

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

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

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012

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

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012**

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Shareholders
Saudi United Cooperative Insurance Company (WALA'A)
Al-Khobar, 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 30 September 2012, and the related interim statements of insurance operations, shareholders' operations, shareholders' comprehensive operations for the three month and nine month periods then ended, and the interim statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' operations' cash flows for the nine month period ended 30 September 2012 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 (IAS) 34 -"Interim Financial Reporting" and submitted to us together with all the information and explanations which we required.

We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with 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.

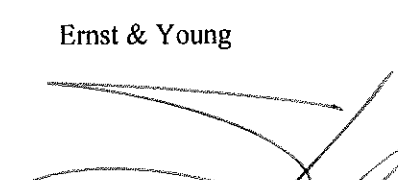
CONCLUSION:

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.

Ernst & Young

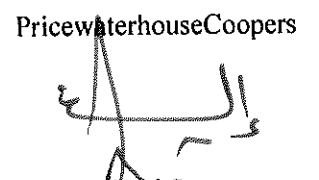


Abdulaziz Saud Alshubaibi
Certified Public Accountant
Registration No. 339

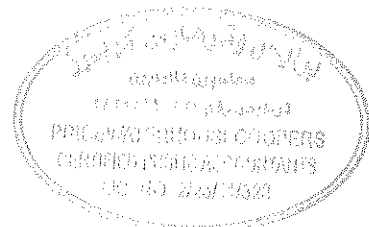


27 Dhu-al-Qa'dah 1433H
13 October 2012

PricewaterhouseCoopers



Omar M. Al Sagga
Certified Public Accountant
Registration No. 369

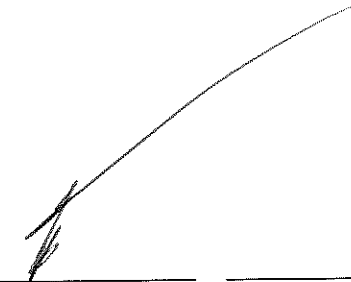

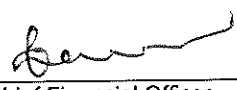


SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

		30 September 2012 SR (Un-audited)	31 December 2011 SR (Audited)
INSURANCE OPERATIONS' ASSETS			
Property and equipment		3,364,631	2,314,729
Insurance receivables	3	78,403,434	57,259,911
Reinsurers' share of unearned premiums	4	60,890,034	74,893,102
Reinsurers' share of outstanding claims	4	56,078,665	45,360,562
Deferred policy acquisition costs	4	12,044,064	13,759,195
Due from an affiliate	5	535,066	470,358
Accrued commission income		642,614	111,964
Prepaid expenses and other assets		5,339,292	4,410,246
Cash and cash equivalents	6	112,756,741	137,715,642
TOTAL INSURANCE OPERATIONS' ASSETS		330,054,541	336,295,709
SHAREHOLDERS' ASSETS			
Statutory deposit	7	20,000,000	20,000,000
Other financial assets	8	66,959,609	51,396,722
Short term deposits		46,422,049	40,000,000
Accrued commission income		884,017	757,940
Due from insurance operations		20,270,612	20,808,921
Cash and cash equivalents	6	20,103,911	26,272,575
TOTAL SHAREHOLDERS' ASSETS		174,640,198	159,236,158
TOTAL ASSETS		504,694,739	495,531,867

(Continued)

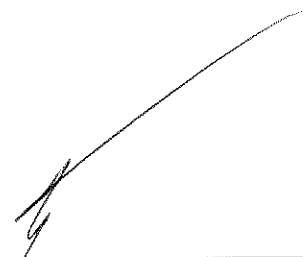

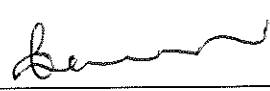
 _____ Director	 _____ Chief Executive Officer (Acting)	 _____ Chief Financial Officer (Acting)
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The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements

