

**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS**

**FOR THE THREE MONTH AND NINE MONTH
PERIODS ENDED 30 SEPTEMBER 2010**

REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

Scope of review

We have reviewed the accompanying interim statement of financial position of Bupa Arabia For Cooperative Insurance Company – A Saudi Joint Stock Company ('the Company') as at 30 September 2010, and the related interim statements of insurance operations and accumulated surplus, shareholders' operations and comprehensive income for the three month and nine month periods then ended and the related statements of insurance operations' cash flows, shareholders' cash flows and changes in shareholders' equity for the nine month period then ended. 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 and submitted to us together with all the information and explanations which we required.

The comparative figures shown in these interim condensed financial statements were audited / reviewed by Ernst & Young and another auditor, whose audit / review reports contained an unqualified opinion / conclusion with an emphasis of matter paragraph similar to that set out below.

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 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 matter

We draw attention to the fact that 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.

for Ernst & Young



Ahmed I. Reda
Certified Public Accountant
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9 Thul-Quada 1431 H
17 October 2010



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	<i>Note</i>	30 September 2010 (Unaudited) SR'000	31 December 2009 (Audited) SR'000
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	4	220,168	444,162
Investments	5	254,324	-
Prepaid expenses and other assets		25,620	28,823
Premiums receivable, net		102,346	64,732
Premiums written not invoiced, net		563,471	342,666
Deferred policy acquisition costs		15,005	14,764
Total insurance operations' assets		1,180,934	895,147
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	4	13,631	308,789
Investments	5	296,453	-
Accrued income		-	613
Amount due from insurance operations		28,974	39,580
Goodwill	1&3	98,000	98,000
Furniture, fittings and equipment		39,085	21,025
Statutory deposit	6	40,000	40,000
Total shareholders' assets		516,143	508,007
TOTAL ASSETS		1,697,077	1,403,154

Chairman

Chief Financial Officer

Director and Chief Executive Officer

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

At 30 September 2010

	<i>Note</i>	30 September 2010 (Unaudited) SR'000	31 December 2009 (Audited) SR'000
INSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Insurance operations' liabilities:			
Unearned premiums		789,545	522,517
Outstanding claims	7	296,558	275,259
Reinsurance balance payable		913	89
Accrued expenses and other liabilities		53,777	51,750
Amount due to shareholders' operations		28,974	39,580
Policyholders' share of surplus from insurance operations		11,167	5,952
Total insurance operations' liabilities and surplus		1,180,934	895,147
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Accrued expenses and other liabilities		14,331	11,336
Accrued Zakat and income tax	9	4,965	10,318
Amount due to a related party in respect of goodwill	1&3(b)	20,990	49,000
Total shareholders' liabilities		40,286	70,654
Shareholders' equity			
Share capital		400,000	400,000
Statutory reserve		9,534	9,534
Retained earnings		66,323	27,819
Shareholders' equity		475,857	437,353
Total shareholders' liabilities and equity		516,143	508,007
TOTAL LIABILITIES, INSURANCE OPERATIONS' SURPLUS AND SHAREHOLDERS' EQUITY		1,697,077	1,403,154


Chairman


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Director and Chief Executive Officer

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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS AND ACCUMULATED SURPLUS
For the three month and nine month periods ended 30 September 2010

	Note	<i>Three month period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
		<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>
REVENUE					
Gross written premiums		388,184	322,505	1,440,542	1,119,382
Premiums ceded		(811)	-	(2,324)	-
Net written premiums		387,373	322,505	1,438,218	1,119,382
Movement in net unearned premiums		27,844	(7,501)	(267,028)	(255,645)
Net earned premiums		415,217	315,004	1,171,190	863,737
CLAIMS					
Net claims incurred	7	293,222	228,337	951,542	701,312
NET UNDERWRITING RESULT		121,995	86,667	219,648	162,425
INVESTMENT INCOME		342	308	758	2,146
OTHER INCOME		103	-	359	3
EXPENSES					
Selling and marketing	11	(32,480)	(27,961)	(95,655)	(73,410)
General and administration		(25,017)	(16,728)	(72,961)	(53,584)
SURPLUS FROM INSURANCE OPERATIONS		64,943	42,286	52,149	37,580
Shareholders' share of surplus from insurance operations		(59,728)	(38,057)	(46,934)	(33,822)
Policyholders' share of surplus from insurance operations		5,215	4,229	5,215	3,758


