

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

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

**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

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

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**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'  
REVIEW REPORT  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

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

## REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

### 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 2012, and the related interim statements of insurance operations, shareholders' operations and shareholders' comprehensive operations, changes in shareholders' equity, insurance operations' cash flows and shareholders' operations' cash flows for the three months period then ended and the 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 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 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.

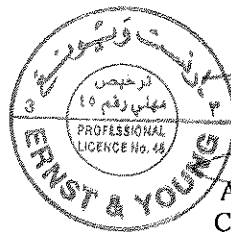
### EMPHASIS OF A MATTER:

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.

Deloitte & Touche  
Bakr Abulkhair & Co.



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25 Jumada I, 1433H  
17 April 2012

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

**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

		31 March 2012 SR	31 December 2011 SR
	Note	(Un-audited)	(Audited)
<b>INSURANCE OPERATIONS' ASSETS</b>			
Property and equipment		2,366,057	2,314,729
Insurance receivables	3	71,163,378	57,259,911
Reinsurance share of unearned premiums	4	61,217,251	74,893,102
Reinsurance share of outstanding claims	4	49,386,434	45,360,562
Deferred policy acquisition costs	4	14,746,412	13,759,195
Accrued interest income		175,646	111,964
Prepaid expenses and other assets		5,520,216	4,880,604
Cash and cash equivalents	6	125,318,957	137,715,642
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>		<b>329,894,351</b>	<b>336,295,709</b>
<b>SHAREHOLDERS' ASSETS</b>			
Statutory deposit	7	20,000,000	20,000,000
Other financial assets	8	66,029,246	51,396,722
Short term deposit		55,475,760	40,000,000
Accrued interest income		725,940	757,940
Due from insurance operations		9,654,009	20,808,921
Cash and cash equivalents	6	20,839,063	26,272,575
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>172,724,018</b>	<b>159,236,158</b>
<b>TOTAL ASSETS</b>		<b>502,618,369</b>	<b>495,531,867</b>

The accompanying notes are 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 2012**

	Note	31 March 2012 SR (Un-audited)	31 December 2011 SR (Audited)
<b>INSURANCE OPERATIONS' LIABILITIES</b>			
<b>Liabilities arising from insurance contracts</b>			
Unearned premiums	4	148,470,198	137,803,035
Outstanding claims	4	104,988,641	95,090,233
<b>Total liabilities arising from insurance contracts</b>		<b>253,458,839</b>	<b>232,893,268</b>
End-of-service indemnities		1,764,289	1,490,883
Reinsurance payables		52,112,586	67,465,291
Unearned reinsurance commission	4	5,306,897	4,860,735
Accrued expenses and other liabilities		6,813,875	8,175,280
Due to shareholders' operations		9,654,009	20,808,921
Share of surplus		783,856	601,331
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b>329,894,351</b>	<b>336,295,709</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Accrued expenses and other liabilities		5,500,610	4,750,569
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		200,000,000	200,000,000
Accumulated losses		(50,155,205)	(52,138,055)
Revaluation reserve		17,378,613	6,623,644
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>167,223,408</b>	<b>154,485,589</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>172,724,018</b>	<b>159,236,158</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>502,618,369</b>	<b>495,531,867</b>

The accompanying notes are 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 2012**

