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**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE  
“WAFI INSURANCE”**

**(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTH PERIODS  
ENDED 30 JUNE 2016**

**together with the  
INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT**

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**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE “Wafa Insurance”**  
**(A Saudi Joint Stock Company)**  
**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT**  
**AUDITORS’ LIMITED REVIEW REPORT**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**

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**Independent Auditors' limited review report on interim condensed financial statements  
To the shareholders of Saudi Indian Company for Cooperative Insurance "Wafa Insurance"  
(A Saudi Joint Stock Company)**

**SCOPE OF REVIEW**

We have reviewed the accompanying interim statement of financial position of Saudi Indian Company for Cooperative Insurance "Wafa Insurance" (A Saudi Joint Stock Company) ("the Company") as at 30 June 2016 and the related interim statement of income - shareholders' operations and interim statements of comprehensive income - insurance and shareholders' operations for the three and six month periods then ended, the interim statement of changes in shareholders' equity and interim statements of cash flows - insurance and shareholders' operations for the six month period then ended and Notes 1 to 17 which form part of the 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 Standards 34 - "Interim Financial Reporting" - ("IAS 34") and submitted to us together with all the information and explanations which we required. We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards the objective of which is the expression of an opinion regarding financial statements taken as a whole. Accordingly, we do not express such an opinion.

**CONCLUSION**

Based on our limited 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 A MATTER**

We draw attention to the fact that the accompanying Interim Financial Statements are prepared in accordance with International Accounting Standards (IAS) 34 and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

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Certified Public Accountant  
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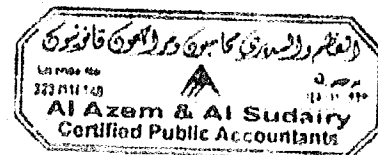


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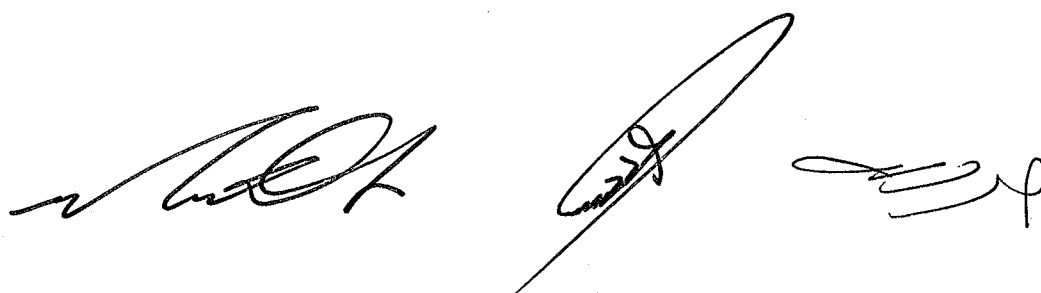
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Certified Public Accountant  
License No. 335

21 Shawwal 1437H  
26 July 2016



**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2016**  
Expressed in Saudi Arabian Riyals

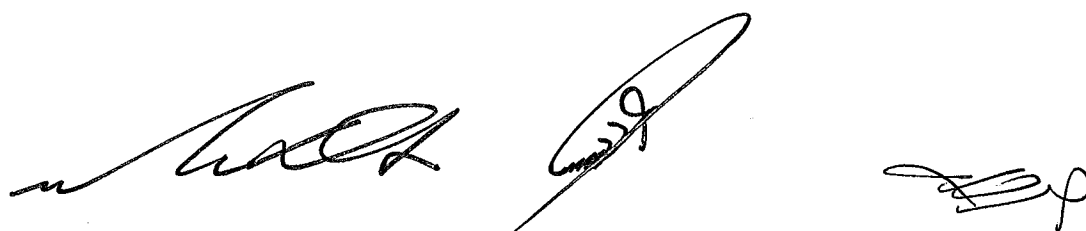
		<b>30 June 2016</b>	<b>31 December 2015</b>
	<b><u>Note</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
<b>Insurance Operations' Assets</b>			
Cash and cash equivalents	6	173,249,459	57,617,704
Receivable from policyholders, net	7	128,203,788	89,805,661
Receivable from reinsurers, net	8	6,753,554	8,075,987
Reinsurers' share of outstanding claims		25,517,920	36,451,628
Reinsurers' share of unearned premium income		46,416,235	55,953,021
Deferred policy acquisition costs		30,319,326	24,903,382
Prepaid expenses		6,061,139	1,752,382
Investments	9	4,067,220	45,923,078
Advances and other receivables		34,430,955	29,516,815
Property and equipment, net		1,910,425	1,064,104
Intangible assets, net		1,270,604	1,151,082
Capital work in progress		--	92,325
Due from shareholders' operations		79,987,894	133,752,723
<b>Total Insurance Operations' Assets</b>		<b>538,188,519</b>	<b>486,059,892</b>
<b>Shareholders' Assets</b>			
Cash and cash equivalents	6	166,493,795	33,050,707
Investment	9	4,428,907	160,522,450
Prepaid expenses		150,000	--
Advances and other receivables		512,645	391,946
Advance Zakat and tax		--	344,829
Statutory deposit investment return	10	864,850	861,217
Statutory deposit	10	30,750,000	20,600,000
<b>Total Shareholders' Assets</b>		<b>203,200,197</b>	<b>215,771,149</b>
<b>Total Assets</b>		<b>741,388,716</b>	<b>701,831,041</b>



The accompanying notes 1 to 17 form part of these interim condensed financial statements.

