

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' LIMITED REVIEW REPORT**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDTORS' LIMITED REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015**

INDEX	PAGE
Independent auditors' limited review report	1
Interim statement of financial position	2 - 3
Interim statement of insurance operations	4
Interim statement of shareholders' operations	5
Interim statement of shareholders' comprehensive income	6
Interim statement of changes in shareholders' equity	7
Interim statement of insurance operations' cash flows	8
Interim statement of shareholders' operations' cash flows	9
Notes to the interim condensed financial statements	10 - 17



PricewaterhouseCoopers
P.O. Box 467
Dhahran Airport 31932
Saudi Arabia



Deloitte & Touche
Bakr Abulkhair & Co.
P O. Box 182, Dammam 31411
Saudi Arabia

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

To the Shareholders
Saudi United Cooperative Insurance Company (WALA'A)
Al-Khobar, Kingdom of Saudi Arabia

SCOPE OF REVIEW

We have reviewed the accompanying interim statement of financial position of Saudi United Cooperative Insurance Company (Wala'a) - a Saudi Joint Stock Company (the "Company") as at 31 March 2015, and the related interim statements of insurance operations, shareholders' operations, shareholders' comprehensive income, changes in shareholders' equity, insurance operations' cash flows and shareholders' operations' cash flows for the three months period then ended and the related notes from 1 to 16, 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 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. The scope of such limited review is substantially less than an audit conducted in accordance with the 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.

REVIEW 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 MATTER

We draw attention to note 2 to the accompanying interim condensed financial statements. 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.

PricewaterhouseCoopers



Omar M. Al Sagga
Certified Public Accountant
License Number 369



Deloitte & Touche
Bakr Abulkhair & Co.



Walied Moh'd Sobahi
Certified Public Accountant
License Number 378

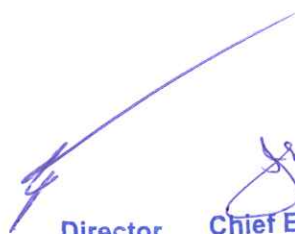


16 April 2015
27 Jumada' II, 1436

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

**INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

		31 March 2015 SR	31 December 2014 SR
	Note	(Un-audited)	(Audited)
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	3	252,212,955	210,978,334
Premiums and insurance balances receivable - net	4	134,582,686	102,899,364
Reinsurers' share of unearned premiums	6	98,991,235	118,958,059
Reinsurers' share of outstanding claims	6	219,606,323	239,779,778
Deferred policy acquisition costs	6	22,314,093	15,538,816
Due from shareholders' operations		10,747,616	1,236,951
Prepaid expenses and other assets		11,381,736	10,396,711
Accrued commission income		-	74,063
Property and equipment		3,972,073	3,862,752
Intangible asset		1,605,113	1,710,558
TOTAL INSURANCE OPERATIONS' ASSETS		755,413,830	705,435,386
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	3	83,099,953	83,099,953
Prepaid expenses and other assets		1,680,195	1,139,024
Accrued commission income		1,135,035	1,081,279
Available-for-sale investments	7	83,091,546	79,284,833
Statutory deposit	8	20,000,000	20,000,000
TOTAL SHAREHOLDERS' ASSETS		189,006,729	184,605,089
TOTAL ASSETS		944,420,559	890,040,475



Director



Chief Executive Officer



Chief Financial Officer

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 31 MARCH 2015

		31 March 2015 SR (Un-audited)	31 December 2014 SR (Audited)
INSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Liabilities arising from insurance contracts:			
Unearned premiums	6	343,645,359	284,701,356
Outstanding claims	6	316,706,476	334,174,041
Total liabilities arising from insurance contracts		660,351,835	618,875,397
Accrued and other liabilities		48,182,853	47,046,865
Reinsurance balances payable		30,280,822	24,152,298
Unearned reinsurance commission	6	9,557,381	9,008,856
End-of-service indemnities		4,893,493	4,204,524
Total insurance operations' liabilities		753,266,384	703,287,940
Insurance operations' surplus		2,147,446	2,147,446
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS		755,413,830	705,435,386
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Accrued and other liabilities		16,230,305	14,980,095
Due to insurance operations		10,747,616	1,236,951
		26,977,921	16,217,046
Shareholders' equity			
Share capital	10	200,000,000	200,000,000
Fair value reserve		(9,825,102)	(13,438,245)
Accumulated losses		(28,146,090)	(18,173,712)
Total shareholders' equity		162,028,808	168,388,043
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		189,006,729	184,605,089
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS, SHAREHOLDERS' LIABILITIES AND EQUITY		944,420,559	890,040,475

