
**AL ALAMIYA FOR COOPERATIVE INSURANCE
COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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

**FOR THE THREE AND NINE MONTH PERIODS ENDED
30 SEPTEMBER 2016**

AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

Unaudited Interim Condensed Financial Statements and Independent Auditors' Review Report
For the Three and Nine Month Periods Ended 30 September 2016

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KPMG Al Fozan & Partners
Certified Public Accountants



Audit - Consultants - Zakat & Tax

Al-Bassam & Al-Nemer
Allied Accountants
(Member firm of PKF International)

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Al Alamiya for Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2016, the related interim statements of comprehensive income - insurance and shareholders' operations for the three and nine month periods then ended, the related interim statements of changes in shareholders' equity and cash flows - insurance and shareholders' operations for the nine month period then ended and the related notes 1 through 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 "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 the auditing standards generally accepted in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

REVIEW 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 these 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.

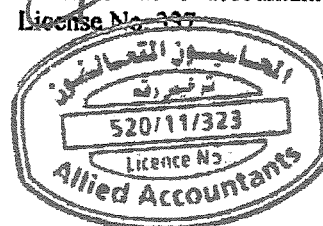
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19 Muharam 1438H
20 October 2016



AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September

		<i>30 September</i>	<i>31 December</i>
		<i>2016</i>	<i>2015</i>
		<i>SR</i>	<i>SR</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	18,947,653	27,070,207
Term deposits	6	155,110,258	149,466,089
Investments	7(a)	1,923,079	1,923,079
Premiums and reinsurance balances receivable	9	76,412,107	85,811,649
Due from related parties		3,812,251	3,412,297
Due from shareholders' operations		13,490,484	51,633,383
Reinsurers' share of unearned premiums		59,861,409	56,783,251
Reinsurers' share of outstanding claims		86,729,366	157,125,580
Deferred policy acquisition costs		6,565,607	5,502,871
Prepayments and other assets		3,677,220	2,316,428
Property and equipment		181,874	206,527
TOTAL INSURANCE OPERATIONS' ASSETS		426,711,308	541,251,361
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	4,008,292	2,709,224
Term deposits	6	232,306,100	230,543,775
Investments	7(b)	90,331,275	89,586,973
Other assets		3,354,448	1,949,425
Return on investment of statutory deposit	10	1,241,902	966,547
Statutory deposit	10	40,000,000	40,000,000
TOTAL SHAREHOLDERS' ASSETS		371,242,017	365,755,944
TOTAL ASSETS		797,953,325	907,007,305



Khalid Allagany
Chief Executive Officer



Fadi Aboul Hosn
Chief Financial Officer


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


AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September

		<i>30 September 2016 SR (Unaudited)</i>	<i>31 December 2015 SR (Audited)</i>
	<i>Notes</i>		
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims		193,461,081	260,154,226
Gross unearned premiums		109,464,999	158,389,000
Accounts payable		8,482,213	3,742,945
Reinsurance balances payable		62,521,264	69,980,765
Due to related parties		863,466	3,486,684
Accrued expenses and other liabilities		26,446,779	25,942,199
Unearned reinsurance commission		8,606,120	7,033,385
Employees' end of service benefits		9,257,619	9,151,478
TOTAL INSURANCE OPERATIONS' LIABILITIES		419,103,541	537,880,682
INSURANCE OPERATIONS' SURPLUS			
Accumulated Surplus		7,607,767	3,370,679
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS		426,711,308	541,251,361
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Due to insurance operations		13,490,484	51,633,383
Due to a related party		1,061,027	1,061,027
Deferred return on investment of statutory deposit	10	1,241,902	966,547
Accrued expenses and other liabilities		27,106,651	19,629,893
TOTAL SHAREHOLDERS' LIABILITIES		42,900,064	73,290,850
SHAREHOLDERS' EQUITY			
Share capital	12	400,000,000	400,000,000
Fair value reserve for available for sale investments		(62,542)	(1,285,861)
Accumulated losses		(71,595,505)	(106,249,045)
TOTAL SHAREHOLDERS' EQUITY		328,341,953	292,465,094
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		371,242,017	365,755,944
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		797,953,325	907,007,305


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

AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME – INSURANCE OPERATIONS
(UNAUDITED)

