

Walaa Cooperative Insurance Company
(A Saudi Joint Stock Company)
Interim Condensed Financial Information (Unaudited)
and independent auditors' limited review report

March 31, 2018

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
MARCH 31, 2018

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Audit - Consultants - Zakat & Tax

Al-Bassam & Co.

Allied Accountants

(Member Firm of PKF International)

MOORE STEPHENS

EL SAYED EL AYOUTY & CO.

Certified Public Accountants

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

**TO THE SHAREHOLDERS OF WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Walaa Cooperative Insurance Company, (A Saudi Joint Stock Company) (the "Company") as at 31 March 2018 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended, and the related notes which form an integral part of these interim condensed financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34) as modified by Saudi Arabian Monetary Authority ("SAMA") for the accounting for zakat and income tax. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of these interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, as at 31 March 2018, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as modified by Saudi Arabian Monetary Authority ("SAMA") for the accounting for zakat and income tax.

For PKF Al Bassam & Co.
Allied Accountants

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License Number 237
P.O. Box 4636
Al Khobar 31952, Saudi Arabia



For Moore Stephens
El Sayed El Ayouly & Co.

Mohamed El Ayouly
Certified Public Accountant
License Number 211
P.O. Box 200
Al Khobar 31952, Saudi Arabia



May 10, 2018
24 Shaban, 1439 H

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

| | Notes | SAR '000 | |
|-------------------------------------------------------|-------|------------------------------------|-------------------------------------|
| | | March 31, 2018 - (Unaudited) | December 31, 2017 - (Audited) |
| ASSETS | | | |
| Cash and cash equivalents | 5 | 312,877 | 309,919 |
| Short term/fixed income deposits | | 842,004 | 824,833 |
| Premiums and reinsurers' receivable - net | 6 | 207,170 | 127,341 |
| Reinsurers' share of unearned premiums | 8.2 | 127,339 | 130,247 |
| Reinsurers' share of outstanding claims | 8.1 | 118,184 | 110,606 |
| Reinsurers' share of claims incurred but not reported | 8.1 | 43,722 | 42,106 |
| Deferred policy acquisition costs | | 38,180 | 37,018 |
| Investments | 7 | 103,835 | 96,767 |
| Due from insurance operations | | 38,460 | 15,064 |
| Prepaid expenses and other assets | | 31,272 | 28,391 |
| Property and equipment | | 9,317 | 8,691 |
| Intangible assets | | 753 | 504 |
| Statutory deposit | | 40,000 | 40,000 |
| Accrued income on statutory deposit | | 3,403 | 3,178 |
| Accrued commission income | | 3,131 | 5,486 |
| TOTAL ASSETS | | 1,919,647 | 1,780,151 |

The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.



Chief Financial Officer



Chief Executive Officer



Board Member

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (Continued)

| | Notes | SAR '000 | |
|-------------------------------------------------------------|-------|---------------------------------|----------------------------------|
| | | March 31, 2018 - (Unaudited) | December 31, 2017 - (Audited) |
| <u>LIABILITIES</u> | | | |
| Policyholders payable | | 10,357 | 13,760 |
| Accrued and other liabilities | | 86,960 | 74,248 |
| Reinsurers' balances payable | | 79,397 | 61,791 |
| Unearned premiums | 8.2 | 579,398 | 538,493 |
| Unearned reinsurance commission | | 10,859 | 9,842 |
| Outstanding claims | 8.1 | 176,730 | 160,619 |
| Claims incurred but not reported | 8.1 | 246,409 | 255,904 |
| Additional premium reserves | 8.1 | 5,041 | 3,197 |
| Other technical reserves | 8.1 | 5,471 | 5,316 |
| Due to shareholders' operations | | 38,460 | 15,064 |
| End-of-service indemnities | | 13,402 | 12,779 |
| Surplus distribution payable | | 22,858 | 31,055 |
| Zakat and income tax | 13 | 29,686 | 25,715 |
| Accumulated actuarial loss on end-of-service indemnities | | (2,174) | (2,174) |
| Accrued commission income payable to SAMA | | 3,403 | 3,178 |
| <u>TOTAL LIABILITIES</u> | | 1,306,257 | 1,208,787 |
| <u>SHAREHOLDERS' EQUITY</u> | | | |
| Share capital | 14 | 400,000 | 400,000 |
| Share premium | 14 | 30,108 | 30,108 |
| Statutory reserve | | 31,722 | 31,722 |
| Retained earnings | | 161,652 | 126,888 |
| Fair value reserve loss on investments | 7 | (10,092) | (17,354) |
| <u>TOTAL EQUITY</u> | | 613,390 | 571,364 |
| <u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | 1,919,647 | 1,780,151 |
| Commitments and contingencies | 9 | - | - |

The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.



Chief Financial Officer



Chief Executive Officer




Board Member

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31

| | Notes | SAR '000 | |
|-----------------------------------------------------|-------|-----------------|-----------------|
| | | 2018 | 2017 |
| <u>REVENUES</u> | | | |
| Gross premiums written | | | |
| - Direct | 11,17 | 310,227 | 299,382 |
| - Reinsurance | | 301 | 378 |
| | | 310,528 | 299,760 |
| Reinsurance premiums ceded | 11,17 | | |
| - Local ceded | | (2,389) | (1,736) |
| - Foreign ceded | | (58,705) | (48,505) |
| | | (61,094) | (50,241) |
| Excess of loss expenses | 11,17 | (2,581) | (2,124) |
| Net premiums written | | 246,853 | 247,395 |
| Changes in unearned premiums, net | 11,17 | (43,813) | (56,576) |
| Net premiums earned | | 203,040 | 190,819 |
| Reinsurance commissions | | 4,518 | 3,419 |
| Other underwriting income | | 1,356 | 1,577 |
| <u>TOTAL REVENUES</u> | | 208,914 | 195,815 |
| <u>UNDERWRITING COSTS AND EXPENSES</u> | | | |
| Gross claims paid | 11,17 | 119,878 | 125,721 |
| Expenses incurred related to claims | | 9,756 | 8,676 |
| Reinsurers' share of claims paid | | (5,023) | (14,058) |
| Net claims and other benefits paid | | 124,611 | 120,339 |
| Changes in outstanding claims, net | | 8,533 | 7,330 |
| Changes in IBNR, net | | (11,111) | (9,530) |
| Net claims and other benefits incurred | | 122,033 | 118,139 |
| Additional premium reserves | | 1,844 | 570 |
| Other technical reserves | | 155 | (193) |
| Policy acquisition costs | | 18,682 | 17,972 |
| Other underwriting expenses | | 2,477 | 120 |
| <u>TOTAL UNDERWRITING COSTS AND EXPENSES</u> | | 145,191 | 136,608 |
| NET UNDERWRITING INCOME | | 63,723 | 59,207 |

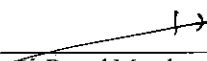
The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.



