

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

INTERIM FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

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

**INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

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

REPORT ON REVIEW OF INTERIM 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 30 June 2011, and the related interim statements of insurance operations, shareholders' operations, shareholders' comprehensive operations, changes in shareholders' equity, insurance operations' cash flows and shareholders' operations' cash flows for the six months then ended and the notes which form an integral part of these interim financial statements. These interim 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 financial statements for them to be in conformity with International Accounting Standard 34 - Interim Financial Reporting (IAS 34).

EMPHASIS OF A MATTER:

We draw attention to the fact that these interim financial statements are prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

Deloitte & Touche
Bakr Abulkhair & Co



Waleed Moh'd Sobahi
Certified Public Accountant
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Ernst & Young




Abdulaziz Saud Al-Shubaibi
Certified Public Accountant
Registration No. 339

18 Sha'ban 1432H
19 July 2011


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

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	30 June 2011 SR (Un-audited)	31 December 2010 SR (Audited)
INSURANCE OPERATIONS' ASSETS			
Property and equipment		2,628,048	2,542,317
Insurance receivables	3	92,984,947	55,495,567
Reinsurance share of unearned premium	4	62,012,189	30,923,630
Reinsurance share of outstanding claims	4	19,559,179	18,393,512
Deferred policy acquisition costs	4	10,276,071	13,545,531
Due from shareholders' operations		13,628,238	2,588,600
Accrued interest income		40,000	17,422
Prepaid expenses and other assets		2,912,678	2,896,405
Cash and cash equivalents	6	66,596,153	86,240,115
TOTAL INSURANCE OPERATIONS' ASSETS		270,637,503	212,643,099
SHAREHOLDERS' ASSETS			
Statutory deposit	7	20,000,000	20,000,000
Other financial assets	8	51,844,451	49,692,750
Short term deposit		65,300,226	40,000,000
Accrued income		796,546	674,388
Cash and cash equivalents	6	20,839,063	46,085,399
TOTAL SHAREHOLDERS' ASSETS		158,780,286	156,452,537
TOTAL ASSETS		429,417,789	369,095,636



DIRECTOR

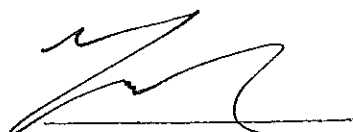


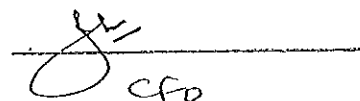
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SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 30 JUNE 2011

	Note	30 June 2011 SR (Un-audited)	31 December 2010 SR (Audited)
INSURANCE OPERATIONS' LIABILITIES			
Liabilities arising from insurance contracts			
Unearned premiums	4	124,821,759	104,454,642
Outstanding claims	4	69,419,650	58,049,270
Total liabilities arising from insurance contracts		194,241,409	162,503,912
End-of-service indemnities		1,316,211	1,274,310
Reinsurance payables		61,989,880	34,720,425
Unearned reinsurance commission	4	7,094,525	6,735,429
Accrued expenses and other liabilities		5,995,478	7,409,023
TOTAL INSURANCE OPERATIONS' LIABILITIES		270,637,503	212,643,099
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		3,583,153	3,735,790
Due to insurance operations		13,628,238	2,588,600
TOTAL SHAREHOLDERS' LIABILITIES		17,211,391	6,324,390
SHAREHOLDERS' EQUITY			
Share capital		200,000,000	200,000,000
Accumulated losses		(64,902,478)	(54,841,525)
Revaluation reserve		6,471,373	4,969,672
TOTAL SHAREHOLDERS' EQUITY		141,568,895	150,128,147
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		158,780,286	156,452,537
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		429,417,789	369,095,636


DIRECTOR

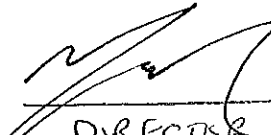

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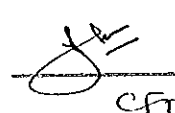
The accompanying notes are an integral part of these interim financial statements

