

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

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

**FOR THE THREE MONTHS AND NINE MONTHS ENDED
30 SEPTEMBER 2011**

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

INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 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 September 2011, and the related interim statements of insurance operations, shareholders' operations, shareholders' comprehensive operations for the three and nine months then ended, interim statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' operations' cash flows for the nine 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.

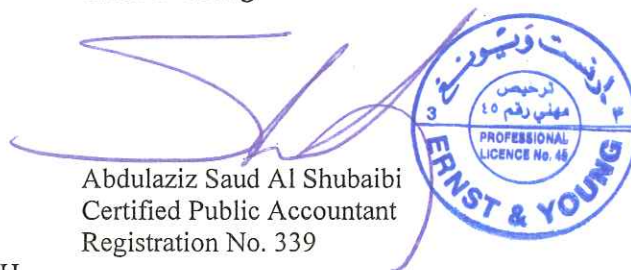
Waleed Moh'd Sobahi
Certified Public Accountant
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20 Dhual-Qa'dah 1432H
18 October 2011

Ernst & Young

Abdulaziz Saud Al Shubaibi
Certified Public Accountant
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SAUDI UNITED COOPERATIVE INSURANCE COMPANY(WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Note	30 September 2011 SR (Un-audited)	31 December 2010 SR (Audited)
INSURANCE OPERATIONS' ASSETS			
Property and equipment		2,467,463	2,542,317
Insurance receivables	3	89,964,149	55,495,567
Reinsurance share of unearned premium	4	76,872,340	30,923,630
Reinsurance share of outstanding claims	4	19,407,209	18,393,512
Deferred policy acquisition costs	4	9,489,195	13,545,531
Due from shareholders' operations		-	2,588,600
Accrued interest income		68,702	17,422
Prepaid expenses and other assets		2,590,985	2,896,405
Cash and cash equivalents	6	123,601,287	86,240,115
TOTAL INSURANCE OPERATIONS' ASSETS		324,461,330	212,643,099
SHAREHOLDERS' ASSETS			
Statutory deposit	7	20,000,000	20,000,000
Other financial assets	8	49,214,162	49,692,750
Short term deposit		40,000,000	40,000,000
Accrued income		766,788	674,388
Due from insurance operations		7,884,210	-
Cash and cash equivalents	6	26,234,165	46,085,399
TOTAL SHAREHOLDERS' ASSETS		144,099,325	156,452,537
TOTAL ASSETS		468,560,655	369,095,636

Acting CEO and
Director

CFO

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 FINANCIAL POSITION (Continued)
AS AT 30 SEPTEMBER 2011

	Note	30 September 2011 SR (Un-audited)	31 December 2010 SR (Audited)
INSURANCE OPERATIONS' LIABILITIES			
Liabilities arising from insurance contracts			
Unearned premium	4	148,988,402	104,454,642
Outstanding claims	4	69,177,519	58,049,270
Total liabilities arising from insurance contracts		218,165,921	162,503,912
End-of-service indemnities		1,410,041	1,274,310
Reinsurance payables		82,857,378	34,720,425
Unearned reinsurance commission	4	6,952,449	6,735,429
Accrued expenses and other liabilities		7,191,331	7,409,023
Due to shareholders		7,884,210	-
TOTAL INSURANCE OPERATIONS' LIABILITIES		324,461,330	212,643,099
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		4,382,224	3,735,790
Due to insurance operations		-	2,588,600
TOTAL SHAREHOLDERS' LIABILITIES		4,382,224	6,324,390
SHAREHOLDERS' EQUITY			
Share capital		200,000,000	200,000,000
Accumulated losses		(64,723,983)	(54,841,525)
Revaluation reserve		4,441,084	4,969,672
TOTAL SHAREHOLDERS' EQUITY		139,717,101	150,128,147
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		144,099,325	156,452,537
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		468,560,655	369,095,636