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

INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 30 SEPTEMBER 2012




	Note	30 September 2012 SR (Un-audited)	31 December 2011 SR (Audited)
INSURANCE OPERATIONS' LIABILITIES			
Liabilities arising from insurance contracts			
Unearned premiums	4	127,273,065	137,803,035
Outstanding claims	4	117,861,354	95,090,233
Total liabilities arising from insurance contracts		245,134,419	232,893,268
End-of-service indemnities		2,020,347	1,490,883
Reinsurance payables		46,684,011	67,465,291
Unearned reinsurance commission	4	6,791,424	4,860,735
Accrued expenses and other liabilities		7,623,090	8,175,280
Due to shareholders' operations		20,270,612	20,808,921
Share of surplus		1,530,638	601,331
TOTAL INSURANCE OPERATIONS' LIABILITIES		330,054,541	336,295,709
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		6,584,318	4,750,569
SHAREHOLDERS' EQUITY			
Share capital		200,000,000	200,000,000
Accumulated losses		(43,183,436)	(52,138,055)
Fair value reserve on available-for-sale investments		11,239,316	6,623,644
TOTAL SHAREHOLDERS' EQUITY		168,055,880	154,485,589
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		174,640,198	159,236,158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		504,694,739	495,531,867

 <hr/> Director	 <hr/> Chief Executive Officer (Acting)	 <hr/> Chief Financial Officer (Acting)
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The accompanying notes from 1 to 12 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 MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2012

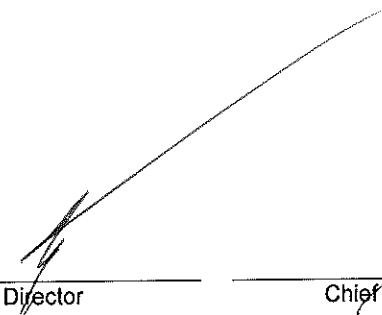
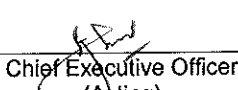
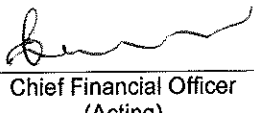
	Note	Three months ended 30 September 2012 SR (Un-audited)	Three months ended 30 September 2011 SR (Un-audited)	Nine months ended 30 September 2012 SR (Un-audited)	Nine months ended 30 September 2011 SR (Un-audited)
REVENUES					
Gross written premiums	4, 5	62,937,599	80,789,889	198,848,354	216,845,042
Reinsurance ceded premiums		(39,161,059)	(35,161,657)	(67,260,635)	(101,573,321)
Net written premiums		23,776,540	45,628,232	131,587,719	115,271,721
Changes in unearned premiums		20,998,911	(9,306,489)	(313,554)	1,414,960
Net earned premiums	4	44,775,451	36,321,743	131,274,165	116,686,681
Reinsurance commission	4	2,976,915	5,164,941	7,499,803	11,799,086
Other underwriting income	4	21,123	109,875	146,188	337,517
TOTAL REVENUES		47,773,489	41,596,559	138,920,156	128,823,284
UNDERWRITING COSTS AND EXPENSES					
Gross paid claims		26,494,078	21,831,281	83,222,318	87,108,606
Reinsurance share of claims paid		(6,747,186)	(3,137,408)	(20,219,925)	(19,331,707)
Net paid claims		19,746,892	18,693,873	63,002,393	67,776,899
Changes in outstanding claims		2,527,615	(90,161)	12,053,018	10,106,013
Net incurred claims	4	22,274,507	18,603,712	75,055,411	77,882,912
Policy acquisition costs		5,780,230	9,692,650	17,101,209	24,055,496
Excess of loss expenses		1,556,556	743,294	4,585,746	4,132,199
Other expenses		1,455,625	1,098,286	4,154,148	3,182,573
TOTAL UNDERWRITING COSTS AND EXPENSES		31,066,918	30,137,942	100,896,514	109,253,180
Net underwriting income		16,706,571	11,458,617	38,023,642	19,570,104
OTHER OPERATING EXPENSES, NET					
Operating and administrative salaries		(6,440,710)	(5,083,049)	(18,212,250)	(16,904,760)
General and administrative expenses		(4,439,980)	(5,378,912)	(11,219,218)	(10,773,738)
Commission income from bank deposits		218,538	90,035	700,899	264,839
TOTAL OTHER OPERATING EXPENSES, NET		(10,662,152)	(10,371,926)	(28,730,569)	(27,413,659)
Net surplus / (deficit) from insurance operations		6,044,419	1,086,691	9,293,073	(7,843,555)
Insurance operations' (surplus) / deficit transferred to shareholders' operations		(5,439,977)	(1,086,691)	(8,363,766)	7,843,555
NET SURPLUS FROM INSURANCE OPERATIONS		604,442	-	929,307	-
					