For the three and nine months periods ended 30 September

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
<i>Note</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross written premiums	64,228,221	106,889,989	223,070,714	312,571,996
Less: Reinsurance premium ceded	(37,127,226)	(43,882,960)	(97,567,627)	(109,750,162)
Excess of loss premiums	--	--	(11,370,439)	(10,672,000)
NET WRITTEN PREMIUMS	27,100,995	63,007,029	114,132,648	192,149,834
Changes in unearned premiums	14,522,899	(6,617,999)	48,924,001	(23,203,649)
Changes in reinsurance share of unearned premiums	8,705,860	3,548,396	3,078,158	(3,987,255)
NET PREMIUMS EARNED	50,329,754	59,937,426	166,134,807	164,958,930
Gross claims paid	(27,729,548)	(29,332,474)	(147,313,141)	(116,648,294)
Reinsurers' share of gross claims paid	8,088,422	7,116,028	71,783,764	43,067,846
Changes in outstanding claims	16,970,564	(31,375,827)	66,693,145	(34,484,464)
Changes in reinsurance share of outstanding claims	(22,034,375)	20,909,671	(70,396,214)	17,362,477
NET CLAIMS INCURRED	(24,704,937)	(32,682,602)	(79,232,446)	(90,702,435)
Policy acquisition costs	(4,449,670)	(3,673,687)	(16,781,780)	(16,326,549)
Reinsurance commission income	5,370,712	4,149,616	13,830,055	14,235,568
Other underwriting expenses	(335,912)	(538,437)	(1,135,050)	(1,593,488)
NET UNDERWRITING SURPLUS	26,209,947	27,192,316	82,815,586	70,572,026
General and administrative expenses	(15,854,393)	(15,367,451)	(43,026,948)	(46,171,656)
Investment income	888,714	100,839	2,171,355	260,929
Other income	384,684	739	421,006	221,201
INSURANCE OPERATIONS' SURPLUS	11,628,952	11,926,443	42,380,999	24,882,500
Shareholders' appropriation from insurance operations' surplus	2 (10,466,057)	(10,733,799)	(38,142,899)	(22,394,250)
NET SURPLUS AT END OF THE PERIOD	1,162,895	1,192,644	4,238,100	2,488,250
OTHER COMPREHENSIVE INCOME	--	--	--	--
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,162,895	1,192,644	4,238,100	2,488,250



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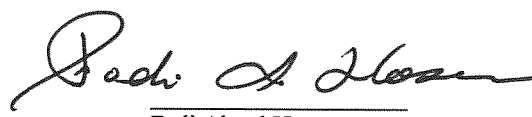
AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME – SHAREHOLDERS’
OPERATIONS (UNAUDITED)

For the three and nine month periods ended 30 September

		<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
		<i>30 September 2016</i>	<i>30 September 2015</i>	<i>30 September 2016</i>	<i>30 September 2015</i>
	<i>Notes</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
INCOME					
Shareholders’ appropriation from insurance operations’ surplus	2	10,466,057	10,733,799	38,142,899	22,394,250
		2,080,034	917,888	4,286,641	2,074,609
Investment income					
		12,546,091	11,651,687	42,429,540	24,468,859
General and administration expenses		(332,467)	(421,951)	(1,019,712)	(1,391,700)
NET INCOME FOR THE PERIOD		12,213,624	11,229,736	41,409,828	23,077,159
OTHER COMPREHENSIVE INCOME					
Change in fair value of available for sale investments	8	167,067	47,479	1,223,319	(216,815)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,380,691	11,277,215	42,633,147	22,860,344
BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD					
	11	0.31	0.28	1.04	0.58
WEIGHTED AVERAGE NUMBER OF ISSUED SHARES					
	11	40,000,000	40,000,000	40,000,000	39,655,882


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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

For the nine month period ended 30 September

	<i>Share Capital SR</i>	<i>Fair value reserve for available for sale investments SR</i>	<i>Accumulated losses SR</i>	<i>Total SR</i>
Balance at 1 January 2015 (audited)	200,000,000	(384,982)	(116,805,509)	82,809,509
Net income for the period	--	--	23,077,159	23,077,159
Other comprehensive income: Change in fair value of available for sale investments	--	(216,815)	--	(216,815)
Total comprehensive income	--	(216,815)	23,077,159	22,860,344
Rights issue	200,000,000	--	--	200,000,000
Rights issue transaction costs	--	--	(9,144,643)	(9,144,643)
Zakat and income tax	--	--	(3,497,205)	(3,497,205)
Balance as at 30 September 2015 (unaudited)	400,000,000	(601,797)	(106,370,198)	293,028,005
Balance at 1 January 2016 (audited)	400,000,000	(1,285,861)	(106,249,045)	292,465,094
Net income for the period	--	--	41,409,828	41,409,828
Other comprehensive income: Change in fair value of available for sale investments	--	1,223,319	--	1,223,319
Total comprehensive income	--	1,223,319	41,409,828	42,633,147
Zakat and income tax	--	--	(6,756,288)	(6,756,288)
Balance as at 30 September 2016 (unaudited)	400,000,000	(62,542)	(71,595,505)	328,341,953


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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF CASHFLOWS – INSURANCE OPERATIONS
(UNAUDITED)

