

**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 AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW
REPORT
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011**

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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 December 2011, and the related interim statements of insurance operations, shareholders' operations and shareholders' comprehensive operations for the three months and twelve months periods then ended, interim statements of changes in shareholders' equity, insurance operations cash flows and shareholders' operations' cash flows for the twelve 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 International Accounting Standard 34 - Interim Financial Reporting (IAS 34).

EMPHASIS OF A MATTER:

We draw attention to the fact that these interim condensed 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.

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Bakr Abulkhair & Co

Waleed Moh'd Sobahi
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23 Safar 1433H
17 January 2012


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

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 December 2011 SR (Un-audited)	31 December 2010 SR (Audited)
INSURANCE OPERATIONS' ASSETS			
Property and equipment		2,314,729	2,542,317
Insurance receivables	3	57,259,911	55,495,567
Reinsurance share of unearned premiums	4	74,893,102	30,923,630
Reinsurance share of outstanding claims	4	21,728,617	18,393,512
Deferred policy acquisition costs	4	13,759,195	13,545,531
Due from shareholders' operations		-	2,588,600
Accrued interest income		111,964	17,422
Prepaid expenses and other assets		4,880,604	2,896,405
Cash and cash equivalents	6	137,715,642	86,240,115
TOTAL INSURANCE OPERATIONS' ASSETS		312,663,764	212,643,099
SHAREHOLDERS' ASSETS			
Statutory deposit	7	20,000,000	20,000,000
Other financial assets	8	51,396,722	49,692,750
Short term deposit		40,000,000	40,000,000
Accrued income		757,940	674,388
Due from insurance operations		20,808,921	-
Cash and cash equivalents	6	26,272,575	46,085,399
TOTAL SHAREHOLDERS' ASSETS		159,236,158	156,452,537
TOTAL ASSETS		471,899,922	369,095,636


DIRECTOR/
CHAIRMAN


ACTING CEO

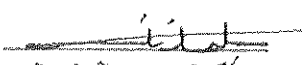

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The accompanying notes are an integral part of these interim condensed financial statements

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

INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 31 DECEMBER 2011

	Note	31 December 2011 SR (Un-audited)	31 December 2010 SR (Audited)
INSURANCE OPERATIONS' LIABILITIES			
Liabilities arising from insurance contracts			
Unearned premium	4	137,803,035	104,454,642
Outstanding claims	4	71,458,288	58,049,270
Total liabilities arising from insurance contracts		209,261,323	162,503,912
End-of-service indemnities		1,490,883	1,274,310
Reinsurance payables		67,465,291	34,720,425
Unearned reinsurance commission	4	4,860,735	6,735,429
Accrued expenses and other liabilities		8,175,280	7,409,023
Due to shareholders		20,808,921	-
Share of surplus		601,331	-
TOTAL INSURANCE OPERATIONS' LIABILITIES		312,663,764	212,643,099
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		4,750,569	3,735,790
Due to insurance operations		-	2,588,600
TOTAL SHAREHOLDERS' LIABILITIES		4,750,569	6,324,390
SHAREHOLDERS' EQUITY			
Share capital		200,000,000	200,000,000
Accumulated losses		(52,138,055)	(54,841,525)
Revaluation reserve		6,623,644	4,969,672
TOTAL SHAREHOLDERS' EQUITY		154,485,589	150,128,147
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		159,236,158	156,452,537
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		471,899,922	369,095,636


DIRECTOR
CHAIRMAN


ACTING CEO

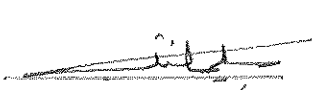

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SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

