

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
30 JUNE 2015

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2015**

INDEX	PAGE
Independent Auditors' Review Report	1
Interim Statement of Financial Position	2 – 3
Interim Statement of Insurance Operations and Accumulated Surplus	4
Interim Statement of Shareholders' Operations	5
Interim Statement of Comprehensive Income	6
Interim Statement of Changes in Shareholders' Equity	7
Interim Statement of Insurance Operations' Cash Flows	8
Interim Statement of Shareholders' Cash Flows	9
Notes to the Interim Condensed Financial Statements	10 – 24

**INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Scope of review

We have reviewed the accompanying interim statement of financial position of United Cooperative Assurance Company – a Saudi Joint Stock Company (the "Company") as at 30 June 2015, and the related interim statements of insurance operations and accumulated surplus, shareholders' operations and comprehensive income for three-month and six-month periods then ended and the related interim statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for the six-month period then ended and the related notes 1 to 16 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 auditing standards generally accepted in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion on the financial statements taken as a whole. Accordingly, we do not express such an opinion.

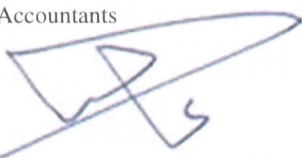
Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

Emphasis of matter


We draw attention to the fact that the accompanying interim condensed financial statements are prepared in accordance with IAS 34 and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

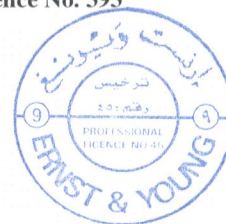
for PKF Al Bassam & Al Nemer
Allied Accountants


Abdul Mohsen M. Al Nemer
Certified Public Accountant
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for Ernst & Young


Husam Faisal Bawared
Certified Public Accountant
Licence No. 393




22 July 2015
6 Shawaal 1436H
Jeddah, Kingdom of Saudi Arabia

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2015

		30 June 2015 (Unaudited) SR' 000	31 December 2014 (Audited) SR' 000
INSURANCE OPERATIONS' ASSETS	Note		
Cash and cash equivalents	3	263,610	73,642
Available-for-sale investments	4	170,462	56,276
Premiums receivable, net	5	280,445	354,777
Due from reinsurers, net	6	7,750	5,459
Reinsurers' share of unearned premiums		257,667	165,936
Reinsurers' share of outstanding claims		120,158	100,845
Deferred policy acquisition costs		15,098	13,985
Prepaid expenses and other assets		76,943	87,468
Due from shareholders' operations		-	164,499
Furniture, fittings and equipment		3,170	4,468
Total insurance operations' assets		1,195,303	1,027,355
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	3	193,176	58,056
Available-for-sale investments	4	65,790	182,204
Prepaid expenses and other assets		1,711	2,798
Due from insurance operations		6,324	-
Goodwill	1(b)	78,400	78,400
Statutory deposit	10	49,000	28,000
Total shareholders' assets		394,401	349,458
TOTAL ASSETS		1,589,704	1,376,813

for 
Chief Financial Officer

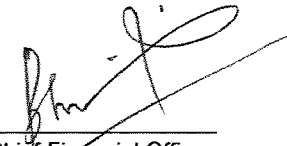

Chief Executive Officer & Director


The accompanying notes 1 to 16 form part of these interim condensed financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
At 30 June 2015

		30 June 2015 (Unaudited) SR' 000	31 December 2014 (Audited) SR' 000
	Note		
INSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Insurance operations' liabilities			
Unearned premiums		623,037	431,188
Unexpired risk reserve		3,282	3,282
Claims handling provision		2,405	2,405
Catastrophe reserve		500	500
Outstanding claims		290,255	350,692
Unearned commission income		29,493	29,443
Due to reinsurers		160,612	128,588
Due to policyholders		20,098	20,853
Accrued expenses and other liabilities		22,162	27,051
Due to shareholders' operations		6,324	-
Employees' terminal benefits		13,522	11,974
Total insurance operations' liabilities		1,171,690	1,005,976
Insurance operations' surplus			
Accumulated surplus from insurance operations		23,333	21,258
Available-for-sale investments reserve	4	280	121
Total insurance operations' liabilities and surplus		1,195,303	1,027,355
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Accrued expenses and other liabilities		753	1,400
Accrued zakat and income tax	7	13,176	11,176
Due to financial institution		-	18,750
Due to insurance operations		-	164,499
Due to a related party	11	270	270
Total shareholders' liabilities		14,199	196,095
Shareholders' equity			
Share capital	8	490,000	280,000
Statutory reserve	9	31,944	31,944
Accumulated losses		(143,361)	(160,460)
Available-for-sale investments reserve	4	1,619	1,879
Total shareholders' equity		380,202	153,363
Total shareholders' liabilities and equity		394,401	349,458
TOTAL LIABILITIES, INSURANCE OPERATIONS' SURPLUS AND SHAREHOLDERS' EQUITY		1,589,704	1,376,813

for 
Chief Financial Officer


Chief Executive Officer & Director


The accompanying notes 1 to 16 form part of these interim condensed financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS AND ACCUMULATED SURPLUS