	<i>Notes</i>	<i>For the nine month period ended</i>	
		<i>30 September 2016</i>	<i>30 September 2015</i>
		<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES			
Insurance operations' surplus after shareholders' appropriation		4,238,100	2,488,250
<i>Adjustments to reconcile insurance operations' surplus to net cash provided from operating activities:</i>			
Depreciation		128,653	543,017
Employees' end of service indemnities		1,975,227	1,516,450
Provision for doubtful receivables	9	1,671,277	2,651,484
Operating cash inflows before changes in operating assets and liabilities		8,013,257	7,199,201
<i>Changes in operating assets and liabilities:</i>			
Premiums and insurance balances receivable		7,728,265	(49,022,952)
Due from related parties		(399,954)	(505,573)
Due from shareholders' operations		38,142,899	22,394,250
Reinsurers' share of outstanding claims		70,396,214	(17,362,477)
Prepayments and other assets		(1,360,792)	5,793,935
Reinsurers' share of unearned premiums		(3,078,158)	3,987,255
Deferred policy acquisition costs		(1,062,736)	(4,017,915)
Gross outstanding claims		(66,693,145)	34,484,464
Gross unearned premiums		(48,924,001)	23,203,649
Accounts payable		4,739,268	(692,899)
Reinsurance balances payable		(7,459,501)	(8,889,780)
Due to related parties		(2,623,218)	232,089
Accrued expenses and other liabilities		504,580	3,889,428
Unearned reinsurance commission income		1,572,735	3,727,973
Surplus Distribution		(1,012)	--
<i>Cash from operations</i>		(505,299)	24,420,648
Employees' end of service benefits paid		(1,869,086)	(1,232,258)
Net cash (used in) /from operating activities		(2,374,385)	23,188,390
INVESTING ACTIVITY			
Purchase of property and equipment		(104,000)	(85,207)
Term deposits		(5,644,169)	(10,248,230)
Net cash used in investing activity		(5,748,169)	(10,333,437)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(8,122,554)	12,854,953
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		27,070,207	60,891,348
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	18,947,653	73,746,301


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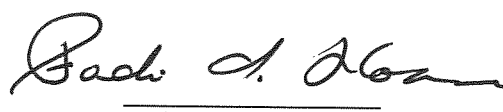
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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CASH FLOWS – SHAREHOLDERS’ OPERATIONS
(UNAUDITED)

	<i>Note</i>	<i>For the nine month period ended</i>	
		<i>30 September 2016</i>	<i>30 September 2015</i>
		<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES			
Net income for the period		41,409,828	23,077,159
Operating cash flows before changes in operating assets and liabilities			
<i>Changes in operating assets and liabilities:</i>			
Other assets		(1,405,023)	(1,252,462)
Due to insurance operations		(38,142,899)	(22,394,250)
Due to related parties		--	2,673
Accrued expenses and other liabilities		720,470	310,854
Statutory deposit		--	(20,966,547)
Net cash from/(used in) operating activities		2,582,376	(21,222,573)
INVESTING ACTIVITIES			
Term deposits		(1,762,325)	(120,301,700)
Investments		479,017	(50,019,627)
Net cash used in investing activities		(1,283,308)	(170,321,327)
FINANCING ACTIVITIES			
Proceeds from rights issue		--	200,000,000
Transactions costs relating to rights issues		--	(9,144,643)
Net cash from financing activities		--	190,855,357
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		1,299,068	(688,543)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		2,709,224	12,476,575
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	4,008,292	11,788,032
<u>Non-cash transactions:</u>			
Net change in fair value of available for sale investments		1,223,319	(216,815)


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

AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) For the nine month period ended 30 September 2016

1 ORGANISATION AND PRINCIPAL ACTIVITIES

Al Alamiya for Cooperative Insurance Company ("the Company") is a Saudi joint stock company registered on 29 Dhu-al Qu'dah, 1430H (17 November 2009) under commercial registration (CR) number 4030194978. The registered head office of the Company is in Riyadh under CR number of 1010287831 with branches in Jeddah (CR 4030194978) and Khobar (CR 2051042939).

The activities of the Company are to transact cooperative insurance and reinsurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations in the Kingdom of Saudi Arabia. On 26 Dhu Al Hijjah, 1430H (13 December 2009), the Company received the license from Saudi Arabian Monetary Agency ("SAMA") to transact insurance business in the Kingdom of Saudi Arabia.

The registered office address of the Company is at Prince Mohammed bin Abdul Aziz Road, Home Centre Building, P.O. Box: 6393, Riyadh 11442, Kingdom of Saudi Arabia.

The Company operates in an industry where significant seasonal or cyclical variations in operating income are not experienced during the financial year.

2 BASIS OF PREPARATION

Basis of measurement

The interim condensed financial statements have been prepared under the historical cost basis except for the measurement at fair value of available for sale investments".

Statement of compliance

The accompanying interim condensed financial statements for the nine month period ended 30 September 2016 ("the period") are prepared in accordance with IAS 34 – Interim Financial Reporting, as such these do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2015.

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to be allocated to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by the Saudi Arabian Monetary Agency ("SAMA"). Any deficit arising on insurance operations is transferred to the shareholders operations in full.

In management's 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. Certain comparative amounts have been reclassified to conform to the current period presentation. The interim results may not be indicative of the Company's annual results.

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies used in the preparation of these unaudited interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015 except for the adoption of the following new standards and other amendments to existing standards mentioned below which have had no significant financial impact on the unaudited interim condensed financial statements of the Company on the current period or prior period and is expected to have no significant effect in future periods. Certain figures for the prior year have been reclassified to conform to the presentation made in the current period:

AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the period ended 30 September 2016

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (Continued)

Annual improvements to IFRSs 2012 – 2014

Annual improvements to IFRSs 2012 – 2014 cycle applicable to annual period beginning on or after 1 January 2016.