	Note	Three months ended 31 December 2011 SR (Un-audited)	Three months ended 31 December 2010 SR (Un-audited)	Twelve months ended 31 December 2011 SR (Un-audited)	Twelve months ended 31 December 2010 SR (Audited)
REVENUES					
Gross written premium	4	61,715,377	55,777,033	278,560,419	219,997,528
Reinsurance ceded premium		(27,509,146)	(13,586,779)	(129,082,467)	(67,873,528)
Net written premiums	4	34,206,231	42,190,254	149,477,952	152,124,000
Changes in unearned premiums		9,206,119	(2,532,633)	10,621,079	(33,512,086)
Net earned premiums	4	43,412,350	39,657,621	160,099,031	118,611,914
Reinsurance commission		3,395,863	5,351,633	15,194,949	14,504,417
Other underwriting (loss)/income		(27,231)	14,593	310,286	77,276
TOTAL REVENUES		46,780,982	45,023,847	175,604,266	133,193,607
UNDERWRITING COSTS AND EXPENSES					
Gross paid claims		28,998,810	29,852,650	116,107,416	96,825,253
Reinsurance share of claims paid		(5,574,232)	(7,621,907)	(24,905,939)	(32,282,855)
Net paid claims		23,424,578	22,230,743	91,201,477	64,542,398
Changes in outstanding claims		(32,100)	7,652,628	10,073,913	11,857,859
Net incurred claims	4	23,392,478	29,883,371	101,275,390	76,400,257
Policy acquisition costs		2,985,876	6,844,567	27,041,372	20,581,859
Excess of loss expenses		1,861,665	578,033	5,993,864	4,601,326
Other expenses		584,745	878,169	3,767,318	3,095,419
TOTAL UNDERWRITING COSTS AND EXPENSES		28,824,764	38,184,140	138,077,944	104,678,861
Net underwriting income		17,956,218	6,839,707	37,526,322	28,514,746
OPERATING EXPENSES					
Operating and administrative salaries		(4,271,381)	(5,652,121)	(21,176,141)	(23,550,299)
General and administrative expenses		24,104	(3,139,418)	(10,749,634)	(11,487,338)
Commission income from bank deposits		147,929	54,155	412,768	243,754
TOTAL OPERATING EXPENSES, NET		(4,099,348)	(8,737,384)	(31,513,007)	(34,793,883)
Net surplus/(deficit) from insurance operations		13,856,870	(1,897,677)	6,013,315	(6,279,137)
Insurance operations (surplus)/deficit transferred to shareholder's operations		(13,255,539)	1,897,677	(5,411,984)	6,279,137
NET SURPLUS FROM INSURANCE OPERATIONS		601,331	-	601,331	-


DIRECTOR/
CHAIRMAN


ACTING CEO


CFO

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 AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

	Three months ended 31 December 2011 SR (Un-audited)	Three months ended 31 December 2010 SR (Un-audited)	Twelve months ended 31 December 2011 SR (Un-audited)	Twelve months ended 31 December 2010 SR (Audited)
Net surplus/(deficit) transferred from insurance operations	13,255,539	(1,897,677)	5,411,984	(6,279,137)
Commission income from bank deposits	123,696	232,426	601,176	783,015
Commission income on held to maturity investment	47,125	1,574	188,500	142,949
General and administrative expenses	(215,433)	(416,739)	(1,623,193)	(1,631,572)
Net income/(loss) for the period	13,210,927	(2,080,416)	4,578,467	(6,984,745)
Earnings/(loss) per share	0.66	(0.10)	0.23	(0.35)
Weighted average number of outstanding shares	20,000,000	20,000,000	20,000,000	20,000,000


 DIRECTOR /
 CHAIRMAN


 ACCOUNTING CEO


 CFO

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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 TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

	Three months ended 31 December 2011 <u>SR</u> (Un-audited)	Three months ended 31 December 2010 <u>SR</u> (Un-audited)	Twelve months ended 31 December 2011 <u>SR</u> (Un-audited)	Twelve months ended 31 December 2010 <u>SR</u> (Audited)
Net income/(loss) for the period	13,210,927	(2,080,416)	4,578,467	(6,984,745)
Net unrealised gain on available for sale investments	2,182,560	1,871,468	1,653,972	4,840,381
Zakat and income tax	(624,999)	(50,178)	(1,874,997)	(1,925,176)
Total comprehensive income/(loss) for the period	<u>14,768,488</u>	<u>(259,126)</u>	<u>4,357,442</u>	<u>(4,069,540)</u>
Earnings/(loss) per share	9 0.74	(0.01)	0.22	(0.20)
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/
 CHAIRMAN