For the three-month and six-month periods ended 30 June 2015

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2015</i>	<i>30 June 2014</i>	<i>30 June 2015</i>	<i>30 June 2014</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
REVENUE				
Gross written premiums	271,755	192,810	607,543	580,483
Less: Reinsurance premiums ceded	(79,053)	(62,876)	(158,551)	(165,050)
Excess of loss premiums	(809)	(976)	(2,170)	(1,970)
Net written premiums	191,893	128,958	446,822	413,463
Change in net unearned premiums	(19,539)	69,913	(100,118)	(42,744)
Net premiums earned	172,354	198,871	346,704	370,719
Reinsurance commissions earned	9,967	9,912	20,865	19,224
	182,321	208,783	367,569	389,943
COSTS AND EXPENSES				
Gross claims paid	208,798	242,659	368,457	412,633
Less: Reinsurers' share of claims paid	(7,923)	(58,217)	(18,347)	(63,015)
Net claims paid	200,875	184,442	350,110	349,618
Change in net outstanding claims	(71,938)	17,330	(79,750)	(3,264)
Net claims incurred	128,937	201,772	270,360	346,354
Policy acquisition costs	6,412	4,488	12,169	8,885
	135,349	206,260	282,529	355,239
Net underwriting result	46,972	2,523	85,040	34,704
General and administration expenses	(32,093)	(19,794)	(62,014)	(49,017)
Supervision and inspection fee	(1,213)	(942)	(2,362)	(2,823)
Council of Cooperative Health Insurance (CCHI) fee	(340)	(280)	(704)	(1,148)
Other income	354	599	785	1,588
SURPLUS / (DEFICIT) FROM INSURANCE OPERATIONS	13,680	(17,894)	20,745	(16,696)
Shareholders' share of (surplus) / deficit from insurance operations	(12,312)	17,774	(18,670)	16,696
Policyholders' share of surplus /(deficit) from insurance operations	1,368	(120)	2,075	-
Accumulated surplus at the beginning of the period	21,965	21,378	21,258	21,258
Accumulated surplus at the end of the period	23,333	21,258	23,333	21,258


 for Chief Financial Officer


 Chief Executive Officer & Director


The accompanying notes 1 to 16 form part of these interim condensed financial statements.

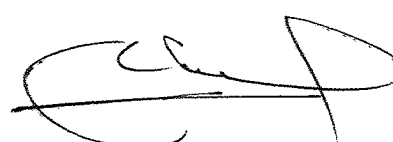
UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS

For the three-month and six-month periods ended 30 June 2015

		<i>For the three-month period ended</i>		<i>For the six- month period ended</i>	
		<i>30 June 2015</i>	<i>30 June 2014</i>	<i>30 June 2015</i>	<i>30 June 2014</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Note</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
REVENUE					
Shareholders' share of surplus / (deficit)					
from insurance operations		12,312	(17,774)	18,670	(16,696)
Commission income		1,247	751	2,066	1,613
Investment income		205	-	211	-
Realised gain on available-for-sale investments		4,455	-	4,412	1,020
		<u>18,219</u>	<u>(17,023)</u>	<u>25,359</u>	<u>(14,063)</u>
EXPENSES					
General and administration		(470)	(369)	(745)	(710)
Board remuneration		(294)	(295)	(567)	(612)
		<u>(764)</u>	<u>(664)</u>	<u>(1,312)</u>	<u>(1,322)</u>
NET INCOME / (LOSS) FOR THE PERIOD		<u>17,455</u>	<u>(17,687)</u>	<u>24,047</u>	<u>(15,385)</u>
Weighted average number of ordinary shares outstanding (in thousand)	12	<u>43,431</u>	<u>36,400</u>	<u>43,431</u>	<u>36,400</u>
Basic and diluted earnings / (loss) per share (in Saudi Riyals) – restated	12	<u>0.40</u>	<u>(0.49)</u>	<u>0.55</u>	<u>(0.42)</u>


 for Chief Financial Officer


Chief Executive Officer & Director

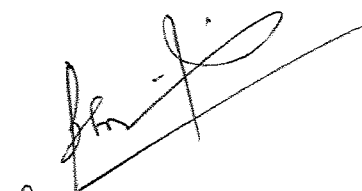
The accompanying notes 1 to 16 form part of these interim condensed financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2015

	<i>For the three-month period ended</i>		<i>For the six- month period ended</i>	
	<i>30 June 2015</i>	<i>30 June 2014</i>	<i>30 June 2015</i>	<i>30 June 2014</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Net income / (loss) for the period	17,455	(17,687)	24,047	(15,385)
Other comprehensive income				
Change in fair value of available-for-sale investments	2,738	530	4,152	2,397
Net gain on available-for-sale investments reclassified to statement of shareholders' operations	(4,455)	-	(4,412)	(1,020)
Other expense:				
Zakat and income tax (note 7)	(1,000)	(1,500)	(2,000)	(3,000)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	14,738	(18,657)	21,787	(17,008)


 for Chief Financial Officer


 Chief Executive Officer & Director

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

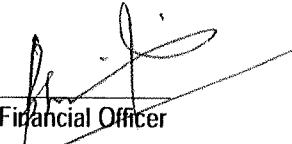
For the six-month period ended 30 June 2015

For the six-month period ended 30 June 2015 – (unaudited)

	Share capital SR'000	Statutory reserve SR'000	Accumulated losses SR'000	Available-for- sale investments reserve SR'000	Total SR'000
Balance as at 31 December 2014 – (audited)	280,000	31,944	(160,460)	1,879	153,363
Issuance of rights share (note 8)	210,000	-	-	-	210,000
Net income for the period	-	-	24,047	-	24,047
Change in fair value of available-for-sale investments	-	-	-	4,152	4,152
Net gain on available-for-sale investments reclassified to shareholders' operations	-	-	-	(4,412)	(4,412)
Issuance cost (note 8)	-	-	(4,948)	-	(4,948)
Zakat and income tax for the period (note 7)	-	-	(2,000)	-	(2,000)
Balance as at 30 June 2015 – (unaudited)	490,000	31,944	(143,361)	1,619	380,202

For the six-month period ended 30 June 2014 – (unaudited)