Chief Financial Officer



Chief Executive Officer



Board Member

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31 (Continued)

| | Notes | SAR '000 | |
|-------------------------------------------------------------------|-------|------------------------|------------------------|
| | | 2018 | 2017 |
| <u>OTHER OPERATING (EXPENSES)/ INCOME</u> | | | |
| Allowance for doubtful debts | | - | (1,000) |
| General and administrative expenses | | (25,379) | (25,363) |
| Commission income on deposits | | 3,987 | 3,034 |
| Dividend and realized gain on investments | | 606 | - |
| <u>TOTAL OTHER OPERATING EXPENSES</u> | | <u>(20,786)</u> | <u>(23,329)</u> |
| Total income for the period | | 42,937 | 35,878 |
| Total income attributed to the insurance operations | 17 | <u>(4,202)</u> | <u>(3,647)</u> |
| Net income for the period attributable to the shareholders | | <u>38,735</u> | <u>32,231</u> |
| Earnings per share (Expressed in SAR per share) | | | |
| Basic EPS | 16 | <u>0.97</u> | <u>0.81</u> |

The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.

Shahid

Chief Financial Officer

[Signature]

Chief Executive Officer

[Signature]

Board Member

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31

| | Notes | SAR '000 | |
|--------------------------------------------------------------------------------------------------------------|-------|---------------|---------------|
| | | 2018 | 2017 |
| Total income for the period | | 42,937 | 35,878 |
| Other comprehensive income | | | |
| <i>Items that are or may be reclassified to interim condensed statements of income in subsequent periods</i> | | | |
| - Available for sale investments: | | | |
| - Net change in fair value | 7 | 7,262 | 537 |
| <u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u> | | 50,199 | 36,415 |
| Total comprehensive income attributed to the insurance operations | | (4,202) | (3,647) |
| Net comprehensive income for the period attributable to the shareholders | | 45,997 | 32,768 |

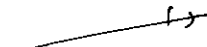
The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.



Chief Financial Officer



Chief Executive Officer



Board Member

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31
(SAR in '000')

| | 2018 | Share capital | Share premium | Statutory reserve | Retained earnings | Fair value reserve loss on investments | Total |
|------------------------------------------------------------------------|------|---------------|---------------|-------------------|-------------------|----------------------------------------|---------|
| Balance at the beginning of the period - (Audited) | | 400,000 | 30,108 | 31,722 | 126,888 | (17,354) | 571,364 |
| Total comprehensive income for the period | | | | | | | |
| Changes in fair values of available for sale investments | 7 | - | - | - | - | 7,262 | 7,262 |
| Net income for the period attributable to shareholders | | - | - | - | 38,735 | - | 38,735 |
| Total comprehensive income for the period attributable to shareholders | | 400,000 | 30,108 | 31,722 | 165,623 | (10,092) | 617,361 |
| Provision for zakat for the period | | | | | (3,971) | - | (3,971) |
| Balance at the end of the period - (Unaudited) | | 400,000 | 30,108 | 31,722 | 161,652 | (10,092) | 613,390 |

The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.



Chief Financial Officer



Chief Executive Officer



Board Member


WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31(Continued)
(SAR in '000')

| | Share capital | Share premium | Statutory reserve | Retained earnings | Fair value reserve loss on investments | Total |
|-------------------------------------------------------------------------------|----------------|---------------|-------------------|-------------------|----------------------------------------|----------------|
| 2017 | | | | | | |
| Balance at the beginning of the period- (Audited) | 400,000 | 30,108 | 5,976 | 23,903 | (24,499) | 435,488 |
| Total comprehensive income for the period | | | | | | |
| Changes in fair values of available for sale investments | - | - | - | - | 537 | 537 |
| Net income for the period attributable to shareholders | - | - | - | 32,231 | - | 32,231 |
| Total comprehensive income for the period attributable to shareholders | 400,000 | 30,108 | 5,976 | 56,134 | (23,962) | 468,256 |
| Provision for zakat for the period | | | | (2,938) | - | (2,938) |
| Provision for income tax for the period | | | | (312) | - | (312) |
| Balance at the end of the period - (Unaudited) | 400,000 | 30,108 | 5,976 | 52,884 | (23,962) | 465,006 |

The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.


Chief Financial Officer


Chief Executive Officer

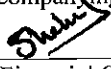

Board Member


WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31,

| | SAR '000 | |
|--------------------------------------------------------------------|-----------------|----------------|
| | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit for the period | 42,937 | 35,878 |
| <u>Adjustments for non-cash items:</u> | | |
| Depreciation of property and equipment | 789 | 799 |
| Amortization of intangible assets | 364 | 36 |
| Allowance for doubtful debts | - | 1,000 |
| Dividend and realized gain on investments | (606) | - |
| Commission income | (3,987) | (3,034) |
| Provision for end-of-service indemnities | 722 | 3,667 |
| <u>Changes in operating assets and liabilities:</u> | | |
| Premiums and reinsurers' receivable | (83,571) | (19,485) |
| Reinsurers' share of unearned premiums | 2,908 | (3,459) |
| Reinsurers' share of outstanding claims | (7,578) | (25,134) |
| Reinsurers' share of claims incurred but not reported | (1,616) | 16,360 |
| Deferred policy acquisition costs | (1,162) | (3,013) |
| Prepaid expenses and other assets | (2,881) | 15,974 |
| Policyholders payables | (3,403) | 847 |
| Accrued and other liabilities | 4,055 | 4,053 |
| Reinsurers' balances payable | 17,606 | 25,070 |
| Unearned premiums | 40,905 | 60,035 |
| Unearned reinsurance commission | 1,017 | 1,230 |
| Outstanding claims | 16,111 | (7,163) |
| Claims incurred but not reported | (9,495) | (6,829) |
| Additional premium reserves | 1,844 | 570 |
| Other technical reserves | 155 | (193) |
| | 15,114 | 97,209 |
| End-of-service indemnities paid | (99) | (404) |
| Net cash generated from operating activities | 15,015 | 96,805 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions in intangible assets | (613) | - |
| Commission income received | 6,342 | - |
| Dividend received | 800 | - |
| Additions in short term/fixed income deposits | (17,171) | - |
| Additions in property and equipment | (1,415) | (452) |
| Net cash used in investing activities | (12,057) | (452) |
| Net change in cash and cash equivalents | 2,958 | 96,353 |
| Cash and cash equivalents, beginning of the period | 309,919 | 884,356 |
| Cash and cash equivalents, end of the period | 312,877 | 980,709 |
| NON-CASH INFORMATION | | |
| Unrealised changes in fair value of available for sale investments | 7,262 | 537 |

The accompanying notes 1 to 19 form an integral part of these interim condensed financial information.


Chief Financial Officer


Chief Executive Officer


Board Member

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

1. General

Walaa Cooperative Insurance Company (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), "the Company", was formed pursuant to Royal Decree No. (S/114) dated 02/05/1428H. The Company operates under Commercial Registration no. 2051034982 dated 19 Jumada II 1428H corresponding to July 4, 2007. The registered address of the Company's head office is as follows:

Walaa Cooperative Insurance Co.
Head Office
Custodian of Two Holy Mosques Road
P.O. Box 31616
Al-Khobar 31952, Saudi Arabia

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance and agency activities. Its principal lines of business include medical, motor, marine, fire, engineering, energy, aviation and casualty insurance.

On 2 Jumada II 1424H, corresponding to 31 July 2003, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32). On 28 Jumada II 1429H corresponding to July 2, 2008, the Saudi Arabian Monetary Authority ("SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license (number TMN/16/2008) to transact insurance activities in the Kingdom of Saudi Arabia.

The Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policy holders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

Subsequent to the quarter ended March 31, 2018, the Board of Directors in their meeting held on 18 April 2018 approved the start of the initial understanding with Al-Sagr Cooperative Insurance Company to study the economic feasibility of the merger of the two companies. During the next 6 months, the two companies will sign a non-binding memorandum of understanding to conduct the technical, financial and legal studies necessary for the merger process, schedule them and then present the results of these studies to the boards of directors of the two companies. However, this merger process would be subject to regulatory approvals of the competent authorities and General Assemblies of each company

The Company has no wholly/partially owned subsidiary/ies hence, the interim condensed financial statements include no such consolidated financial information.

2. Basis of preparation

(a) Basis of presentation

The interim condensed financial information of the Company has been prepared in accordance with 'International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as modified by SAMA for the accounting of zakat and income tax', which requires, adoption of all IFRSs as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax. As per the SAMA Circular no. 381000074519 dated April 11, 2017 and subsequent amendments through certain clarifications relating to the accounting for zakat and income tax ("SAMA Circular"), the zakat and income tax are to be accrued on a quarterly basis through shareholders' equity under retained earnings.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

(a) Basis of presentation (Continued)

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of available-for-sale investments. The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, short term/fixed income deposits, premiums and reinsurers' receivable - net, accrued commission income, prepaid expenses and other assets, due from/to insurance operations/shareholders operations, policyholders' payable, accrued and other liabilities, reinsurers' balances payable, outstanding claims, RI share of outstanding claims, RI share of claims incurred but not reported, RI share of unearned premiums and surplus payable. The following balances would generally be classified as non-current: end-of-service indemnities, statutory deposit, property and equipment, intangible assets, accrued commission on statutory deposit, zakat and tax payable.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed statement of financial position, statements of income and statement of comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented on pages 27 to 33 of the financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations. Accordingly, the interim condensed statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial information in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

The inclusion of separate information of the insurance operations with the financial information of the Company in the interim condensed statement of financial position, the statement of income, statement of comprehensive income, cash flows as well as certain relevant notes to the financial information represents additional supplementary information as required by the implementing regulations.

The interim condensed financial information does not include all of the information required for full annual financial information and should be read in conjunction with the annual financial information as of and for the year ended December 31, 2017.

This interim condensed financial information is expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

(b) Critical accounting judgments, estimates and assumptions

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial information as at and for the year ended December 31, 2017.

3. Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company.

4. Significant accounting policies

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the annual financial information for the year ended December 31, 2017 except as explained below:

Standards, interpretations and amendments to published standards that will be effective for the periods commencing on or after January 1, 2018 and have no material impact on the Company:

Amendments to IAS 40 Investment Property – effective for periods beginning on or after January 1, 2018: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.

IFRS 16 Leases – effective for periods beginning on or after January 1, 2019:

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Amendment to standard IFRS 2 – Classification and Measurement of Share-based Payment Transactions – effective for periods beginning on or after January 1, 2018:

These amendments relate to the following areas:

- the accounting for the effects of vesting conditions on cash-settled share-based payment transactions;
- the classification of share-based payment transactions with net settlement features for withholding tax obligations;
- and
- the accounting for a modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity-settled.

The amendments apply prospectively to annual periods beginning on or after January 1, 2018, with specific transitional requirements. The amendments may be applied retrospectively only if it is possible to do so without using hindsight. Early application was permitted.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

4. Significant accounting policies (Continued)

IFRS 15 Revenue from Contracts with Customers – effective for periods beginning on or after January 1, 2018:

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

Amendments to IFRS 7 Financial Instruments – effective when IFRS 9 is adopted: Disclosures relating to initial application of IFRS 9. In addition, disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.

Amendments to IFRS 10 Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) – effective for periods beginning on or after January 1, 2018: relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

IFRIC 22 Foreign Currency Transactions and Advance Consideration – effective for periods beginning on or after January 1, 2018:

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary

In July 2014, the IASB published IFRS 9 Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

The Company expects that it will be eligible for this temporary exemption and will consider deferring the implementation of IFRS 9 until a later date, but no later than 1 January 2021.

In September 2016, the IASB published amendments to IFRS 4 Insurance Contracts that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2021. The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied.

The Company is eligible to apply the deferral approach under the amendments to IFRS 4. The impact of the adoption of IFRS 9 on the Company's financial information will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. As such, it is not possible to fully assess the effect of the adoption of IFRS 9.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

5. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

| | Insurance operations | |
|------------------------|-------------------------------------------|--------------------------------------------|
| | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
| SAR'000 | | |
| Bank balances and cash | 292,477 | 289,505 |
| Total | 292,477 | 289,505 |
| | Shareholders' operations | |
| | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
| SAR'000 | | |
| Bank balances and cash | 20,400 | 20,414 |
| Total | 20,400 | 20,414 |

6. Premiums and reinsurers' receivable - net

Receivables comprise amounts due from the following:

| | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
|--------------------------------------------------|-------------------------------------------|--------------------------------------------|
| SAR'000 | | |
| Policyholders | 100,188 | 52,626 |
| Brokers and agents | 135,777 | 105,878 |
| Related parties (note 12) | 2,252 | 235 |
| Receivables from reinsurers | 1,798 | 1,447 |
| | 240,015 | 160,186 |
| Provision for doubtful receivables | (32,845) | (32,845) |
| Premiums and reinsurers' receivable – net | 207,170 | 127,341 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

7. Investments

Investment are classified as follows:

| SAR'000 | Shareholders' operations | |
|--------------------------------|----------------------------------|-----------------------------------|
| | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
| Available for sale investments | 103,835 | 96,767 |

Movement in the investment balance is as follows:

| SAR'000 | Shareholders' operations | |
|-------------------------------------------|----------------------------------|-----------------------------------|
| | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
| Opening balance | 96,767 | 109,622 |
| Adjustment/ disposals | (194) | (14,595) |
| Changes in fair value of investments, net | 7,262 | 1,740 |
| Closing balance | 103,835 | 96,767 |

Available-for-sale investments include the following:

| SAR'000 | Shareholders' operations | |
|---------------------|----------------------------------|-----------------------------------|
| | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
| Quoted securities | 101,112 | 94,044 |
| Unquoted securities | 2,723 | 2,723 |
| | 103,835 | 96,767 |

Reclassifications

During the period, there has been no reclassification of any investment between the categories that required to be disclosed as per amendments to IAS 39 and IFRS 7.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

8. Technical reserves

8.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

| SAR'000 | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
|---------------------------------------------------------|----------------------------------|-----------------------------------|
| Outstanding claims | 176,730 | 160,619 |
| Less: Realizable value of salvage and subrogation | - | - |
| | <u>176,730</u> | <u>160,619</u> |
| Claims incurred but not reported: | 246,409 | 255,904 |
| Additional premium reserves | | |
| Premium deficiency reserve | 4,107 | 3,197 |
| Additional unexpired risk reserve | 934 | - |
| Other technical reserves: | | |
| Unallocated loss adjustment expenses provision | 3,347 | 3,193 |
| Non-proportional reinsurance accrual reserve | 2,124 | 2,123 |
| | <u>433,651</u> | <u>425,036</u> |
| Less: | | |
| - Reinsurers' share of outstanding claims | 118,184 | 110,606 |
| - Reinsurers' share of claims Incurred but not reported | 43,722 | 42,106 |
| | <u>161,906</u> | <u>152,712</u> |
| Net outstanding claims and reserves | <u><u>271,745</u></u> | <u><u>272,324</u></u> |