 ACTING CEO



 CFO

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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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2011


	Share capital SR	Accumulated losses SR	Revaluation reserve SR	Total SR
	(Audited)	(Audited)	(Audited)	(Audited)
Balance at 1 January 2010	200,000,000	(45,931,604)	129,291	154,197,687
Net loss for the period	-	(6,984,745)	-	(6,984,745)
Net unrealised gain on available for sale investments	-	-	4,840,381	4,840,381
Zakat and income tax	-	(1,925,176)	-	(1,925,176)
Balance at 31 December 2010	200,000,000	(54,841,525)	4,969,672	150,128,147
	(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	-	4,578,467	-	4,578,467
Net unrealised gain on available for sale investments	-	-	1,653,972	1,653,972
Zakat and income tax	-	(1,874,997)	-	(1,874,997)
Balance at 31 December 2011	200,000,000	(52,138,055)	6,623,644	154,485,589



DIRECTOR/
CHAIRMAN



ACTING CEO

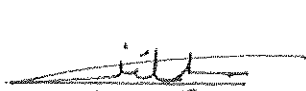


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SAUDI UNITED COOPERATIVE INSURANCE COMPANY (WALA'A)
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2011

	Twelve months ended 31 December 2011 <u>SR</u> (Un-audited)	Twelve months ended 31 December 2010 <u>SR</u> (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus/(deficit) from insurance operations	6,013,315	(6,279,137)
Adjustments for:		
Depreciation	1,100,282	913,748
End-of-service indemnities, net	216,573	552,053
Loss on disposal of property and equipment	-	6,735
	<u>7,330,170</u>	<u>(4,806,601)</u>
Changes in operating assets and liabilities:		
Insurance receivables	(1,764,344)	(10,002,549)
Reinsurers share of unearned premiums	(43,969,472)	(517,334)
Reinsurers share of outstanding claims	(3,335,105)	6,724,084
Deferred policy acquisition costs	(213,664)	(7,339,725)
Prepaid expenses and other assets	(1,984,199)	(518,968)
Due from an affiliate	-	856,050
Accrued interest income	(94,542)	(17,422)
Reinsurance payables	32,744,866	(5,573,762)
Unearned premiums	33,348,393	34,029,420
Unearned reinsurance commission	(1,874,694)	4,177,189
Outstanding claims	13,409,018	5,133,775
Accrued expenses and other liabilities	766,257	5,433,560
Net cash from operating activities	<u>34,362,684</u>	<u>27,577,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(872,694)	(1,069,442)
Proceeds from disposal of property and equipment	-	2,900
Net cash used in investing activities	<u>(872,694)</u>	<u>(1,066,542)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Due from shareholders	17,985,537	33,343,130
Net cash from financing activity	<u>17,985,537</u>	<u>33,343,130</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>51,475,527</u>	<u>59,854,305</u>
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>137,715,642</u></u>	<u><u>86,240,115</u></u>


DIRECTOR /
CHAIRMAN


ACCOUNTING CEO


CFO

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 TWELVE MONTH PERIODS ENDED 31 DECEMBER 2011

	Twelve months ended 31 December 2011 <u>SR</u> (Un-audited)	Twelve months ended 31 December 2010 <u>SR</u> (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the period	4,578,467	(6,984,745)
Adjustment for:		
Commission income	<u>(601,176)</u>	<u>(783,015)</u>
	3,977,291	(7,767,760)
Changes in operating assets and liabilities:		
Accrued expenses and other liabilities	55,480	(4,125,332)
Due to insurance operations	<u>(23,397,521)</u>	<u>(27,063,993)</u>
Cash used in operations	(19,364,750)	(38,957,085)
Zakat paid	<u>(915,698)</u>	<u>(847,285)</u>
Net cash used in operating activities	(20,280,448)	(39,804,370)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term deposit	-	25,000,000
Movement in other financial assets	(50,000)	(10,500,000)
Commission income received	<u>517,624</u>	<u>948,090</u>
Net cash from investing activities	467,624	15,448,090
DECREASE IN CASH AND CASH EQUIVALENTS	(19,812,824)	(24,356,280)
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>26,272,575</u>	<u>46,085,399</u>
Non-cash transaction:		
- Net unrealized gain on available for sale investments	<u>1,653,972</u>	<u>4,840,381</u>