	Share capital SR'000	Statutory reserve SR'000	Accumulated losses SR'000	Available-for- sale investments reserve SR'000	Total SR'000
Balance as at 31 December 2013 – (audited)	280,000	31,944	(76,627)	846	236,163
Net loss for the period	-	-	(15,385)	-	(15,385)
Change in fair value of available-for-sale-investments	-	-	-	2,397	2,397
Net change in available-for-sale investments reclassified to shareholders' operations	-	-	-	(1,020)	(1,020)
Zakat and income tax for the period (note 7)	-	-	(3,000)	-	(3,000)
Balance as at 30 June 2014 – (unaudited)	280,000	31,944	(95,012)	2,223	219,155

for 
Chief Financial Officer


Chief Executive Officer & Director

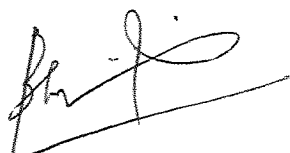
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**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS

For the six-month period ended 30 June 2015

	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR'000</i>	<i>SR'000</i>
OPERATING ACTIVITIES		
Policyholders' share of surplus from insurance operations	2,075	-
Adjustments for:		
Movement in allowance for doubtful premiums receivables	11,913	1,558
Movement in allowance for doubtful reinsurer receivables	(80)	-
Reinsurers' share of unearned premiums	(19,313)	(113,846)
Deferred policy acquisition cost	(1,113)	(1,789)
Depreciation	1,535	1,846
Realised gain on available-for-sale investments	(2)	-
Unearned commission income	50	3,820
Unearned premiums	191,849	156,590
Employees' terminal benefits	1,548	712
	188,462	48,891
Changes in operating assets and liabilities:		
Premiums receivable	62,419	55,731
Due from reinsurers	(2,211)	(40,123)
Reinsurers' share of outstanding claims	(91,731)	30,881
Prepaid expenses and other assets	10,525	(44,224)
Outstanding claims	(60,437)	(34,145)
Due to reinsurers	32,024	(37,402)
Due to / from shareholders' operations	170,823	(5,025)
Due to policyholders	(755)	(16,532)
Accrued expenses and other liabilities	(4,889)	(1,775)
Net cash from / (used in) operating activities	304,230	(43,723)
INVESTING ACTIVITIES		
Purchase of furniture, fittings and equipment	(237)	(748)
Purchase of available-for-sale investments	(124,027)	-
Proceeds from sale of available-for-sale investments	10,002	-
Net cash used in investing activities	(114,262)	(748)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	189,968	(44,471)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	73,642	86,018
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	263,610	41,547
Non-cash transactions:		
Change in fair value of available-for-sale investments	159	230

for 
Chief Financial Officer

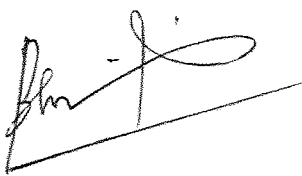

Chief Executive Officer & Director

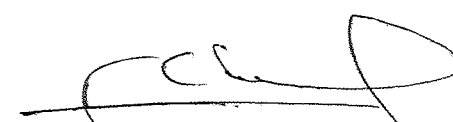
The accompanying notes 1 to 16 form part of these interim condensed financial statements.

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS
For the six-month period ended 30 June 2015

	<i>For the six-month period ended 30 June 2015 (Unaudited) SR'000</i>	<i>For the six-month period ended 30 June 2014 (Unaudited) SR'000</i>
OPERATING ACTIVITIES		
Net income / (loss) for the period	24,047	(15,385)
Adjustments for:		
Realised gain on available-for-sale investments	(4,412)	(1,020)
	<u>19,635</u>	<u>(16,405)</u>
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	1,087	(1,124)
Accrued expenses and other liabilities	(647)	68
Due from / to insurance operations	<u>(170,823)</u>	<u>5,025</u>
Cash used in operations	<u>(150,748)</u>	<u>(12,436)</u>
Zakat and income tax paid	-	<u>(14,288)</u>
Net cash used in operating activities	<u>(150,748)</u>	<u>(26,724)</u>
INVESTING ACTIVITIES		
Purchase of available-for-sale investments	(5,485)	(11,072)
Proceeds from sale of available-for-sale investments	<u>126,051</u>	<u>6,511</u>
Net cash from / (used in) investing activities	<u>120,566</u>	<u>(4,561)</u>
FINANCING ACTIVITIES		
Issuance of rights share	210,000	-
Issuance cost	(4,948)	-
Statutory deposit	(21,000)	-
Due to financial institution	<u>(18,750)</u>	<u>-</u>
Net cash from financing activities	<u>165,302</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>135,120</u>	<u>(31,285)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>58,056</u>	<u>92,486</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>193,176</u></u>	<u><u>61,201</u></u>
Non-cash transactions:		
Change in fair value of available-for-sale investments	<u>4,152</u>	<u>2,397</u>


for **Chief Financial Officer**


Chief Executive Officer & Director

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2015

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

a) *Organisation and principal activities*

United Cooperative Assurance Company (the "UCA" and "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia under Commercial Registration number 4030179955 dated 6 Jamad-al-Thani 1429H (corresponding to 6 June 2008). The Registered Office address of the Company is Al-Mukmal Centre (1st and 4th floor) Al Rawdah Street, Khalediya District, P. O. Box 5019, Jeddah 21422, Kingdom of Saudi Arabia.

The activities of the Company are to transact cooperative insurance and reinsurance operations and related activities in the Kingdom of Saudi Arabia. On 29 Rabi Al Thani 1429H (5 May 2008), the Company received a license from the Saudi Arabian Monetary Agency ("SAMA") to engage in insurance and reinsurance in Saudi Arabia. The Company started the operations on 1 January 2009.

b) *Portfolio transfer*

The Company entered into an agreement with UCA Insurance Bahrain BSC ('the seller') pursuant to which it acquired the seller's insurance operations in the Kingdom of Saudi Arabia, effective from 31 December 2008, at a goodwill amount of SR 78.4 million, as approved by the SAMA, along-with related insurance assets and liabilities of an equivalent amount SR 656.95 million. The goodwill amount payable to the seller was paid in full subsequently, after obtaining specific approval from SAMA.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) *Statement of compliance*

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are consistent with those used for the preparation of annual financial statements.