		Director	Chief Executive Officer (Acting)	Chief Financial Officer (Acting)	

The accompanying notes from 1 to 12 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 MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2012

	Three months ended 30 September 2012	Three months ended 30 September 2011	Nine months ended 30 September 2012	Nine months ended 30 September 2011
Note	SR	SR	SR	SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Net surplus / (deficit) transferred from insurance operations	5,439,977	1,086,691	8,363,766	(7,843,555)
Commission income from bank deposits	196,998	119,678	410,350	477,480
Commission income on held to maturity investments	47,126	47,125	141,376	141,375
Realized fair value changes on available-for-sale investments	-	-	4,397,215	-
General and administrative expenses	(1,110,000)	(450,000)	(2,108,088)	(1,407,760)
Shareholders' net income / (loss) for the period	4,574,101	803,494	11,204,619	(8,632,460)
Basic earnings / (loss) per share	0.23	0.04	0.56	(0.43)
Weighted average number of outstanding shares	20,000,000	20,000,000	20,000,000	20,000,000

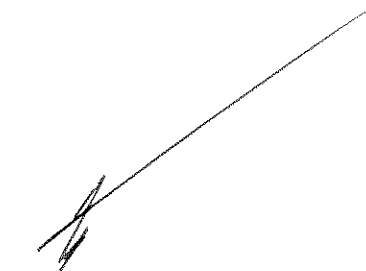
Director Chief Executive Officer (Acting) Chief Financial Officer (Acting)

The accompanying notes from 1 to 12 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 OPERATIONS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2012


	Three months ended 30 September 2012	Three months ended 30 September 2011	Nine months ended 30 September 2012	Nine months ended 30 September 2011
Note	SR	SR	SR	SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Shareholders' net income / (loss) for the period	4,574,101	803,494	11,204,619	(8,632,460)
Unrealised fair value changes on available-for-sale investments	1,990,673	(2,030,289)	4,615,672	(528,588)
Provision for zakat and income tax	(750,000)	(624,999)	(2,250,000)	(1,249,998)
Total comprehensive income / (loss) for the period	5,814,774	(1,851,794)	13,570,291	(10,411,046)
Basic earnings / (loss) per share	0.29	(0.09)	0.68	(0.52)
Weighted average number of outstanding shares	20,000,000	20,000,000	20,000,000	20,000,000



 Director



 Chief Executive Officer
 (Acting)



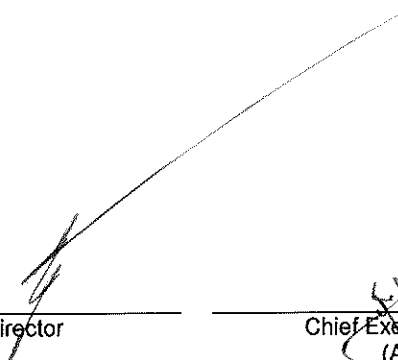
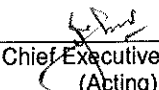
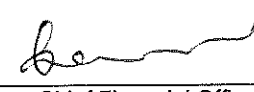
 Chief Financial Officer
 (Acting)