 DIRECTOR /
 CHAIRMAN


 Acting CFO


 CFO

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)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 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 1429H corresponding to 2 July 2008.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements for the three months and twelve months periods ended 31 December 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 condensed 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 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 December 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Premium receivables, net	56,599,655	51,248,781
Insurance and reinsurance companies	660,256	4,246,786
	<u>57,259,911</u>	<u>55,495,567</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 AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

4 SEGMENTAL INFORMATION

Consistent with the Company's internal reporting process, business segments have been approved by the 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
For the twelve months ended 31 December 2011 (Un-audited)					
Gross written premium	98,541,201	63,415,029	28,452,127	88,152,062	278,560,419
Net written premiums	49,278,231	62,292,907	3,030,819	34,875,995	149,477,952
Net earned premiums	24,632,374	98,936,609	2,839,050	33,690,998	160,099,031
Reinsurance commission	4,372,817	224,119	5,482,742	5,115,271	15,194,949
Other underwriting income	9,871	255,648	8,590	36,177	310,286
Net incurred claims	(11,950,289)	(76,912,470)	(1,388,578)	(11,024,053)	(101,275,390)
Other underwriting expenses	(4,726,700)	(19,140,017)	(4,024,954)	(8,910,883)	(36,802,554)
Other general and administrative expenses (unallocated)	-	-	-	-	(31,925,775)
Surplus from insurance operations	12,338,073	3,363,889	2,916,850	18,907,510	5,600,547
Commission income from bank deposits	-	-	-	-	412,768
Net surplus from insurance operations	-	-	-	-	6,013,315
As at 31 December 2011 (Un-audited)					
Insurance operations assets					
Reinsurance share of unearned premiums	32,500,262	-	7,739,543	34,653,297	74,893,102
Reinsurance share of outstanding claims	2,302,186	359,046	7,623,306	11,444,079	21,728,617
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	42,485,619	2,212,411	16,562,994	49,119,890	312,663,764
Insurance operations liabilities					
Unearned premiums	66,056,780	20,496,766	7,757,742	43,491,747	137,803,035
Outstanding claims	8,832,595	28,592,051	9,789,725	24,243,917	71,458,288
Unearned reinsurance commission	219,998	5	1,921,218	2,719,514	4,860,735
Unallocated liabilities	-	-	-	-	98,541,706
Total liabilities	75,109,373	49,088,822	19,468,685	70,455,178	312,663,764

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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

4 SEGMENTAL INFORMATION (Continued)

Operating segments

	Medical SR	Motor SR	Property SR	Others SR	Total SR
For the twelve months ended					
31 December 2010 (Audited)					
Gross written premium	36,493,256	113,818,388	21,583,700	48,102,184	219,997,528
Net written premiums	19,169,280	112,592,826	1,548,784	18,813,110	152,124,000
Net earned premiums	17,302,808	81,713,172	1,724,461	17,871,473	118,611,914
Reinsurance commission	2,899,903	245,110	5,650,173	5,709,231	14,504,417
Other underwriting income	12,440	25,623	6,115	33,098	77,276
Net incurred claims	(11,492,839)	(58,452,009)	(854,467)	(5,600,942)	(76,400,257)
Other underwriting expenses	(4,522,511)	(14,662,047)	(2,765,967)	(6,328,079)	(28,278,604)
Other general and administrative expenses (unallocated)	-	-	-	-	(35,037,637)
Surplus/(deficit) from insurance operations	4,199,801	8,869,849	3,760,315	11,684,781	(6,522,891)
Commission income from bank deposits	-	-	-	-	243,754
Net deficit from insurance operations	-	-	-	-	(6,279,137)
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 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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