8.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

| SAR'000 | Three months ended March 31, 2018 (Unaudited) | | |
|-------------------------------------------|--------------------------------------------------|------------------|----------------|
| | Gross | Reinsurance | Net |
| Balance as at the beginning of the period | 538,493 | (130,247) | 408,246 |
| Premiums written during the period | 310,528 | (63,675) | 246,853 |
| Premiums earned during the period | (269,623) | 66,583 | (203,040) |
| Balance as at the end of the period | <u>579,398</u> | <u>(127,339)</u> | <u>452,059</u> |
| | Year ended December 31, 2017 (Audited) | | |
| | Gross | Reinsurance | Net |
| Balance as at the beginning of the year | 495,320 | (136,568) | 358,752 |
| Premiums written during the year | 1,102,332 | (260,744) | 841,588 |
| Premiums earned during the year | (1,059,159) | 267,065 | (792,094) |
| Balance as at the end of the year | <u>538,493</u> | <u>(130,247)</u> | <u>408,246</u> |

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FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

9. Commitments and Contingencies

a) The Company's commitments and contingencies are as follows:

| SAR'000 | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
|----------------------|-------------------------------------------|--------------------------------------------|
| Letters of guarantee | 6,199 | 6,089 |
| Total | 6,199 | 6,089 |

b) The Company is subject to legal proceedings in the ordinary course of business. There was no change in the status of legal proceedings as disclosed at December 31, 2017.

10. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed financial information.

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

10. Fair values of financial instruments (Continued)

a. Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

| Shareholders' Operations | Fair value | | | | |
|------------------------------------------------|----------------|---------|---------|---------|---------|
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| SAR'000s | | | | | |
| March 31, 2018 (Unaudited) | | | | | |
| Financial assets measured at fair value | | | | | |
| - Available for sale investments | 101,112 | 101,112 | - | - | 101,112 |
| | 101,112 | 101,112 | - | - | 101,112 |

| Shareholders' Operations | Fair value | | | | |
|------------------------------------------------|----------------|---------|---------|---------|--------|
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| SAR'000s | | | | | |
| December 31, 2017 (Audited) | | | | | |
| Financial assets measured at fair value | | | | | |
| - Available for sale investments | 94,044 | 94,044 | - | - | 94,044 |
| | 94,044 | 94,044 | - | - | 94,044 |

b. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following table shows the valuation techniques that could be used in measuring Level 2 and Level 3 fair values at March 31, 2018 and December 31, 2017, as well as the significant unobservable inputs used.

| Type | Valuation technique |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Available for sale equity securities (unquoted) | <i>Market comparison technique:</i> The valuation model is based on market multiples derived from quoted prices of companies comparable to investee and the expected EBITDA of the investee. This estimate is adjusted for the effect of non-marketability of the equity securities. |
| Corporate debt securities | <i>Market comparison technique:</i> The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. |

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

10. Fair values of financial instruments (Continued)

ii. Transfer between the Levels

During the period, there were no transfers into or out of each level.

Sensitivity analysis

The Company has investments amounting to SR 2.7 million in unquoted equity securities. These investments have not been measured at fair value because of unavailability of quoted prices of comparable companies and other financial information to compute EBITDA of these investee companies. However, the management believes that there is no major difference between the carrying values and fair values of these investments.

11. Operating Segments

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed income statement. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2017.

Segment assets do not include cash and cash equivalents, short term deposits, premiums and insurance balances receivable - net, due from shareholders' operations, accrued commission income, prepaid expenses and other assets, property and equipment and intangible assets. Accordingly, they are included in unallocated assets.

Segment liabilities do not include policyholders' payables, accrued and other liabilities, reinsurance balances payable, due to shareholders' operations, end-of-service indemnities and accrual loss thereon, and insurance operations' surplus. Accordingly, they are included in unallocated liabilities.

Segments do not include shareholders' assets and liabilities hence these are presented under unallocated assets/liabilities accordingly.

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

11. Operating Segments (Continued)

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at March 31, 2018 and December 31, 2017, its total revenues, expenses, and net income for the three-month periods then ended, are as follows:

| Statement of Financial Position | As at March 31, 2018 (Unaudited) | | | | | | Total - Insurance operations | Shareholders' operations | Total |
|-------------------------------------------------------|-------------------------------------|----------------------|----------------|---------------|----------------|----------------------|---------------------------------|-----------------------------|-------|
| | SAR '000 | Insurance operations | | | | | | | |
| Operating segments | Medical | Motor | Property | Engineering | Others | Insurance operations | | | |
| | SAR'000 | | | | | | | | |
| Assets | | | | | | | | | |
| Reinsurers' share of unearned premiums | - | - | 32,907 | 34,995 | 59,437 | 127,339 | - | 127,339 | |
| Reinsurers' share of outstanding claims | - | 15 | 77,632 | 25,371 | 15,166 | 118,184 | - | 118,184 | |
| Reinsurers' share of claims incurred but not reported | 542 | 374 | 4,696 | 11,689 | 26,421 | 43,722 | - | 43,722 | |
| Deferred policy acquisition costs | 3,889 | 27,173 | 1,041 | 1,578 | 4,499 | 38,180 | - | 38,180 | |
| Unallocated assets | | | | | | 942,130 | 650,092 | 1,592,222 | |
| Total assets | 4,431 | 27,562 | 116,276 | 73,633 | 105,523 | 1,269,555 | 650,092 | 1,919,647 | |
| Liabilities | | | | | | | | | |
| Unearned premiums | 50,251 | 382,871 | 34,131 | 36,303 | 75,842 | 579,398 | - | 579,398 | |
| Unearned reinsurance commission | - | - | 1,933 | 3,667 | 5,259 | 10,859 | - | 10,859 | |
| Outstanding claims | 23,414 | 15,154 | 82,214 | 27,338 | 28,610 | 176,730 | - | 176,730 | |
| Claims incurred but not reported | 9,278 | 184,323 | 5,927 | 12,189 | 34,692 | 246,409 | - | 246,409 | |
| Additional premium reserves | 1,384 | - | 1,771 | 1,508 | 378 | 5,041 | - | 5,041 | |
| Other technical reserves | 210 | 3,999 | 470 | 259 | 533 | 5,471 | - | 5,471 | |
| Unallocated liabilities | | | | | | 245,647 | 36,702 | 282,349 | |
| Total liabilities | 84,537 | 586,347 | 126,446 | 81,264 | 145,314 | 1,269,555 | 36,702 | 1,306,257 | |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