CONTINGENCIES

13





Director **Chief Executive Officer** **Chief Financial Officer**

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

**INTERIM STATEMENT OF INSURANCE OPERATIONS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015**

	Note	Three-months ended 31 March 2015 SR (Un-audited)	Three-months ended 31 March 2014 SR (Un-audited)
REVENUES			
Gross premiums written	5, 6	197,228,838	181,083,294
Reinsurance premiums ceded		(30,765,977)	(80,515,146)
Net premiums written	6	166,462,861	100,568,148
Changes in unearned premiums, net		(78,910,827)	(56,193,049)
Net premiums earned	6	87,552,034	44,375,099
Reinsurance commission	6	4,198,221	3,845,404
Other underwriting income	6	322,109	108,990
Total revenue		92,072,364	48,329,493
UNDERWRITING COSTS AND EXPENSES			
Gross claims paid		71,238,321	52,638,588
Reinsurers' share of claims paid		(3,702,227)	(17,042,660)
Net claims paid		67,536,094	35,595,928
Changes in outstanding claims, net		2,705,890	8,638,698
Net incurred claims	6	70,241,984	44,234,626
Policy acquisition costs		9,196,030	6,307,945
Excess of loss expenses		1,760,834	1,349,397
Other underwriting expenses		3,761,940	1,724,527
Total underwriting costs and expenses		84,960,788	53,616,495
Net underwriting income (Loss)		7,111,576	(5,287,002)
OTHER OPERATING EXPENSES, NET			
Operating and administrative salaries		(9,611,097)	(8,447,204)
General and administrative expenses		(5,916,114)	(5,386,015)
Commission income on bank deposits	6	12,188	12,610
Total other operating expenses, net		(15,515,023)	(13,820,609)
Net (deficit) from insurance operations		(8,403,447)	(19,107,611)
Shareholders' absorption of deficit		8,403,447	19,107,611
Net result from insurance operations after shareholders' absorption of deficit		-	-
Insurance operations' surplus, beginning of the period		2,147,446	2,147,446
Insurance operations' surplus, end of the period		2,147,446	2,147,446

 Director
  Chief Executive Officer
  Chief Financial Officer

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

	Three-months ended 31 March 2015	Three-months ended 31 March 2014
Note	SR	SR
	(Un-audited)	(Un-audited)
Net deficit transferred from insurance operations	(8,403,447)	(19,107,611)
Commission income on bank deposits	-	74,863
Commission income on held-to-maturity Investments	-	47,125
Dividends and realized fair value changes on available-for-sale investments	193,570	555,458
General and administrative expenses	(762,501)	(762,502)
Net loss for the period	(8,972,378)	(19,192,667)
Basic and diluted loss per share	(0.45)	(0.96)
Weighted average number of outstanding shares	20,000,000	20,000,000





Director **Chief Executive Officer** **Chief Financial Officer**

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

	Three-months ended 31 March 2015	Three-months ended 31 March 2014
Note	(Un-audited)	(Un-audited)
Shareholders' net loss for the period	(8,972,378)	(19,192,667)
Provision for zakat and income tax	(1,000,000)	(812,499)
Net loss for the period after Zakat and income tax	(9,972,378)	(20,005,166)
Items that may subsequently be reclassified to the statement of shareholders' operations:		
Unrealized fair value changes on available for sale investment, net	3,613,143	6,519,045
Total comprehensive loss for the period	(6,359,235)	(13,486,121)
Basic and diluted loss per share	(0.32)	(0.67)
Weighted average number of outstanding shares	20,000,000	20,000,000

 Director
  Chief Executive Officer
  Chief Financial Officer

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA' A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

	Share capital SR	Fair value reserve SR	Accumulated losses SR	Total SR
Balance at 1 January 2014 (Audited)	200,000,000	21,258,354	(14,481,813)	206,776,541
Shareholders' net loss for the period	-	-	(19,192,667)	(19,192,667)
Unrealized fair value changes on available- for-sale investments , net	-	6,519,045	-	6,519,045
Provision for zakat and income tax	-	-	(812,499)	(812,499)
Balance at 31 March 2014 (Un-audited)	200,000,000	27,777,399	(34,486,979)	193,290,420
Balance at 1 January 2015 (Audited)	200,000,000	(13,438,245)	(18,173,712)	168,388,043
Shareholders' net loss for the period	-	-	(8,972,378)	(8,972,378)
Unrealized fair value changes on available- for-sale investments, net	-	3,613,143	-	3,613,143
Provision for Zakat and income tax	-	-	(1,000,000)	(1,000,000)
Balance at 31 March 2015 (Un-audited)	200,000,000	(9,825,102)	(28,146,090)	162,028,808