These interim condensed financial statements for three-month and six-month periods ended 30 June 2015 ("the period") should be read in conjunction with the Company's audited financial statements as at 31 December 2014. In the Company's Board of Directors opinion, the interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. The Company's interim results may not be indicative of its annual results.

The Company follows a fiscal year ending 31 December.

The interim condensed financial statements are expressed in Saudi Riyals, being the functional currency of the Company and have been rounded off to the nearest thousand, unless otherwise specified.

The preparation of interim condensed financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the interim condensed financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards.

The Company presents its interim statement of financial position broadly in order of liquidity. All financial assets and liabilities are expected to be recovered and settled respectively, within twelve months after the interim reporting date.

b) *Basis of presentation*

As required by the Saudi Arabian insurance regulations, the Company maintains separate accounts for Insurance Operations and Shareholders' Operations and presents the financial statements accordingly. The physical custody and title of all assets related to the Insurance Operations and Shareholders' Operations are held by the Company. 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 by the management and the Board of Directors and is applied on consistent basis.

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of presentation (continued)

As per the by-laws of the Company, the surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders' operations	90%
Transfer to Insurance operations	10%
	<hr/>
	100%
	<hr/>

In accordance with article 70 of the Saudi Arabian Monetary Agency ("SAMA") implementing regulations, the Company must obtain SAMA approval before distribution of policyholders surplus directly to policyholders at a time, and according to criteria set by its board of directors.

c) New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company

The accounting policies used in preparation of these interim condensed financial statements are consistent with those of the previous financial year and the adoption of the relevant new and amended standards and interpretations applicable to the Company did not have any significant impact on the interim condensed financial statements of the Company.

The Company has adopted the following amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB):

Standard	Description
IAS 19	Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IFRS 2	Share based payment
IFRS 3	Business combination
IFRS 8	Operating segments
IFRS 13	Fair value measurement
IAS 16 & 38	Property, plant and equipment and intangible assets
IAS 24	Related party disclosures
IAS 40	Investment property

The adoption of the above standards did not have any impact on the accounting policies, financial position or performance of the Company.

d) New IFRS and amendments thereof, issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's interim condensed financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective.

Standard/ Interpretation	Description	Effective date
IFRS 9	Financial Instruments	1 January 2018
IFRS 11	Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IAS 16 and IAS 38	Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 27	Amendments to IAS 27 Equity Method in Separate Financial Statements	1 January 2016
IFRS 10 and IAS 28	Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IAS 1	Amendments to IAS 1 Disclosure initiative	1 January 2016
IAS 16 and IAS 41	Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants.	1 January 2016
IFRS 10, IFRS 12 and IAS 28	Amendments to IFRS 10, IFRS 12 and IAS 28 Applying the Consolidation Exception	1 January 2016

The management is currently assessing the implications of adopting the above mentioned standards, amendments or interpretations on the Company's financial statements.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

3 CASH AND CASH EQUIVALENTS

	<i>30 June 2015 (Unaudited) SR' 000</i>	<i>31 December 2014 (Audited) SR' 000</i>
<i>Insurance operations</i>		
Cash in hand	81	-
Cash at banks	263,529	73,642
	<u>263,610</u>	<u>73,642</u>
<i>Shareholders' operations</i>		
Cash at banks	<u>193,176</u>	<u>58,056</u>

Cash at banks are placed with counterparties who have good credit ratings.

The carrying amounts disclosed above reasonably approximate fair value at the statement of financial position date.

4 AVAILABLE-FOR-SALE INVESTMENTS

Insurance operations

Available-for-sale-investments at local banks represent units in investment funds listed in Tadawul whereas the investment with foreign banks are listed in international stock exchanges. The unrealized loss of SR 0.28 million as at 30 June 2015 (31 December 2014: unrealized loss of SR 0.12 million) was credited to the surplus from insurance operations as available-for-sale investments reserve.

Movement in available-for-sale investments has summarized below:

Insurance operations	<i>Balance at the beginning of the period SR' 000</i>	<i>Net movement during the period SR' 000</i>	<i>Change in fair value for the period SR' 000</i>	<i>Balance at the end of the period SR' 000</i>
As at 30 June 2015 - Unaudited				
Investment in bonds	4,282	-	11	4,293
Investment in sukuk	41,102	99,027	(4)	140,125
Investment in equity shares	892	-	96	988
Investment in mutual funds	10,000	15,000	56	25,056
	<u>56,276</u>	<u>114,027</u>	<u>159</u>	<u>170,462</u>
As at 31 December 2014 - Audited				
Investment in bonds	4,016	-	266	4,282
Investment in sukuk	50,842	(9,756)	16	41,102
Investment in equity shares	-	812	80	892
Investment in mutual funds	-	10,000	-	10,000
	<u>54,858</u>	<u>1,056</u>	<u>362</u>	<u>56,276</u>