Disclosure initiative (Amendments to IAS 1)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgments in presenting the financial reports. It is effective for annual periods beginning on or after 1 January 2016.

Standards issued but not yet effective

In addition to the above-mentioned standards, the following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's condensed financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards, which have been published and are mandatory for compliance for the Company with effect from future dates.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015.

However, on 19 November 2013, the IASB issued IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9) amending IFRS 9 to include the new general hedge accounting model. In its February 2014 meeting, the IASB tentatively decided that IFRS 9 would be mandatorily effective for years ending on or after 31 December 2018.

Disclosure initiative (Amendments to IAS 7)

IAS 7 Statement of Cash flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in financial statements. It is effective for annual periods beginning on or after 1 January 2017.

The following new or amended standards are not expected to have significant impact on the financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 16 Leases

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied to the issued financial statements as at and for the year ended 31 December 2015.

AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the period ended 30 September 2016

5 CASH AND CASH EQUIVALENTS

	<i>30 September 2016 (Unaudited)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Insurance Operations</i>	<i>Shareholders' operations</i>	<i>Insurance operations</i>	<i>Shareholders' operations</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cash in hand	43,813	--	38,157	--
Cash at banks - Current accounts	18,903,840	4,008,292	10,532,050	2,709,224
Cash at banks - Time deposits	--	--	16,500,000	--
	<u>18,947,653</u>	<u>4,008,292</u>	<u>27,070,207</u>	<u>2,709,224</u>

6 TERM DEPOSITS

Term deposits are placed with counter parties which have credit ratings of A- to A+ under Standard and Poor's and Moody's ratings methodology. Time deposits are placed with local banks with a maturity of more than three months from the date of original acquisition and earn investment income at an average rate of 2.6% per annum (31 December 2015: 1.7% per annum). The carrying amounts of the time deposits reasonably approximate the fair value at the statement of financial position date.

The Company holds an amount of SR 1,300,000 (31 December 2015 – SR 900,000) in a fiduciary capacity in the statement of financial position of Insurance operations, in respect of claims to be settled for a third party insurer in favour of service providers.

7 INVESTMENTS

a) Insurance operations – Available for sale investments (AFS)

This represents investment in respect of the Company's shareholding in Najm for Insurance Services. This investment has been carried at cost in the absence of an active market or other means of reliably measuring its fair value.

b) Shareholders' operations – Available for sale investments (AFS)

	<i>30 September 2016 (Unaudited)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Amortised cost</i>	<i>Market value</i>	<i>Amortised cost</i>	<i>Market value</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Bonds-Fixed Rate				
Abu Dhabi National Energy Company (TAQA)	4,042,360	4,103,625	4,158,050	4,157,624
SABIC Capital II BV	34,305,016	34,097,625	34,507,978	33,878,250
QNB (Qatar National Bank) Finance	13,749,911	13,763,250	13,799,873	13,573,575
Abu Dhabi Commercial Bank	15,670,105	15,701,400	15,684,660	15,311,400
Sukuks-Fixed Rate				
Saudi Electricity Company	18,779,148	18,834,375	18,818,966	18,834,374
EIB Sukuk Ltd (Emirates Islamic Bank)	3,847,277	3,831,000	3,903,307	3,831,750
	<u>90,393,817</u>	<u>90,331,275</u>	<u>90,872,834</u>	<u>89,586,973</u>

The investment income ranges between 2% to 3% per annum (31 December 2015: 2% to 3% per annum) in case of bonds and approximates 2.4% per annum (31 December 2015: 2.4% per annum) in case of sukuks.

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For the period ended 30 September 2016

7 INVESTMENTS (Continued)

The analysis of the composition of investments is as follows:

	<i>30 September 2016 (Unaudited)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Quoted SR</i>	<i>Unquoted SR</i>	<i>Quoted SR</i>	<i>Unquoted SR</i>
Bonds-Fixed Rate	67,665,900	--	66,920,849	--
Sukuks-Fixed Rate	22,665,375	--	22,666,124	--
	<u>90,331,275</u>	<u>--</u>	<u>89,586,973</u>	<u>--</u>

The geographical split of investments held as available for sale comprise of bonds/ sukuks issued by GCC based companies through international stock exchanges.

8 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 in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair values of recognised financial instruments are not significantly different from the carrying values included in the interim condensed financial statements. The estimated fair values of financial instruments are based on quoted market prices, when available. The fair values of these investments are disclosed below.

