

**SANAD COOPERATIVE INSURANCE AND  
REINSURANCE COMPANY  
(A Saudi Joint Stock Company)  
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
For the three and six months period ended 30 June 2014  
together with the  
Independent auditors' limited review report**



**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT  
TO THE SHAREHOLDERS OF  
SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**SCOPE OF LIMITED REVIEW:**

We have reviewed the accompanying interim statement of financial position of Sanad Cooperative Insurance and Reinsurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 June 2014, the related interim statements of comprehensive income for insurance and shareholders' operations for the three month and six month periods then ended, the related interim statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for the six months period then ended and the related notes 1 to 11 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard – 34 "Interim Financial Reporting" (IAS 34) and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

**PARAGRAPH NOTE:**

As per the letter number 351000113227 dated 29 June 2014 issued by Saudi Arabian Monetary Agency "SAMA", the Company is in the process of appointing an external firm to investigate certain areas as per the regulatory requirements. There might be adjustments resulting from such an exercise that would cause the accompanied interim condensed financial statements to materially differ. As set out in note 2.2 to the interim condensed financial statements, the accumulated losses have exceeded 75% of capital. We are not required in a limited review of interim condensed financial statements to express an opinion over regulatory issues and the results are preliminary and not final, awaiting the year end results and audit.

**CONCLUSION:**

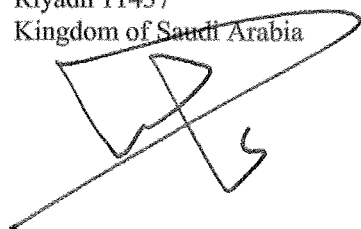
Based on our limited review, other than the possible effects of the matters described above, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT (continued)**

**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 Ramadan 1435H  
(16 July 2014)

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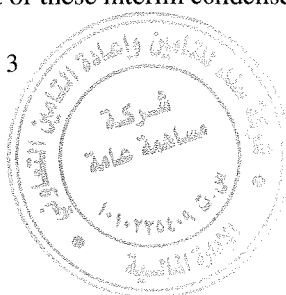
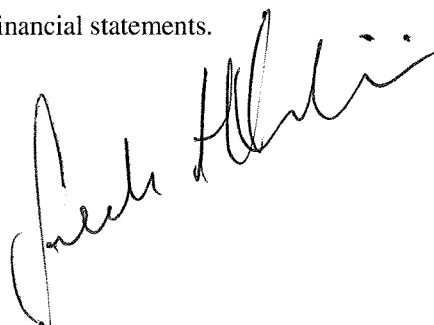
**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2014  
*(Amount in Saudi Riyals)*

	Notes	30 June 2014 <i>(Unaudited)</i>	31 December 2013 <i>(Audited)</i>
<b>ASSETS</b>			
<b>ASSETS – INSURANCE OPERATIONS</b>			
Cash and cash equivalents		66,584,588	78,582,401
Premiums receivable, net	5	74,243,272	65,008,738
Reinsurers' balance receivable, net	6	3,109,346	1,295,054
Reinsurers' share of outstanding claims and other technical reserves	7	25,041,549	23,618,391
Reinsurers' share of unearned premium		28,771,537	14,779,480
Deferred policy acquisition cost		11,002,361	9,620,528
Due from shareholders' operations		44,275,100	18,791,296
Prepayments and other assets		12,998,780	13,940,215
Property and equipment, net		4,255,886	4,462,452
<b>TOTAL ASSETS – INSURANCE OPERATIONS</b>		<b>270,282,419</b>	<b>230,098,555</b>
<b>ASSETS – SHAREHOLDERS' OPERATIONS</b>			
Cash and cash equivalents		31,924,674	31,568,966
Statutory deposit		21,178,581	21,077,351
Investments - available for sale	8	45,435,677	44,060,370
Loan receivable		--	500,000
Prepayments and other assets		2,266,656	1,448,663
<b>TOTAL ASSETS – SHAREHOLDERS' OPERATIONS</b>		<b>100,805,588</b>	<b>98,655,350</b>
<b>TOTAL ASSETS</b>		<b>371,088,007</b>	<b>328,753,905</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES – INSURANCE OPERATIONS</b>			
Unearned premium reserve		98,557,205	98,754,524
Reinsurers' balances payable		19,373,024	3,065,270
Accrued expenses and other liabilities		43,311,422	31,814,206
Outstanding claims and other technical reserves	7	96,976,188	88,763,481
Unearned commission income		7,504,948	4,130,018
End-of-service indemnities		4,559,632	3,571,056
<b>TOTAL LIABILITIES – INSURANCE OPERATIONS</b>		<b>270,282,419</b>	<b>230,098,555</b>
<b>LIABILITIES – SHAREHOLDERS' OPERATIONS</b>			
Accrued expenses and other liabilities		364,525	364,525
Provision for zakat		9,600,473	10,271,155
Due to insurance operations		44,275,100	18,791,296
<b>TOTAL LIABILITIES – SHAREHOLDERS' OPERATIONS</b>		<b>54,240,098</b>	<b>29,426,976</b>
<b>TOTAL LIABILITIES</b>		<b>324,522,517</b>	<b>259,525,531</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		200,000,000	200,000,000
Accumulated deficit		(159,988,602)	(135,950,411)
Investment revaluation reserve	8	6,554,092	5,178,785
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>46,565,490</b>	<b>69,228,374</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>371,088,007</b>	<b>328,753,905</b>