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**As at 30 June 2016**  
Expressed in Saudi Arabian Riyals

	<b>Note</b>	<b>30 June 2016 (Unaudited)</b>	<b>31 December 2015 (Audited)</b>
<b>Insurance Operations' Liabilities and Surplus</b>			
Reinsurers' balances payable		28,972,293	29,165,409
Unearned premium income		334,498,105	269,981,719
Unearned commission income		5,234,310	2,407,562
Outstanding claims including reserves		156,428,601	168,539,395
Reserve for life insurance operations		1,516,730	1,516,730
Accrued expenses		1,682,675	3,490,197
Other liabilities		3,344,658	9,302,833
Employees' end of service benefits		2,092,088	1,656,047
		<u>533,769,460</u>	<u>486,059,892</u>
<b>Insurance Operations' Surplus</b>			
Surplus distribution to policy holders		4,419,059	--
<b>Total Insurance Operations' Liabilities and Surplus</b>		<u>538,188,519</u>	<u>486,059,892</u>
<b>Shareholders' Liabilities and Equity</b>			
<b>Shareholders' Liabilities</b>			
Zakat and income tax payable		255,172	--
Accrued expenses		3,002,500	2,315,500
Statutory deposit investment return payable	10	864,850	861,217
Other liabilities		285,314	285,415
Share compensation	16	11,740,992	11,740,992
Due to insurance operations		79,987,894	133,752,723
<b>Total Shareholders' Liabilities</b>		<u>96,136,722</u>	<u>148,955,847</u>
<b>Shareholders' Equity</b>			
Share capital	16	205,000,000	205,000,000
Accumulated deficit		(97,365,433)	(137,707,149)
Fair value reserve for available for sale investments		(571,092)	(477,549)
<b>Total Shareholders' Equity</b>		<u>107,063,475</u>	<u>66,815,302</u>
<b>Total Shareholders' Liabilities and Equity</b>		<u>203,200,197</u>	<u>215,771,149</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>741,388,716</u>	<u>701,831,041</u>



The accompanying notes 1 to 17 form part of these interim condensed financial statements.

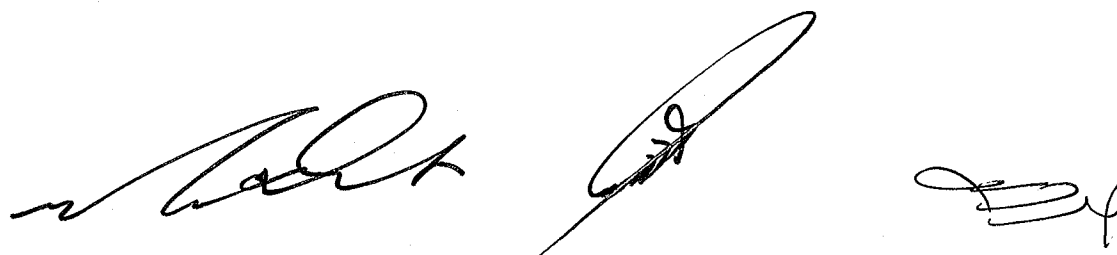
**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME - INSURANCE OPERATIONS**  
**(UNAUDITED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**  
Expressed in Saudi Arabian Riyals

	Three months ended 30 June		Six months ended 30 June	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross premiums written	161,032,610	161,684,752	360,878,991	268,792,973
Reinsurance premium ceded	(19,760,318)	(31,256,403)	(47,601,220)	(55,912,941)
Excess of loss premium	(1,466,250)	(764,092)	(2,932,500)	(1,528,185)
<b>Net premiums written</b>	<b>139,806,042</b>	<b>129,664,257</b>	<b>310,345,271</b>	<b>211,351,847</b>
Changes in unearned premium	(12,257,853)	(77,177,619)	(74,053,172)	(114,751,196)
<b>Net premium earned</b>	<b>127,548,189</b>	<b>52,486,638</b>	<b>236,292,099</b>	<b>96,600,651</b>
Reinsurance commissions	2,740,475	3,375,680	4,681,776	5,489,903
Other operating income	2,170,553	2,748,935	3,554,038	2,961,360
Other income	920,538	--	1,467,123	--
Unrealized loss on investments held for trading	(47,490)	--	(47,490)	--
Investment income	609,003	--	1,369,122	--
<b>Total revenue</b>	<b>133,941,268</b>	<b>58,611,253</b>	<b>247,316,668</b>	<b>105,051,914</b>
Gross claims paid	101,953,493	54,149,628	189,679,226	90,212,511
Less: Reinsurers' share	(17,835,171)	(14,255,364)	(36,623,970)	(25,524,981)
<b>Net claims paid</b>	<b>84,118,322</b>	<b>39,894,264</b>	<b>153,055,256</b>	<b>64,687,530</b>
Change in premium deficiency reserve	(11,493,000)	(1,525,000)	(29,611,000)	(2,045,000)
Change in IBNR	30,165,000	8,960,000	28,165,000	11,209,000
Changes in outstanding claims	(522,371)	(5,291,931)	268,912	(6,954,367)
<b>Net claims incurred</b>	<b>102,267,951</b>	<b>42,037,333</b>	<b>151,878,168</b>	<b>66,897,163</b>
Policy acquisition costs	14,424,559	7,592,762	27,286,519	13,883,354
Other underwriting expenses	1,298,479	3,291,160	5,107,496	7,507,213
<b>Total claims and other expenses</b>	<b>117,990,989</b>	<b>52,921,255</b>	<b>184,272,183</b>	<b>88,287,730</b>
<b>Underwriting surplus</b>	<b>15,950,279</b>	<b>5,689,998</b>	<b>63,044,485</b>	<b>16,764,184</b>
General and administrative expenses	(11,681,594)	(7,116,090)	(18,853,894)	(13,143,658)
<b>Net surplus/(deficit) for the period</b>	<b>4,268,685</b>	<b>(1,426,092)</b>	<b>44,190,591</b>	<b>3,620,526</b>
(Transferred to)/ absorbed by shareholders' operations	(3,841,817)	1,426,092	(39,771,532)	(3,258,473)
<b>Net result for the period</b>	<b>426,868</b>	<b>--</b>	<b>4,419,059</b>	<b>362,053</b>
Other comprehensive income	--	--	--	--
<b>Total comprehensive surplus for the period</b>	<b>426,868</b>	<b>--</b>	<b>4,419,059</b>	<b>362,053</b>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS (UNAUDITED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**  
Expressed in Saudi Arabian Riyals