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

4 AVAILABLE-FOR-SALE INVESTMENTS (continued)

Shareholders' operations	30 June 2015 (Unaudited) SR,000	(Audited) SR,000
As at 30 June 2015 – Unaudited		
Quoted securities	63,867	60,560
Unquoted securities	1,923	121,644
	<u>65,790</u>	<u>182,204</u>

i) Available-for-sale – quoted securities

	<i>Balance at the beginning of the period SR' 000</i>	<i>Net movement during the period SR' 000</i>	<i>Change in fair value for the period SR' 000</i>	<i>Balance at the end of the period SR' 000</i>
As at 30 June 2015 - Unaudited				
Investment in equity shares	14,152	3,796	3,159	21,107
Investment in bonds	22,309	(3,763)	88	18,634
Investment in sukuk	14,097	-	(3)	14,094
Investment in mutual funds	10,002	-	30	10,032
	<u>60,560</u>	<u>33</u>	<u>3,274</u>	<u>63,867</u>

	<i>Balance at the beginning of the year SR' 000</i>	<i>Net movement during the year SR' 000</i>	<i>Change in fair value for the year SR' 000</i>	<i>Balance at the end of the year SR' 000</i>
As at 31 December 2014 - Audited				
Investment in equity shares	-	15,921	(1,769)	14,152
Investment in bonds	21,738	-	571	22,309
Investment in sukuk	23,840	(9,767)	24	14,097
Investment in mutual funds	-	10,000	2	10,002
	<u>45,578</u>	<u>16,154</u>	<u>(1,172)</u>	<u>60,560</u>

ii) Available-for-sale- unquoted securities

	<i>Balance at the beginning of the period SR' 000</i>	<i>Net movement during the period SR' 000</i>	<i>Change in fair value for the period SR' 000</i>	<i>Balance at the end of the period SR' 000</i>
As at 30 June 2015 - Unaudited				
Investment in local company	1,923	-	-	1,923
Investment in bonds	60,000	(60,000)	-	-
Investment in Murabaha deposit	59,721	(60,599)	878	-
	<u>121,644</u>	<u>(120,599)</u>	<u>878</u>	<u>1,923</u>

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

4 AVAILABLE-FOR-SALE INVESTMENTS (continued)

Shareholders' operations (continued)

ii) Available-for-sale – unquoted securities (continued)

	<i>Balance at the beginning of the year SR' 000</i>	<i>Net movement during the year SR' 000</i>	<i>Change in fair value for the year SR' 000</i>	<i>Balance at the end of the year SR' 000</i>
As at 31 December 2014 - Audited				
Investment in local company	1,923	-	-	1,923
Investment in bonds	60,000	-	-	60,000
Investment in Murabaha deposit	57,516	-	2,205	59,721
	<u>119,439</u>	<u>-</u>	<u>2,205</u>	<u>121,644</u>

The unrealized gain of SR 4.152 million as at 30 June 2015 (30 June 2014: Unrealized loss SR 2.397 million) was charged to the statement of changes in shareholders' equity as available-for-sale investments reserve. The available-for-sale investments reserve as of 30 June 2015 is SR 1.619 million (31 December 2014: SR 1.879 million).

These investments are managed by a professional fund manager in accordance with the guidelines approved by the Board of Directors.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 30 June 2015 - Unaudited

	<i>Level 1 SR' 000</i>	<i>Level 2 SR' 000</i>	<i>Level 3 SR' 000</i>	<i>Total SR' 000</i>
Available-for-sale investments				
Equity securities				
Insurance operations	26,044	-	-	26,044
Shareholders' operations	21,107	10,032	1,923	33,062
Debt securities				
Insurance operations	5,391	139,027	-	144,418
Shareholders' operations	22,728	10,000	-	32,728
	<u>75,270</u>	<u>159,059</u>	<u>1,923</u>	<u>236,252</u>

As at 31 December 2014 – Audited

	<i>Level 1 SR' 000</i>	<i>Level 2 SR' 000</i>	<i>Level 3 SR' 000</i>	<i>Total SR' 000</i>
Available-for-sale investments				
Equity securities:				
Insurance operations	10,895	-	-	10,895
Shareholders' operations	14,152	10,002	1,923	26,077
Debt securities:				
Insurance operations	5,381	40,000	-	45,381
Shareholders' operations	26,406	70,000	-	96,406
Deposit certificates:				
Shareholders' operations	-	59,721	-	59,721
	<u>56,834</u>	<u>179,723</u>	<u>1,923</u>	<u>238,480</u>

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

4 AVAILABLE-FOR-SALE INVESTMENTS (continued)

The Company has unquoted equity instruments carried at cost or indicative selling price, where the impact of changes in equity price will only be reflected when the instrument is sold or deemed to be impaired and then the interim statement of shareholders' comprehensive income will be impacted. There were no transfers between level 1, 2 and 3 during the period.

5 PREMIUMS RECEIVABLE, NET

	<i>30 June 2015 (Unaudited) SR' 000</i>	<i>31 December 2014 (Audited) SR' 000</i>
Due from policyholders	164,326	218,341
Due from policyholders – related parties (note 11)	150,126	158,530
Provision for doubtful debts	(34,007)	(22,094)
	<u>280,445</u>	<u>354,777</u>

Movement in the provision for doubtful debts during the period / year was as follows:

	<i>For the six month period ended 30 June 2015 (Unaudited) SR' 000</i>	<i>For the year ended 31 December 2014 (Audited) SR' 000</i>
Balance at the beginning of the period / year	22,094	19,778
Provision for the period / year	11,913	2,323
Utilisation during the period / year	-	(7)
	<u>34,007</u>	<u>22,094</u>

6 DUE FROM REINSURERS, NET

	<i>30 June 2015 (Unaudited) SR' 000</i>	<i>31 December 2014 (Audited) SR' 000</i>
Reinsurance receivable	10,132	7,921
Provision for doubtful debts	(2,382)	(2,462)
	<u>7,750</u>	<u>5,459</u>

Movement in the provision for doubtful debts during the period/year was as follows:

	<i>For the six month period ended 30 June 2015 (Unaudited) SR' 000</i>	<i>For the year ended 31 December 2014 (Audited) SR' 000</i>
Balance at the beginning of the period / year	2,462	2,699
Release of provision during the period / year	(80)	(237)
	<u>2,382</u>	<u>2,462</u>

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

7 ACCRUED ZAKAT AND INCOME TAX

The Zakat payable by the Company has been calculated based on the best estimates of the management. The movement in Zakat payable is as follows:

	<i>Six-month period ended 30 June 2015 (Unaudited) SR' 000</i>	<i>For the year ended 31 December 2014 (Audited) SR' 000</i>
Balance at the beginning of the period / year	11,176	21,929
Charge for the period / year	2,000	3,535
Paid during the period / year	-	(14,288)
Balance at the end of the period / year	<u>13,176</u>	<u>11,176</u>

The differences between the financial and the zakatable results are mainly due to certain adjustments in accordance with the relevant fiscal regulations.