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

INTERIM STATEMENT OF INSURANCE OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2011

	Note	Three months ended 30 June 2011 SR (Un-audited)	Three months ended 30 June 2010 SR (Un-audited)	Six months ended 30 June 2011 SR (Un-audited)	Six months ended 30 June 2010 SR (Un-audited)
REVENUES					
Gross written premiums	4,5	73,337,881	52,256,782	136,055,153	104,131,255
Reinsurance ceded premiums		(41,968,122)	(18,674,523)	(66,411,664)	(39,744,290)
Net written premiums		31,369,759	33,582,259	69,643,489	64,386,965
Changes in unearned premiums		7,228,268	(7,299,239)	10,721,449	(18,763,875)
Net earned premiums	4	38,598,027	26,283,020	80,364,938	45,623,090
Reinsurance commission	4	3,218,710	2,750,373	6,634,145	5,194,629
Other underwriting income	4	171,291	20,435	227,642	47,248
TOTAL REVENUES		41,988,028	29,053,828	87,226,725	50,864,967
UNDERWRITING COSTS AND EXPENSES					
Gross paid claims		31,048,672	32,166,983	65,277,325	45,847,584
Reinsurance share of claims paid		(7,581,248)	(14,233,019)	(16,194,299)	(18,744,927)
Net paid claims		23,467,424	17,933,964	49,083,026	27,102,657
Changes in outstanding claims		8,698,517	(2,559,933)	10,196,174	1,037,055
Net incurred claims	4	32,165,941	15,374,031	59,279,200	28,139,712
Policy acquisition costs		7,123,307	4,636,611	14,362,846	8,024,840
Excess of loss expenses		1,947,018	1,187,301	3,388,905	2,550,707
Other expenses		1,221,632	1,020,283	2,084,287	1,415,119
TOTAL UNDERWRITING COSTS AND EXPENSES		42,457,898	22,218,226	79,115,238	40,130,378
Net underwriting (loss)/income		(469,870)	6,835,602	8,111,487	10,734,589
OPERATING EXPENSES					
Operating and administrative salaries		(6,059,052)	(5,987,914)	(11,821,711)	(11,174,453)
General and administrative expenses		(3,426,551)	(2,739,322)	(5,394,826)	(5,727,844)
Commission income from bank deposits		91,512	59,579	174,804	118,224
TOTAL OPERATING EXPENSES, NET		(9,394,091)	(8,667,657)	(17,041,733)	(16,784,073)
Net deficit from insurance operations		(9,863,961)	(1,832,055)	(8,930,246)	(6,049,484)
Shareholders' appropriation of deficit		9,863,961	1,832,055	8,930,246	6,049,484
NET RESULT FOR THE PERIOD		-	-	-	-


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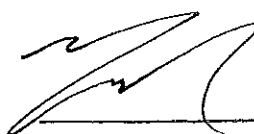

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The accompanying notes are an integral part of these interim financial statements

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

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2011

	Three months ended 30 June 2011	Three months ended 30 June 2010	Six months ended 30 June 2011	Six months ended 30 June 2010
Note	SR (Un-audited)	SR (Un-audited)	SR (Un-audited)	SR (Un-audited)
Net deficit transferred from insurance operations	(9,863,961)	(1,832,055)	(8,930,246)	(6,049,484)
Commission income from bank deposits	158,012	186,171	357,802	371,717
Commission income on held to maturity investment	47,125	47,125	94,250	94,250
General and administrative expenses	(507,760)	(425,000)	(957,760)	(793,166)
Net loss for the period	<u>(10,166,584)</u>	<u>(2,023,759)</u>	<u>(9,435,954)</u>	<u>(6,376,683)</u>
Loss per share	9 <u>(0.51)</u>	<u>(0.10)</u>	<u>(0.47)</u>	<u>(0.32)</u>
Weighted average number of outstanding shares	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>