		Three months ended 30 June		Six months ended 30 June	
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Gain on sale of investments		--	2,641,824	--	2,809,936
Investment income		1,062,589	18,750	2,014,120	388,953
Net surplus transferred from insurance operations	3	3,841,817	--	39,771,532	3,258,473
		<u>4,904,406</u>	<u>2,660,574</u>	<u>41,785,652</u>	<u>6,457,362</u>
Directors' remuneration	12	(285,000)	(343,600)	(570,000)	(687,000)
General and administrative expenses		(137,528)	(117,000)	(273,936)	(168,050)
Net deficit transferred from insurance operations		--	(1,426,092)	--	--
		<u>4,481,878</u>	<u>773,882</u>	<u>40,941,716</u>	<u>5,602,312</u>
<b>Net profit for the period</b>					
		<u>4,481,878</u>	<u>773,882</u>	<u>40,941,716</u>	<u>5,602,312</u>
<b>Basic and diluted earnings/(loss) per share- Saudi Riyals</b>	13	<u>0.22</u>	<u>0.05</u>	<u>1.99</u>	<u>0.33</u>



The accompanying notes 1 to 17 form part of these interim condensed financial statements.

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFI INSURANCE"  
(A Saudi Joint Stock Company)  
INTERIM STATEMENT OF COMPREHENSIVE INCOME- SHAREHOLDERS'  
OPERATIONS (UNAUDITED)  
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016  
Expressed in Saudi Arabian Riyals

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	Three months ended 30 June		Six months ended 30 June	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Profit/ (loss) for the period	4,481,878	773,882	40,941,716	5,602,312
<i>Other comprehensive income to be reclassified subsequently to the statement of income-shareholder operation</i>				
Changes in fair value of available for sale investments	180,022	--	(93,543)	28,819
<b>Total comprehensive income/(loss) for the period</b>	<u><b>4,661,900</b></u>	<u><b>773,882</b></u>	<u><b>40,848,173</b></u>	<u><b>5,631,131</b></u>



The accompanying notes 1 to 17 form part of these interim condensed financial statements.

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**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**

(A Saudi Joint Stock Company)

**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**

Expressed in Saudi Arabian Riyals

	<u>Share capital</u>	<u>Accumulated deficit</u>	<u>Fair value reserve for available for sale investments</u>	<u>Total shareholders' equity</u>
<b>For the six month period ended 30 June 2015</b>				
<b>Balance at 1 January 2015</b>	100,000,000	(70,792,232)	(231,989)	28,975,779
Other comprehensive income	--	5,602,312	28,819	5,631,131
Capital issue expenses	--	(3,899,521)	--	(3,899,521)
Right issue	105,000,000			105,000,000
Zakat	--	(754,363)	--	(754,363)
<b>Balance as at 30 June 2015</b>	<u>205,000,000</u>	<u>(69,843,804)</u>	<u>(203,170)</u>	<u>134,953,026</u>
<b>Balance at 1 January 2016</b>				
Net profit for the period	205,000,000	(137,707,149)	(477,549)	66,815,302
Changes in fair value of available for sale investments	--	40,941,716	--	40,941,716
Provision for Zakat and income tax	--	--	(93,543)	(93,543)
	--	(600,000)	--	(600,000)
<b>Balance as at 30 June 2016</b>	<u>205,000,000</u>	<u>(97,365,433)</u>	<u>(571,092)</u>	<u>107,063,475</u>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.





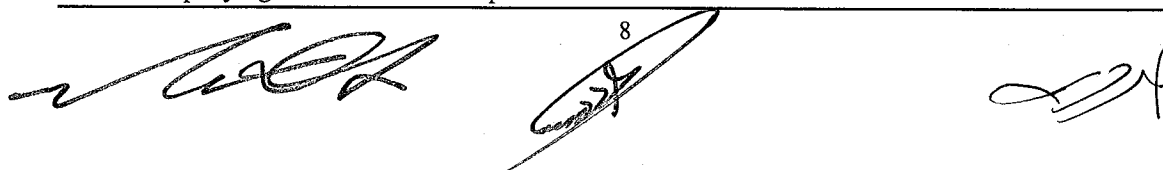


**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CASH FLOWS - INSURANCE OPERATIONS (UNAUDITED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**  
Expressed in Saudi Arabian Riyals

	<b>30 June 2016 (Unaudited)</b>	<b>30 June 2015 (Unaudited)</b>
<b><u>Note</u></b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net results for the period	4,419,059	362,053
<u>Adjustments for:</u>		
Profit transferred to Shareholders' operations	39,771,532	3,258,473
Provision for employees' end of service benefits	436,041	(4,098)
Unrealized loss on investments held for trading	47,490	--
Amortization of intangibles	397,353	281,193
Depreciation	203,044	117,218
Reinsurers' share of unearned premium	9,536,786	(15,161,323)
Unearned premium income	64,516,386	129,912,519
Provision for doubtful debts	1,581,674	489,114
	<b>120,909,365</b>	<b>119,255,149</b>
<b>Changes in operating assets and liabilities:</b>		
Receivable from policyholders, net	(37,704,163)	(42,368,946)
Receivable from reinsurers, net	(953,206)	--
Reinsurers' share of outstanding claims	10,933,708	2,979,540
Deferred policy acquisition costs	(5,415,944)	(12,177,265)
Prepaid expenses	(4,308,756)	(2,114,387)
Advances and other receivables	(4,914,140)	(1,370,796)
Reinsurers' balances payable	(193,116)	7,376,028
Unearned commission income	2,826,748	2,854,046
Outstanding claims including reserves	(12,110,794)	(769,911)
Accrued expenses	(1,807,522)	617,095
Other liabilities	(5,958,175)	14,209,732
Due from shareholders' operation	13,993,297	(34,290,381)
Employees' end of service benefits paid	(48,317)	--
<b>Net cash from operating activities</b>	<b>75,248,985</b>	<b>54,199,904</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangibles assets	(516,874)	(151,843)
Purchase of property and equipment	(1,049,366)	(863,701)
Purchase of investments	(4,393,492)	--
Proceeds from disposal of investment	46,342,502	--
<b>Net cash from/(used in) investing activities</b>	<b>40,382,770</b>	<b>(1,015,544)</b>
<b>Increase in cash and cash equivalents during the period</b>	<b>115,631,755</b>	<b>53,184,360</b>
Cash and cash equivalents at the beginning of the period	57,617,704	6,977,023
<b>Cash and cash equivalents at the end of the period</b>	<b>173,249,459</b>	<b>60,161,383</b>