	Medical SR	Motor SR	Property SR	Others SR	Total SR
For the three months ended 31 December 2011 (Un-audited)					
Gross written premium	42,370,764	6,734,785	2,275,283	10,334,545	61,715,377
Net written premiums	21,185,382	6,724,492	294,711	6,001,646	34,206,231
Net earned premiums	10,569,926	18,844,340	722,869	13,275,215	43,412,350
Reinsurance commission	121,418	58,030	1,553,953	1,662,462	3,395,863
Other underwriting income	2,745	(39,556)	965	8,615	(27,231)
Net incurred claims	(3,974,839)	(15,418,757)	(253,325)	(3,745,557)	(23,392,478)
Other underwriting expenses	2,292,074	(3,628,269)	(1,081,635)	(3,014,456)	(5,432,286)
Other general and administrative expenses (unallocated)	-	-	-	-	(4,247,277)
Surplus/(deficit) from insurance operations	9,011,324	(184,212)	942,827	8,186,279	13,708,941
Commission income from bank deposits	-	-	-	-	147,929
Net surplus from insurance operations	-	-	-	-	13,856,870
	Medical SR	Motor SR	Property SR	Others SR	Total SR
For the three months ended 31 December 2010 (Unaudited)					
Gross written premium	10,020,437	31,654,462	2,498,771	11,603,363	55,777,033
Net written premiums	4,661,714	31,652,460	59,791	5,816,289	42,190,254
Net earned premiums	3,643,991	27,057,274	410,107	8,546,249	39,657,621
Reinsurance commission	1,093,264	400	1,205,500	3,052,469	5,351,633
Other underwriting income	2,745	4,343	1,215	6,290	14,593
Net incurred claims	(5,468,438)	(19,991,562)	(1,278,603)	(3,144,768)	(29,883,371)
Other underwriting expenses	(688,631)	(4,402,119)	(1,986,990)	(1,223,029)	(8,300,769)
Other general and administrative expenses (unallocated)	-	-	-	-	(8,791,539)
Deficit/(surplus) from insurance operations	(1,417,069)	2,668,336	(1,648,771)	7,237,211	(1,951,832)
Commission income from bank deposits	-	-	-	-	54,155
Net deficit from insurance operations	-	-	-	-	(1,897,677)

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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

5 RELATED PARTY TRANSACTIONS AND BALANCES

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

	Twelve months ended 31 December 2011 <u>SR</u> (Un-audited)	Twelve months ended 31 December 2010 <u>SR</u> (Audited)
Gross premium received from Directors and their related parties	2,972,676	2,868,799
Amount received on behalf of an affiliate	563,986	-
Amount charged to an affiliate	3,254,456	-

Balances from/(due to) related parties are as follows:

	31 December 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Premium receivable from Directors and their related parties	99,983	315,232
Claims payable to Directors and related parties/affiliate	(233,317)	(314,149)
Amounts receivable/(payable to) an affiliate	470,358	(2,963,439)

6 CASH AND CASH EQUIVALENTS

i) Insurance operations

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

	31 December 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Cash in hand	34,884	31,987
Cash at banks	37,616,758	20,764,739
Short-term deposits	100,064,000	65,443,389
	<u>137,715,642</u>	<u>86,240,115</u>

ii) Shareholders operations

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

	31 December 2011 <u>SR</u> (Un-audited)	31 December 2010 <u>SR</u> (Audited)
Cash at banks	839,063	834,098
Short-term deposits	25,433,512	45,251,301
	<u>26,272,575</u>	<u>46,085,399</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS AND TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2011

6 CASH AND CASH EQUIVALENTS (Continued)

ii) Shareholders operations (Continued):

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 0.83% per annum as at 31 December 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

	31 December 2011 SR (Un-audited)	31 December 2010 SR (Audited)
Investment held to maturity	6,500,000	6,500,000
Investment available for sale	42,423,644	40,769,672
Advances towards investments	2,473,078	2,423,078
	<u>51,396,722</u>	<u>49,692,750</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 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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