Director


Chief Executive Officer


Chief Financial Officer

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

	Three months ended 31 March 2015 SR (Un-audited)	Three months ended 31 March 2014 SR (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit from insurance operations	(8,403,447)	(19,107,611)
Adjustments for:		
Depreciation	361,552	387,054
Amortization	105,445	-
End-of-service indemnities, net	688,969	499,731
Loss on Disposal of property and equipment	297	-
	(7,247,184)	(18,220,826)
Changes in operating assets and liabilities:		
Premiums and insurance balances receivable	(31,683,322)	(42,725,918)
Reinsurers' share of unearned premiums	19,966,824	(34,281,085)
Reinsurers' share of outstanding claims	20,173,455	(13,200,630)
Deferred policy acquisition costs	(6,775,277)	(6,638,613)
Prepaid expenses and other assets	(985,025)	1,759,838
Accrued commission income	74,063	34,675
Unearned premiums	58,944,003	85,298,075
Outstanding claims	(17,467,565)	27,015,387
Unearned reinsurance commission	548,525	3,549,271
Reinsurance balances payable	6,128,524	6,732,601
Accrued and other liabilities	1,135,988	888,918
Net cash generated from operating activities	42,813,009	10,211,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(473,670)	(94,113)
Proceeds from disposal of property and equipment	2,500	-
Net cash used in investing activities	(471,170)	(94,113)
CASH FLOWS FROM FINANCING ACTIVITY		
Due to shareholders' operations	(1,107,218)	39,546,402
Net Increase in cash and cash equivalents	41,234,621	49,663,982
Cash and cash equivalents at the beginning of the period	210,978,334	119,381,611
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3 252,212,955	169,045,593





Director **Chief Executive Officer** **Chief Financial Officer**

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

**INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS' CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015**

	Note	Three months ended 31 March 2015 SR (Un-audited)	Three months ended 31 March 2014 SR (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		(8,972,378)	(19,192,667)
Adjustments for:			
Commission income		-	(74,863)
Realized dividends and fair value changes on available-for-sale investments		(193,570)	(555,458)
		(9,165,948)	(19,822,988)
<u>Changes in operating assets and liabilities:</u>			
Due from/ to insurance operations		9,510,665	(19,938,791)
Prepaid expenses and other assets		(541,171)	-
Accrued and other liabilities		418,654	422,779
Cash from (used in) operations		222,200	(39,339,000)
Zakat and income tax paid		(222,200)	-
Net cash generated (used in) operating activities		-	(39,339,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of available-for-sale investments		-	(1,661,000)
Net cash used in investing activities		-	(1,661,000)
Net change in cash and cash equivalents		-	(41,000,000)
Cash and cash equivalents at the beginning of the period		83,099,953	86,366,117
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		83,099,953	45,366,117
Non-cash transactions:			
Unrealized fair value changes on available-for-sale investments	3	3,613,143	6,519,045
Provision for zakat and income tax		(1,000,000)	-
Other financial assets settled against insurance operations		-	500,000


Director


Chief Executive Officer


Chief Financial Officer

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

1. GENERAL INFORMATION

The Saudi United Cooperative Insurance Company (Wala'a) ("the Company") is a Saudi Joint Stock Company established in Al Khobar, Kingdom of Saudi Arabia and incorporated on 19 Jumada II 1428H corresponding to July 4, 2007 under Commercial Registration No. 2051034982.

The principal activities of the Company are to transact cooperative insurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies (the "Law") and its implementing regulations in the Kingdom of Saudi Arabia. The Company was granted the license (number TMN/16/2008) to practice general and medical insurance and re-insurance business from the Saudi Arabian Monetary Agency (SAMA) on 28 Jumada II 1429H corresponding to July 2, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements for the three-month periods ended 31 March 2015 and 2014 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" (IAS 34). Accordingly, these interim condensed financial statements are not intended to be a presentation in conformity with accounting principles generally accepted in the Kingdom of Saudi Arabia i.e. in accordance with the standard on Interim Financial Reporting issued by Saudi Organization for Certified Public Accountants (SOCPA).