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 identical instrument (i.e., without modification or repacking);

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

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

	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
<u>As at 30 September 2016 (Unaudited)</u>				
Abu Dhabi National Energy Company (TAQA)	4,103,625	--	--	4,103,625
SABIC Capital II BV	34,097,625	--	--	34,097,625
QNB (Qatar National Bank) Finance	13,763,250	--	--	13,763,250
Abu Dhabi Commercial Bank	15,701,400	--	--	15,701,400
Saudi Electricity Company (Sukuks)	18,834,375	--	--	18,834,375
EIB Sukuk Ltd(Emirates Islamic Bank)	3,831,000	--	--	3,831,000
	<u>90,331,275</u>	<u>--</u>	<u>--</u>	<u>90,331,275</u>

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8 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
As at 31 December 2015 (Audited)				
Abu Dhabi National Energy Company (TAQA)	4,157,624	--	--	4,157,624
SABIC Capital II BV	33,878,250	--	--	33,878,250
QNB (Qatar National Bank) Finance	13,573,575	--	--	13,573,575
Abu Dhabi Commercial Bank	15,311,400	--	--	15,311,400
Saudi Electricity Company (Sukuks)	18,834,374	--	--	18,834,374
EIB Sukuk Ltd(Emirates Islamic Bank)	3,831,750	--	--	3,831,750
	<u>89,586,973</u>	<u>--</u>	<u>--</u>	<u>89,586,973</u>

The unlisted securities of SR 1.92 million (2015: SR 1.92 million) held as part of Company's insurance operations, were stated at cost in the absence of active markets or other means of reliably measuring their fair value.

For financial instruments that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 nine month period ended 30 September 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. The net change in fair value of AFS investments amounting to a gain of SR 1,223,319 (30 September 2015: loss of SR 216,815) has been recorded in the interim statement of comprehensive income – shareholders' operations.

The Company has not disclosed the fair value of other financial assets and liabilities as their carrying value are reasonably approximate to their fair values.

The credit quality of investment portfolio is as follows:

Credit Quality	Credit Rating Agency	Financial Instrument	30 September 2016 (Unaudited) SR
Strong quality A to A+	S&P	Bonds/ Sukuks	86,500,275
Strong quality A to A+	Fitch	Bonds/ Sukuks	3,831,000
			<u>90,331,275</u>
			31 December 2015(Audited) SR
Very strong quality AA	S&P	Bonds/ Sukuks	18,834,374
Strong quality A to A+	S&P	Bonds/ Sukuks	66,920,849
Satisfactory quality BBB	S&P	Bonds/ Sukuks	3,831,750
			<u>89,586,973</u>

Very strong quality: Capitalization, earnings, financial strength, liquidity, management, market reputation and repayment ability are excellent.

Strong quality: Capitalization, earnings, financial strength, liquidity, management, market reputation and repayment ability are good.

Satisfactory quality: Require regular monitoring due to financial risk factors. Ability to repay remains at a satisfactory level

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9 PREMIUMS AND REINSURANCE BALANCES RECEIVABLE

	<i>30 September 2016</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2015</i> <i>(Audited)</i> <i>SR</i>
Premiums receivable	70,759,285	50,978,547
Receivables from insurance and reinsurance companies	9,607,195	42,408,255
Receivables from related parties	12,837,668	7,545,611
	<u>93,204,148</u>	<u>100,932,413</u>
Less: Allowance for impairment of receivables	(16,792,041)	(15,120,764)
	<u>76,412,107</u>	<u>85,811,649</u>

Allowance for impairment of receivables includes SR 2.6 million (31 December 2015: SR 1.68 million) against receivables from related parties. Movement in the allowance for doubtful debts was as follows:

	<i>30 September 2016</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2015</i> <i>(Audited)</i> <i>SR</i>
Opening balance	15,120,764	12,854,165
Debts written off against the provision	--	(888,188)
Charge for the period / year	1,671,277	3,154,787
Closing balance	<u>16,792,041</u>	<u>15,120,764</u>

10 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company, which is maintained with a bank designated by SAMA in accordance with Law on Supervision of Cooperative Insurance Companies. This statutory deposit cannot be withdrawn without the consent of SAMA.

The Company's statutory deposit amounts to SR 40 million (31 December 2015: SR 40 million). The statutory deposit is held with a local bank as approved by SAMA.

As at 30 September 2016, return received on the statutory deposit amounts to SR 1,241,902 (31 December 2015: SR 966,547) and is placed in a separate bank account as instructed by SAMA. This statutory deposit along with related income cannot be withdrawn without the prior consent of SAMA.

11 BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD

The basic and diluted earnings per share are as follows:

	For the nine month period ended 30 September 2016 (Unaudited) SR	For the nine month period ended 30 September 2015 (Unaudited) SR
Net income for the period	41,409,828	23,077,159
Weighted average number of ordinary shares	40,000,000	39,655,882
Basic and diluted earnings per share	1.04	0.58

12 SHARE CAPITAL

The authorized and paid up share capital of the Company is SR 400 million divided into 40 million shares of SR 10 each. (2015: SR 400 million divided into 40 million shares of SR 10 each).

