponding to 29 May 2010), the Saudi Arabian Monetary Agency ("SAMA") issued a formal approval to transact insurance business.

The Company launched its insurance operations on 1 July 2010 after receipt of an authorisation from SAMA to commence insurance operations as product approval and related formalities were completed.

2 DEFICIT TRANSFERRED TO SHAREHOLDERS' OPERATIONS

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by the Saudi Arabian Monetary Agency ("SAMA").

However, the insurance operations incurred a net deficit for the three month period ended 31 March 2012. Accordingly, the net deficit amounting to SR 3.6 million (31 March 2011: SR 5.9 million) has been transferred to the shareholders' operations

3 BASIS OF PREPARATION

Basis of measurement

The financial statements have been prepared under the historical cost basis except for the measurement at fair value of "available for sale investments".

Statement of compliance

The accompanying interim condensed financial statements for the three month period ended 31 March 2012 (the "period") are prepared in accordance with IAS 34 – Interim Financial Reporting, do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 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 periods presented.

The interim results may not be indicative of the Company's annual results.

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

4 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The significant accounting policies adopted in the preparation of these 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 2011.

The Company has chosen not to early adopt the following new standards and amendment, which are effective for the Company's financial years starting 2013 and thereafter:

- | | |
|-----------------------------------|---|
| - IAS 1 Amendment | Presentation of items of other comprehensive income |
| - IFRS 13 | Fair value measurement |
| - IAS 19 (revised 2011) | Employee benefits |
| - Amendments to IAS 32 and IFRS 7 | Financial instruments on asset and liability offsetting |

In addition to the above, the Company has chosen not to adopt IFRS 9 (2010) – Financial instruments, which has been published and may also be early adopted, but will not be effective until January 1, 2015.

The management is currently assessing the implication of the above standards and amendments and the timing of adoption.

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

5 CASH AND CASH EQUIVALENTS

	<i>31 March 2012 (Unaudited)</i>		<i>31 December 2011 (Audited)</i>	
	<i>Insurance operations</i>	<i>Shareholders' operations</i>	<i>Insurance operations</i>	<i>Shareholders' operations</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cash in hand and at banks	48,809,087	8,213,828	20,233,581	6,843,488
Time deposits	18,044,837	26,569,461	15,440,007	26,535,893
Cash and cash equivalents	66,853,924	34,783,289	35,673,588	33,379,381

Time deposits represent deposits with local banks which have investment grade credit ratings, as rated by international rating agencies.

Time deposits are denominated either in Saudi Riyals or currencies pegged to the Saudi Riyal, are subject to an average commission rate of 0.66% (2010: 0.37%) per annum during the period and have a original maturities of three months or less.

6 AVAILABLE FOR SALE INVESTMENTS

- (i) Available for sale investments comprise of various bonds and sukuk issued by banks and corporates in the Gulf Cooperative Council countries amounting to SR 31,128,273 (31 December 2011: SR 32,247,146) and is managed by a financial institution who has an investment grade credit rating, as rated by international rating agencies.
- (ii) Available for sale investments also comprise of an investment amounting to SR 1,923,078 (31 December 2011: SR 1,923,078) in an unquoted Company, registered in the Kingdom of Saudi Arabia. As there is no quoted price available, this investment has been valued at cost. Management is of the opinion that the fair market value of this investment is not materially different from its carrying value.
- (iii) The movement during the period in available for sale investments is as follows:

	<i>31 March 2012 (Unaudited) SR</i>	<i>31 December 2011 (Audited) SR</i>
At the beginning of the year	34,275,121	-
Purchased during the period / year	3,562,500	38,001,783
Sold during the period / year	(5,065,215)	(3,726,662)
	32,772,406	34,275,121
Change in fair values	278,945	(104,897)
At the end of the period / year	33,051,351	34,170,224

The cumulative change in fair values of available for sale investments amounting to SR 278,945 (31 December 2011: SR (104,897)) is presented within shareholders' equity in the interim statement of financial position.

7 STATUTORY DEPOSIT

Statutory deposit amounting to SR 13,000,000 represents 10% of the paid up capital of the Company which is maintained with a bank designated by SAMA in accordance with The Cooperative Insurance Companies Control Law for insurance companies. This statutory deposit cannot be withdrawn without the consent of SAMA. Accrued interest amounting to SR 110,708 has been included under statutory deposit and accrued expenses and other liabilities.