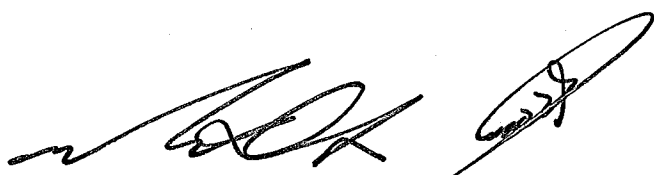
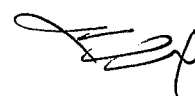
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**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CASH FLOWS - SHAREHOLDERS' OPERATIONS**  
**(UNAUDITED)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**  
Expressed in Saudi Arabian Riyals

	<b>Note</b>	<b>30 June 2016 (Unaudited)</b>	<b>30 June 2015 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year		40,941,716	5,602,312
<u>Adjustments for:</u>			
Gain on sale of investments		--	(3,198,889)
Surplus transferred from insurance operations		(39,771,532)	(3,258,473)
		<u>1,170,184</u>	<u>(855,050)</u>
<b>Changes in operating assets and liabilities:</b>			
Prepaid expenses		(150,000)	(90,000)
Advances and other receivables		(120,700)	1,012,500
Accrued expenses		687,000	687,000
Other liabilities		3,534	98,516
Capital issue expenses		--	(3,899,521)
Due to insurance operations		(13,993,297)	34,290,381
		<u>(12,403,279)</u>	<u>31,243,826</u>
Zakat and income tax paid		--	(760,513)
<b>Net cash (used in)/ from operating activities</b>		<u><b>(12,403,279)</b></u>	<u><b>30,483,313</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Statutory deposit		(10,153,633)	(98,515)
Investments		--	7,413,494
Proceeds of investment		156,000,000	--
<b>Net cash from investing activities</b>		<u><b>145,846,367</b></u>	<u><b>7,314,979</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share capital		--	105,000,000
<b>Net cash used in investing activities</b>		<u><b>--</b></u>	<u><b>105,000,000</b></u>
<b>Increase in cash and cash equivalents during the period</b>			
		133,443,088	142,798,292
Cash and cash equivalents at the beginning of the period		33,050,707	3,310,236
<b>Cash and cash equivalents at the end of the period</b>	6	<u><b>166,493,795</b></u>	<u><b>146,108,528</b></u>
<b><u>Non-cash supplemental information:</u></b>			
Net change in the fair value of available for sale investments	9.2	<u><b>(93,544)</b></u>	<u><b>28,819</b></u>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE “Wafa Insurance”  
(A Saudi Joint Stock Company)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016  
Expressed in Saudi Arabian Riyals**

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**1. ORGANISATION AND PRINCIPAL ACTIVITIES**

Saudi Indian Company for Cooperative Insurance “Wafa Insurance” (the “Company”) is a Saudi joint stock company as sanctioned by the Royal Decree No. M60 dated 18 Ramadan 1427H corresponding to October 9, 2006 (date of inception). The Company is registered in Riyadh with the Ministry of Commerce and Industry under commercial registration No.1010236705 dated 24/7/1428H corresponding to August 7, 2007. The Company’s registered office address is at Al-Maseef Dist., Northern Ring Road between exit 5&6, PO Box: 341413, Riyadh 11333, Kingdom of Saudi Arabia.

The principal activities of the Company are to transact the cooperative insurance operations and all related activities including reinsurance and agency activities under the law of Supervision of Cooperative Insurance Companies and its by-laws and other regulations promulgated in the Kingdom of Saudi Arabia. The Company is permitted to conduct its operations in the Kingdom of Saudi Arabia.

The Company has been granted the license (number TMN/14/20086) to practice all lines of insurance business on 6 Jumada II, 1429H corresponding to September 8, 2008 from Saudi Arabian Monetary Agency (“SAMA”). SAMA renewed the operational license for a further period of three years from 6 Jumada II, 1432 H corresponding to May 9, 2011 and renewed thereafter for a further period of three years from 5 Jumada II, 1435 H corresponding to April 5, 2014. The Company commenced its general insurance operations from August 20, 2008 and protection and savings insurance operations from January 11, 2009.

**2. BASIS OF PREPARATION**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34- “Interim Financial Reporting”. These interim condensed financial statements have been prepared on the historical cost basis except for revaluation of investments, which are carried at fair value. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s audited financial statements for the year ended 31 December 2015.

In management’s opinion, these 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.

**Increase in share capital**

As at 30 June 2016 the Company has accumulated losses of SR 97.37 million (31 December 2015: SR 137.71 million) that is 47.5% of the share capital (31 December 2015: 67.2%). On 8 April 2015, the Company held an extraordinary general meeting of its shareholders to approve the increase in the share capital through rights issue. Based on the approval received from the shareholders at the extraordinary general meeting, the Company has finalized the process of the capital increase and received the new capital in the bank. Under the terms of the rights issue, the Company’s new capital after issue of new shares of SR 105,000,000 is SR 205,000,000.

Further, the Company is in a continuous process to improve its business performance in order to reduce its accumulated losses. Accordingly, the Board of Directors has considered positively the impact of increase in the share capital on the financial position and future profitability of the Company and believes that the going concern basis used for preparation of these financial statements is appropriate.

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**3. BASIS OF PRESENTATION**

As required by the Saudi Arabian insurance regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations. 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. Losses incurred by Insurance Operations are absorbed by Shareholders' Operations. Net surplus shall be distributed at the rate of 10% at the end of each year to the policyholders. The remaining 90% of the net surplus shall be transferred to the shareholder's income statement.