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13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders and key management personnel of the Company. The Company transacts with its related parties in the ordinary course of business. The transactions with related parties are undertaken at mutually agreed terms, which are approved by the management. Related parties include RSA group in United Kingdom as well as affiliated companies in United Arab Emirates, Sultanate of Oman and Kingdom of Bahrain. The following are the details of major related party transactions for insurance and shareholders' operations during the period and the balances at the end of the period / year:

Related party	Nature of transaction	Amount of transactions for the nine month period ended		Balance as at	
		30 September 2016 (Unaudited) SR	30 September 2015 (Unaudited) SR	30 September 2016 (Unaudited) SR	31 December 2015 (Audited) SR
Shareholders / Companies under common management	Gross written Premiums	48,246,513	117,049,232	12,837,668	7,545,610
	Gross claims paid	30,237,588	46,360,337	--	--
	Reinsurance premiums ceded	26,209,103	33,985,750	--	--
	Reinsurers' share of gross claims paid	14,750,786	10,645,085	--	--
	Reinsurance commission income	7,445,132	9,404,790	--	--
	Outsourced service charges*	4,537,500	2,775,000	(8,623,241)	(8,967,714)
	Brand fee*	22,575	22,575	(194,825)	(173,075)
	Reinsurers' share of gross outstanding Claims	--	--	(7,702,336)	--
	Gross outstanding claims	--	--	(21,674,250)	(28,534,421)
Board of directors RSA group entities	Remuneration and meeting fee	348,750	348,750	(845,955)	(497,205)
	Operational expenses paid on behalf of affiliates and reinsurance placements	425,375	1,897,242	3,812,251	3,412,297
RSA group entities	Operation expenses paid by affiliates on behalf of Company	(523,528)	(4,626,697)	(863,466)	(4,547,711)

*Outsourced service charges and brand fee are included within the accrued expenses and other liabilities appearing on the face of the interim statement of financial position.

Key management personnel's remuneration

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

	Nine month period ended 30 September 2016 (Unaudited) SR	Nine month period ended 30 September 2015 (Unaudited) SR
Short term benefits		
End of service benefits	5,261,921	4,523,879
	167,095	157,576
	<u>5,429,016</u>	<u>4,681,455</u>

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14 SEGMENTAL 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 administration expenses and other income.

Segment assets do not include (in respect of insurance operations) property and equipment, due from shareholders' operations, bank balances and cash, prepaid expenses and other assets, premiums and reinsurance balances receivable, net. Accordingly, these are included in unallocated assets and are managed and reported to the chief operating decision maker on a centralised basis.

Segment liabilities do not include (in respect of insurance operations) employees' end of service benefits, reinsurance balances payable, accrued expenses and other liabilities. Accordingly these are included in unallocated liabilities and are managed and reported to the chief operating decision maker on a centralised basis.

All of the Company's operating assets (except certain reinsurance balances) and principal activities are located in the Kingdom of Saudi Arabia.

Shareholders' operations a non-operating segment certain direct operating expenses, other overhead expenses and loss or surplus from the insurance operations are allocated to this segment on an appropriate basis.

During the period ended 30 September 2016, Group Life has been reported as a separate segment which was previously included in others. The comparative figures have accordingly been reclassified to confirm current period presentation.

For the three month period ended 30 September 2016 (Unaudited)

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations								
Gross written premiums	29,058,710	12,789,872	2,446,976	20,000	10,833,892	(18,000)	9,096,771	64,228,221
Reinsurance premiums ceded	(24,622,954)	--	(1,866,682)	5,000	(5,757,443)	7,750	(4,892,897)	(37,127,226)
Excess of loss premiums	--	--	--	--	--	--	--	--
Net written premiums	4,435,756	12,789,872	580,294	25,000	5,076,449	(10,250)	4,203,874	27,100,995
Change in unearned premiums, net	7,528,640	15,542,044	570,019	11,208	(2,002,856)	1,179,038	400,666	23,228,759
Net premiums earned	11,964,396	28,331,916	1,150,313	36,208	3,073,593	1,168,788	4,604,540	50,329,754
Gross claims paid	(392,996)	(17,041,830)	(2,951,970)	(264,997)	(3,795,962)	(1,987,980)	(1,293,813)	(27,729,548)
Reinsurers' share of gross claims paid	282,497	--	2,721,704	153,999	3,389,067	1,539,985	1,170	8,088,422
Change in outstanding claims, net	(3,049,370)	(3,332,967)	614,819	(31,000)	(1,243,787)	1,112,988	865,506	(5,063,811)
Net claims incurred	(3,159,869)	(20,374,797)	384,553	(141,998)	(1,650,682)	664,993	(427,137)	(24,704,937)
Policy acquisition costs	(1,229,080)	(1,808,711)	(587,994)	(3,220)	(355,996)	(78,313)	(386,356)	(4,449,670)
Reinsurance commission income	2,779,592	--	808,773	(793)	603,349	989,572	190,219	5,370,712
Other underwriting expenses	10,355,039	6,148,408	1,755,645	(109,803)	1,670,264	2,745,040	3,981,266	26,545,859
Net underwriting surplus								(335,912)
General and administrative Expenses								26,209,947
Investment income								(15,854,393)
Other income								888,714
Insurance operations' surplus								384,684
								<u>11,628,952</u>