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) *The following are the details of major related party transactions during the period and the related balances at the end of the period:*

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>		<i>Balance as at</i>	
		<i>For the three month period ended 31 March 2012 (Unaudited) SR</i>	<i>For the three month period ended 31 March 2011 (Unaudited) SR</i>	<i>31 March 2012 (Unaudited) SR</i>	<i>31 December 2011 (Audited) SR</i>
Shareholders	Gross written premiums	8,544,926	6,843,139		
	Reinsurance premium ceded	913,967	309,659		
	Claims incurred on insurance Policies	6,801,641	2,896,244		
	General and administrative Expenses	-	51,563	72,571	(74,704)
Directors and committees' members	Board of directors and committees' meeting fees and expenses	285,000	285,000		
	Gross written premiums	110,650	-		
	Insurance brokerage contracts	534,400	513,987		

b) *Compensation of key management personnel*

Key management personnel of the Company include all executive and non-executive directors, and other senior management personnel. The summary of compensation of key management personnel for the period is as follows:

	<i>For the three month period ended 31 March 2012 SR</i>	<i>For the three month period ended 31 March 2011 SR</i>
Short-term benefits	775,005	636,763
End of service benefits	32,923	32,581
	807,928	669,344

9 BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share for the period has been calculated by dividing net loss for the period by 13 million ordinary, issued and outstanding shares at the period end.

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

10 SEGMENT INFORMATION

Consistent with the Company's internal reporting process, operating 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, allowance for doubtful debts, special commission income and gains on disposal of property and equipment.

Segment assets do not include insurance operations' property and equipment, prepayments and other assets, due from related parties, premiums receivable, reinsurance balances receivable and cash and cash equivalents. Accordingly they are included in unallocated assets.

Segment liabilities do not include insurance operations' due to shareholders operations, employees' end of service benefits, insurance and reinsurance balances payable, accrued expenses and other liabilities. Accordingly they are included in unallocated liabilities.

Shareholders' Funds is a non-operating segment. Income earned from time deposits and income from available for sale investments is the only revenue generating activity. Certain direct operating expenses, other overhead expenses and the loss or surplus from insurance operations' are allocated to this segment on an appropriate basis.

Operating segments

*For the three month period
ended 31 March
2012 (Unaudited)*

	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	5,110,555	56,429,766	6,071,840	610,005	3,517,586	71,739,752
Reinsurance premiums ceded	(4,591,743)	(2,595)	(4,015,414)	(304,387)	(2,949,929)	(11,864,068)
Excess of loss premiums	(53,995)	(3,580,491)	(176,867)	-	(22,388)	(3,833,741)
Net premiums written	464,817	52,846,680	1,879,559	305,618	545,269	56,041,943
Movement in unearned premiums, net	(294,430)	(36,699,841)	(559,688)	(282,518)	(142,355)	(37,978,832)
Net premiums earned	170,387	16,146,839	1,319,871	23,100	402,914	18,063,111
Reinsurance commission income	576,784	(90,270)	1,239,533	-	388,625	2,114,672
Policy fees	5,235	25,895	55,013	-	4,775	90,918
Total revenues	752,406	16,082,464	2,614,417	23,100	796,314	20,268,701
Net claims paid	(94,624)	(13,638,048)	(111,082)	(1,287)	(167,547)	(14,012,588)
Movement in outstanding claims, net	(58,673)	1,908,794	(1,213,962)	(45,758)	542,473	1,132,874
Net claims incurred	(153,297)	(11,729,254)	(1,325,044)	(47,045)	374,926	(12,879,714)
Policy acquisition costs	(295,808)	(3,427,205)	(363,495)	(3,913)	(187,413)	(4,277,834)
Inspection and supervision fees	(19,197)	(282,055)	(28,664)	(9,150)	(16,630)	(355,696)
Other underwriting expenses	-	(73,329)	-	(3,224)	-	(76,553)
Total underwriting costs	(468,302)	(15,511,843)	(1,717,203)	(63,332)	170,883	(17,589,797)
Net underwriting surplus	284,104	570,621	897,214	(40,232)	967,197	2,678,904
Unallocated expenses						(7,445,214)
Unallocated income						1,155,441
Net deficit from insurance operations						(3,610,869)