These interim condensed financial statements include all transactions comprising mainly of normal recurring nature considered necessary by the Company's management to present a fair statement of the financial position, results of operations and cash flows.

These interim condensed financial statements have been prepared under historical cost convention, except for certain available-for-sale investments which are measured at fair value and are presented in Saudi Riyals, which is also the functional currency of the Company, and the presentation currency for these interim condensed financial statements.

The Saudi Arabian insurance regulations require separate accounts to be maintained for insurance operations and shareholders' activities. Also, as per the insurance implementing regulations the shareholders of the Company are to receive 90% of the annual surplus from the insurance operations and the policyholders are to receive 10% or this percentage to be deducted from their next period's premiums. If the insurance operations result in a deficit, the entire deficit is borne by the shareholders' operations.

2.2 Accounting policies

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual audited financial statements as at and for the year ended December 31, 2014, except for the adoption of certain amendments and revisions to existing standards as mentioned below, which had no significant financial impact on the interim condensed financial statements of the Company. These interim condensed financial statements should therefore be read in conjunction with the audited financial statements for the year ended December 31, 2014.

<u>Standard</u>	<u>Description</u>
Amendments to IAS 19	Defined benefit plans

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Accounting policies (Continued)

The adoption of the above standards did not have any impact on the accounting policies, financial position or performance of the Company.

The Company's management decided not to choose the early adoption of the following new and amended standards and interpretations issued which became effective for the periods commencing on or after April 1, 2015:

<u>Standard</u>	<u>Description</u>
IFRS 9	Financial instruments
IFRS 14	Regulatory deferral accounts
IFRS 15	Revenue from contracts with customers
Amendment to IAS 1	Presentation of financial statements
Amendments to IFRS 9	Financial instruments regarding general hedge accounting
Amendments to IAS 16 and IAS 38 and amortization	'Property, plant and equipment' and 'Intangible assets' – depreciation
Amendments to IAS 27 separate financial statements	Separate financial statements
Annual improvements 2014	

2.3 Use of estimates in preparation of financial statements

The preparation of interim condensed financial statements in conformity with IFRS requires the use of certain critical accounting 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 interim reporting period. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant financial impact on the interim condensed financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and the Company's financial statements present fairly, in all material respects, the financial position and results of operations.

3. CASH AND CASH EQUIVALENTS

Insurance operations

	31 March 2015 SR (Un-audited)	31 December 2014 SR (Audited)
Cash in hand	67,000	67,000
Cash at banks	252,145,955	210,911,334
	252,212,955	210,978,334

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

3. CASH AND CASH EQUIVALENTS (Continued)

Shareholders' operations

	31 March 2015 SR	31 December 2014 SR
	(Un-audited)	(Audited)
Cash at banks	83,099,953	83,099,953

4. PREMIUMS AND INSURANCE BALANCES RECEIVABLE - net

	31 March 2015 SR	31 December 2014 SR
	(Un-audited)	(Audited)
Premiums receivable	149,796,308	116,595,540
Insurance and reinsurance receivables	3,247,267	3,264,712
Allowance for doubtful debts	(18,460,889)	(16,960,888)
	134,582,686	102,899,364

5. RELATED PARTY TRANSACTIONS

The significant transactions with related parties and the related approximate amounts during the period are as follows:

	31 March 2015 SR	31 March 2014 SR
	(Un-audited)	(Un-audited)
Gross premium received from directors and their related parties	8,405,106	1,534,935
Gross premium received from key management personnel	4,975	3,278
Gross claims paid to directors and their related parties	180,889	669,591
Compensation of key management personnel - other benefits	966,109	909,239

Balances due from (to) related parties are comprised of the following:

	31 March 2015 SR	31 December 2014 SR
	(Un-audited)	(Audited)
Premiums receivable from key management personnel, directors and their related parties	8,315,402	-
Claims payable to directors and their related parties	(2,158,020)	(2,369,413)

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

6. SEGMENTAL INFORMATION

For management purposes, the Company is organized into business segments classified as: Medical, Motor, property, engineering and others. Others include fire, marine and other general insurance. These segments are the basis on which the Company reports its primary segment information.

Consistent with the Company's internal reporting process, business segment has been approved by management in respect of the Company's activities, assets and liabilities as stated below.