Acting CEO
and Director

CFO

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

INTERIM STATEMENT OF INSURANCE OPERATIONS
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

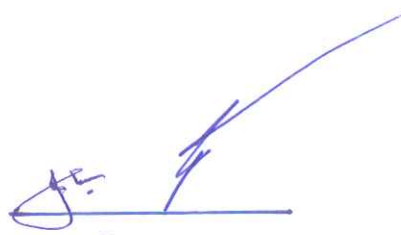
	Note	Three months ended 30 September 2011 SR (Un-audited)	Three months ended 30 September 2010 SR (Un-audited)	Nine months ended 30 September 2011 SR (Un-audited)	Nine months ended 30 September 2010 SR (Un-audited)
REVENUES					
Gross written premium	4,5	80,789,889	60,089,240	216,845,042	164,220,495
Reinsurance ceded premiums		<u>(35,161,657)</u>	<u>(14,542,459)</u>	<u>(101,573,321)</u>	<u>(54,286,749)</u>
Net written premiums		45,628,232	45,546,781	115,271,721	109,933,746
Changes in unearned premiums		<u>(9,306,489)</u>	<u>(12,215,578)</u>	<u>1,414,960</u>	<u>(30,979,453)</u>
Net earned premiums	4	36,321,743	33,331,203	116,686,681	78,954,293
Reinsurance commission	4	5,164,941	3,958,155	11,799,086	9,152,784
Other underwriting income	4	<u>109,875</u>	<u>15,435</u>	<u>337,517</u>	<u>62,683</u>
TOTAL REVENUES		<u>41,596,559</u>	<u>37,304,793</u>	<u>128,823,284</u>	<u>88,169,760</u>
UNDERWRITING COSTS AND EXPENSES					
Gross paid claims		21,831,281	21,125,019	87,108,606	66,972,603
Reinsurance share of claims paid		<u>(3,137,408)</u>	<u>(5,916,021)</u>	<u>(19,331,707)</u>	<u>(24,660,948)</u>
Net paid claims		18,693,873	15,208,998	67,776,899	42,311,655
Changes in outstanding claims		<u>(90,161)</u>	<u>3,168,176</u>	<u>10,106,013</u>	<u>4,205,231</u>
Net incurred claims	4	18,603,712	18,377,174	77,882,912	46,516,886
Policy acquisition costs		9,692,650	5,712,452	24,055,496	13,737,292
Excess of loss expenses		743,294	1,472,586	4,132,199	4,023,293
Other expenses		<u>1,098,286</u>	<u>802,131</u>	<u>3,182,573</u>	<u>2,217,250</u>
TOTAL UNDERWRITING COSTS AND EXPENSES		<u>30,137,942</u>	<u>26,364,343</u>	<u>109,253,180</u>	<u>66,494,721</u>
Net underwriting income		<u>11,458,617</u>	<u>10,940,450</u>	<u>19,570,104</u>	<u>21,675,039</u>
OPERATING EXPENSES					
Operating and administrative salaries		(5,083,049)	(6,723,725)	(16,904,760)	(17,898,178)
General and administrative expenses		(5,378,912)	(2,913,592)	(10,773,738)	(8,641,436)
Commission income from bank deposits		<u>90,035</u>	<u>71,375</u>	<u>264,839</u>	<u>189,599</u>
TOTAL OPERATING EXPENSES, NET		<u>(10,371,926)</u>	<u>(9,565,942)</u>	<u>(27,413,659)</u>	<u>(26,350,015)</u>
Net surplus (deficit) from insurance operations		1,086,691	1,374,508	(7,843,555)	(4,674,976)
Shareholders' appropriation of deficit (surplus)		<u>(1,086,691)</u>	<u>(1,374,508)</u>	<u>7,843,555</u>	<u>4,674,976</u>
NET RESULT FOR THE PERIOD		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 NINE MONTHS ENDED 30 SEPTEMBER 2011

	Note	Three months ended	Three months ended	Nine months ended	Nine months ended
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
		SR	SR	SR	SR
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Net surplus/(deficit) transferred from insurance operations		1,086,691	1,374,508	(7,843,555)	(4,674,976)
Commission income from bank deposits		119,678	178,872	477,480	550,589
Commission income on held to maturity investment		47,125	47,125	141,375	141,375
General and administrative expenses		(450,000)	(421,667)	(1,407,760)	(1,214,833)
Net income (loss) for the period		803,494	1,178,838	(8,632,460)	(5,197,845)
Earnings (loss) per share	9	0.04	0.06	(0.43)	(0.26)
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 SHAREHOLDERS' COMPREHENSIVE OPERATIONS
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

	Three months ended 30 September 2011 SR	Three months ended 30 September 2010 SR	Nine months ended 30 September 2011 SR	Nine months ended 30 September 2010 SR
Note	<u>(Un-audited)</u>	<u>(Un-audited)</u>	<u>(Un-audited)</u>	<u>(Un-audited)</u>
Net income (loss) for the period	803,494	1,178,838	(8,632,460)	(5,197,845)
Net unrealized gain on available for sale investments	(2,030,289)	1,606,455	(528,588)	2,968,913
Zakat and income tax	(624,999)	(624,999)	(1,249,998)	(1,874,998)
Total comprehensive (loss) income for the period	<u>(1,851,794)</u>	<u>2,160,294</u>	<u>(10,411,046)</u>	<u>(4,103,930)</u>
(Loss) earnings per share	9 (0.09)	0.11	(0.52)	(0.21)
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>