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14 SEGMENTAL INFORMATION (continued)

	For the three month period ended 30 September 2015 (Unaudited)							Total SR
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	
Insurance operations								
Gross written premiums	38,972,610	39,019,610	3,382,966	926,990	10,234,898	6,034,028	8,318,887	106,889,989
Reinsurance premiums ceded	(25,690,643)	--	(2,888,671)	(513,995)	(4,717,552)	(4,859,039)	(5,213,060)	(43,882,960)
Excess of loss premiums	--	--	--	--	--	--	--	--
Net written premiums	13,281,967	39,019,610	494,295	412,995	5,517,346	1,174,989	3,105,827	63,007,029
Change in unearned premiums, net	(5,563,350)	2,654,574	(596,254)	300,412	(1,590,664)	(138,999)	1,864,678	(3,069,603)
Net premiums earned	7,718,617	41,674,184	(101,959)	713,407	3,926,682	1,035,990	4,970,505	59,937,426
Gross claims paid	(4,406,956)	(20,318,797)	(620,994)	(1,395,986)	(773,993)	(1,101,989)	(713,759)	(29,332,474)
Reinsurers' share of gross claims paid	4,251,258	--	492,595	797,992	527,495	826,492	220,196	7,116,028
Change in outstanding claims, net	(1,141,127)	(4,365,156)	(1,350,686)	484,995	(3,766,363)	(83,749)	(244,070)	(10,466,156)
Net claims incurred	(1,296,825)	(24,683,953)	(1,479,085)	(112,999)	(4,012,861)	(359,246)	(737,633)	(32,682,602)
Policy acquisition costs	(2,451,413)	(1,140,136)	703,494	(46,344)	(517,995)	(8,522)	(212,771)	(3,673,687)
Reinsurance commission income	3,442,766	--	(825,578)	--	462,763	987,644	82,021	4,149,616
Other underwriting expenses	7,413,145	15,850,095	(1,703,128)	554,064	(141,411)	1,655,866	4,102,122	27,730,753 (538,437)
Net underwriting surplus								27,192,316
General and administrative Expenses								(15,367,451)
Investment income								100,839
Other income								739
Insurance operations' surplus								<u>11,926,443</u>

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(UNAUDITED) (continued)

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14 SEGMENTAL INFORMATION (continued)

For the nine month period ended 30 September 2016 (Unaudited)

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations								
Gross written premiums	74,046,260	74,915,251	16,532,835	1,641,984	26,426,736	13,004,870	16,502,778	223,070,714
Reinsurance premiums ceded	(56,992,530)	--	(12,948,271)	(870,991)	(12,327,177)	(8,835,162)	(5,593,496)	(97,567,627)
Excess of loss premiums	(4,053,352)	(1,549,050)	(1,130,222)	(390,866)	(2,625,472)	(1,359,986)	(261,491)	(11,370,439)
Net written premiums	13,000,378	73,366,201	2,454,342	380,127	11,474,087	2,809,722	10,647,791	114,132,648
Change in unearned premiums, net	20,192,833	28,077,059	(226,682)	586,508	488,385	1,774,062	1,109,994	52,002,159
Net premiums earned	33,193,211	101,443,260	2,227,660	966,635	11,962,472	4,583,784	11,757,785	166,134,807
Gross claims paid	(53,052,469)	(64,296,357)	(6,271,937)	(1,889,981)	(9,721,903)	(9,458,905)	(2,621,589)	(147,313,141)
Reinsurers' share of gross claims paid	52,080,579	--	5,570,976	933,991	5,444,946	7,525,925	227,347	71,783,764
Change in outstanding claims, net	(4,325,872)	(1,540,704)	1,213,320	463,005	(287,073)	1,068,086	(293,831)	(3,703,069)
Net claims incurred	(5,297,762)	(65,837,061)	512,359	(492,985)	(4,564,030)	(864,894)	(2,688,073)	(79,232,446)
Policy acquisition costs	(4,811,630)	(7,262,061)	(1,714,983)	(15,725)	(1,693,983)	(90,998)	(1,192,400)	(16,781,780)
Reinsurance commission income	6,417,508	--	2,036,068	(6,389)	2,900,195	2,105,187	377,486	13,830,055
Other underwriting expenses	29,501,327	28,344,138	3,061,104	451,536	8,604,654	5,733,079	8,254,798	83,950,636
Net underwriting surplus								(1,135,050)
General and administrative Expenses								82,815,586
Investment income								(43,026,948)
Other income								2,171,355
Insurance operations' surplus								421,006
								<u>42,380,999</u>

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(UNAUDITED) (continued)

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14 SEGMENTAL INFORMATION (continued)

For the nine month period ended 30 September 2015 (Unaudited)