The accompanying notes from 1 to 12 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 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
Shareholders' net loss for the period	-	(8,632,460)		(8,632,460)
Unrealized fair value changes on available-for-sale investments	-	-	(528,588)	(528,588)
Provision for zakat and income tax	-	(1,249,998)	-	(1,249,998)
Balance at 30 September 2011	200,000,000	(64,723,983)	4,441,084	139,717,101
Balance at 1 January 2012	200,000,000	(52,138,055)	6,623,644	154,485,589
Shareholders' net income for the period	-	11,204,619	-	11,204,619
Unrealized fair value changes on available-for-sale investments	-	-	4,615,672	4,615,672
Provision for zakat and income tax	-	(2,250,000)	-	(2,250,000)
Balance at 30 September 2012	200,000,000	(43,183,436)	11,239,316	168,055,880

 <hr style="width: 100%;"/> Director	 <hr style="width: 100%;"/> Chief Executive Officer (Acting)	 <hr style="width: 100%;"/> Chief Financial Officer (Acting)
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SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012


	Nine months ended 30 September 2012 SR (Un-audited)	Nine months ended 30 September 2011 SR (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus / (deficit) from insurance operations	9,293,073	(7,843,555)
Adjustments for:		
Depreciation	925,549	829,085
End-of-service indemnities, net	529,464	135,731
	<u>10,748,086</u>	<u>(6,878,739)</u>
Changes in operating assets and liabilities:		
Insurance receivables	(21,143,523)	(34,468,582)
Reinsurers' share of unearned premiums	14,003,068	(45,948,710)
Reinsurers' share of outstanding claims	(10,718,103)	(1,013,697)
Deferred policy acquisition costs	1,715,131	4,056,336
Prepaid expenses and other assets	(929,046)	775,778
Due from an affiliate	(64,708)	(470,358)
Accrued commission income	(530,650)	(51,280)
Unearned premiums	(10,529,970)	44,533,760
Outstanding claims	22,771,121	11,128,249
Reinsurance payables	(20,781,280)	48,136,953
Unearned reinsurance commission	1,930,689	217,020
Accrued expenses and other liabilities	(552,190)	(217,692)
Net cash (used in) / generated from operating activities	<u>(14,081,375)</u>	<u>19,799,038</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	(1,975,451)	(754,231)
Cash used in investing activity	<u>(1,975,451)</u>	<u>(754,231)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Due (to) / from shareholders' operations	(8,902,075)	18,316,365
Cash (used in) / generated from financing activity	<u>(8,902,075)</u>	<u>18,316,365</u>
Net (decrease) / increase in cash and cash equivalents	<u>(24,958,901)</u>	<u>37,361,172</u>
Cash and cash equivalents at the beginning of the period	<u>137,715,642</u>	<u>86,240,115</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>112,756,741</u>	<u>123,601,287</u>



 Director



 Chief Executive Officer
 (Acting)



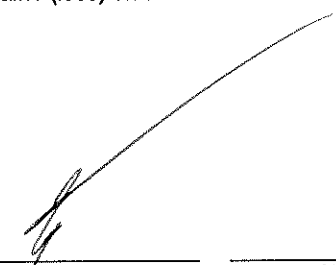
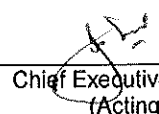
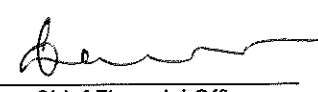
 Chief Financial Officer
 (Acting)

The accompanying notes from 1 to 12 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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 2012

	Nine months ended 30 September 2012 SR (Un-audited)	Nine months ended 30 September 2011 SR (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	11,204,619	(8,632,460)
Adjustments for:		
Commission income	(410,350)	(477,480)
Income from available-for-sale investments	(4,397,215)	-
	<u>6,397,054</u>	<u>(9,109,940)</u>
Changes in assets and liabilities:		
Accrued expenses and other liabilities	2,683,899	312,134
Due from / (to) insurance operations	538,309	(10,472,810)
Net cash generated from / (used in) operations	<u>9,619,262</u>	<u>(19,270,616)</u>
Zakat paid	(1,446,178)	(915,698)
Net cash generated from / (used in) operating activities	<u>8,173,084</u>	<u>(20,186,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term deposits	(6,422,049)	-
Movement in other financial assets	(8,203,972)	(50,000)
Commission income from bank deposits	284,273	385,080
Net cash (used in) / generated from investing activities	<u>(14,341,748)</u>	<u>335,080</u>
Net decrease in cash and cash equivalents	<u>(6,168,664)</u>	<u>(19,851,234)</u>
Cash and cash equivalents at the beginning of the period	<u>26,272,575</u>	<u>46,085,399</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>20,103,911</u>	<u>26,234,165</u>
<u>Non-cash transactions:</u>		
Unrealized gain / (loss) on available-for-sale investments	<u>4,615,672</u>	<u>(528,588)</u>