**4. FUNCTIONAL AND PRESENTATION CURRENCY**

These unaudited interim condensed financial statements have been presented in Saudi Arabian Riyal (SAR), being the functional and presentational currency of the Company. All financial information presented has been rounded off to the nearest SR.

**5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES**

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements as at and for the year ended 31 December 2015.

a) the adoption of new standards, amendments and revisions to existing standards, as mentioned below, which had no significant financial impact on the financial statements of the Company:

- Amendments to IFRS 10, IFRS 12, and IAS 27 that provide consolidation relief for investment funds applicable from January 1, 2014. This mandatory consolidation relief provides that a qualifying investment entity is required to account for investments in controlled entities as well as investments in associates and joint ventures at fair value through income statement provided it fulfils certain conditions with an exception being for subsidiaries that are considered an extension of the investment entity's investing activities;
- IAS 32 amendment applicable from January 1, 2014 clarifies that a) an entity currently has a legally enforceable right to off-set if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties; and b) gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk and processes receivables and payables in a single settlement process or cycle;
- IAS 36 amendment applicable retrospectively from January 1, 2014, addresses the disclosure of information about the recoverable amount of impaired assets. Under the amendments, recoverable amounts of every cash generating unit to which goodwill or indefinite – lived intangible assets have been allocated is required to be disclosed only when an impairment loss has been recognized or reversed;

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**5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES** *(Continued)*

- IAS 39 amendment applicable from January 1, 2014 added a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specified criteria;
- In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer

**Standards issued not yet effective**

The relevant standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

- IFRS 9 Financial Instruments - In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.
- Annual improvements 2010-2012 Cycle - These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:
  - IFRS 8 Operating Segments - The amendments are applied retrospectively and clarifies that:
    - an entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'

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**5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES** *(Continued)*

the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities

- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.
- IAS 24 Related Party Disclosures - The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.
- IFRS 16 Leases - The amended IFRS 16 (Leases) released on January 13, 2016 which changes the set of requirements for the accounting treatment for asset, liability and other complexities such as non-lease element, variable lease period and option periods. The standard is effective from January 01, 2019 with early adoption permitted in certain circumstances.

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**6. CASH AND CASH EQUIVALENTS**

	<b>30 June 2016 (Unaudited)</b>	
	<i>Insurance Operations</i>	<i>Shareholders</i>
Cash in hand	571,387	--
Balance in current account	27,835,702	28,656,975
Term deposit at banks ( <i>note no 6.a</i> )	144,842,370	137,836,820
	<u>173,249,459</u>	<u>166,493,795</u>
	<b>31 December 2015 (Audited)</b>	
	<i>Insurance Operations</i>	<i>Shareholders</i>
Cash in hand	915,818	--
Balance in current account	56,701,886	33,050,707
	<u>57,617,704</u>	<u>33,050,707</u>

**6 (a)** This represents investment in murahaba term deposit having maturity of not more than three months at a rate of interest ranging between 2.5% to 3% per annum.

**7. RECEIVABLE FROM POLICYHOLDERS, NET**

	<b>30 June 2016 (Unaudited)</b>	<b>31 December 2015 (Audited)</b>
Gross receivables arising from insurance contracts	139,726,299	98,645,936
Less: Provision for doubtful debts ( <i>note 7.a</i> )	(11,522,511)	(8,840,275)
Net receivables	<u>128,203,788</u>	<u>89,805,661</u>

**7 (a)** The movement in the provision for doubtful debts of receivable from policyholders is as follows:

	<b>30 June 2016 (Unaudited)</b>	<b>31 December 2015 (Audited)</b>
Opening balance	8,840,275	8,023,145
Charge of Provision during the period / year	2,682,236	817,130
Closing balance	<u>11,522,511</u>	<u>8,840,275</u>

**8. RECEIVABLES FROM REINSURERS, NET**

	<b>30 June 2016 (Unaudited)</b>	<b>31 December 2015 (Audited)</b>
Gross receivables	7,246,295	10,844,365
Less: Provision for doubtful debts ( <i>note 8.1</i> )	(492,741)	(2,768,378)
Net receivables	<u>6,753,554</u>	<u>8,075,987</u>

**8.1** The movement in the provision for doubtful debts of reinsurance receivables is as follows:

	<b>30 June 2016 (Unaudited)</b>	<b>31 December 2015 (Audited)</b>
Opening balance	2,768,378	--
(Reversal) / Charge during the period/ year	(2,275,637)	2,768,378
Closing balance	<u>492,741</u>	<u>2,768,378</u>



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**9. INVESTMENTS**

		<b>30 June 2016 (Unaudited)</b>	
		<i>Insurance Operations</i>	<i>Shareholders</i>
<b>Available for sale</b>			
Unquoted securities	9.1	<b>1,923,078</b>	---
Shariah compliant funds-quoted	9.2	--	<b>4,428,907</b>
<b>Held to maturity</b>			
Shariah compliant murahaba term deposit	9.3	--	--
<b>Held for trading</b>			
Quoted securities	9.4	<b>2,144,142</b>	--
		<b>4,067,220</b>	<b>4,428,907</b>
		<b>31 December 2015 (Audited)</b>	
		<i>Insurance Operations</i>	<i>Shareholders</i>
<b>Available for sale</b>			
Unquoted securities	9.1	1,923,078	--
Shariah compliant funds-quoted	9.2	--	4,522,450
<b>Held to maturity</b>			
Shariah compliant murahaba term deposit	9.3	44,000,000	156,000,000
		<b>45,923,078</b>	<b>160,522,450</b>

**9.1** This represents investment in Najam share amounting to SAR 1,923,078 (December 2015: SAR 1,923,078)

**9.2 Shariah compliant fund**

	<b>30 June 2016 (Unaudited)</b>	<b>31 December 2015 (Audited)</b>
Opening balance	<b>4,522,450</b>	4,768,010
Unrealised loss during the period/year	<b>(93,543)</b>	(245,560)
Closing balance	<b>4,428,907</b>	4,522,450

**9.3** This represents investment in Murahaba amounting to SAR Nil (December 2015: SAR 200,000,000).

**9.4** The represents investment in quoted shares amounting to SAR 2,144,142 (December 2015: Nil).

**10. STATUTORY DEPOSIT**

In accordance with Article 58 of the Implementing Regulations for Cooperative Insurance, the Company has deposited an amount of SR 30,850,000 (31 December 2015: SAR 20,600,000) with Riyadh Bank. During the period statutory deposit is increased from 10% to 15% of share capital in order to comply with SAMA letter no 371000070032 dated 30<sup>th</sup> March 2016. However, the Company is not allowed to withdraw any portion of the original deposit or the profit unless prior approval is obtained from SAMA. Profit accrued of SAR 864,850 (31 December 2015: SAR 861,217) and the corresponding liability have been shown separately.