DIRECTOR



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

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

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2011

	Note	Three months ended 30 June 2011 SR (Un-audited)	Three months ended 30 June 2010 SR (Un-audited)	Six months ended 30 June 2011 SR (Un-audited)	Six months ended 30 June 2010 SR (Un-audited)
Net loss for the period		(10,166,584)	(2,023,759)	(9,435,954)	(6,376,683)
Unrealized gain/(loss) on available for sale investments		1,004,003	(2,590,809)	1,501,701	1,362,458
Zakat and income tax		(624,999)	(624,999)	(624,999)	(1,249,999)
Total comprehensive loss for the period		(9,787,580)	(5,239,567)	(8,559,252)	(6,264,224)
Loss per share	9	(0.49)	(0.26)	(0.43)	(0.31)
Weighted average number of outstanding shares		20,000,000	20,000,000	20,000,000	20,000,000


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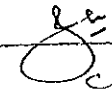
SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Share capital SR (Un-audited)	Accumulated losses SR (Un-audited)	Revaluation reserve SR (Un-audited)	Total SR (Un-audited)
Balance at 1 January 2010	200,000,000	(45,931,604)	129,291	154,197,687
Net loss for the period	-	(6,376,683)	-	(6,376,683)
Net unrealized gain on available for sale investments	-	-	1,362,458	1,362,458
Zakat and income tax	-	(1,249,999)	-	(1,249,999)
Balance at 30 June 2010	200,000,000	(53,558,286)	1,491,749	147,933,463
Balance at 1 January 2011	200,000,000	(54,841,525)	4,969,672	150,128,147
Net loss for the period	-	(9,435,954)	-	(9,435,954)
Net unrealized gain on available for sale investments	-	-	1,501,701	1,501,701
Zakat and income tax	-	(624,999)	-	(624,999)
Balance at 30 June 2011	200,000,000	(64,902,478)	6,471,373	141,568,895



DIRECTOR



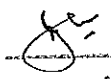
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SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Six months ended 30 June 2011 SR (Un-audited)	Six months ended 30 June 2010 SR (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit from insurance operations	(8,930,246)	(6,049,484)
Adjustments for:		
Depreciation	540,593	423,939
End-of-service indemnities, net	41,901	203,725
	<u>(8,347,752)</u>	<u>(5,421,820)</u>
Changes in operating assets and liabilities:		
Insurance receivables	(37,489,380)	(11,747,660)
Reinsurers share of unearned premium	(31,088,559)	(6,374,947)
Reinsurers share of outstanding claims	(1,165,667)	3,074,985
Deferred policy acquisition costs	3,269,460	(2,903,347)
Prepaid expenses and other assets	(16,273)	(393,529)
Due from an affiliate	-	(258,370)
Accrued interest income	(22,578)	(328,642)
Unearned premiums	20,367,117	25,138,823
Outstanding claims	11,370,380	(2,037,929)
Reinsurance payables	27,269,455	2,636,665
Unearned reinsurance commission	359,096	3,909,677
Accrued expenses and other liabilities	(1,413,545)	2,003,449
Net cash (used in) from operating activities	<u>(16,908,246)</u>	<u>7,297,355</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	(626,324)	(659,828)
Cash used in investing activity	<u>(626,324)</u>	<u>(659,828)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Due from shareholders' operations	(2,109,392)	38,494,637
Cash (used in) from financing activity	<u>(2,109,392)</u>	<u>38,494,637</u>
Net (decrease)/increase in cash and cash equivalents	(19,643,962)	45,132,164
Cash and cash equivalents at the beginning of the period	86,240,115	26,385,810
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>66,596,153</u></u>	<u><u>71,517,974</u></u>