Status of assessment

The Company has filed its zakat declarations for the years ended 31 December 2009 to 2014 and obtained restricted zakat certificates.

During 2013, the Company received the final zakat assessments for the years 2009 to 2011 from the Department of Zakat and Income Tax (DZIT) claiming zakat liability amounting to SR 17.69 million. The management believes that the existing provision for zakat is sufficient. The Management has filed an objection against the above assessments and is confident of receiving a favourable ruling. However, during 2014, the Company has paid SR 14.288 million with respect to these assessments. DZIT has not yet raised assessments for the years from 2012 to 2014.

Zakat base has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the DZIT could be different from the declarations filed by the Company.

8 SHARE CAPITAL

The authorised and issued share capital of the Company was SR 280 million divided into 28 million ordinary shares of SR 10 each.

In the extra-ordinary general meeting held on 18 February 2015 corresponding to 29 Rabi Al-Thani 1436H, the shareholders approved rights issue of SR 210 million. As approved by the regulators, 21 million ordinary shares were offered at an exercise price of SR 10 during the subscription period which started on 22 February 2015 and ended on 10 March 2015. The legal formalities have been completed and the share capital has been increased from SR 280 Million to SR 490 Million. The Company incurred a sum of SR 4.95 million as issuance cost to raise capital of SR 210 million through rights issue which has been accounted through interim statement of changes in shareholders' equity.

9 STATUTORY RESERVE

As required by Saudi Arabian Insurance Regulations, 20% of the net shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of paid capital. The reserve is not available for distribution.

10 STATUTORY DEPOSIT

	<i>Six-month period ended 30 June 2015 (Unaudited) SR' 000</i>	<i>For the year ended 31 December 2014 (Audited) SR' 000</i>
Shareholders' operations		
Statutory deposit	<u>49,000</u>	<u>28,000</u>

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

10 STATUTORY DEPOSIT (continued)

As required by Saudi Arabian Insurance Regulations, the Company deposited 10% of its paid up capital, amounting to SR 49 million in a bank designated by the Saudi Arabian Monetary Agency (SAMA). The Company cannot withdraw this deposit without SAMA's approval and commission accruing on this deposit is payable to SAMA.

11 RELATED PARTIES TRANSACTIONS AND BALANCES

The following are the details of related party transactions during the six month periods ended 30 June 2015 and 30 June 2014:

		<i>Transactions for the six-month period ended</i>	
		<i>30 June 2015</i>	<i>30 June 2014</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>SR'000</i>	<i>SR'000</i>
<i>Related party</i>	<i>Nature of transaction</i>		
<i>Insurance Operations</i>			
Saudi Bin Laden Group	Premiums underwritten	82,960	112,831
	Claims paid	(91,369)	(210,031)
	Investment in Sukuk	39,027	-
Board member:			
Claim and risk services – (CARS)	Claim handling fee	(1,426)	(2,876)
	Payment made	2,786	3,193
Claim and risk services – (CARS)	Premiums underwritten	420	602
	Claims paid	(641)	(1,009)
Law Office of Hassan Mehassni	Premiums underwritten	508	367
	Claims paid	(280)	(152)
Key management personnel	Remuneration and related expenses	2,384	2,316
<i>Shareholders' operations</i>			
Board members	Board of Directors' remuneration	567	612
		<i>30 June 2015</i>	<i>31 December 2014</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR' 000</i>	<i>SR' 000</i>
<i>Insurance operations</i>			
<u>Due from related parties</u>			
Saudi Bin Laden – Group		149,890	158,300
Claim and risk services (CARS)		(64)	157
Law Office of Hassan Mehassni		300	72
		<i>30 June 2015</i>	<i>31 December 2014</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR' 000</i>	<i>SR' 000</i>
<u>Due to a related party</u>			
Claim and risk services (CARS)		(471)	889
<i>Shareholders' operations</i>			
<u>Due to related parties</u>			
Board Members		-	40
Najm for insurance services		270	270

The above balances are included in prepaid expenses and other assets, accrued expenses and other liabilities, premiums receivable, net and due to policyholders.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

12 BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Earnings / (loss) per share for the period has been calculated by dividing the net income / (loss) for the period by the weighted average number of issued and outstanding shares for the period.

(a) The weighted average number of shares has been retrospectively adjusted for prior period to reflect the bonus element of right share issue as required by IAS 33 "Earnings per share" as follows:

	<i>Six-month period ended 30 June 2015 (Unaudited)</i>	<i>Six-month period ended 30 June 2014 (Unaudited)</i>
Issued ordinary shares as at 1 January ('000')	28,000	28,000
Effect of bonus element of right share issue ('000')	-	8,400
Effect of right share issue	15,431	-
	<u>43,431</u>	<u>36,400</u>
Weighted average number of ordinary shares ('000')		

The weighted average number of ordinary shares for prior period is computed using an adjustment factor of 1.3 which is a ratio of the theoretical ex-rights price of SR 16.63 per ordinary share and the closing price of SR 21.61 per ordinary share on the last day on which the shares were traded before the right issue.