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**11. RELATED PARTY TRANSACTIONS AND BALANCES**

<b>Related party</b>	<b>Nature of transaction</b>	<b>Note</b>	<b>Amount of transaction</b>		<b>Amount of transaction</b>		<b>Balance</b>	
			<b>Three months</b>		<b>Six months</b>		<b>30 June</b>	<b>31 December</b>
			<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>2016</b>	<b>2015</b>
			<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
The New India Assurance Company Limited (Shareholder)	- Reinsurance premium ceded		<u>639,467</u>	<u>659,528</u>	<u>1,179,192</u>	<u>1,405,427</u>	<u>1,337,398</u>	<u>697,931</u>
	- Reinsurance commission		<u>157,483</u>	<u>171,260</u>	<u>291,725</u>	<u>352,827</u>	<u>317,979</u>	<u>160,496</u>
	- Reinsurer's share of outstanding claims		<u>247,845</u>	<u>35,767</u>	<u>448,836</u>	<u>326,059</u>	<u>435,858</u>	<u>188,012</u>
	- Share compensation		<u>--</u>	<u>5,932,155</u>		<u>5,932,155</u>	<u>5,932,155</u>	<u>5,932,155</u>
Life Insurance Corporation of INDIA (Shareholder)	- Share compensation		<u>--</u>	<u>5,708,300</u>		<u>5,708,300</u>	<u>5,708,300</u>	<u>5,708,300</u>
Life Insurance Corporation (International) BSC (Shareholder)	- Share compensation		<u>--</u>	<u>5,422,885</u>		<u>5,422,885</u>	<u>--</u>	<u>--</u>
Trust Broker (Director is GM in trust )	- Premium for policies written		<u>3,246,114</u>	<u>12,560,695</u>	<u>22,479,962</u>	<u>13,864,778</u>	<u>13,241,461</u>	<u>1,045,077</u>
	- Commission		<u>262,683</u>	<u>435,538</u>	<u>1,546,907</u>	<u>600,015</u>	<u>1,132,397</u>	<u>232,699</u>
Mubarad (Common Director)	- Premium for policies written		<u>182,700</u>	<u>--</u>	<u>182,700</u>	<u>--</u>	<u>542,995</u>	<u>714,200</u>
Actuscope (Chairman is partner in actuscope)	- Actuarial Services		<u>235,000</u>	<u>72,500</u>	<u>385,034</u>	<u>147,500</u>	<u>385,034</u>	<u>--</u>
Directors and Executive Committee	- Remuneration	12	<u>285,000</u>	<u>343,600</u>	<u>570,000</u>	<u>687,000</u>	<u>2,491,157</u>	<u>1,921,157</u>
Directors and Executive Committee	- Meeting attendance fee		<u>58,500</u>	<u>58,500</u>	<u>117,000</u>	<u>106,500</u>	<u>511,343</u>	<u>394,343</u>

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**12. DIRECTORS’ REMUNERATION**

During the three month period, provision has been made for the Board of Directors’ remuneration for an amount of SAR 285,000 (30 June 2015: SR 343,600).

**13. BASIC AND DILUTED EARNING PER SHARE**

As the result of a rights issue, during the year ended December 31 2015, the Company issued 10.5 million new shares of SR 10 each at par. The resulting capital is SR 205 million, comprising 20.5 million shares of SR 10 each.

Basic and diluted earnings per share have been computed by dividing the net income for the relevant periods by the weighted average number of issued outstanding shares. The relevant averages are 20,500,000 for the three and six month period ended June 30, 2016 and 16,789,644 for the three and six month period ended June, 2015.

**14. 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 to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair values of recognized financial instruments are not significantly different from the carrying values included in the interim condensed financial statements.

***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 market prices in active market for the identical instrument (i.e., without modification or adjustment);
- Level 2: Quoted market prices in active market 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.

The table below presents the financial instruments at their fair values as of 31 March 2016 based on the fair value hierarchy:

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14. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

<u>30 June 2016 (Unaudited)</u>	Level 1	Level 2	Level 3	Total
Financial assets				
- Insurance operations	2,144,142	--	1,923,078	4,067,220
- Shareholders' operations	4,248,885	--	--	4,248,885
Total	6,393,027	--	1,923,078	8,316,105

<u>31 December 2015 (Audited)</u>	Level 1	Level 2	Level 3	Total
Financial assets				
- Insurance operations	--	--	45,923,078	45,923,078
- Shareholders' operations	4,522,450	--	156,000,000	160,522,450
Total	4,522,450	--	201,923,078	206,445,528

The unlisted securities amounting to SAR 1,923,078 (31 December 2015: SAR 201,923,078) are stated at cost in the absence of active markets or other means of reliably measuring their fair value.

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

During the six month period ended 30 June 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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**15. SEGMENTAL INFORMATION**

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the Company's activities, assets and liabilities. Information disclosed in the note is based on current reporting to the chief operating decision maker. Operating segments do not include shareholders' operations of the Company.

Segment assets do not include insurance operations' cash and cash equivalents, receivables, prepaid expenses, investments, advances and other receivables, due from shareholders' operations and property and equipment. Accordingly, they are included in unallocated assets.