11. Operating Segments (Continued)

| Statement of Financial Position | As at December 31, 2017 | | | | | Total - Insurance operations | Shareholders' operations | Total |
|-------------------------------------------------------|-------------------------|----------------|----------------|---------------|----------------|------------------------------|--------------------------|------------------|
| | (Audited) | | | | | | | |
| SAR '000 | Insurance operations | | | | | | | |
| Operating segments | Medical | Motor | Property | Engineering | Others | Insurance operations | Shareholders' operations | Total |
| | SAR'000 | | | | | | | |
| Assets | | | | | | | | |
| Reinsurers' share of unearned premiums | - | - | 59,008 | 39,984 | 31,255 | 130,247 | - | 130,247 |
| Reinsurers' share of outstanding claims | - | 15 | 76,521 | 29,197 | 4,873 | 110,606 | - | 110,606 |
| Reinsurers' share of claims incurred but not reported | - | 422 | 4,925 | 9,627 | 27,132 | 42,106 | - | 42,106 |
| Deferred policy acquisition costs | 4,031 | 26,807 | 1,293 | 1,449 | 3,438 | 37,018 | - | 37,018 |
| Unallocated assets | | | | | | 857,776 | 602,398 | 1,460,174 |
| Total assets | 4,031 | 27,244 | 141,747 | 80,257 | 66,698 | 1,177,753 | 602,398 | 1,780,151 |
| Liabilities | | | | | | | | |
| Unearned premiums | 52,637 | 341,100 | 60,161 | 42,695 | 41,900 | 538,493 | - | 538,493 |
| Unearned reinsurance commission | - | - | 2,540 | 3,685 | 3,617 | 9,842 | - | 9,842 |
| Outstanding claims | 15,427 | 13,645 | 81,540 | 30,826 | 19,181 | 160,619 | - | 160,619 |
| Claims incurred but not reported | 9,180 | 195,895 | 6,296 | 10,157 | 34,376 | 255,904 | - | 255,904 |
| Additional premium reserves | - | - | 2,125 | - | 1,072 | 3,197 | - | 3,197 |
| Other technical reserves | - | 4,096 | 471 | 256 | 493 | 5,316 | - | 5,316 |
| Unallocated liabilities | | | | | | 204,382 | 31,034 | 235,416 |
| Total liabilities | 77,244 | 554,736 | 153,133 | 87,619 | 100,639 | 1,177,753 | 31,034 | 1,208,787 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

11. Operating Segments (Continued)

| SAR '000 | For the three months ended March 31, 2018 (Unaudited) | | | | | |
|-------------------------------------------------------------|----------------------------------------------------------|----------------|--------------|--------------|---------------|-----------------|
| | Medical | Motor | Property | Engineering | Others | Total |
| REVENUES | | | | | | |
| Gross premiums written | | | | | | |
| - Direct | 24,154 | 213,419 | 5,202 | 15,069 | 52,383 | 310,227 |
| - Reinsurance | - | - | 326 | (25) | - | 301 |
| | 24,154 | 213,419 | 5,528 | 15,044 | 52,383 | 310,528 |
| Reinsurance premiums ceded | | | | | | |
| - Local ceded | - | - | (770) | (1,619) | - | (2,389) |
| - Foreign ceded | - | - | (3,823) | (13,745) | (41,137) | (58,705) |
| | - | - | (4,593) | (15,364) | (41,137) | (61,094) |
| Excess of loss expenses | (600) | (1,460) | (146) | (146) | (229) | (2,581) |
| Net premiums written | 23,554 | 211,959 | 789 | (466) | 11,017 | 246,853 |
| Changes in unearned premiums, net | 2,386 | (41,771) | (72) | 1,403 | (5,759) | (43,813) |
| Net premiums earned | 25,940 | 170,188 | 717 | 937 | 5,258 | 203,040 |
| Reinsurance commissions | - | - | 1,537 | 1,602 | 1,379 | 4,518 |
| Other underwriting income | - | 1,336 | 2 | 2 | 16 | 1,356 |
| TOTAL REVENUES | 25,940 | 171,524 | 2,256 | 2,541 | 6,653 | 208,914 |
| UNDERWRITING COSTS AND EXPENSES | | | | | | |
| Gross claims paid and loss adjustment expenses | 15,478 | 103,907 | 679 | 4,917 | 4,653 | 129,634 |
| Reinsurers' share of claims paid | - | (135) | (550) | (3,935) | (403) | (5,023) |
| Net claims paid | 15,478 | 103,772 | 129 | 982 | 4,250 | 124,611 |
| Changes in outstanding claims, net | 7,988 | 1,509 | (437) | 338 | (865) | 8,533 |
| Changes in IBNR, net | (444) | (11,524) | (139) | (29) | 1,025 | (11,111) |
| Net claims incurred | 23,022 | 93,757 | (447) | 1,291 | 4,410 | 122,033 |
| Additional premium reserves | 1,384 | - | (355) | 1,508 | (693) | 1,844 |
| Other technical reserves | 210 | (96) | - | 3 | 38 | 155 |
| Policy acquisition costs | 2,078 | 13,200 | 850 | 548 | 2,006 | 18,682 |
| Other underwriting expenses | - | 2,471 | - | - | 6 | 2,477 |
| TOTAL UNDERWRITING COSTS AND EXPENSES | 26,694 | 109,332 | 48 | 3,350 | 5,767 | 145,191 |
| NET UNDERWRITING INCOME | (754) | 62,192 | 2,208 | (809) | 886 | 63,723 |
| OTHER OPERATING (EXPENSES)/ INCOME | | | | | | |
| General and administrative expenses | | | | | | (23,605) |
| Allowance for doubtful debts | | | | | | - |
| Commission income on deposits | | | | | | 1,904 |
| TOTAL OTHER OPERATING EXPENSES | | | | | | (21,701) |
| NET SURPLUS | | | | | | 42,022 |
| Surplus transferred to Shareholders | | | | | | (37,820) |
| NET RESULT AFTER TRANSFER OF SURPLUS TO SHAREHOLDERS | | | | | | 4,202 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