 _____ Director	 _____ Chief Executive Officer (Acting)	 _____ Chief Financial Officer (Acting)
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The accompanying notes from 1 to 12 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012

1. General

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 4 July 2007 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.

The Saudi Arabian insurance regulations requires 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 year's premiums.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial statements for the nine month period ended September 30, 2012 have been prepared in accordance with International Accounting Standards 34-Interim Financial Reporting (IAS 34).

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

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 these interim condensed financial statements.

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 of and for the year ended 31 December 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: These interim condensed financial statements should therefore be read in conjunction with the audited financial statements for the year ended December 31, 2011.

<u>Standard</u>	<u>Description</u>
IAS 12	Amendments to Income taxes - Deferred taxes: Recovery of underlying assets
IFRS 7	Financial instruments: Disclosures (Transfers of Financial Assets)
IAS 34	Interim Financial Reporting

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 1 January 2013:

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

<u>Standard</u>	<u>Description</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
IFRS 10	Consolidated Financial Statements
IFRS 11	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

2.2 Use of estimates in preparation of financial statements

The preparation of interim 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 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 impact on the interim 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. INSURANCE RECEIVABLES

	30 September 2012 SR (Un-audited)	31 December 2011 SR (Audited)
Premiums receivable, net	89,778,825	66,242,999
Insurance and reinsurance companies	1,882,478	1,135,052
Allowance for doubtful debts	(13,257,869)	(10,118,140)
	<u>78,403,434</u>	<u>57,259,911</u>

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.

Segment assets do not include cash and cash equivalents, time deposits, investments, premiums and reinsurance balances receivable, prepayments and other assets and property and equipment.

Segment liabilities do not include accounts payable, reinsurance balances payable, accrued expenses and other liabilities, due to shareholders' operations and end-of-service indemnities.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
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Operating Segments

For the nine months ended
September 30, 2012 (Un-audited)

	Medical SR	Motor SR	Property SR	Others SR	Total SR
Insurance operations					
Gross written premiums	55,402,535	49,147,558	51,353,112	42,945,149	198,848,354
Net earned premiums	61,585,819	46,077,626	1,545,957	22,064,763	131,274,165
Reinsurance commission	-	140,545	4,604,928	2,754,330	7,499,803
Other underwriting income	1,250	104,640	7,855	32,443	146,188
Net incurred claims	(14,891,941)	(46,870,152)	(1,584,406)	(11,708,912)	(75,055,411)
Other underwriting expenses	(9,521,110)	(6,163,340)	(2,932,464)	(7,224,189)	(25,841,103)
Other general and administrative expenses (unallocated)	-	-	-	-	(29,431,468)
Surplus from insurance operations	-	-	-	-	8,592,174
Commission income from bank deposits	-	-	-	-	700,899
Net surplus from insurance operations	-	-	-	-	9,293,073

As at 30 September 2012 (Un-audited)