	Note	Three months ended 31 March 2012 SR (Un-audited)	Three months ended 31 March 2011 SR (Un-audited)
<b>REVENUES</b>			
Gross written premiums	4	75,175,332	62,717,272
Reinsurance ceded premiums		(12,266,929)	(24,443,542)
Net written premiums	4	62,908,403	38,273,730
Changes in unearned premiums		(21,183,467)	3,493,181
Net earned premiums	4	41,724,936	41,766,911
Reinsurance commission	4	2,567,111	3,415,435
Other underwriting income		83,090	56,351
<b>TOTAL REVENUES</b>		<b>44,375,137</b>	<b>45,238,697</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>			
Gross paid claims		24,250,590	34,228,653
Reinsurance share of claims paid		(4,532,587)	(8,613,051)
Net paid claims		19,718,003	25,615,602
Changes in outstanding claims		5,872,536	1,497,657
Net incurred claims	4	25,590,539	27,113,259
Policy acquisition costs		5,518,810	7,239,539
Excess of loss expenses		1,514,595	1,441,887
Other expenses		1,269,304	862,655
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>		<b>33,893,248</b>	<b>36,657,340</b>
Net underwriting income		10,481,889	8,581,357
<b>OPERATING EXPENSES</b>			
Operating and administrative salaries		(5,637,845)	(5,762,659)
General and administrative expenses		(3,252,721)	(1,968,275)
Commission income from bank deposits		233,925	83,292
<b>TOTAL OPERATING EXPENSES, NET</b>		<b>(8,656,641)</b>	<b>(7,647,642)</b>
Net surplus from insurance operations		1,825,248	933,715
Insurance operations surplus transferred to shareholders' operations		(1,642,723)	(840,343)
<b>NET SURPLUS FROM INSURANCE OPERATIONS</b>		<b>182,525</b>	<b>93,372</b>

The accompanying notes are 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 2012**

	Three months ended 31 March 2012 SR	Three months ended 31 March 2011 SR
Note	(Un-audited)	(Un-audited)
Net surplus transferred from insurance operations	1,642,723	840,343
Commission income from bank deposits	110,515	199,790
Commission income on held to maturity investments	47,125	47,125
Income from available for sale investments	1,427,555	-
General and administrative expenses	(495,068)	(450,000)
<b>Net income for the period</b>	<b>2,732,850</b>	<b>637,258</b>
<b>Earnings per share</b>	<b>0.14</b>	<b>0.03</b>
9		
<b>Weighted average number of outstanding shares</b>	<b>20,000,000</b>	<b>20,000,000</b>

The accompanying notes are 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 OPERATIONS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

	Three months ended 31 March 2012 SR	Three months ended 31 March 2011 SR
Note	(Un-audited)	(Un-audited)
Net income for the period	2,732,850	637,258
Unrealized gain on available for sale investments	10,754,969	497,698
Zakat and income tax	(750,000)	-
<b>Total comprehensive income for the period</b>	<b>12,737,819</b>	<b>1,134,956</b>
<b>Earnings per share</b>	<b>0.64</b>	<b>0.06</b>
<b>Weighted average number of outstanding shares</b>	<b>20,000,000</b>	<b>20,000,000</b>

The accompanying notes are 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 2012**

	Share capital SR	Accumulated losses SR	Revaluation reserve SR	Total SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Balance at 1 January 2011	200,000,000	(54,841,525)	4,969,672	150,128,147
Net income for the period	-	637,258	-	637,258
Net unrealized gain on available for sale investments	-	-	497,698	497,698
Balance at 31 March 2011	200,000,000	(54,204,267)	5,467,370	151,263,103
Balance at 1 January 2012	200,000,000	(52,138,055)	6,623,644	154,485,589
Net income for the period	-	2,732,850	-	2,732,850
Net unrealized gain on available for sale investments	-	-	10,754,969	10,754,969
Zakat and income tax	-	(750,000)	-	(750,000)
Balance at 31 March 2012	200,000,000	(50,155,205)	17,378,613	167,223,408

The accompanying notes are 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 2012**