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.



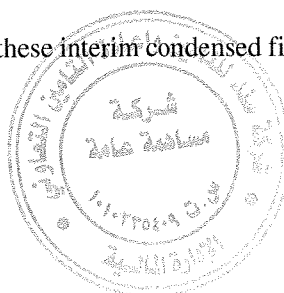
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**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME - INSURANCE OPERATIONS**  
*(Amount in Saudi Riyals)*

	<i>Notes</i>	<i>Three Month ended 30 June 2014 (Unaudited)</i>	<i>Six Month ended 30 June 2014 (Unaudited)</i>	<i>Three Month ended 30 June 2013 (Unaudited)</i>	<i>Six Month ended 30 June 2013 (Unaudited)</i>
<b>INCOME</b>					
Gross insurance premiums written		32,407,912	109,088,552	42,345,230	123,155,861
Gross inward reinsurance premiums written		-	8,261	17,122	118,214
<b>TOTAL GROSS WRITTEN PREMIUMS</b>		<b>32,407,912</b>	<b>109,096,813</b>	<b>42,362,352</b>	<b>123,274,075</b>
Reinsurance premiums ceded		(24,428,349)	(44,541,558)	(9,040,594)	(30,853,521)
<b>NET WRITTEN PREMIUMS</b>		<b>7,979,563</b>	<b>64,555,255</b>	<b>33,321,758</b>	<b>92,420,554</b>
Changes in unearned premiums		25,243,732	197,319	1,019,349	(33,250,651)
Changes in reinsurance unearned premiums		505,086	13,992,058	(2,103,220)	3,680,494
<b>NET EARNED PREMIUMS</b>		<b>33,728,381</b>	<b>78,744,632</b>	<b>32,237,887</b>	<b>62,850,397</b>
Reinsurance commission		4,289,955	8,556,667	2,480,779	6,199,098
Policy fee, net		38,270	100,015	88,618	28,377
<b>UNDERWRITING REVENUE</b>		<b>38,056,606</b>	<b>87,401,314</b>	<b>34,807,284</b>	<b>69,077,872</b>
<b>EXPENSES</b>					
Gross claims paid		(30,138,563)	(66,352,444)	(35,327,626)	(68,889,261)
Reinsurance share of claims paid		4,837,264	13,507,724	7,277,778	13,969,169
<b>NET CLAIMS PAID</b>		<b>(25,301,299)</b>	<b>(52,844,720)</b>	<b>(28,049,848)</b>	<b>(54,920,092)</b>
Net changes in outstanding claim reserve		2,838,074	(4,278,799)	(594,314)	4,834,137
Net changes in other technical reserve		(2,274,603)	(2,510,750)	963,130	3,842,479
<b>NET CLAIMS INCURRED</b>		<b>(24,737,828)</b>	<b>(59,634,269)</b>	<b>(27,681,032)</b>	<b>(46,243,476)</b>
Policy acquisition costs		(5,641,497)	(12,302,770)	(4,602,062)	(9,634,514)
Other underwriting expenses, net		(1,820,408)	(4,090,814)	(2,113,190)	(3,156,541)
Impairment allowance against doubtful receivables, net	5 & 6	(3,906,845)	(4,036,711)	(4,186,488)	(4,278,329)
Impairment allowance against salvage recoveries, net		(809,989)	(8,061,719)	--	--
<b>UNDERWRITING EXPENSES</b>		<b>(36,916,567)</b>	<b>(88,126,283)</b>	<b>(38,582,772)</b>	<b>(63,312,860)</b>
<b>UNDERWRITING SURPLUS/(DEFICIT)</b>		<b>1,140,039</b>	<b>(724,969)</b>	<b>(3,775,488)</b>	<b>5,765,012</b>
General and administration expenses		(11,303,235)	(22,642,712)	(13,569,885)	(23,767,620)
<b>LOSS FROM INSURANCE OPERATIONS</b>		<b>(10,163,196)</b>	<b>(23,367,681)</b>	<b>(17,345,373)</b>	<b>(18,002,608)</b>
Gain on sale of property and equipment		--	123	2,550	12,500
Other income		49,500	129,625	65,083	139,417
<b>COMPREHENSIVE LOSS FROM INSURANCE OPERATIONS</b>		<b>(10,113,696)</b>	<b>(23,237,933)</b>	<b>(17,277,740)</b>	<b>(17,850,691)</b>
Transfer of comprehensive loss to shareholders operations		10,113,696	23,237,933	17,277,740	17,850,691
<b>NET RESULTS FOR THE PERIOD</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.