DIRECTOR


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

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

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS' CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Six months ended 30 June 2011 SR (Un-audited)	Six months ended 30 June 2010 SR (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(9,435,954)	(6,376,683)
Adjustments for:		
Commission income	(452,052)	(465,967)
	(9,888,006)	(6,842,650)
Changes in assets and liabilities:		
Accrued income	(122,158)	-
Accrued expenses and other liabilities	141,062	(307,381)
Due to insurance operations	11,039,638	(32,445,153)
Net cash from/(used) in operations	1,170,536	(39,595,184)
Zakat paid	(918,698)	(299,663)
Net cash from/(used in) operating activities	251,838	(39,894,847)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term deposit	(25,300,226)	(5,567,074)
Movement in other financial assets	(650,000)	(500,000)
Commission income received	452,052	703,723
Net cash used in investing activities	(25,498,174)	(5,363,351)
Net decrease in cash and cash equivalents	(25,246,336)	(45,258,198)
Cash and cash equivalents at the beginning of the period	46,085,399	70,441,679
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20,839,063	25,183,481
<u>Non-cash transaction</u>		
Unrealized gain on investment	1,501,701	1,362,458


DIRECTOR


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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

1 GENERAL

The 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 financial statements for the six months ended 30 June 2011 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 financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2010 and should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

The interim 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 financial statements.

3 INSURANCE RECEIVABLES

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

	30 June 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Premiums receivable	92,049,803	51,248,781
Insurance and reinsurance companies	935,144	4,246,786
	<u>92,984,947</u>	<u>55,495,567</u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2011

4 SEGMENTAL 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 results do not include operating and administrative salaries and general and administrative expenses.

Operating Segments

For the six months ended 30 June
2011 (Un-audited)

	<i>Medical SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Others SR</i>	<i>Total SR</i>
Insurance operations					
Gross written premiums	15,185,434	44,060,436	19,159,420	57,649,863	136,055,153
Net earned premiums	8,969,297	56,076,994	1,436,837	13,881,810	80,364,938
Reinsurance commission	1,785,896	110,062	2,391,074	2,347,113	6,634,145
Other underwriting income	5,196	196,864	6,230	19,352	227,642
Net incurred claims	(6,202,453)	(45,306,786)	(1,314,855)	(6,455,106)	(59,279,200)
Other underwriting expenses	(2,184,129)	(11,376,405)	(2,076,831)	(4,198,673)	(19,836,038)
Other general and administrative expenses (unallocated)	-	-	-	-	(17,216,537)
Deficit from insurance operations	-	-	-	-	(9,105,050)
Commission income from bank deposits	-	-	-	-	174,804
Net deficit from insurance operations	-	-	-	-	(8,930,246)

	<i>Medical SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Others SR</i>	<i>Total SR</i>
As at 30 June 2011 (Un-audited)					

Insurance operations assets					
Reinsurance share of unearned premiums	6,507,202	560,190	12,379,991	42,564,806	62,012,189
Reinsurance share of outstanding claims	890,661	211,486	8,359,609	10,097,423	19,559,179
Deferred policy acquisition costs	665,210	4,257,253	1,835,613	3,517,995	10,276,071
Unallocated assets	-	-	-	-	178,790,064
Total assets	8,063,073	5,028,929	22,575,213	56,180,224	270,637,503

Insurance operations liabilities					
Unearned premiums	14,048,814	44,580,597	13,122,405	53,069,943	124,821,759
Outstanding claims	6,207,835	30,432,624	11,157,581	21,621,610	69,419,650
Unearned reinsurance commission	706,755	111,892	2,966,777	3,309,101	7,094,525
Unallocated liabilities	-	-	-	-	69,301,569
Total liabilities	20,963,404	75,125,113	27,246,763	78,000,654	270,637,503

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2011

4 SEGMENTAL INFORMATION (Continued)

Operating Segments (Continued)