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS

For the three month and nine month periods ended 30 September 2010

	<i>Three month period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>
REVENUE				
Shareholders' share of surplus from insurance operations	59,728	38,057	46,934	33,822
EXPENSES				
General and administration	(1,030)	(1,865)	(3,558)	(5,005)
	58,698	36,192	43,376	28,817
Investment income	305	1,098	1,058	4,935
NET INCOME FOR THE PERIOD	59,003	37,290	44,434	33,752
Weighted average number of ordinary shares outstanding (in thousands)	40,000	40,000	40,000	40,000
Basic earning per share (in Saudi Riyals)	1.48	0.93	1.11	0.84


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three month and nine month periods ended 30 September 2010

	<i>Three month period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>
NET INCOME FOR THE PERIOD	59,003	37,290	44,434	33,752
Other comprehensive income/(expense)	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	59,003	37,290	44,434	33,752


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS

For the nine month period ended 30 September 2010

	Note	Nine month period ended 30 September	
		2010 (Unaudited) SR'000	2009 (Unaudited) SR'000
OPERATING ACTIVITIES			
Share of policyholders' surplus for the nine month period		5,215	3,758
Adjustment for:			
Net movement in unearned premiums		267,028	255,645
Premiums written not invoiced, net		(220,805)	(195,107)
Deferred policy acquisition costs		(241)	(1,614)
Unrealised gain on trading investments	5	(359)	-
		<u>50,838</u>	<u>62,682</u>
Changes in assets and liabilities:			
Premiums receivable, net		(37,614)	(13,299)
Prepaid expenses and other assets		3,203	(8,141)
Outstanding claims		21,299	83,729
Due to shareholders' operations		(10,606)	36,718
Reinsurance balance payable		824	-
Accrued expenses and other liabilities		2,027	5,941
		<u>29,971</u>	<u>167,630</u>
INVESTING ACTIVITIES			
Cash and cash equivalents acquired	3	-	251,400
Purchase of investments	5	(253,965)	-
Time deposits		-	(16,512)
		<u>(253,965)</u>	<u>234,888</u>
Net cash (used in) / from investing activities			
		<u>(253,965)</u>	<u>234,888</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(223,994)</u>	<u>402,518</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		<u>444,162</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	<u><u>220,168</u></u>	<u><u>402,518</u></u>
MAJOR NON-CASH TRANSACTIONS:			
Assets acquired	3	-	332,400
Liabilities taken over	3	-	601,712


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The accompanying notes 1 to 12 form an integral part of three interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS

For the nine month period ended 30 September 2010

	Note	<i>Nine month period ended 30 September</i>	
		<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>
OPERATING ACTIVITIES			
Net comprehensive income for the nine month period		44,434	33,752
Adjustment for:			
Depreciation		8,695	4,219
Unrealised gain on trading investments	5	(418)	-
		<u>52,711</u>	<u>37,971</u>
Changes in assets and liabilities:			
Accrued income		613	(454)
Accrued expenses and other liabilities		2,995	10,494
Amount due from a related party		-	(5,097)
Amount due to a related party		-	4,367
Due from insurance operations		10,606	(36,718)
Zakat and income tax paid		(11,283)	-
Net cash from operating activities		<u>55,642</u>	<u>10,563</u>
INVESTING ACTIVITIES			
Purchase of furniture, fittings and equipment		(26,755)	(6,082)
Increase in time deposits		-	(233,084)
Purchase of investments	5	(296,035)	-
Amount paid to related party in respect of goodwill		(28,010)	(49,000)
Net cash used in investing activities		<u>(350,800)</u>	<u>(288,166)</u>
DECREASE IN CASH AND CASH EQUIVALENTS		(295,158)	(277,603)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		308,789	291,218
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	<u>13,631</u>	<u>13,615</u>
MAJOR NON-CASH TRANSACTIONS:			
Assets acquired	3	-	17,912
Goodwill on acquisition	1&3	-	98,000


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine month period ended 30 September 2010