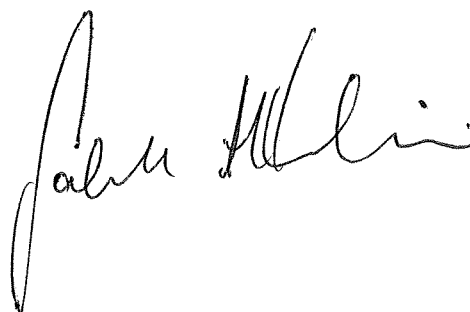
*Yemin Rashid*

*Yemin Rashid*

**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME - SHAREHOLDERS' OPERATIONS**  
*(Amount in Saudi Riyals)*

	<i>Three Month ended 30 June 2014 (Unaudited)</i>	<i>Six Month ended 30 June 2014 (Unaudited)</i>	<i>Three Month ended 30 June 2013 (Unaudited)</i>	<i>Six Month ended 30 June 2013 (Unaudited)</i>
<b>INCOME</b>				
Commission income	75,856	207,581	129,256	267,713
Dividend income from investments	483,928	913,391	403,607	819,779
Gain on sale of investments	--	--	--	10,070,314
	<u>559,784</u>	<u>1,120,972</u>	<u>532,863</u>	<u>11,157,806</u>
<b>EXPENSES</b>				
Transfer of loss from insurance operations	(10,113,696)	(23,237,933)	(17,277,740)	(17,850,691)
General and administration expenses	(235,824)	(632,039)	(496,085)	(985,995)
<b>NET LOSS FOR THE PERIOD BEFORE ZAKAT</b>	<u>(9,789,736)</u>	<u>(22,749,000)</u>	<u>(17,240,962)</u>	<u>(7,678,880)</u>
Zakat	(651,092)	(1,289,191)	(595,232)	(1,334,050)
<b>NET LOSS FOR THE PERIOD</b>	<u>(10,440,828)</u>	<u>(24,038,191)</u>	<u>(17,836,194)</u>	<u>(9,012,930)</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS): MAY OR MAY BE TRANSFERRED TO STATEMENT OF INCOME</b>				
Net changes in fair value of available for sale investments	(460,181)	1,375,307	1,162,472	(7,142,218)
<b>TRANSFERRED TO STATEMENT OF INCOME</b>				
Gain on sale of available for sale investments	--	--	--	--
<b>OTHER COMPREHENSIVE LOSS / (INCOME)</b>	<u>(460,181)</u>	<u>1,375,307</u>	<u>1,162,472</u>	<u>(7,142,218)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(10,901,009)</u>	<u>(22,662,884)</u>	<u>(16,673,722)</u>	<u>(16,155,148)</u>
<b>BASIC AND DILUTED LOSS PER SHARE FOR THE PERIOD</b>	<u>(0.52)</u>	<u>(1.20)</u>	<u>(0.89)</u>	<u>(0.45)</u>
<b>WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE</b>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>