- Segment assets do not include cash and cash equivalents, premiums and insurance balances receivable - net, due from shareholders' operations, prepaid expenses and other assets, accrued commission income, property and equipment and intangible asset;
- Segment liabilities and surplus do not include accrued and other liabilities, reinsurance balances payable, due to shareholders' operations, end-of-service indemnities and insurance operations' surplus; and
- Operating segments do not include shareholders' operations.
- Segment results do not include operating and administrative salaries and general and administrative expenses and have been presented under unallocated expenses.

Operating segments

Insurance operations for the three months period ended 31 March 2015 (Un-audited):

	Medical SR	Motor SR	Property SR	Engineering SR	Others SR	Total SR
Gross premiums written	10,629,274	143,252,236	12,493,611	13,089,983	17,763,734	197,228,838
Net premiums written	10,629,274	142,012,958	3,228,129	1,648,200	8,944,300	166,462,861
Net premium earned	11,256,340	65,180,515	2,480,655	1,241,714	7,392,810	87,552,034
Reinsurance commission	-	60,753	1,906,041	1,884,626	346,801	4,198,221
Other underwriting income	-	294,490	4,185	1,730	21,704	322,109
Net incurred claims	(5,697,612)	(63,662,732)	239,519	134,524	(1,255,683)	(70,241,984)
Other underwriting expenses	(1,707,990)	(9,500,524)	(1,063,151)	(985,786)	(1,461,353)	(14,718,804)
Other general and administrative expenses (unallocated)						(15,527,211)
Deficit from insurance operations						(8,415,635)
Commission income on bank deposits						12,188
Net deficit from insurance operations						(8,403,447)

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

6. SEGMENTAL INFORMATION (Continued)

Insurance operations' financial position as of March 31, 2015 (Un-audited):

	Medical SR	Motor SR	Property SR	Engineering SR	Others SR	Total SR
Insurance operations' assets						
Reinsurers' share of unearned premiums		935,514	36,115,517	45,606,736	16,333,468	98,991,235
Reinsurers' share of outstanding claims	332,258	1,141,694	175,129,295	39,372,703	3,630,373	219,606,323
Deferred policy acquisition costs	1,594,759	15,017,868	1,624,520	1,943,618	2,133,328	22,314,093
Unallocated assets						414,502,179
Total assets						755,413,830
Insurance operations' liabilities						
Unearned premiums	22,534,703	206,731,629	38,614,512	48,388,689	27,375,826	343,645,359
Outstanding claims	8,655,970	66,719,663	181,044,598	44,719,986	15,566,259	316,706,476
Unearned reinsurance commission		187,103	3,649,696	4,780,642	939,940	9,557,381
Unallocated liabilities and surplus						85,504,614
Total liabilities and surplus						755,413,830

Insurance operations for the three month period ended 31 March 2014 (Un-audited):

	Medical SR	Motor SR	Property SR	Engineering SR	Others SR	Total SR
Gross premiums written	10,143,607	80,690,228	46,492,981	30,584,121	13,172,357	181,083,294
Net premiums written	10,143,607	79,380,115	1,632,797	1,654,961	7,756,668	100,568,148
Net premium earned	10,536,666	25,163,415	1,068,194	1,105,988	6,500,836	44,375,099
Reinsurance commission		61,134	2,383,422	1,120,500	280,348	3,845,404
Other underwriting income	-	85,520	4,795	2,175	16,500	108,990
Net incurred claims	(8,224,384)	(30,757,580)	(496,985)	(2,379,252)	(2,376,425)	(44,234,626)
Other underwriting expenses	(1,570,931)	(4,769,523)	(1,152,904)	(684,010)	(1,204,501)	(9,381,869)
Other general and administrative expenses (unallocated)						(13,833,219)
Deficit from insurance operations						(19,120,221)
Commission income on bank deposits						12,610
Net deficit from insurance operations						(19,107,611)

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

6. SEGMENTAL INFORMATION (Continued)

Insurance operations' financial position as of December 31, 2014:

2014	Medical SR	Motor SR	Property SR	Engineering SR	Others SR	Total SR
Insurance operations' assets						
Reinsurers' share of unearned premiums	-	-	57,078,073	48,411,286	13,468,700	118,958,059
Reinsurers' share of outstanding claims	332,258	1,172,087	194,162,616	40,560,451	3,552,366	239,779,778
Deferred policy acquisition costs	1,574,460	8,897,799	1,229,304	1,876,688	1,960,565	15,538,816
Unallocated assets						<u>331,158,733</u>
Total insurance operations' assets						<u>705,435,386</u>
Insurance operations' liabilities and surplus						
Unearned premiums	23,161,769	128,961,537	58,829,595	50,786,752	22,961,703	284,701,356
Outstanding claims	8,655,970	62,085,216	201,162,771	46,244,656	16,025,428	334,174,041
Unearned reinsurance commission	-	-	3,523,660	4,949,834	535,362	9,008,856
Unallocated liabilities and surplus						<u>77,551,133</u>
Total insurance operations' liabilities and surplus						<u>705,435,386</u>

Geographical distributions

All of the significant assets and liabilities of the Company are located in the Kingdom of Saudi Arabia except for a minor portion of the reinsurance assets / liabilities which are held outside the Kingdom of Saudi Arabia

7. INVESTMENTS

Available-for-sale investments

Available-for-sale investments include the following:

	31 March 2015 (Un-audited)	31 December 2014 (Audited)
Quoted securities	81,168,468	77,361,755
Unquoted securities	1,923,078	1,923,078
	<u>83,091,546</u>	<u>79,284,833</u>

Movement in available-for-sale investments is as follows:

	31 March 2015 (Un-audited)	31 December 2014 (Audited)
Beginning of period / year	79,284,833	54,441,698
Purchases and dividends reinvested	193,570	91,661,000
Disposals	-	(32,121,266)
Unrealized fair value changes	3,613,143	(34,696,599)
Ending of period / year	<u>83,091,546</u>	<u>79,284,833</u>

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

8. STATUTORY DEPOSIT

The statutory deposit represents 10% of the paid-up share capital which is maintained in accordance with the Law. This statutory deposit cannot be withdrawn without the consent of SAMA.

9. STATUTORY RESERVE

In accordance with the Law, the Company is required to transfer not less than 20% of its annual profits to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. No such transfer has been made during the period due to accumulated losses at the period end.

10. SHARE CAPITAL

The authorized, issued and paid up share capital of the Company is Saudi Riyal 200 million consisting of 20 million shares of Saudi Riyal 10 each.

On April 23, 2014 (corresponding to 23 Jumada II 1435H), the Company received an approval from SAMA for increasing its ordinary share capital by SAR 200 million, by way of issuance of right shares to its existing shareholders. On March 2, 2015 the Company obtained the approval from the Capital Market Authority (CMA) to increase its share capital by way of rights issue valued at SR 200 million with share premium of SR 40 million. As a result of this rights issue, the share capital of the Company will be increased to SR 400 million comprising of 40 million shares of SR 10 each in issued and fully paid up share, and a share premium of SR 40 million after obtaining the approval of shareholders on their extra ordinary Annual General Meeting at a later date which should be granted within six months from the date of approval obtained from CMA.

11. BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share from shareholders' operations and shareholders' comprehensive income (loss) are calculated by dividing net loss for the period by the weighted average number of ordinary shares outstanding during the period.

12. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The Company's financial assets consist of cash and cash equivalents, other financial assets and other assets and its financial liabilities consist of payable, accrued and other liabilities.

The fair values of recognized financial instruments are not significantly different from the carrying values included in the interim condensed financial statements

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repacking)

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation technique for which any significant input is not based on observable market data.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

12. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

The table below presents the financial assets which are carried at fair values as at 31 March 2015 and 31 December 2014 based on their value hierarchy:

As at 31 March 2015 (Un-audited)

Financial instruments	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Investments available-for-sale				
Equity securities	81,168,468	-	1,923,078	83,091,546
Total	81,168,468	-	1,923,078	83,091,546

As at 31 December 2014 (Audited)

Financial instruments	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Available-for-sale investments				
Equity securities	77,361,755	-	1,923,078	79,284,833
Total	77,361,755	-	1,923,078	79,284,833

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

During the three months period ended 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

13. CONTINGENCIES

The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company's management, based on independent legal advice, believes that the outcome of court cases will not have a material impact on the Company's income or financial condition.

14. RESULTS OF THE INTERIM PERIOD

The results of the interim period are not an indication of the results of the full statutory financial year.

15. COMPARATIVE FIGURES

Certain of the comparative period amounts have been reclassified to conform to the presentation in the current period, the effects of which are not material.

16. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on April 15, 2015.