BURUJ COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

10 SEGMENT INFORMATION (continued)

Operating segments

For the three month period
ended 31 March
2011 (Unaudited)

	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	4,783,494	17,180,004	4,859,854	3,311,714	30,135,066
Reinsurance premiums ceded	(4,337,240)	(104,312)	(3,223,793)	(2,640,465)	(10,305,810)
Excess of loss premiums	(110,761)	(286,418)	(369,202)	(25,266)	(791,647)
Net premiums written	335,493	16,789,274	1,266,859	645,983	19,037,609
Movement in unearned premiums, net	(292,425)	(10,215,647)	(767,485)	(335,073)	(11,610,630)
Net premiums earned	43,068	6,573,627	499,374	310,910	7,426,979
Reinsurance commission income	417,981	25,253	693,785	380,763	1,517,782
Policy fees	6,392	35,649	55,966	7,055	105,062
Total revenues	467,441	6,634,529	1,249,125	698,728	9,049,823
Net claims paid	(230,495)	(5,071,117)	(178,012)	(43,646)	(5,523,270)
Movement in outstanding claims, net	(398,154)	138,214	477,605	(25,262)	192,403
Net claims incurred	(628,649)	(4,932,903)	299,593	(68,908)	(5,330,867)
Policy acquisition costs	(191,769)	(1,211,392)	(260,908)	(170,063)	(1,834,132)
Inspection and supervision fees	(16,228)	(85,307)	(23,218)	(15,646)	(140,399)
Total underwriting costs	(836,646)	(6,229,602)	15,467	(254,617)	(7,305,398)
Net underwriting surplus	(369,205)	404,927	1,264,592	444,111	1,744,425
Unallocated expenses					(7,706,534)
Unallocated income					17,810
Net deficit from insurance operations					(5,944,299)

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

10 SEGMENT INFORMATION (continued)

Operating segments

As at 31 March 2012 (Unaudited)

	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
ASSETS						
Reinsurers' share of unearned premiums	5,706,561	305,990	4,015,414	281,431	5,947,059	16,256,455
Reinsurers' share of outstanding claims	4,376,230	2,728,670	5,747,770	106,772	5,057,437	18,016,879
Deferred policy acquisition costs	680,274	8,640,525	568,277	45,271	672,871	10,607,218
SEGMENT ASSETS						44,880,552
Unallocated assets						120,767,570
TOTAL ASSETS						165,648,122
LIABILITIES						
Gross unearned premiums	6,256,635	66,701,549	6,071,841	563,949	7,165,239	86,759,213
Gross outstanding claims	5,060,451	14,808,526	8,512,755	152,530	5,685,904	34,220,166
Unearned commission income	1,377,003	43,050	1,500,779	-	1,632,484	4,553,316
Premium deficiency and other reserves	100,000	2,344,663	-	-	-	2,444,663
SEGMENT LIABILITIES	12,794,089	83,897,788	16,085,375	716,479	14,483,627	127,977,358
Unallocated liabilities						37,670,764
TOTAL LIABILITIES						165,648,122

Operating segments

As at 31 December 2011 (Audited)

	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
ASSETS					
Reinsurers' share of unearned premiums	3,673,867	617,816	3,488,822	5,023,727	12,804,232
Reinsurers' share of outstanding claims	2,759,849	2,322,877	3,376,316	7,962,992	16,422,034
Deferred policy acquisition costs	364,176	6,416,437	363,494	472,074	7,616,181
SEGMENT ASSETS	6,797,892	9,357,130	7,228,632	13,458,793	36,842,447
Unallocated assets					79,989,907
TOTAL ASSETS					116,832,354
LIABILITIES					
Gross unearned premiums	3,929,511	30,313,534	4,985,561	6,099,552	45,328,158
Gross outstanding claims	3,385,397	16,311,527	4,927,339	9,133,932	33,758,195
Unearned commission income	855,101	83,473	1,239,534	1,232,242	3,410,350
Premium deficiency and other reserves	100,000	2,344,663	-	-	2,444,663
SEGMENT LIABILITIES	8,270,009	49,053,197	11,152,434	16,465,726	84,941,366
Unallocated liabilities					31,890,988
TOTAL LIABILITIES					116,832,354

**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 March 2012

11 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 24 Jumada Al-Awal 1433H, (corresponding to 16 April 2012).