	Three months ended 31 March 2012 SR (Un-audited)	Three months ended 31 March 2011 SR (Un-audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net surplus from insurance operations	1,825,248	933,715
Adjustments for:		
Depreciation	277,209	259,168
Gain on disposal of property and equipment	(4,388)	-
End-of-service indemnities, net	273,406	(62,573)
	<u>2,371,475</u>	<u>1,130,310</u>
Changes in operating assets and liabilities:		
Insurance receivables	(13,903,467)	(14,633,352)
Reinsurers share of unearned premiums	13,675,851	(6,672,007)
Reinsurers share of outstanding claims	(4,025,872)	(3,478,301)
Deferred policy acquisition costs	(987,217)	721,451
Prepaid expenses and other assets	(639,612)	(414,161)
Accrued interest income	(63,682)	(6,222)
Unearned premiums	10,667,163	3,178,832
Outstanding claims	9,898,408	4,984,497
Reinsurance payables	(15,352,705)	5,875,659
Unearned reinsurance commission	446,162	496,316
Accrued expenses and other liabilities	(1,361,405)	406,177
Net cash from (used in) operating activities	<u>725,099</u>	<u>(8,410,801)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(335,449)	(272,083)
Proceeds from disposal of property and equipment	11,300	-
Net cash used in investing activities	<u>(324,149)</u>	<u>(272,083)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Due from shareholders' operations	(12,797,635)	(1,068,490)
Net cash used in financing activity	<u>(12,797,635)</u>	<u>(1,068,490)</u>
Net decrease in cash and cash equivalents	(12,396,685)	(9,751,374)
Cash and cash equivalents at the beginning of the period	<u>137,715,642</u>	<u>86,240,115</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>125,318,957</u></u>	<u><u>76,488,741</u></u>

The accompanying notes are 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 2012**

	Three months ended 31 March 2012 SR (Un-audited)	Three months ended 31 March 2011 SR (Un-audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	2,732,850	637,258
Adjustment for:		
Income from available for sale investments	(1,427,555)	-
Commission income	(110,515)	(199,790)
	1,194,780	437,468
Changes in operating assets and liabilities:		
Accrued expenses and other liabilities	41	(49,998)
Due to insurance operations	11,154,912	228,147
<b>Net cash from operating activities</b>	<b>12,349,733</b>	<b>615,617</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Movement in advances towards investments	-	(650,000)
Short term deposit	(15,475,760)	-
Movement in other financial assets	(2,450,000)	-
Commission income received	142,515	88,273
<b>Net cash used in investing activities</b>	<b>(17,783,245)</b>	<b>(561,727)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(5,433,512)</b>	<b>53,890</b>
Cash and cash equivalents at the beginning of the period	26,272,575	46,085,399
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>20,839,063</b>	<b>46,139,289</b>
<b>Non-cash transactions:</b>		
Unrealized gain on available for sale investments	10,754,969	497,698

The accompanying notes are an integral part of these interim condensed financial statements

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

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

**1. GENERAL**

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

The purpose of the Company is to transact in cooperative insurance operations and all related activities.

The Company was granted the license (number TMN/16/2008) to practice general and medical insurance and re-insurance business from Saudi Arabian Monetary Agency (SAMA) on 28 Jumada II 1429 H corresponding to 2 July 2008.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The interim condensed financial statements for the three months period ended 31 March 2012 have been prepared in accordance with International Accounting Standards 34-Interim Financial Reporting (IAS 34).

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements as of and for the year ended December 31, 2011, except for the adoption of amendments and revisions to existing standards as mentioned below which had no significant financial impact on the interim condensed financial statements of the Company:

a) Amendment to IFRS 7 - Financial instruments: Transfers of financial assets:

This amendment is effective from 1 July 2011 and requires additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's financial position. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities.

b) Amendment to IAS 12, 'Income taxes' on deferred tax (effective 1 January 2012):

Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which has been withdrawn.

**SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

The Company's management decided not to choose the early adoption of the following new and amended standards and interpretations issued which will become effective for the periods commencing on or after January 1, 2013:

<u>Standard</u>	<u>Name of the standard</u>
Amendments to IAS 1	Presentation of Financial Statements
Amendments to IAS 19	Employee Benefits
Amendments to IAS 27	Separate Financial Statements
Amendments to IAS 28	Investments in Associates and Joint Ventures
IFRS 9	Financial Instruments- Classification and measurement
IFRS10	Consolidated Financial Statements
IFRS11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IAS 32 and IFRS 7	Offsetting of Financial Assets and Financial Liabilities

The Company's management is currently evaluating the impact of adopting these Standards and Interpretations on the financial statements of the Company and the timing of initial application.

The interim condensed financial statements have been prepared under historical cost convention, except for certain financial instruments 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 the interim condensed financial statements.