Segment liabilities do not include reinsurers' balances payable, unearned commission income, employees' end of service benefits, accrued expenses and other liabilities. Accordingly, they are included in unallocated liabilities. These unallocated assets and liabilities are not reported to chief operating decision maker under the related segments and are monitored on a centralized basis.

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**15. SEGMENTAL INFORMATION (Continued)**

**For The Three Month Periods Ended 30 June 2016 (Unaudited)**

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	138,304,939	2,563,970	20,163,701	161,032,610
Reinsurance ceded	--	(844,483)	(18,915,835)	(19,760,318)
Excess of loss premiums ceded	(1,338,250)	--	(128,000)	(1,466,250)
<b>Net premium written</b>	136,966,689	1,719,487	1,119,866	139,806,042
Changes in unearned premium, net	(37,066,223)	24,613,029	195,341	(12,257,853)
<b>Net premium earned</b>	99,900,466	26,332,516	1,315,207	127,548,189
Reinsurance commissions	--	--	2,740,475	2,740,475
Other operating income	2,170,553	--	--	2,170,553
Other income	920,538	--	--	920,538
Unrealized loss on investments held for trading	--	--	(47,490)	(47,490)
Investment income	--	--	609,003	609,003
<b>Total revenue</b>	<b>102,991,557</b>	<b>26,332,516</b>	<b>4,617,195</b>	<b>133,941,268</b>
Gross claims paid	74,483,534	25,656,389	1,813,570	101,953,493
Less: reinsurers' share	(2,257,000)	(14,109,703)	(1,468,468)	(17,835,171)
<b>Net claims paid</b>	72,226,534	11,546,686	345,102	84,118,322
Changes in premium deficiency and other reserves	(11,930,000)	437,000	--	(11,493,000)
Changes in IBNR reserve	30,808,000	(643,000)	--	30,165,000
Changes in outstanding claims and reserves – net	(1,250,687)	885,166	(156,850)	(522,371)
<b>Net claims incurred</b>	89,853,847	12,225,852	188,252	102,267,951
Policy acquisition costs	8,647,645	4,045,838	1,731,076	14,424,559
Other underwriting expenses	912,805	298,397	87,277	1,298,479
<b>Total claims and other expenses</b>	<b>99,414,297</b>	<b>16,570,087</b>	<b>2,006,605</b>	<b>117,990,989</b>
<b>Surplus from insurance operation</b>	<b>3,577,260</b>	<b>9,762,429</b>	<b>2,610,590</b>	<b>15,950,279</b>
General and administrative expenses	(10,046,166)	(233,632)	(1,401,796)	(11,681,594)
<b>Net surplus for the period</b>	<b>(6,468,906)</b>	<b>9,528,797</b>	<b>1,208,794</b>	<b>4,268,685</b>

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**15. SEGMENTAL INFORMATION (Continued)**

**For The Six Month Period Ended 30 June 2016 (Unaudited)**

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	285,942,354	40,310,080	34,626,557	360,878,991
Reinsurance ceded	--	(15,872,678)	(31,728,542)	(47,601,220)
Excess of loss premiums ceded	(2,676,500)	--	(256,000)	(2,932,500)
<b>Net premium written</b>	<b>283,265,854</b>	<b>24,437,402</b>	<b>2,642,015</b>	<b>310,345,271</b>
Changes in unearned premium, net	(106,121,023)	32,138,266	(70,415)	(74,053,172)
<b>Net premium earned</b>	<b>177,144,831</b>	<b>56,575,668</b>	<b>2,571,600</b>	<b>236,292,099</b>
Reinsurance commissions	--	--	4,681,776	4,681,776
Other operating income	3,554,038	--	--	3,554,038
Other income	1,467,123	--	--	1,467,123
Unrealized loss on investments held for trading	--	--	(47,490)	(47,490)
Investment income	--	--	1,369,122	1,369,122
<b>Total revenue</b>	<b>182,165,992</b>	<b>56,575,668</b>	<b>8,575,008</b>	<b>247,316,668</b>
Gross claims paid	133,520,084	47,924,319	8,234,823	189,679,226
Less: reinsurers' share	(2,638,380)	(26,364,026)	(7,621,564)	(36,623,970)
<b>Net claims paid</b>	<b>130,881,704</b>	<b>21,560,293</b>	<b>613,259</b>	<b>153,055,256</b>
Changes in premium deficiency and other reserves	(30,048,000)	437,000	--	(29,611,000)
Changes in IBNR reserve	30,808,000	(2,643,000)	--	28,165,000
Changes in outstanding claims	86,915	391,843	(209,846)	268,912
<b>Net claims incurred</b>	<b>131,728,619</b>	<b>19,746,136</b>	<b>403,413</b>	<b>151,878,168</b>
Policy acquisition costs	15,549,941	8,771,255	2,965,323	27,286,519
Other underwriting expenses	1,782,138	3,171,239	154,119	5,107,496
<b>Total claims and other expenses</b>	<b>149,060,698</b>	<b>31,688,630</b>	<b>3,522,855</b>	<b>184,272,183</b>
<b>Surplus from insurance operation</b>	<b>33,105,294</b>	<b>24,887,038</b>	<b>5,052,153</b>	<b>63,044,485</b>
General and administrative expenses	(15,353,668)	(1,596,369)	(1,903,857)	(18,853,894)
<b>Net surplus for the period</b>	<b>17,751,626</b>	<b>23,290,669</b>	<b>3,148,296</b>	<b>44,190,591</b>

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "Wafa Insurance"**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**  
Expressed in Saudi Arabian Riyals

**15. SEGMENTAL INFORMATION (Continued)**

**As at 30 June 2016 (Unaudited)**

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
<b>Assets:</b>				
Reinsurers' share of outstanding claims	297,000	12,031,109	13,189,811	25,517,920
Reinsurers' share of unearned premium income	--	24,572,794	21,843,441	46,416,235
Deferred policy acquisition costs	21,346,823	5,519,612	3,452,891	30,319,326
Unallocated assets				435,935,038
<b>Total assets</b>				<b>538,188,519</b>
<b>Liabilities:</b>				
Unearned premium income	248,557,736	61,379,662	24,560,707	334,498,105
Outstanding claims including reserves	117,454,379	22,311,289	16,662,933	156,428,601
Reserve for life insurance operations	--	--	1,516,730	1,516,730
Unallocated liabilities				45,745,083
<b>Total liabilities</b>				<b>538,188,519</b>