	Medical SR	Motor SR	Property SR	Others SR	Total SR
Insurance operations' assets					
Reinsurers' share of unearned premiums	1,690,607	234,246	31,797,083	27,168,098	60,890,034
Reinsurers' share of outstanding claims	5,839,978	1,412,716	16,882,041	31,943,930	56,078,665
Deferred policy acquisition costs	5,722,313	1,581,394	1,352,977	3,387,380	12,044,064
Unallocated assets	-	-	-	-	201,041,778
Total assets	13,252,898	3,228,356	50,032,101	62,499,408	330,054,541
Insurance operations' liabilities					
Unearned premiums	31,756,939	22,871,899	32,908,102	39,736,125	127,273,065
Outstanding claims	14,968,840	34,677,224	19,861,290	48,354,000	117,861,354
Unearned reinsurance commission	219,998	46,854	3,439,290	3,085,282	6,791,424
Unallocated liabilities	-	-	-	-	78,128,698
Total liabilities	46,945,777	57,595,977	56,208,682	91,175,407	330,054,541

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4 SEGMENTAL INFORMATION (Continued)

Operating Segments (Continued)

For the nine months ended 30 September
2011 (Un-audited)

	Medical SR	Motor SR	Property SR	Others SR	Total SR
Insurance operations					
Gross written premiums	56,170,437	56,680,244	26,176,844	77,817,517	216,845,042
Net earned premium	14,062,448	80,092,269	2,116,181	20,415,783	116,686,681
Reinsurance commission	4,251,399	166,089	3,928,789	3,452,809	11,799,086
Other underwriting income	7,126	295,204	7,625	27,562	337,517
Net incurred claims	(7,813,420)	(60,631,251)	(1,135,253)	(8,302,988)	(77,882,912)
Other underwriting expenses	(7,018,774)	(15,511,748)	(2,943,319)	(5,896,427)	(31,370,268)
Other general and administrative expenses (unallocated)	-	-	-	-	(27,678,498)
Deficit from insurance operations	-	-	-	-	(8,108,394)
Commission income from bank deposits	-	-	-	-	264,839
Net deficit from insurance operations	-	-	-	-	(7,843,555)
	Medical SR	Motor SR	Property SR	Others SR	Total SR
As at 31 December 2011 (Audited)					
Insurance operations' assets					
Reinsurers' share of unearned premiums	32,500,262	-	7,739,543	34,653,297	74,893,102
Reinsurers' 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
Total assets	46,023,411	3,029,835	18,038,267	66,921,346	336,295,709
Insurance operations' liabilities					
Unearned premiums	66,056,780	20,927,627	7,757,742	43,060,886	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
Total liabilities	78,647,165	50,337,101	20,943,958	87,825,779	336,295,709

Geographical segments

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.

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5 RELATED PARTY TRANSACTIONS

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

	30 September 2012 SR	30 September 2011 SR
	(Un-audited)	(Un-audited)
Gross premium received from Directors and their related parties	1,648,942	804,751
Amount received on behalf of an affiliate	-	552,573
Amount charged to an affiliate	808,036	3,250,508

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

	30 September 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Premiums receivable from Directors and their related parties	698,093	99,983
Claims payable to Directors and related parties / affiliate	(912,369)	(233,317)
Due from an affiliate	535,066	470,358

6 CASH AND CASH EQUIVALENTS

i) Insurance operations

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

	30 September 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Cash in hand	72,295	34,883
Cash at banks	22,620,446	37,616,759
Short-term deposits	90,064,000	100,064,000
	<u>112,756,741</u>	<u>137,715,642</u>

ii) Shareholders' operations

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

	30 September 2012 SR	31 December 2011 SR
	(Un-audited)	(Audited)
Cash at banks	-	839,063
Short-term deposits	20,103,911	25,433,512
	<u>20,103,911</u>	<u>26,272,575</u>

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6 CASH AND CASH EQUIVALENTS (Continued)

Bank current accounts and short-term deposits are placed with financial institutions 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 0.9% as at 30 September 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

	30 September 2012 SR (Un-audited)	31 December 2011 SR (Audited)
Investment held to maturity	6,500,000	6,500,000
Investment available for sale	58,036,531	42,423,644
Advances towards investments	2,423,078	2,473,078
	<u>66,959,609</u>	<u>51,396,722</u>

9 EARNINGS / (LOSS) PER SHARE

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

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

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 13 October, 2012.

12 COMPARATIVE FIGURES

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