11. Operating Segments (Continued)

| SAR '000 | For the three months ended March 31, 2017 | | | | | |
|-------------------------------------------------------------|-------------------------------------------|----------|----------|-------------|----------|----------|
| | (Unaudited) | | | | | |
| Operating segments | Medical | Motor | Property | Engineering | Others | Total |
| REVENUES | | | | | | |
| Gross premiums written | | | | | | |
| - Direct | 13,434 | 225,759 | 6,368 | 15,109 | 38,712 | 299,382 |
| - Reinsurance | - | - | - | 378 | - | 378 |
| | 13,434 | 225,759 | 6,368 | 15,487 | 38,712 | 299,760 |
| Reinsurance premiums ceded | | | | | | |
| - Local ceded | - | - | (920) | (816) | - | (1,736) |
| - Foreign ceded | - | - | (5,158) | (13,382) | (29,965) | (48,505) |
| | - | - | (6,078) | (14,198) | (29,965) | (50,241) |
| Excess of loss expenses | (362) | (1,189) | (162) | (162) | (249) | (2,124) |
| Net premiums written | 13,072 | 224,570 | 128 | 1,127 | 8,498 | 247,395 |
| Changes in unearned premiums, net | 20,619 | (75,372) | 321 | (24) | (2,120) | (56,576) |
| Net premiums earned | 33,691 | 149,198 | 449 | 1,103 | 6,378 | 190,819 |
| Reinsurance commissions | - | 63 | 1,678 | 1,107 | 571 | 3,419 |
| Other underwriting income | 38 | 1,520 | 2 | 2 | 15 | 1,577 |
| TOTAL REVENUES | 33,729 | 150,781 | 2,129 | 2,212 | 6,964 | 195,815 |
| UNDERWRITING COSTS AND EXPENSES | | | | | | |
| Gross claims paid and loss adjustment expenses | 20,818 | 91,269 | 12,710 | 2,758 | 6,842 | 134,397 |
| Reinsurers' share of claims paid | (320) | (248) | (10,599) | (2,407) | (484) | (14,058) |
| Net claims paid | 20,498 | 91,021 | 2,111 | 351 | 6,358 | 120,339 |
| Changes in outstanding claims, net | - | 12,540 | (1,976) | 119 | (3,353) | 7,330 |
| Changes in IBNR, net | (4,663) | (7,119) | (28) | 53 | 2,227 | (9,530) |
| Net claims incurred | 15,835 | 96,442 | 107 | 523 | 5,232 | 118,139 |
| Additional premium reserves | - | - | - | 570 | - | 570 |
| Other technical reserves | (950) | 723 | (20) | 54 | - | (193) |
| Policy acquisition costs | 2,852 | 12,243 | 923 | 809 | 1,145 | 17,972 |
| Other underwriting expenses | - | 117 | - | - | 3 | 120 |
| TOTAL UNDERWRITING COSTS AND EXPENSES | 17,737 | 109,525 | 1,010 | 1,956 | 6,380 | 136,608 |
| NET UNDERWRITING INCOME | 15,992 | 41,256 | 1,119 | 256 | 584 | 59,207 |
| OTHER OPERATING (EXPENSES)/ INCOME | | | | | | |
| General and administrative expenses | | | | | | (23,563) |
| Allowance for doubtful debts | | | | | | (1,000) |
| Commission income on deposits | | | | | | 1,823 |
| TOTAL OTHER OPERATING EXPENSES | | | | | | (22,740) |
| NET SURPLUS | | | | | | 36,467 |
| Surplus transferred to Shareholders | | | | | | (32,820) |
| NET RESULT AFTER TRANSFER OF SURPLUS TO SHAREHOLDERS | | | | | | 3,647 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

12. Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the period and the related balances:

| | Transactions for the period ended | | Balance receivable / (payable) as at | |
|------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------|--------------------------------------|--------------------------------|
| | March 31, 2018 (Unaudited) | March 31, 2017 (Unaudited) | March 31, 2018 (Unaudited) | December 31, 2017 (Audited) |
| | SAR'000 | | | |
| <u>Entities controlled, jointly controlled or significantly influenced by related parties</u> | | | | |
| Insurance premium written | 1,934 | 2,625 | - | - |
| Claims paid | 496 | 691 | - | - |
| Receivable / (payable), net | - | - | 2,250 | 222 |
| Outstanding claims | - | - | 185 | 233 |

The compensation of key management personnel during the period is as follows:

| | March 31, 2018 (Unaudited) | March 31, 2017 (Unaudited) |
|-----------------------------------------------|-------------------------------|-------------------------------|
| | SAR'000 | |
| Salaries and other allowances | 1,201 | 1,078 |
| End of service indemnities | 2,185 | 1,611 |
| | <u>3,386</u> | <u>2,689</u> |
| Remuneration to those charged with governance | <u>1,474</u> | <u>1,500</u> |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

13. Zakat and income tax

Status of assessments

The Company had filed zakat and income tax returns with the General Authority of Zakat and Tax (“GAZT”) up to the year ended 31 December 2016 and obtained the required certificate from GAZT that is valid up to April 30, 2018.

Provision for zakat and income tax

Provision for zakat has been made at 2.5% of the higher of approximate zakat base and adjusted net income attributable to the Saudi shareholders of the Company.

Income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Company.

Shareholding subject to zakat and income tax

The following is the shareholding percentage for computation as at the end of the period/year:

| | March 31, 2018 % | December 31, 2017 % |
|------------------------------------|---------------------------------|------------------------------------|
| Shareholding subject to zakat | 94.75 | 94.75 |
| Shareholding subject to income tax | 5.25 | 5.25 |

14. Share capital

The authorized, issued and paid up capital of the Company was SAR 400 million at March 31, 2018 (December 31, 2017: SAR 400 million) consisting of 40 million shares (December 31, 2017: 40 million shares) of SAR 10 each.

In the year 2015, the Company had increased its share capital from SAR 200 million to SAR 400 million, by issuing 20 million right shares to its existing shareholders, which were offered at an exercise price of SAR 12 per share. This resulted in a share premium less issuance cost amounting to SAR 30.1 million.

The Company’s Board of Directors in their meeting held on October 29, 2017 corresponding to 9 Safar 1439H recommended to Extraordinary General Assembly Meeting to increase share capital of the Company by issuing 4 million bonus shares. However, the issuance of these bonus shares is subject to approval by Extraordinary General Assembly and the concerned official authorities. Subsequent to the quarter ended March 31, 2018, the Capital Market Authority in its resolution dated April 18, 2018 approved this increase in capital by issuing bonus shares.

Shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax.

| | March 31, 2018 | | |
|-------------------------------------|------------------------------------|----------------|----------------|
| | Authorized and issued | Paid up | |
| | No. of Shares “000” | SAR’000 | |
| International General Insurance Co. | 2,100 | 21,000 | 21,000 |
| Others | 37,900 | 379,000 | 379,000 |
| Total | 40,000 | 400,000 | 400,000 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

14. Share capital (Continued)

| | December 31, 2017 | |
|-------------------------------------|------------------------------------|----------------|
| | Authorized and issued | Paid up |
| | No. of Shares "000" | SAR'000 |
| International General Insurance Co. | 2,100 | 21,000 |
| Others | 37,900 | 379,000 |
| Total | 40,000 | 400,000 |

15. Capital management

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

16. Earnings per share ("EPS")

Basic and diluted earnings per share from shareholders' income is calculated by dividing net income for the year by weighted average number of ordinary shares outstanding during the period.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information

Interim condensed financial position

| | SAR '000 | | | | | |
|-------------------------------------------------------|------------------------------|---------------------------|------------------|------------------------------|---------------------------|------------------|
| | March 31, 2018 - (Unaudited) | | | December 31, 2017- (Audited) | | |
| | Insurance operations | Share-holders' operations | Total | Insurance operations | Share-holders' operations | Total |
| ASSETS | | | | | | |
| Cash and cash equivalents | 292,477 | 20,400 | 312,877 | 289,505 | 20,414 | 309,919 |
| Short term/fixed income deposits | 400,000 | 442,004 | 842,004 | 400,000 | 424,833 | 824,833 |
| Premiums and reinsurers' receivable - net | 207,170 | - | 207,170 | 127,341 | - | 127,341 |
| Reinsurers' share of unearned premiums | 127,339 | - | 127,339 | 130,247 | - | 130,247 |
| Reinsurers' share of outstanding claims | 118,184 | - | 118,184 | 110,606 | - | 110,606 |
| Reinsurers' share of claims incurred but not reported | 43,722 | - | 43,722 | 42,106 | - | 42,106 |
| Deferred policy acquisition costs | 38,180 | - | 38,180 | 37,018 | - | 37,018 |
| Investments | - | 103,835 | 103,835 | - | 96,767 | 96,767 |
| Due from insurance operations | - | 38,460 | 38,460 | - | 15,064 | 15,064 |
| Prepaid expenses and other assets | 31,272 | - | 31,272 | 28,391 | - | 28,391 |
| Property and equipment | 9,317 | - | 9,317 | 8,691 | - | 8,691 |
| Intangible assets | 753 | - | 753 | 504 | - | 504 |
| Statutory deposit | - | 40,000 | 40,000 | - | 40,000 | 40,000 |
| Accrued income on statutory deposit | - | 3,403 | 3,403 | - | 3,178 | 3,178 |
| Accrued commission income | 1,141 | 1,990 | 3,131 | 3,344 | 2,142 | 5,486 |
| TOTAL ASSETS | 1,269,555 | 650,092 | 1,919,647 | 1,177,753 | 602,398 | 1,780,151 |