**3. INSURANCE RECEIVABLES**

Receivables from insurance operations are comprised of net amounts due from the following:

	31 March 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Premium receivables, net	80,578,187	66,242,999
Insurance and reinsurance companies	1,175,496	1,135,052
Allowance for doubtful debts	(10,590,305)	(10,118,140)
	<u>71,163,378</u>	<u>57,259,911</u>

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

**4. SEGMENTAL INFORMATION**

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

Segment results do not include operating and administrative salaries and general and administrative expenses.

**Operating segments**

	Medical SR	Motor SR	Property SR	Others SR	Total SR
<b>For the three months ended 31 March 2012 (Un-audited)</b>					
<b>Insurance operations</b>					
Gross written premiums	30,012,075	26,069,354	7,769,383	11,324,520	75,175,332
Net written premiums	29,648,443	25,007,223	1,036,454	7,216,283	62,908,403
Net earned premiums	19,194,879	15,993,131	613,179	5,923,747	41,724,936
Reinsurance commission	20	52,816	1,444,776	1,069,499	2,567,111
Other underwriting income	1,260	65,345	4,215	12,270	83,090
Net incurred claims	(3,048,617)	(18,807,405)	(734,160)	(3,000,357)	(25,590,539)
Other underwriting expenses	(3,526,499)	(2,047,277)	(1,012,421)	(1,716,512)	(8,302,709)
Other general and administrative expenses (unallocated)					(8,890,566)
<b>Surplus from insurance operations</b>					<b>1,591,323</b>
Commission income from bank deposits					233,925
<b>Net Surplus from insurance operations</b>					<b>1,825,248</b>
	Medical SR	Motor SR	Property SR	Others SR	Total SR
<b>As at 31 March 2012 (Un-audited)</b>					
<b>Insurance operations' assets</b>					
Reinsurers' share of unearned premiums	21,279,292	798,049	8,812,147	30,327,763	61,217,251
Reinsurers' share of outstanding claims	5,839,978	2,784,114	9,734,156	31,028,186	49,386,434
Deferred policy acquisition costs	8,311,505	2,431,085	1,125,350	2,878,472	14,746,412
Unallocated assets	-	-	-	-	204,544,254
<b>Total assets</b>	<b>35,430,775</b>	<b>6,013,248</b>	<b>19,671,653</b>	<b>64,234,421</b>	<b>329,894,351</b>
<b>Insurance operations' liabilities</b>					
Unearned premiums	68,448,918	30,316,705	9,552,059	40,152,516	148,470,198
Outstanding claims	12,968,840	35,158,525	12,569,844	44,291,432	104,988,641
Unearned reinsurance commission	220,004	159,615	2,274,552	2,652,726	5,306,897
Unallocated liabilities	-	-	-	-	71,128,615
<b>Total liabilities</b>	<b>81,637,762</b>	<b>65,634,845</b>	<b>24,396,455</b>	<b>87,096,674</b>	<b>329,894,351</b>