	<i>Note</i>	<i>Share capital SR'000</i>	<i>Statutory reserve SR'000</i>	<i>Retained earnings SR'000</i>	<i>Total SR'000</i>
Balance at 31 December 2009 (Audited)		400,000	9,534	27,819	437,353
Total comprehensive income for the nine month period ended 30 September 2010		-	-	44,434	44,434
Zakat for the nine month period ended 30 September 2010	9	-	-	(5,930)	(5,930)
Balance at 30 September 2010 (Unaudited)		400,000	9,534	66,323	475,857
	<i>Note</i>	<i>Share capital SR'000</i>	<i>Statutory reserve SR'000</i>	<i>Retained earnings SR'000</i>	<i>Total SR'000</i>
Balance at 31 December 2008 (Audited)		400,000	-	(10,061)	389,939
Total comprehensive income for the nine month period ended 30 September 2009		-	-	33,752	33,752
Zakat for the nine month period ended 30 September 2009	9	-	-	(7,135)	(7,135)
Balance at 30 September 2009 (Unaudited)		400,000	-	16,556	416,556


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2010

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

Bupa Arabia For Cooperative Insurance Company (“the Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per Ministry of Commerce and Industry’s Resolution number 138/K dated 24 Rabi Thani 1429 H (corresponding to 1 May 2008). The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/74 dated 29 Shabaan 1428 H (corresponding to 11 September 2007) pursuant to the Council of Ministers’ Resolution No 279 dated 28 Shabaan 1428 H (corresponding to 10 September 2007). The Company is 73.75% owned by Saudi founding shareholders and the general public and 26.25% owned by non-Saudi founding shareholders.

The objective of the Company is to transact cooperative insurance operations and related services in accordance with its Articles of Association, and applicable regulations in the Kingdom of Saudi Arabia. The Company underwrites medical insurance only.

On 31 December 2008, the Company entered into an agreement with Bupa Middle East Limited E.C. (the Seller) pursuant to which it acquired the Seller’s insurance operations in the Kingdom of Saudi Arabia, effective from 1 January 2009, at a goodwill amount of SR 98 million, as approved by the Saudi Arabian Monetary Agency (SAMA), along with related insurance assets and liabilities of an equivalent amount (see note 3). 50% of the amount in respect of the goodwill was paid to the seller during 2009. In accordance with the instructions of SAMA, the remaining 50% is to be paid subsequent to 2009, out of the Company’s profits for those years, after obtaining SAMA’s approval. During 2010, the Company paid an additional payment of SR 28,010 thousands, after obtaining approval from SAMA, (see note 3(b)).

As required by Saudi Arabian insurance regulations, the Company maintains separate books of account for Insurance Operations and Shareholders’ Operations. The physical custody of all assets related to the Insurance Operations and Shareholders’ Operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective books of account. The basis of allocation of expenses from joint operations is determined by the management and Board of Directors.

As per the by-laws of the Company, Surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders’ operations	90%
Transfer to Policyholders’ payable	10%
	<u>100%</u>

In accordance with Article 70 of the SAMA Implementing Regulations, the Company will distribute its annual net policyholders’ surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors and provided the customer contract is active and paid up to date at the time of settlement of the cooperative distribution amount.

The Registered Office address of the Company is situated at No 1, Rawdah Street, Al Khaledeyyah District, Jeddah (P.O. Box 23807, Jeddah 21436), Kingdom of Saudi Arabia.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are in accordance with International Financial Reporting Standards and are consistent with those used for the preparation of annual financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2010

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

These interim condensed financial statements for the nine month period ended 30 September 2010 ('the period') should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2009. In the opinion of management, 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 condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards.

The interim condensed financial statements are presented in Saudi Arabian Riyals, being the functional currency of the Company, and have been rounded off to the nearest thousand. The Company's interim results may not be indicative of its annual results.

Investments

Investments are classified as fair value through statement of income (FVIS), if the fair value of the investment can be reliably measured and the classification as FVIS is as per the documented strategy of the Company. Investments classified as FVIS are initially recognised at cost, being the fair value of the consideration given. Subsequently such investments are remeasured at fair value with all changes in fair value being recorded in the interim statement of insurance operations and accumulated surplus and statement of shareholders' operations.