WALAA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information (Continued)

Interim condensed financial position (Continued)

| | SAR '000 | | | | | |
|----------------------------------------------------------|------------------------------|---------------------------|------------------|------------------------------|---------------------------|------------------|
| | March 31, 2018 - (Unaudited) | | | December 31, 2017- (Audited) | | |
| | Insurance operations | Share-holders' operations | Total | Insurance operations | Share-holders' operations | Total |
| <u>LIABILITIES</u> | | | | | | |
| Policyholders claims payable | 10,357 | - | 10,357 | 13,760 | - | 13,760 |
| Accrued and other liabilities | 83,347 | 3,613 | 86,960 | 72,107 | 2,141 | 74,248 |
| Reinsurers' balances payable | 79,397 | - | 79,397 | 61,791 | - | 61,791 |
| Unearned premiums | 579,398 | - | 579,398 | 538,493 | - | 538,493 |
| Unearned reinsurance commission | 10,859 | - | 10,859 | 9,842 | - | 9,842 |
| Outstanding claims | 176,730 | - | 176,730 | 160,619 | - | 160,619 |
| Claims incurred but not reported | 246,409 | - | 246,409 | 255,904 | - | 255,904 |
| Additional premium reserves | 5,041 | - | 5,041 | 3,197 | - | 3,197 |
| Other technical reserves | 5,471 | - | 5,471 | 5,316 | - | 5,316 |
| Due to shareholders' operations | 38,460 | - | 38,460 | 15,064 | - | 15,064 |
| End-of-service indemnities | 13,402 | - | 13,402 | 12,779 | - | 12,779 |
| Insurance operations' surplus | 22,858 | - | 22,858 | 31,055 | - | 31,055 |
| Zakat and income tax | - | 29,686 | 29,686 | - | 25,715 | 25,715 |
| Accumulated actuarial loss on end-of-service indemnities | (2,174) | - | (2,174) | (2,174) | - | (2,174) |
| Accrued commission income payable to SAMA | - | 3,403 | 3,403 | - | 3,178 | 3,178 |
| <u>TOTAL LIABILITIES</u> | 1,269,555 | 36,702 | 1,306,257 | 1,177,753 | 31,034 | 1,208,787 |
| <u>SHAREHOLDERS' EQUITY</u> | | | | | | |
| Share capital | - | 400,000 | 400,000 | - | 400,000 | 400,000 |
| Share premium | - | 30,108 | 30,108 | - | 30,108 | 30,108 |
| Statutory reserve | - | 31,722 | 31,722 | - | 31,722 | 31,722 |
| Retained earnings | - | 161,652 | 161,652 | - | 126,888 | 126,888 |
| Fair value reserve loss on investments | - | (10,092) | (10,092) | - | (17,354) | (17,354) |
| <u>TOTAL EQUITY</u> | - | 613,390 | 613,390 | - | 571,364 | 571,364 |
| <u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u> | 1,269,555 | 650,092 | 1,919,647 | 1,177,753 | 602,398 | 1,780,151 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information (Continued)

Interim condensed statement of income

| | SAR '000 | | | | | |
|-----------------------------------------------|----------------------|---------------------------|----------------|----------------------|---------------------------|----------------|
| | 2018 | | | 2017 | | |
| | Insurance operations | Share-holders' operations | Total | Insurance operations | Share-holders' operations | Total |
| | (Unaudited) | | | | | |
| <u>REVENUES</u> | | | | | | |
| Gross premiums written | | | | | | |
| - Direct | 310,227 | - | 310,227 | 299,382 | - | 299,382 |
| - Reinsurance | 301 | - | 301 | 378 | - | 378 |
| | 310,528 | - | 310,528 | 299,760 | - | 299,760 |
| Reinsurance premiums ceded | | | | | | |
| - Local ceded | (2,389) | - | (2,389) | (1,736) | - | (1,736) |
| - Foreign ceded | (58,705) | - | (58,705) | (48,505) | - | (48,505) |
| | (61,094) | - | (61,094) | (50,241) | - | (50,241) |
| Excess of loss expenses | (2,581) | - | (2,581) | (2,124) | - | (2,124) |
| Net premiums written | 246,853 | - | 246,853 | 247,395 | - | 247,395 |
| Changes in unearned premiums, net | (43,813) | - | (43,813) | (56,576) | - | (56,576) |
| Net premiums earned | 203,040 | - | 203,040 | 190,819 | - | 190,819 |
| Reinsurance commissions | 4,518 | - | 4,518 | 3,419 | - | 3,419 |
| Other underwriting income | 1,356 | - | 1,356 | 1,577 | - | 1,577 |
| TOTAL REVENUES | 208,914 | - | 208,914 | 195,815 | - | 195,815 |
| <u>UNDERWRITING COSTS AND EXPENSES</u> | | | | | | |
| Gross claims paid | 119,878 | - | 119,878 | 125,721 | - | 125,721 |
| Expenses incurred related to claims | 9,756 | - | 9,756 | 8,676 | - | 8,676 |
| Reinsurers' share of claims paid | (5,023) | - | (5,023) | (14,058) | - | (14,058) |
| Net claims and other benefits paid | 124,611 | - | 124,611 | 120,339 | - | 120,339 |
| Changes in outstanding claims, net | 8,533 | - | 8,533 | 7,330 | - | 7,330 |
| Changes in IBNR, net | (11,111) | - | (11,111) | (9,530) | - | (9,530) |
| Net claims and other benefits incurred | 122,033 | - | 122,033 | 118,139 | - | 118,139 |
| Additional premium reserves | 1,844 | - | 1,844 | 570 | - | 570 |
| Other technical reserves | 155 | - | 155 | (193) | - | (193) |
| Policy acquisition costs | 18,682 | - | 18,682 | 17,972 | - | 17,972 |
| Other underwriting expenses | 2,477 | - | 2,477 | 120 | - | 120 |
| TOTAL UNDERWRITING COSTS AND EXPENSES | 145,191 | - | 145,191 | 136,608 | - | 136,608 |
| NET UNDERWRITING INCOME | 63,723 | - | 63,723 | 59,207 | - | 59,207 |

WALAA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information (Continued)