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

<b>Operating segments</b>	<b>Medical SR</b>	<b>Motor SR</b>	<b>Property SR</b>	<b>Others SR</b>	<b>Total SR</b>
<b>For the three months ended 31 March 2011 (Un-audited)</b>					
<b>Insurance operations</b>					
Gross written premiums	8,598,135	24,134,341	11,891,964	18,092,832	62,717,272
Net written premiums	4,299,067	23,052,421	1,354,915	9,567,327	38,273,730
Net earned premiums	4,913,982	28,367,551	667,637	7,817,741	41,766,911
Reinsurance commission	1,068,306	53,280	977,178	1,316,671	3,415,435
Other underwriting income	3,800	37,424	4,615	10,512	56,351
Net incurred claims	(3,451,341)	(21,239,727)	(1,233,114)	(1,189,077)	(27,113,259)
Other underwriting expenses	(1,085,467)	(5,405,753)	(965,920)	(2,086,941)	(9,544,081)
Other general and administrative expenses (unallocated)					(7,730,934)
<b>Surplus from insurance operations</b>					<b>850,423</b>
Commission income from bank deposits					83,292
<b>Net Surplus from insurance operations</b>					<b>933,715</b>
	<b>Medical SR</b>	<b>Motor SR</b>	<b>Property SR</b>	<b>Others SR</b>	<b>Total SR</b>
<b>As at 31 December 2011 (Audited)</b>					
<b>Insurance operations assets</b>					
Reinsurance share of unearned premiums	32,500,262	-	7,739,543	34,653,297	74,893,102
Reinsurance share of outstanding claims	5,839,978	1,176,470	9,098,579	29,245,535	45,360,562
Deferred policy acquisition costs	7,683,171	1,853,365	1,200,145	3,022,514	13,759,195
Unallocated assets	-	-	-	-	202,282,850
<b>Total assets</b>	<b>46,023,411</b>	<b>3,029,835</b>	<b>18,038,267</b>	<b>66,921,346</b>	<b>336,295,709</b>
<b>Insurance operations liabilities</b>					
Unearned premiums	66,056,780	20,496,766	7,757,742	43,491,747	137,803,035
Outstanding claims	12,370,387	29,409,474	11,264,998	42,045,374	95,090,233
Unearned reinsurance commission	219,998	-	1,921,218	2,719,519	4,860,735
Unallocated liabilities	-	-	-	-	98,541,706
<b>Total liabilities</b>	<b>78,647,165</b>	<b>49,906,240</b>	<b>20,943,958</b>	<b>88,256,640</b>	<b>336,295,709</b>

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

**Geographical segments**

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

**5. RELATED PARTY TRANSACTIONS**

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

	31 March 2012 SR	31 March 2011 SR
	(Un-audited)	(Un-audited)
Gross premiums received from Directors and their related parties	1,391,555	704,890
Amount received on behalf of an affiliate	-	268,570
Amount charged to an affiliate	50,000	401,063

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

	31 March 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Premiums receivable from Directors and their related parties	1,145,164	99,983
Claims payable to directors and related parties/affiliate	(1,372,250)	(233,317)
Amount (payable to) receivable from an affiliate	(272,969)	470,358

**6. CASH AND CASH EQUIVALENTS**

**i) Insurance operations**

Cash and cash equivalents of the insurance operations are comprised of the following:

	31 March 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Cash in hand	47,000	34,883
Cash at banks	35,207,957	37,616,759
Short term deposits	90,064,000	100,064,000
	<u>125,318,957</u>	<u>137,715,642</u>



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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

**ii) Shareholders' operations**

Shareholders' cash and cash equivalents are comprised of the following:

	31 March 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Cash at banks	839,063	839,063
Short term deposits	20,000,000	25,433,512
	<u>20,839,063</u>	<u>26,272,575</u>

Bank current accounts and short term deposits are placed with counterparties who have investment grade credit ratings.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company. All short term deposits are subject to an average commission rate of 0.85% as at 31 March 2012 (31 December 2011: 0.83%).

**7. STATUTORY DEPOSIT**

The statutory deposit represents 10% of the paid up share capital which is maintained in accordance with the implementing guidelines on the Law on Supervision of Co-operative Insurance Companies. This statutory deposit cannot be withdrawn without the consent of SAMA.

**8. OTHER FINANCIAL ASSETS**

	31 March 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Investment held to maturity	6,500,000	6,500,000
Investment available for sale	57,106,168	42,423,644
Advances towards investments	2,423,078	2,473,078
	<u>66,029,246</u>	<u>51,396,722</u>

**9. EARNINGS PER SHARE**

Earnings per share from shareholders' operations is calculated by dividing net income for the period by weighted average number of ordinary shares outstanding during the period.

Earnings per share from shareholders' comprehensive operations is calculated by dividing total comprehensive income for the period by weighted average number of ordinary shares outstanding during the period.

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

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012**

**10. RESULTS OF THE INTERIM PERIOD**

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

**11. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on April 17, 2012.

**12. COMPARATIVE FIGURES**

Certain of the comparative period amounts have been reclassified to conform to the presentation in the current period.