**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**  
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**15. SEGMENTAL INFORMATION (Continued)**

For the three month period ended 30 June 2015 (Unaudited)

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	105,812,464	38,973,553	16,898,735	161,684,752
Reinsurance ceded	--	(15,598,518)	(15,657,885)	(31,256,403)
Excess of loss premiums ceded	(636,975)	--	(127,117)	(764,092)
Net premium written	105,175,489	23,375,035	1,113,733	129,664,257
Changes in unearned premium	(73,130,638)	(3,938,736)	(108,245)	(77,177,619)
Net premium earned	32,044,851	19,436,299	1,005,488	52,486,638
Reinsurance commissions	--	2,000,000	1,375,680	3,375,680
Other income	2,748,935	--	--	2,748,935
Total revenue	34,793,786	21,436,299	2,381,168	58,611,253
Gross claims paid	31,444,567	20,444,698	2,260,363	54,149,628
Less: reinsurers' share	(1,094,867)	(11,332,200)	(1,828,297)	(14,255,364)
Net claims paid	30,349,700	9,112,498	432,066	39,894,264
Changes in outstanding claims and reserves – net	2,761,901	(404,161)	(214,671)	2,143,069
Net claims incurred	33,111,601	8,708,337	217,395	42,037,333
Policy acquisition costs	3,238,855	3,117,035	1,237,872	7,592,762
Other underwriting expenses	670,140	2,536,418	84,602	3,291,160
Total claims and other expenses	37,020,596	14,361,790	1,539,869	52,921,255
Underwriting (deficit)/surplus	(2,226,810)	7,074,509	841,299	5,689,998
General and administrative expenses	(4,655,106)	(1,720,625)	(740,359)	(7,116,090)
Net (deficit)/surplus for the period	(6,881,916)	5,353,884	100,940	(1,426,092)

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "Wafa Insurance"**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**  
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**Expressed in Saudi Arabian Riyals**

**15. SEGMENTAL INFORMATION (Continued)**

For the six month period ended 30 June 2015 (Unaudited)

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	159,136,056	84,850,089	24,806,828	268,792,973
Reinsurance ceded	--	(34,513,392)	(21,399,549)	(55,912,941)
Excess of loss premiums ceded	(1,273,950)	--	(254,235)	(1,528,185)
Net premium written	157,862,106	50,336,697	3,153,044	211,351,847
Changes in unearned premium	(106,038,826)	(7,365,768)	(1,346,602)	(114,751,196)
Net premium earned	51,823,280	42,970,929	1,806,442	96,600,651
Reinsurance commissions	--	3,000,000	2,489,903	5,489,903
Other income	2,961,360	--	--	2,961,360
Total revenue	54,784,640	45,970,929	4,296,345	105,051,914
Gross claims paid	48,578,813	38,115,721	3,517,977	90,212,511
Reinsurers' share	(1,131,667)	(21,390,793)	(3,002,521)	(25,524,981)
Net claims paid	47,447,146	16,724,928	515,456	64,687,530
Changes in outstanding claims and reserves – net	1,937,288	270,676	1,669	2,209,633
Net claims incurred	49,384,434	16,995,604	517,125	66,897,163
Policy acquisition costs	5,291,429	6,695,168	1,896,757	13,883,354
Other underwriting expenses	1,113,376	6,270,554	123,283	7,507,213
Total claims and other expenses	55,789,239	29,961,326	2,537,165	88,287,730
Underwriting (deficit)/surplus	(1,004,599)	16,009,603	1,759,180	16,764,184
General and administrative expenses	(7,661,107)	(4,306,816)	(1,175,735)	(13,143,658)
Net surplus for the period	(8,665,706)	11,702,787	583,445	3,620,526

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "Wafa Insurance"**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)**  
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**Expressed in Saudi Arabian Riyals**

**15. SEGMENTAL INFORMATION (Continued)**

**As at 31 December 2015**

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
<b>Assets:</b>				
Reinsurers' share of outstanding claims	731,000	14,792,985	20,927,643	36,451,628
Reinsurers' share of unearned premium income	--	47,080,097	8,872,924	55,953,021
Deferred policy acquisition costs	12,452,951	10,833,056	1,617,375	24,903,382
Unallocated assets				368,751,861
Total assets				<u>486,059,892</u>
<b>Liabilities:</b>				
Unearned premium income	142,436,713	116,025,234	11,519,772	269,981,719
Outstanding claims including reserves	117,041,464	26,887,312	24,610,619	168,539,395
Reserve for life insurance operations	--	--	1,516,730	1,516,730
Unallocated liabilities				46,022,048
Total liabilities				<u>486,059,892</u>

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"**

**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

**FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016**

Expressed in Saudi Arabian Riyals

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**16. SHARE CAPITAL**

The authorized, issued and paid-up share capital of the Company is SR 205 million as at 30 June 2016 (2015: SR 205 million) consisting of 20.5 million shares (2015: 20.5 million shares) of SR 10 each (also refer note 2).

The Board of Directors recommended an increase in the Company's share capital through offering a rights issue with a total value of SR 105 million. The Company's application to increase its share capital was approved by Saudi Arabian Monetary Agency (SAMA) and the Capital Market Authority (CMA). The Shareholders approved the rights issue in their Extraordinary General Assembly held on April 08, 2015 corresponding to 19 Jumada II 1436.

The share compensation belongs to share holders who have not subscribed to the rights issue. Since the selling price of the unsubscribed shares is higher than the 'Offer Price', the difference is distributable in compensation to holders of rights who have not subscribed to their rights according to the percentage of the rights owned by them.

**17. APPROVAL OF THE FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the board of directors of the company on 20, Shawal 1437H corresponding to 25th July 2016.