The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED 30 June 2014**  
*(Amount in Saudi Riyals)*

	<i>Share capital</i>	<i>Accumulated deficit</i>	<i>Investment revaluation reserve</i>	<i>Total</i>
<b>2014</b>				
Balance at 1 January 2014	200,000,000	(135,950,411)	5,178,785	69,228,374
Net loss for the period	--	<b>(24,038,191)</b>	--	<b>(24,038,191)</b>
Other comprehensive income for the period	--	--	<b>1,375,307</b>	<b>1,375,307</b>
<b>Balance at 30 June 2014</b>	<b><u>200,000,000</u></b>	<b><u>(159,988,602)</u></b>	<b><u>6,554,092</u></b>	<b><u>46,565,490</u></b>
<b>2013</b>				
Balance at 1 January 2013	200,000,000	(105,306,937)	11,409,590	106,102,653
Net loss for the period	--	(9,012,930)	--	(9,012,930)
Other comprehensive loss for the period	--	--	(7,142,218)	(7,142,218)
Balance at 30 June 2013	<u>200,000,000</u>	<u>(114,319,867)</u>	<u>4,267,372</u>	<u>89,947,505</u>



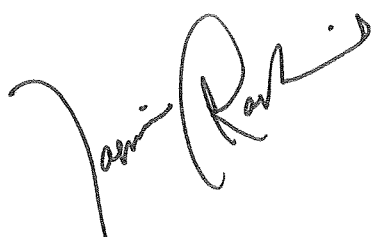
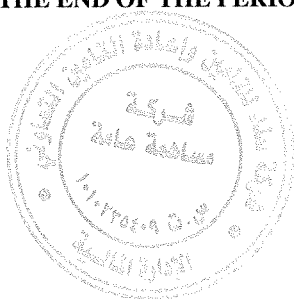


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**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS (UNAUDITED)**  
(Amount in Saudi Riyals)

	<i>Six Month ended 30 June 2014 (Unaudited)</i>	<i>Six Month ended 30 June 2013 (Unaudited)</i>
<b>OPERATING ACTIVITIES</b>		
Net results for the period	--	--
<i>Adjustments for non-cash items:</i>		
Transfer of loss to shareholders' operations	(23,237,933)	(17,850,691)
Impairment allowance against salvage recoveries	8,061,719	--
Depreciation	1,064,919	1,072,129
Provision for end-of-service indemnities	1,755,591	799,889
Impairment allowance against doubtful receivables, net	4,036,711	4,278,329
Gain on sale of property and equipment	(123)	(12,500)
<b>Changes in operating assets and liabilities:</b>		
Premiums receivable	(13,300,275)	(16,410,423)
Deferred policy acquisition costs	(1,381,833)	(3,766,865)
Prepayments and other assets	(7,120,284)	(3,862,003)
Unearned premium reserves, net	(14,189,377)	29,542,785
Unearned commission income	3,374,930	1,317,819
Reinsurers' balances payable	16,307,754	10,383,599
Accrued expenses and other liabilities	11,497,216	(4,810,772)
Outstanding claims and other technical reserves, net	6,789,549	(8,676,616)
Reinsurance balance receivable	(1,785,261)	(939,102)
<b>Cash used in operating activities</b>	<b>(8,126,697)</b>	<b>(8,934,422)</b>
End-of-service indemnities paid	(767,015)	(386,362)
<b>Net cash used in operating activities</b>	<b>(8,893,712)</b>	<b>(9,320,784)</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	(861,132)	(2,102,482)
Proceeds from sale of property and equipment	2,902	12,500
<b>Net cash used in investing activities</b>	<b>(858,230)</b>	<b>(2,089,982)</b>
<b>FINANCING ACTIVITIES</b>		
Due to shareholders' operations	(2,245,871)	6,919,996
<b>Net cash from financing activities</b>	<b>(2,245,871)</b>	<b>6,919,996</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,997,813)</b>	<b>(4,490,770)</b>
Cash and cash equivalents at the beginning of the period	78,582,401	65,479,976
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>66,584,588</b>	<b>60,989,206</b>