(b) The basic and diluted earnings / (loss) per share is calculated as follows:

	<i>Six-month period ended 30 June 2015 (Unaudited)</i>	<i>Six-month period ended 30 June 2014 (Unaudited)</i>
Net income / (loss) for the period (SR '000')	24,047	(15,385)
Weighted average number of ordinary shares ('000')-(Note 12. a)	43,431	36,400
	<u>0.55</u>	<u>(0.42)</u>
Basic and diluted earnings / (loss) per share (SR) – restated		

13 SEGMENT INFORMATION

Consistent with the Company's internal reporting process, operating segments have been approved by Management in respect of the Company's activities, assets and liabilities as stated below.

Segment results do not include general and administrative expenses and other income. Segment assets do not include insurance operations cash and cash equivalents, available-for-sale investments, premiums receivable (net), due from reinsurers (net), prepaid expenses and other assets and furniture, fittings and equipment.

Segment liabilities do not include due to reinsurers, due to policyholders, accrued and other liabilities, due to shareholders' operations and employees' terminal benefits.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

13 SEGMENT INFORMATION (continued)

Consistent with the Company's internal reporting process, operating segments have been approved by the management in respect of the Company's activities, assets and liabilities as stated below:

	<i>Medical</i> <i>SR'000</i>	<i>Motor</i> <i>SR'000</i>	<i>Energy</i> <i>SR'000</i>	<i>Others</i> <i>SR'000</i>	<i>Total</i> <i>SR'000</i>
For the three-month period ended 30 June 2015					
(Unaudited)					
Gross written premiums	16,541	164,980	41,333	48,901	271,755
Less: Reinsurance premiums ceded	-	(351)	(40,621)	(38,081)	(79,053)
Excess of loss premiums	-	(238)	-	(571)	(809)
Net written premiums	16,541	164,391	712	10,249	191,893
Change in net unearned premiums	14,444	(33,649)	(270)	(64)	(19,539)
Net premiums earned	30,985	130,742	442	10,185	172,354
Reinsurance commissions earned	-	166	814	8,987	9,967
	30,985	130,908	1,256	19,172	182,321
Gross claims paid	35,768	161,249	-	11,781	208,798
Less: Reinsurers' share of claims paid	-	(271)	-	(7,652)	(7,923)
Net claims paid	35,768	160,978	-	4,129	200,875
Change in net outstanding claims	(6,015)	(65,603)	-	(320)	(71,938)
Net claims incurred	29,753	95,375	-	3,809	128,937
Policy acquisition costs	801	3,775	-	1,836	6,412
	30,554	99,150	-	5,645	135,349
Net underwriting result	431	31,758	1,256	13,527	46,972
General and administration expenses (unallocated)					(32,093)
Supervision and inspection fee	(156)	(662)	(207)	(188)	(1,213)
CCHI fee	(340)	-	-	-	(340)
Other income (unallocated)					354
Surplus from insurance operations					13,680

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

13 SEGMENT INFORMATION (continued)

	<i>Medical</i> <i>SR'000</i>	<i>Motor</i> <i>SR'000</i>	<i>Energy</i> <i>SR'000</i>	<i>Others</i> <i>SR'000</i>	<i>Total</i> <i>SR'000</i>
For the six-month period ended 30 June 2015					
(Unaudited)					
Gross written premiums	48,239	372,001	73,834	113,469	607,543
Less: Reinsurance premiums ceded	-	(797)	(72,563)	(85,191)	(158,551)
Excess of loss premiums	(300)	(476)	-	(1,394)	(2,170)
Net written premiums	47,939	370,728	1,271	26,884	446,822
Change in net unearned premiums	15,089	(120,058)	(651)	5,502	(100,118)
Net premiums earned	63,028	250,670	620	32,386	346,704
Reinsurance commission earned	1	292	1,325	19,247	20,865
	63,029	250,962	1,945	51,633	367,569
Gross claims paid	79,866	269,771	-	18,820	368,457
Less: Reinsurers' share of claims paid	-	(5,131)	-	(13,216)	(18,347)
Net claims paid	79,866	264,640	-	5,604	350,110
Change in net outstanding claims	(10,687)	(66,645)	-	(2,418)	(79,750)
Net claims incurred	69,179	197,995	-	3,186	270,360
Policy acquisition costs	1,595	6,671	-	3,903	12,169
	70,774	204,666	-	7,089	282,529
Net underwriting result	(7,745)	46,296	1,945	44,544	85,040
General and administration expenses (unallocated)					(62,014)
Supervision and inspection fee	(319)	(1,264)	(369)	(410)	(2,362)
CCHI fee	(704)	-	-	-	(704)
Other income (unallocated)					785
Surplus from insurance operations					20,745

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

13 SEGMENT INFORMATION (continued)

	<i>Medical</i> <i>SR'000</i>	<i>Motor</i> <i>SR'000</i>	<i>Energy</i> <i>SR'000</i>	<i>Others</i> <i>SR'000</i>	<i>Total</i> <i>SR'000</i>
As at 30 June 2015 (Unaudited)					
<i>Insurance operations' assets</i>					
Reinsurers' share of unearned premiums	-	285	52,283	205,099	257,667
Reinsurers' share of outstanding claims	1,394	1,189	-	117,575	120,158
Deferred policy acquisition costs	1,014	8,859	-	5,225	15,098
Unallocated assets					802,380
Total insurance operations' assets					1,195,303
<i>Insurance operations' liabilities and surplus</i>					
Unearned premiums	39,227	312,818	52,934	218,058	623,037
Unexpired risk reserve	-	-	-	3,282	3,282
Claims handling provision	-	2,405	-	-	2,405
Catastrophe reserve	-	-	-	500	500
Outstanding claims	39,824	116,236	-	134,195	290,255
Unearned commission income	1	374	-	29,118	29,493
Unallocated liabilities and accumulated surplus					246,331
Total insurance operations' liabilities and accumulated surplus					1,195,303