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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 NINE MONTHS ENDED 30 SEPTEMBER 2011

	Share capital SR	Accumulated losses SR	Revaluation reserve SR	Total SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Balance at 1 January 2010	200,000,000	(45,931,604)	129,291	154,197,687
Net loss for the period	-	(5,197,845)	-	(5,197,845)
Net unrealized gain on available for sale investments	-	-	2,968,913	2,968,913
Zakat and income tax	-	(1,874,998)	-	(1,874,998)
Balance at 30 September 2010	<u>200,000,000</u>	<u>(53,004,447)</u>	<u>3,098,204</u>	<u>150,093,757</u>
Balance at 1 January 2011	200,000,000	(54,841,525)	4,969,672	150,128,147
Net loss for the period	-	(8,632,460)	-	(8,632,460)
Net unrealized loss on available for sale investments	-	-	(528,588)	(528,588)
Zakat and income tax	-	(1,249,998)	-	(1,249,998)
Balance at 30 September 2011	<u>200,000,000</u>	<u>(64,723,983)</u>	<u>4,441,084</u>	<u>139,717,101</u>


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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 MONTHS ENDED 30 SEPTEMBER 2011


	Nine months ended 30 September 2011 SR	Nine months ended 30 September 2010 SR
	(Un-audited)	(Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit from insurance operations	(7,843,555)	(4,674,976)
Adjustments for:		
Depreciation	829,085	651,684
End-of-service indemnities, net	135,731	413,310
	(6,878,739)	(3,609,982)
Changes in operating assets and liabilities:		
Insurance receivables	(34,468,582)	(16,478,570)
Reinsurers share of unearned premium	(45,948,710)	(4,470,236)
Reinsurers share of outstanding claims	(1,013,697)	6,213,561
Deferred policy acquisition costs	4,056,336	(5,757,793)
Prepaid expenses and other assets	305,420	(214,987)
Due from an affiliate	-	36,390
Accrued interest income	(51,280)	-
Reinsurance payables	48,136,953	3,226,144
Unearned premiums	44,533,760	35,449,690
Unearned reinsurance commission	217,020	4,557,671
Outstanding claims	11,128,249	(2,008,330)
Accrued expenses and other liabilities	(217,692)	3,476,466
Net cash from operating activities	19,799,038	20,420,024
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	(754,231)	(892,957)
Cash used in investing activity	(754,231)	(892,957)
CASH FLOWS FROM FINANCING ACTIVITY		
Due from shareholders	18,316,365	37,738,247
Cash from financing activity	18,316,365	37,738,247
Net increase in cash and cash equivalents	37,361,172	57,265,314
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	123,601,287	83,651,124

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 NINE MONTHS ENDED 30 SEPTEMBER 2011

	Nine months ended 30 September 2011 SR <u>(Un-audited)</u>	Nine months ended 30 September 2010 SR <u>(Un-audited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(8,632,460)	(5,197,845)
Adjustment for:		
Commission income	<u>(477,480)</u>	<u>(691,964)</u>
	(9,109,940)	(5,889,809)
Changes in operating assets and liabilities:		
Accrued expenses and other liabilities	312,134	(164,047)
Due to insurance operations	<u>(10,472,810)</u>	<u>(33,063,271)</u>
Net cash used in operations	(19,270,616)	(39,117,127)
Zakat paid	<u>(915,698)</u>	<u>(847,295)</u>
Net cash used in operating activities	(20,186,314)	(39,964,422)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term deposit	-	(5,567,074)
Movement in other financial assets	(50,000)	(500,000)
Commission income received	<u>385,080</u>	<u>811,896</u>
Net cash from (used in) investing activities	335,080	(5,255,178)
Decrease in cash and cash equivalents	(19,851,234)	(45,219,600)
Cash and cash equivalents at the beginning of the period	<u>46,085,399</u>	<u>70,441,679</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>26,234,165</u>	<u>25,222,079</u>
Non-cash transactions:		
Net unrealized (loss) gain on available for sale investments	<u>(528,588)</u>	<u>2,968,913</u>



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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 September 2011 SR	31 December 2010 SR
	(Un-audited)	(Audited)
Premium receivables	88,881,105	51,248,781
Insurance and reinsurance companies	1,083,044	4,246,786
	<u>89,964,149</u>	<u>55,495,567</u>

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.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