Interim condensed statement of income (Continued)

| | SAR '000 | | | | | |
|----------------------------------------------------------------------------------------------|----------------------|---------------------------|-----------------|----------------------|---------------------------|-----------------|
| | 2018 | | | 2017 | | |
| | Insurance operations | Share-holders' operations | Total | Insurance operations | Share-holders' operations | Total |
| | (Unaudited) | | | | | |
| <u>OTHER OPERATING (EXPENSES)/ INCOME</u> | | | | | | |
| Allowance for doubtful debts | - | - | - | (1,000) | - | (1,000) |
| General and administrative expenses | (23,605) | (1,774) | (25,379) | (23,563) | (1,800) | (25,363) |
| Commission income on deposits | 1,904 | 2,083 | 3,987 | 1,823 | 1,211 | 3,034 |
| Dividend and realized loss on investments | - | 606 | 606 | - | - | - |
| <u>TOTAL OTHER OPERATING (EXPENSES)/ INCOME</u> | (21,701) | 915 | (20,786) | (22,740) | (589) | (23,329) |
| <u>NET (DEFICIT)/ SURPLUS FROM INSURANCE OPERATIONS</u> | 42,022 | 915 | 42,937 | 36,467 | (589) | 35,878 |
| Surplus transferred to Shareholders | (37,820) | 37,820 | - | (32,820) | 32,820 | - |
| <u>NET RESULT FROM INSURANCE OPERATIONS AFTER TRANSFER OF SURPLUS TO SHAREHOLDERS</u> | 4,202 | 38,735 | 42,937 | 3,647 | 32,231 | 35,878 |
| Earnings per share (Expressed in SAR per share) | | | | | | |
| Basic EPS | | <u>0.97</u> | | | <u>0.81</u> | |

WALAA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information (Continued)

Interim condensed statement of comprehensive income

| | SAR '000 | | | | | |
|-------------------------------------------------------------------------------------------|----------------------|---------------------------|---------------|----------------------|---------------------------|---------------|
| | 2018 | | | 2017 | | |
| | Insurance operations | Share-holders' operations | Total | Insurance operations | Share-holders' operations | Total |
| | (Unaudited) | | | | | |
| Total income for the period | 4,202 | 38,735 | 42,937 | 3,647 | 32,231 | 35,878 |
| Other comprehensive income | | | | | | |
| <i>Items that are or may be reclassified to statement of income in subsequent periods</i> | | | | | | |
| - Available for sale investments: | | | | | | |
| - Net change in fair value | - | 7,262 | 7,262 | - | 537 | 537 |
| <u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u> | 4,202 | 45,997 | 50,199 | 3,647 | 32,768 | 36,415 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information (Continued)

Interim condensed statement of cash flows

| SAR '000 (Unaudited) | Note | 2018 | | | 2017 | | |
|------------------------------------------------------------|------|----------------------|---------------------------|----------|----------------------|---------------------------|----------|
| | | Insurance operations | Share-holders' operations | Total | Insurance operations | Share-holders' operations | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Net profit for the period | | 4,202 | 38,735 | 42,937 | 3,647 | 32,231 | 35,878 |
| Adjustments for non-cash items: | | | | | | | |
| Depreciation of property and equipment | | 789 | - | 789 | 799 | - | 799 |
| Amortization of intangible assets | | 364 | - | 364 | 36 | - | 36 |
| Allowance for doubtful debts | | - | - | - | 1,000 | - | 1,000 |
| Commission income | | (1,904) | (2,083) | (3,987) | (1,823) | (1,211) | (3,034) |
| Dividend and Realized gain on investments | | - | (606) | (606) | - | - | - |
| Provision for end-of-service indemnities | | 722 | - | 722 | 3,667 | - | 3,667 |
| <u>Changes in operating assets and liabilities:</u> | | | | | | | |
| Premiums and reinsurers' receivable | | (83,571) | - | (83,571) | (19,485) | - | (19,485) |
| Reinsurers' share of unearned premiums | | 2,908 | - | 2,908 | (3,459) | - | (3,459) |
| Reinsurers' share of outstanding claims | | (7,578) | - | (7,578) | (25,134) | - | (25,134) |
| Reinsurers' share of claims incurred but not reported | | (1,616) | - | (1,616) | 16,360 | - | 16,360 |
| Deferred policy acquisition costs | | (1,162) | - | (1,162) | (3,013) | - | (3,013) |
| Due from/ to shareholders'/insurance operations | | 23,396 | (23,396) | - | 32,195 | (32,195) | - |
| Prepaid expenses and other assets | | (2,881) | - | (2,881) | 15,974 | - | 15,974 |
| Policyholders and accounts payables | | (3,403) | - | (3,403) | 847 | - | 847 |
| Accrued and other liabilities | | 2,583 | 1,472 | 4,055 | 2,878 | 1,175 | 4,053 |
| Reinsurers' balances payable | | 17,606 | - | 17,606 | 25,070 | - | 25,070 |
| Unearned premiums | | 40,905 | - | 40,905 | 60,035 | - | 60,035 |
| Unearned reinsurance commission | | 1,017 | - | 1,017 | 1,230 | - | 1,230 |
| Outstanding claims | | 16,111 | - | 16,111 | (7,163) | - | (7,163) |

WALAA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

17. Supplementary information (Continued)

Interim condensed statement of cash flows (Continued)

| SAR '000 (Unaudited) | <u>Note</u> | Insurance operations | Share- holders' operations 2018 | Total | Insurance operations | Share- holders' operations 2017 | Total |
|--------------------------------------------------------------------|-------------|-------------------------|------------------------------------------|-----------------|-------------------------|------------------------------------------|----------------|
| Claims incurred but not reported | | (9,495) | - | (9,495) | (6,829) | - | (6,829) |
| Additional premium reserves | | 1,844 | - | 1,844 | 570 | - | 570 |
| Other technical reserves | | 155 | - | 155 | (193) | - | (193) |
| | | 992 | 14,122 | 15,114 | 97,209 | - | 97,209 |
| End-of-service indemnities paid | | (99) | - | (99) | (404) | - | (404) |
| Net cash generated from operating activities | | 893 | 14,122 | 15,015 | 96,805 | - | 96,805 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Additions in intangible assets | | (613) | - | (613) | - | - | - |
| Commission income received | | 4,107 | 2,235 | 6,342 | - | - | - |
| Dividend received | | - | 800 | 800 | - | - | - |
| Additions in short term/fixed income deposits | | - | (17,171) | (17,171) | - | - | - |
| Additions in property and equipment | | (1,415) | - | (1,415) | (452) | - | (452) |
| Net cash generated from/ (used in) investing activities | | 2,079 | (14,136) | (12,057) | (452) | - | (452) |
| Net change in cash and cash equivalents | | 2,972 | (14) | 2,958 | 96,353 | - | 96,353 |
| Cash and cash equivalents, beginning of the period | | 289,505 | 20,414 | 309,919 | 594,418 | 289,938 | 884,356 |
| Cash and cash equivalents, end of the period | | 292,477 | 20,400 | 312,877 | 690,771 | 289,938 | 980,709 |
| NON-CASH INFORMATION | | | | | | | |
| Unrealised changes in fair value of available for sale investments | | - | 7,262 | 7,262 | - | 537 | 537 |

WALAA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

18. Comparative figures

Certain prior period figures have been reclassified to conform to current period presentation.

19. Approval of the interim condensed financial information

The interim condensed financial information has been approved by the board of directors, on 16 Shaban 1439H, corresponding to May 2, 2018.