	<i>Medical</i> <i>SR</i>	<i>Motor</i> <i>SR</i>	<i>Property</i> <i>SR</i>	<i>Others</i> <i>SR</i>	<i>Total</i> <i>SR</i>
For the six months ended 30 June 2010 (Un-audited)					
Insurance operations					
Gross written premiums	16,620,956	50,007,358	12,930,480	24,572,461	104,131,255
Net earned premiums	6,233,323	32,511,692	463,323	6,414,752	45,623,090
Reinsurance commission	549,735	127,847	1,954,153	2,562,894	5,194,629
Other underwriting income	7,390	16,010	3,640	20,208	47,248
Net incurred claims	(3,091,771)	(21,902,242)	(294,937)	(2,850,762)	(28,139,712)
Other underwriting expenses	(2,169,957)	(6,081,910)	(1,088,691)	(2,650,108)	(11,990,666)
Other general and administrative expenses (unallocated)	-	-	-	-	(16,902,297)
Deficit from insurance operations	-	-	-	-	(6,167,708)
Commission income from bank deposits	-	-	-	-	118,224
Net deficit from insurance operations	-	-	-	-	(6,049,484)
	<i>Medical</i> <i>SR</i>	<i>Motor</i> <i>SR</i>	<i>Property</i> <i>SR</i>	<i>Others</i> <i>SR</i>	<i>Total</i> <i>SR</i>
As at 31 December 2010 (Audited)					
Insurance operations' assets					
Reinsurance share of unearned premiums	7,948,180	-	6,062,132	16,913,318	30,923,630
Reinsurance share of outstanding claims	776,516	344,582	9,054,384	8,218,030	18,393,512
Deferred policy acquisition costs	1,247,931	8,082,888	901,360	3,313,352	13,545,531
Unallocated assets	-	-	-	-	149,780,426
Total assets	9,972,627	8,427,470	16,017,876	28,444,700	212,643,099
Insurance operations' liabilities					
Unearned premiums	16,858,842	57,148,268	6,187,000	24,260,532	104,454,642
Outstanding claims	5,042,814	24,925,377	12,273,608	15,807,471	58,049,270
Unearned reinsurance commission	2,313,892	-	1,648,218	2,773,319	6,735,429
Unallocated liabilities	-	-	-	-	43,403,758
Total liabilities	24,215,548	82,073,645	20,108,826	42,841,322	212,643,099

Geographical segments

All the assets and liabilities of the Company are located in the Kingdom of Saudi Arabia.

SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2011

5 RELATED PARTY TRANSACTIONS

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

	30 June 2011 <u>SR</u> (Un-audited)	30 June 2010 <u>SR</u> (Un-audited)
Gross premium received from Directors and their related parties	693,650	2,192,373
Amount received on behalf of an affiliate	551,001	1,301,722
Amount paid/ debited to an affiliate	3,250,408	1,560,092

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

	30 June 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Premium receivable from Directors and their related parties	519,030	315,232
Claims payable to directors and related parties/affiliate	(407,649)	(314,149)
Amounts (payable)/receivable (to)/from an affiliate	(264,032)	(2,963,439)

6 CASH AND CASH EQUIVALENTS

i) Insurance operations

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

	30 June 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Cash in hand	47,000	31,987
Cash at banks	26,549,153	20,764,739
Short term deposits	40,000,000	65,443,389
	<u>66,596,153</u>	<u>86,240,115</u>

ii) Shareholders' operations

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

	30 June 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Cash at banks	839,063	834,098
Short-term deposits	20,000,000	45,251,301
	<u>20,839,063</u>	<u>46,085,399</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 0.43% as at 30 June 2011 (31 December 2010: 0.71%).

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 can not be withdrawn without the consent of SAMA.

8 OTHER FINANCIAL ASSETS

	30 June 2011 SR (Un-audited)	31 December 2010 SR (Audited)
Investment held to maturity	6,500,000	6,500,000
Investment available for sale	41,471,373	40,769,672
Advances towards investment	3,873,078	2,423,078
	<u>51,844,451</u>	<u>49,692,750</u>

9 LOSS PER SHARE

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

Loss per share from shareholders' comprehensive operations is calculated by dividing total comprehensive 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 FINANCIAL STATEMENTS

The interim financial statements have been approved by the Board of Directors on 19 July 2011.