4. SEGMENTAL INFORMATION (Continued)

Operating segments

	Medical SR	Motor SR	Property SR	Others SR	Total SR
For the nine months ended 30 September 2011 (un-audited)					
Gross written premium	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)
Surplus/(deficit) from insurance operations	3,488,779	4,410,563	1,974,023	9,696,739	(8,108,394)
Commission income from bank deposits	-	-	-	-	264,839
Net deficit from insurance operations	-	-	-	-	(7,843,555)
As at 30 September 2011 (un-audited)					
Insurance operation assets					
Reinsurance share of unearned premiums	21,891,715	280,236	12,236,269	42,464,120	76,872,340
Reinsurance share of outstanding claims	890,661	234,450	8,422,955	9,859,143	19,407,209
Deferred policy acquisition costs	558,058	2,719,217	1,858,241	4,353,679	9,489,195
Unallocated assets	-	-	-	-	218,692,586
Total assets	23,340,434	3,233,903	22,517,465	56,676,942	324,461,330
Insurance operations liabilities					
Unearned premiums	44,832,777	32,893,074	12,431,001	58,831,550	148,988,402
Outstanding claims	6,207,835	30,615,012	10,854,000	21,500,672	69,177,519
Unearned reinsurance commission	341,431	55,977	2,938,100	3,616,941	6,952,449
Unallocated liabilities	-	-	-	-	99,342,960
Total liabilities	51,382,043	63,564,063	26,223,101	83,949,163	324,461,330

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)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

4. SEGMENTAL INFORMATION (Continued)

Operating segments

	Medical SR	Motor SR	Property SR	Others SR	Total SR
For the nine months ended 30 September 2010 (un-audited)					
Gross written premium	26,472,819	82,163,926	19,084,929	36,498,821	164,220,495
Net earned premium	<u>13,658,817</u>	<u>54,655,898</u>	<u>1,314,354</u>	<u>9,325,224</u>	<u>78,954,293</u>
Reinsurance commission	1,806,639	244,710	4,444,673	2,656,762	9,152,784
Other underwriting income	9,695	21,280	4,900	26,808	62,683
Net incurred claims	(5,948,602)	(28,234,389)	(424,136)	(11,909,759)	(46,516,886)
Other underwriting expenses	(3,833,880)	(10,259,928)	(778,977)	(5,105,049)	(19,977,834)
Other general and administrative expenses (unallocated)	-	-	-	-	(26,539,615)
Surplus/(deficit) from insurance operations	<u>5,692,669</u>	<u>16,427,571</u>	<u>4,560,814</u>	<u>(5,006,014)</u>	<u>(4,864,575)</u>
Commission income from bank deposits	-	-	-	-	189,599
Net deficit from insurance operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,674,976)</u>
As at 31 December 2010 (audited)					
Insurance operation 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	<u>9,972,627</u>	<u>8,427,470</u>	<u>16,017,876</u>	<u>28,444,700</u>	<u>212,643,099</u>
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	<u>24,215,548</u>	<u>82,073,645</u>	<u>20,108,826</u>	<u>42,841,322</u>	<u>212,643,099</u>

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)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

5. RELATED PARTY TRANSACTIONS

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

	Nine months ended 30 September 2011 SR	Nine months ended 30 September 2010 SR
	(Un-audited)	(Un-audited)
Gross premium written from Directors and their related parties	804,751	2,662,273
Amount received on behalf of an affiliate	552,573	1,977,849
Amount charged to an affiliate	3,250,508	1,941,459

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

	30 September 2011 SR	31 December 2010 SR
	(Un-audited)	(Audited)
Premium receivable from Directors and their related parties	329,432	315,232
Claims payable to directors and related parties/affiliate	(343,658)	(314,149)
Amount (payable)/receivable (to)/from an affiliate	(265,504)	(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 September 2011 SR	31 December 2010 SR
	(Un-audited)	(Audited)
Cash in hand	47,000	31,987
Cash at banks	53,554,287	20,764,739
Short-term deposits	70,000,000	65,443,389
	123,601,287	86,240,115

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

6. CASH AND CASH EQUIVALENTS (Continued)

ii) Shareholders' operations

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

	30 September 2011 SR	31 December 2010 SR
	(Un-audited)	(Audited)
Cash at banks	839,063	834,098
Short-term deposits	25,395,102	45,251,301
	<u>26,234,165</u>	<u>46,085,399</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 0.61% per annum as at 30 September 2011 (31 December 2010: 0.71% per annum).

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 September 2011 SR	31 December 2010 SR
	(Un-audited)	(Audited)
Investment held to maturity	6,500,000	6,500,000
Investment available for sale	40,241,084	40,769,672
Advances towards investment	2,473,078	2,423,078
	<u>49,214,162</u>	<u>49,692,750</u>

9. (LOSS)/EARNINGS PER SHARE

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2011

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 18 October 2011.