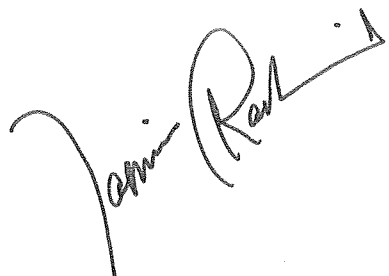

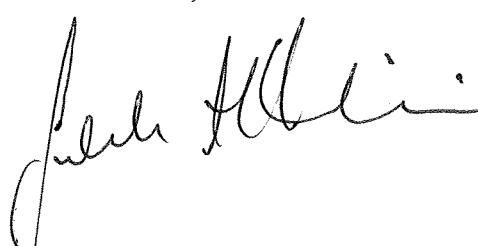




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**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)**  
*(Amount in Saudi Riyals)*

	<i>Six Month ended 30 June 2014 (Unaudited)</i>	<i>Six Month ended 30 June 2013 (Unaudited)</i>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period before zakat	(22,749,000)	(7,678,880)
<i>Adjustments for non-cash items:</i>		
Transfer of loss from insurance operations	23,237,933	17,850,691
Gain on sale of investments	--	(10,070,314)
<b>Changes in operating assets and liabilities:</b>		
Accrued expenses and other liabilities	--	(148,500)
Prepayments and other assets	(817,992)	(756,929)
<b>Cash used in operating activities</b>	<b>(329,059)</b>	<b>(803,932)</b>
Zakat paid	(1,959,874)	(893,752)
<b>Net cash used in operating activities</b>	<b>(2,288,933)</b>	<b>(1,697,684)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments – available for sale	--	(19,575,283)
Disposal of investments – available for sale	--	19,500,400
Statutory deposits	(101,230)	--
<b>Net cash used in investing activities</b>	<b>(101,230)</b>	<b>(74,883)</b>
<b>FINANCING ACTIVITIES</b>		
Due from insurance operations	2,245,871	(6,919,996)
Collection of loan receivable	500,000	--
<b>Net cash from financing activities</b>	<b>2,745,871</b>	<b>(6,919,996)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>355,708</b>	<b>(8,692,563)</b>
Cash and cash equivalents at the beginning of the period	31,568,966	49,940,289
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>31,924,674</b>	<b>41,247,726</b>
<b>Non - cash supplemental information:</b>		
Change in fair value of investments - available for sale	1,375,307	(7,142,218)

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

**1 ORGANIZATION AND PRINCIPAL ACTIVITIES**

Sanad Cooperative Insurance and Reinsurance Company ("the Company") is a Saudi Joint Stock Company incorporated under Ministerial Resolution dated 15 Jumada II, 1428 H, (corresponding to 30 June 2007). The Company is registered in the Kingdom of Saudi Arabia under commercial registration number 1010235409 dated 23 Jumada II, 1428 H (corresponding to 8 July 2007). The objective of the Company is to transact cooperative insurance and reinsurance operations and related activities in the Kingdom of Saudi Arabia. The Company was listed on the Saudi Stock Exchange on 21 July 2007.

The Registered Office of the Company is located at Dareen Center, Al Ahsa Street, Riyadh 11417, Kingdom of Saudi Arabia. These interim condensed financial statements cover the period from 1 January 2014 to 30 June 2014 (the "period").