3 TRANSFER OF PORTFOLIO

- (a) As stated in note 1, the value of assets and liabilities acquired from the Seller, as at 1 January 2009, as per the valuation approved by SAMA, were as follows:

	<i>SR'000</i>
ASSETS	
Furniture, fittings and equipment	17,912
Deferred policy acquisition costs	13,702
Premiums written not invoiced, net	247,163
Premiums receivable, net	64,400
Amounts due from a related party	1,474
Other assets	5,661
Cash and cash equivalents	251,400
Total assets transferred	<u>601,712</u>
LIABILITIES	
Unearned premiums	380,620
Outstanding claims	190,894
Other liabilities and provision	30,198
Total liabilities transferred	<u>601,712</u>
NET ASSET TRANSFERRED	<u><u>-</u></u>

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2010

3 TRANSFER OF PORTFOLIO (continued)

(b) Amount payable to the Seller (related party) in respect of goodwill:

	<i>Nine month period ended 30 September 2010 (Unaudited) SR'000</i>	<i>31 December 2009 (Audited) SR'000</i>
Balance as at the beginning of the period/year	49,000	-
Value of goodwill	-	98,000
Paid during the period/year (note 1)	(28,010)	(49,000)
Balance at the end of the period/year	<u>20,990</u>	<u>49,000</u>

4 CASH AND CASH EQUIVALENTS

	<i>30 September 2010 (Unaudited) SR'000</i>	<i>31 December 2009 (Audited) SR'000</i>
<i>Insurance Operations</i>		
Cash in bank	110,140	190,662
Short-term deposits	110,028	253,500
	<u>220,168</u>	<u>444,162</u>
<i>Shareholders' Operations</i>		
Cash in bank	13,631	13,615
Short-term deposits	-	295,174
	<u>13,631</u>	<u>308,789</u>

At 30 September 2010, bank balances, relating to insurance operations, amounting to SR 86.7 million (2009: SR 190.4 million) are held in the name of a related party of the Company, on behalf of the Company.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2010

5 INVESTMENTS

The carrying amount of the investments, classified as FVIS, at 30 September 2010 was as follows:

	<i>30 September 2010 (Unaudited) SR'000</i>	<i>31 December 2009 (Audited) SR'000</i>
<i>Units in open ended mutual fund</i>		
Insurance operations	254,324	-
Shareholders' operations	296,453	-
	<u>550,777</u>	<u>-</u>

The above investments represent units of an open ended mutual fund, denominated in Saudi Riyals.

The movement in the investments during the nine month period ended 30 September 2010 and year ended 31 December 2009 is as follows:

	<i>30 September 2010 (Unaudited) SR'000</i>	<i>31 December 2009 (Audited) SR'000</i>
<i>Insurance operations</i>		
Purchased during the period/year	253,965	-
Unrealised gain during the period/year	359	-
	<u>254,324</u>	<u>-</u>
<i>Shareholders' operations</i>		
Purchased during the period/year	296,035	-
Unrealised gain during the period/year	418	-
	<u>296,453</u>	<u>-</u>

6 STATUTORY DEPOSIT

As required by Saudi Arabian Insurance Regulations, the Company deposited 10% of its paid up share capital, amounting to SR 40 million, in a bank designated by the SAMA.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2010

7 CLAIMS INCURRED

	<i>Three month period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>	<i>2010 (Unaudited) SR'000</i>	<i>2009 (Unaudited) SR'000</i>
<i>Insurance Operations</i>				
Gross claims paid	302,423	202,070	930,243	617,583
Outstanding claims at the end of the period	296,558	274,623	296,558	274,623
	<u>598,981</u>	<u>476,693</u>	<u>1,226,801</u>	<u>892,206</u>
Outstanding claims at the beginning of the period	(305,759)	(248,356)	(275,259)	(190,894)
	<u>293,222</u>	<u>228,337</u>	<u>951,542</u>	<u>701,312</u>

With effect from 15 December 2009, the Company has entered into an excess of loss (XOL) reinsurance contract with its reinsurers. As at the date of statement of financial position, all the outstanding claims which are covered by XOL reinsurance, are lower than the XOL limit and therefore no reinsurance recovery has been booked in these financial statements.