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

13 SEGMENT INFORMATION (continued)

	<i>Medical</i> <i>SR'000</i>	<i>Motor</i> <i>SR'000</i>	<i>Energy</i> <i>SR'000</i>	<i>Others</i> <i>SR'000</i>	<i>Total</i> <i>SR'000</i>
For the three-month period ended 30 June 2014					
(Unaudited)					
Gross written premiums	27,993	93,150	35,119	36,548	192,810
Less: Reinsurance premiums ceded	-	(272)	(34,514)	(28,090)	(62,876)
Excess of loss premiums	(12)	(250)	-	(714)	(976)
Net written premiums	27,981	92,628	605	7,744	128,958
Change in net unearned premiums	13,254	54,921	(167)	1,905	69,913
Net premiums earned	41,235	147,549	438	9,649	198,871
Reinsurance commission earned	-	234	552	9,126	9,912
	41,235	147,783	990	18,775	208,783
Gross claims paid	21,366	159,944	-	61,349	242,659
Less: Reinsurers' share of claims paid	(1,113)	(9)	-	(57,095)	(58,217)
Net claims paid	20,253	159,935	-	4,254	184,442
Change in net outstanding claims	16,091	2,689	-	(1,450)	17,330
Net claims incurred	36,344	162,624	-	2,804	201,772
Policy acquisition costs	1,161	1,851	-	1,476	4,488
	37,505	164,475	-	4,280	206,260
Net underwriting result	3,730	(16,692)	990	14,495	2,523
General and administration expenses (unallocated)					(19,794)
Supervision and inspection fee	(140)	(458)	(176)	(169)	(942)
CCHI fee	(280)	-	-	-	(280)
Other income (unallocated)					599
Deficit from insurance operations					(17,894)

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

13 SEGMENT INFORMATION (continued)

	<i>Medical</i> <i>SR'000</i>	<i>Motor</i> <i>SR'000</i>	<i>Energy</i> <i>SR'000</i>	<i>Others</i> <i>SR'000</i>	<i>Total</i> <i>SR'000</i>
For the six-month period ended 30 June 2014					
(Unaudited)					
Gross written premiums	99,801	282,119	70,238	128,325	580,483
Less: Reinsurance premiums ceded	-	(424)	(69,028)	(95,598)	(165,050)
Excess of loss premiums	(213)	(500)	-	(1,257)	(1,970)
Net written premiums	99,588	281,195	1,210	31,470	413,463
Change in net unearned premiums	(23,033)	(11,352)	(639)	(7,720)	(42,744)
Net premiums earned	76,555	269,843	571	23,750	370,719
Reinsurance commission earned	-	423	1,516	17,285	19,224
	76,555	270,266	2,087	41,035	389,943
Gross claims paid	49,994	295,846	-	66,793	412,633
Less: Reinsurers' share of claims paid	(1,883)	(416)	-	(60,716)	(63,015)
Net claims paid	48,111	295,430	-	6,077	349,618
Change in net outstanding claims	17,198	(20,696)	(106)	340	(3,264)
Net claims incurred	65,309	274,734	(106)	6,417	346,354
Policy acquisition costs	2,305	3,306	-	3,274	8,885
	67,614	278,040	(106)	9,691	355,239
Net underwriting result	8,941	(7,774)	2,193	31,344	34,704
General and administration expenses (unallocated)					(49,017)
Supervision and inspection fee	(499)	(1,408)	(351)	(565)	(2,823)
CCHI fee	(1,148)	-	-	-	(1,148)
Other income (unallocated)					1,588
Deficit from insurance operations					(16,696)

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

13 SEGMENT INFORMATION (continued)

	<i>Medical SR'000</i>	<i>Motor SR'000</i>	<i>Energy SR'000</i>	<i>Other SR'000</i>	<i>Total SR'000</i>
As at 31 December 2014 (Audited)					
<i>Insurance operations' assets</i>					
Reinsurers' share of unearned premiums	-	664	-	165,272	165,936
Reinsurers' share of outstanding claims	1,314	3,574	-	95,957	100,845
Deferred policy acquisition costs	1,161	6,495	-	6,329	13,985
Unallocated assets					746,589
Total insurance operations' assets					1,027,355
<i>Insurance operations' liabilities and surplus</i>					
Unearned premiums	54,316	193,139	-	183,733	431,188
Unexpired risk reserve	-	-	-	3,282	3,282
Claims handling provision	-	2,405	-	-	2,405
Unearned commission income	-	160	-	29,283	29,443
Catastrophe reserve	-	-	-	500	500
Outstanding claims	50,431	185,266	-	114,995	350,692
Unallocated liabilities and accumulated surplus					209,845
Total insurance operations' liabilities and accumulated surplus					1,027,355

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company's financial assets consist of cash and cash equivalents, premiums receivable (net), available-for-sale investments, due from reinsurers (net) and statutory deposit and its financial liabilities consist of outstanding claims, due to reinsurers, due to policyholders, due to shareholders' operations and certain other liabilities.

The fair values of financial assets and liabilities are not materially different from their carrying values at the reporting date.

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 identical assets or liabilities (i.e. without modification or repacking).

Level 2: quoted prices in active markets for similar financial 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.

15 COMPARATIVE FIGURES

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

16 BOARD OF DIRECTORS' APPROVAL

These interim condensed financial statements have been approved by the Board of Directors on 22 July 2015, corresponding to 6 Shawaal 1436H.