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations								
Gross written premiums	87,288,127	142,143,579	17,579,824	4,761,952	25,706,743	17,239,828	17,851,943	312,571,996
Reinsurance premiums ceded	(61,063,965)	--	(15,005,850)	(2,634,974)	(11,355,486)	(14,075,609)	(5,614,278)	(109,750,162)
Excess of loss premiums	(3,679,483)	(1,763,550)	(1,956,146)	(230,911)	(2,290,038)	(512,567)	(239,305)	(10,672,000)
Net written premiums	22,544,679	140,380,029	617,828	1,896,067	12,061,219	2,651,652	11,998,360	192,149,834
Change in unearned premiums, net	(4,580,674)	(23,402,535)	(429,236)	1,461,205	(906,325)	485,736	180,925	(27,190,904)
Net premiums earned	17,964,005	116,977,494	188,592	3,357,272	11,154,894	3,137,388	12,179,285	164,958,930
Gross claims paid	(29,114,709)	(64,249,358)	(4,430,956)	(4,903,951)	(5,227,948)	(7,596,924)	(1,124,448)	(116,648,294)
Reinsurers' share of gross claims paid	27,786,513	--	3,389,266	3,021,970	3,290,567	5,230,448	349,082	43,067,846
Change in outstanding claims, net	(505,380)	(12,405,592)	(99,475)	545,011	(3,486,699)	(1,397,641)	227,789	(17,121,987)
Net claims incurred	(1,833,576)	(76,654,950)	(1,141,165)	(1,336,970)	(5,424,080)	(3,764,117)	(547,577)	(90,702,435)
Policy acquisition costs	(4,708,772)	(6,913,821)	(1,349,571)	(108,344)	(1,572,984)	(133,054)	(1,540,003)	(16,326,549)
Reinsurance commission income	5,651,782	--	2,738,337	--	2,788,730	2,613,779	442,940	14,235,568
Other underwriting expenses	17,073,439	33,408,723	436,193	1,911,958	6,946,560	1,853,996	10,534,645	72,165,514
Net underwriting surplus								(1,593,488)
General and administrative Expenses								70,572,026
Investment income								(46,171,656)
Other expense								260,929
Insurance operations' surplus								221,201
								24,882,500

As at 30 September 2016 (Unaudited)

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations' assets								
Reinsurers' share of unearned Premiums	34,830,914	383,742	9,991,203	1,095,164	6,671,177	2,789,022	4,100,187	59,861,409
Reinsurers' share of outstanding claims	43,207,168	--	14,819,452	366,996	8,514,415	15,369,879	4,451,456	86,729,366
Deferred policy acquisition Costs	1,441,632	3,322,240	938,991	1,534	442,996	112,977	305,237	6,565,607
Unallocated assets								273,554,926
								426,711,308
Insurance operations' liabilities								
Gross outstanding claims	53,746,463	67,596,824	20,021,800	930,991	21,160,788	20,736,793	9,267,422	193,461,081
Gross unearned premiums	41,875,581	31,747,683	11,523,885	1,136,989	10,833,892	4,003,960	8,343,009	109,464,999
Unearned reinsurance commission Income	3,332,978	--	2,458,975	(132)	1,705,983	1,079,313	29,003	8,606,120
Unallocated liabilities								115,179,108
								426,711,308

**AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

For the period ended 30 September 2016

14 SEGMENTAL INFORMATION (continued)

	<i>As at 31 December 2015 (Audited)</i>							
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations' assets								
Reinsurers' share of unearned Premiums	34,083,159	499,995	8,584,914	1,675,650	5,234,848	3,420,966	3,283,719	56,783,251
Reinsurers' share of outstanding claims	93,275,644	7,880	24,957,082	1,279,987	15,903,541	19,026,843	2,674,603	157,125,580
Deferred policy acquisition Costs	1,294,312	2,544,381	938,991	12,259	530,995	13,977	167,956	5,502,871
Unallocated assets								<u>321,839,659</u>
								<u>541,251,361</u>
Insurance operations' liabilities								
Gross outstanding claims	99,489,005	66,063,339	31,372,686	2,306,977	28,262,717	25,457,745	7,201,757	260,154,226
Gross unearned premiums	61,320,387	59,940,401	9,890,901	2,303,977	9,885,901	6,409,936	8,637,497	158,389,000
Unearned reinsurance commission								
Income	2,496,006	-	1,752,982	(6,521)	1,205,988	1,402,518	182,412	7,033,385
Unallocated liabilities								<u>115,674,750</u>
								<u>541,251,361</u>

15 CONTINGENCIES AND COMMITMENTS

Legal proceedings and regulations

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management believes that such proceedings (including litigations) will not have a material effect on its results and financial position. The Company did not have any significant outstanding legal proceedings as at the reporting date.

Operating lease commitments

Rental expenses under operating leases pertained to leases of office spaces in various locations amounted to SR 0.98 million for the period ended 30 September 2016 (31 December 2015: SR 0.88 million) are recognised in the interim statement of comprehensive income - insurance operations.

Future minimum lease payments under the operating lease arrangements as at 30 September are as follows:

Operating lease commitments

Future minimum lease payments under the operating lease arrangements as at 30 September are as follows:

	<i>30 September 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Less than one year	<u>637,783</u>	<u>881,476</u>

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 16 October 2016, corresponding to 15 Muharam 1438H.