8 TRANSACTIONS WITH RELATED PARTIES

The following are the details of major related party transaction during the nine month period ended 30 September 2010 and the related balance at the period end:

<i>Related party</i>	<i>Nature of transaction</i>	<i>Amount of transaction</i>	
		<i>SR'000</i>	<i>SR'000</i>
		<i>Nine month period ended 30 September 2010</i>	<i>Nine month period ended 30 September 2009</i>
<i>Shareholders' Operations</i>			
Bupa Middle East Limited E.C. (Affiliate)	Assets acquired (note 3)	-	601,712
	Liabilities taken over (note 3)	-	601,712
	Goodwill acquired (note 3)	-	98,000
	Payments made on behalf of the Affiliate and recharged to the Affiliate	-	5,097
ASAS Health Care Company Limited (ASAS – Affiliate)	Payments made on behalf of the Company and recharged to the Company	(513)	(1,831)

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2010

8 TRANSACTIONS WITH RELATED PARTIES (continued)

<i>Related party</i>	<i>Nature of transaction</i>	<i>Amount of transaction</i>	
		<i>SR'000</i>	<i>SR'000</i>
		<i>Nine month period ended 30 September 2010</i>	<i>Nine month period ended 30 September 2009</i>
Insurance Operations			
Related parties	Premiums written	17,352	7,368
	Claims paid	6,762	5,987
	Provider claims paid	45,104	18,715
	Trade mark fee payable (note 11)	2,424	-
Key management personnel	Short term benefits	7,092	6,679
	Long term benefits	237	348

Amount due to the related party is disclosed in the interim statement of financial position.

9 ZAKAT AND INCOME TAX

The Zakat and income tax payable by the Company has been calculated based on the best estimate of the management and comprise the following:

	<i>30 September 2010 (Unaudited) SR'000</i>	<i>31 December 2009 (Audited) SR'000</i>
Zakat payable	2,483	5,838
Income tax payable	2,482	4,480
Balance at end of the period/year	<u>4,965</u>	<u>10,318</u>

10 SEASONALITY AND SEGMENT INFORMATION

a) SEASONALITY

Due to seasonality of the operations, higher revenues and operating profits are expected in the second half of the year when compared to the first half of the year.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 30 September 2010

10 SEASONALITY AND SEGMENT INFORMATION (continued)

b) SEGMENT INFORMATION

The Company only issues short-term insurance contracts for providing health care services ('medical insurance'). All the insurance operations of the Company are carried out in the Kingdom of Saudi Arabia. For management purposes, the operations are monitored in two customer categories, based on the number of members covered. Major customers represent large corporates, and all others are considered as non-major.

Segment results do not include other income, selling and marketing expenses and general and administration expenses.

Segment assets do not include cash and cash equivalents and prepayments and other assets.

Segment liabilities do not include accruals and other liabilities, amount due to shareholders' operations and policyholders' share of surplus from insurance operations.

Consistent with the Company's internal reporting process, operating segments have been approved by the management in respect of the Company's activities, assets and liabilities as stated below:

	<i>For the nine month period ended 30 September 2010</i>		
	Major SR'000	Non-major SR'000	Total SR'000
Net premiums earned	624,857	546,333	1,171,190
Claims incurred	(540,740)	(410,802)	(951,542)
Unallocated income	-	-	1,117
Unallocated expenses	-	-	(168,616)
Surplus from insurance operations			52,149

	<i>For the nine month period ended 30 September 2010</i>		
	Major SR'000	Non-major SR'000	Total SR'000
Insurance operations' assets			
Premiums receivable, net	62,138	40,208	102,346
Premiums written not invoiced, net	318,538	244,933	563,471
Deferred policy acquisition costs	7,518	7,487	15,005
Unallocated assets	-	-	500,112
Total			1,180,934
Insurance operations' liabilities and surplus			
Unearned premiums	395,567	393,978	789,545
Outstanding claims	168,528	128,030	296,558
Unallocated liabilities and surplus	-	-	94,831
Total			1,180,934

**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2010

11 TRADE MARK FEE

During the three month period ended 30 September 2010, the Company has entered into an agreement with a related party for obtaining a license to use the Trade marks (the word Bupa with or without logo) of the related party. As per the terms of the agreement, the Company is required to pay a lump sum of SR 1,205 thousand and an amount equal to a fixed percentage of gross earned premium thereafter, subject to a maximum of 5% of the Company's profits in any financial year, as trade mark fee. An accrual of SR 2,424 thousand (including the one-off payment of SR 1,205 thousand) has been made in these financial statements (see note 8) in respect of these fees.

12 BOARD OF DIRECTORS' APPROVAL

These financial statements have been approved by the Board of Directors on 17 October 2010.