**2 BASIS OF PREPARATION**

**2.1 Basis of measurement**

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

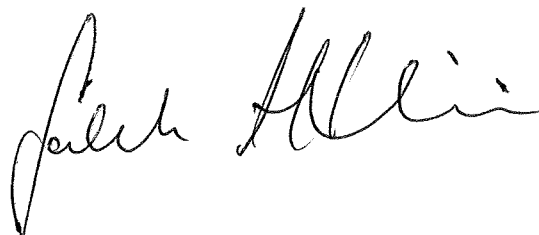
**2.2 Going concern**

As at 30 June 2014, the Company's solvency margin is below the limit prescribed by Saudi Arabian Monetary Agency (SAMA).

The Company has incurred a net loss of SR 24 million during the period. As a result, the accumulated losses amounted to SR 160 million that represents approximately 80% of the Share Capital. The Saudi Arabian Regulations for Companies Article 148 require that in situations where the losses exceed 75% of the share capital, the Company's Board of Directors must call for an extraordinary general meeting to consider this situation. As of the date of the approval of these interim condensed financial statements, the extraordinary general meeting has not been called and the Board is in the process of calling the extraordinary general assembly. The Board is preparing a business plan where the Board is expecting that the Company will be able to continue its operations for the foreseeable future. However, based on Company's negotiations with SAMA, future business prospects and expected improvements in net results of the Company the management believes that the going concern assumption is valid and has therefore prepared the financial statements on a going concern basis.

Further, the Capital Market Authority has recently issued instructions regarding procedures applicable to listed Companies whose losses are in excess of 75% of Capital, which was effective from 1 July 2014. If the accumulated losses of the Company as of the effective date continue to be in excess of 75% of its Capital as of that date, the Company's shares would be suspended for one trading session. Further punitive measures would be applicable, if the accumulated losses were to exceed 100%.

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**2 BASIS OF PREPARATION (Continued)**

**2.3 Statement of compliance**

The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting.

As required by 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 Board of Directors.

The 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 financial statements for the year ended 31 December 2013.

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 period presented. The Company's interim results may not be indicative of its annual results.

**2.4 Functional and presentation currency**

The interim condensed financial statements have been presented in Saudi Riyals, being the functional currency of the Company. Amounts are rounded to nearest Riyal unless otherwise indicated.

**2.5 Use of accounting judgements, estimates and assumptions in the preparation of interim condensed financial statements**


The preparation of interim condensed financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenue and expenses during the reporting period.

Although these judgments, estimates and assumptions are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- Unearned premium reserve
- Outstanding claims and other technical reserve
- Impairment of receivables and salvage recoveries
- Impairment in value of investment – available for sale



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**3 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT POLICIES**

The accounting and risk management policies adopted in the preparation of these interim condensed financial statements are consistent with the ones used in the Company's audited financial statements for the year ended 31 December 2013, except for the adoption of the following new standards and other amendments to existing standards mentioned below which has had an insignificant effect on the condensed interim financial statements of the Company on the current period or prior period and is expected to have an insignificant effect in future periods:

a) *New standards and amendments to existing standards*

- *Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32*

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Company.

- *Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39*

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Company as the Company has not entered transacted any derivative during the current or prior periods.

- *Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36*

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

**4 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are mutually agreed and are approved by the Company's management. The related parties of the Company are as follows:

**Nature of relationship**

**Name of related party**

*10% founding shareholder and common directorship* - Saudi Continental Insurance Company

*90% shareholder in Saudi Continental Insurance Company and have a common directorship* - Aggad Investment Company

*Common directorship and control*

- Arabian Tiles Company
- Medical Supplies and Services Company Limited (MEDISERV)
- National Advanced Systems Company Limited (NASCO)
- United Motors Company



*Nami Rashid*

*Abdulrahman Al-Harbi*

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**4 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

**a) Transactions with related parties:**

Details of significant transactions carried out during the period with related parties are as follows:

	<i>Six month ended June 2014 (Unaudited)</i>		<i>Six month ended June 2013 (Unaudited)</i>	
	Gross written premium	Gross claims paid	Gross written premium	Gross claims paid
Aggad Investment Company	584,842	7,418	160,085	228,058
Arabian Tiles Company	163,432	281,646	173,235	360,527
Medical Supplies and Services Company Limited (MEDISERV)	785,909	591,028	713,433	1,283,039
National Advanced Systems Company Limited (NASCO)	539,032	6,487,129	836,924	2,307,359
United Motors Company	1,104,386	6,633,392	10,061,317	6,502,414

**b) Balances with related parties:**

Details of significant receivables from and payables to the related parties are as follows:

	<i>30 June 2014 (Unaudited)</i>		<i>31 December 2013 (Audited)</i>	
	Premiums receivable	Outstanding claims	Premiums receivable	Outstanding claims
Aggad Investment Company	207,029	152,443	64	190,121
Arabian Tiles Company	736,741	639,989	1,105,342	230,971
Medical Supplies and Services Company Limited (MEDISERV)	699,608	1,278,790	1,081,202	815,285
National Advanced Systems Company Limited (NASCO)	99,316	4,870,496	3,893,057	5,755,929
United Motors Company	--	6,775,560	1,021,857	6,537,380

**c) Compensation of key management personnel:**

Key management personnel of the Company include all directors, executive and non-executive, and senior management. The summary of compensation of key management personnel for the period is as follows:

	<i>Six month ended June 2014 (Unaudited)</i>	<i>Six month ended June 2013 (Unaudited)</i>
Salaries and other short term benefits	2,210,500	2,571,410
End of service benefit	203,000	127,475
	<b>2,413,500</b>	<b>2,698,885</b>



*Yasir Rami*

*John Alkhatib*

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**5 PREMIUMS RECEIVABLE, NET**

	<b>30 June 2014</b> <i>(Unaudited)</i>	<b>31 December 2013</b> <i>(Audited)</i>
Premiums receivable	<b>106,411,713</b>	93,122,098
Less : Impairment against doubtful receivables	<b>(32,168,441)</b>	(28,113,360)
	<b>74,243,272</b>	<b>65,008,738</b>


	<b>Total</b>	<i>Neither past due nor impaired</i>	<i>Past due but not impaired</i>	<i>Past due and impaired</i>
<b>30 June 2014 (Unaudited)</b>	<b>106,411,713</b>	<b>21,732,230</b>	<b>52,511,042</b>	<b>32,168,441</b>
31 December 2013 (Audited)	93,122,098	22,998,312	42,010,426	28,113,360

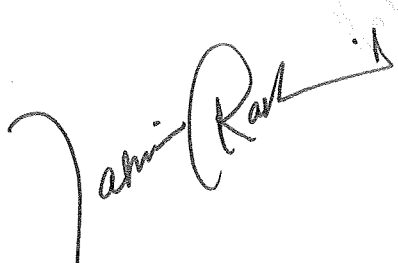
The Company classifies receivable balances as 'past due and impaired' on a case to case basis, impairment against which is recorded in the statement of insurance operations. The Company does not obtain collateral against premium receivables. Amount which are neither past due nor considered impaired by management, in respect of premium receivables, are from individuals and unrated corporate policy holders.

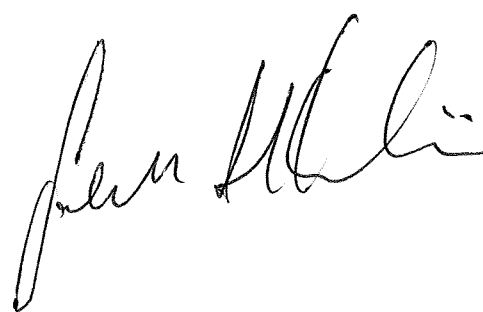
**6 REINSURERS' BALANCE RECEIVABLE, NET**

	<b>30 June 2014</b> <i>(Unaudited)</i>	<b>31 December 2013</b> <i>(Audited)</i>
Reinsurers' balance receivable	<b>3,228,493</b>	1,443,232
Less: Impairment against doubtful receivables	<b>(119,147)</b>	(148,178)
	<b>3,109,346</b>	<b>1,295,054</b>

	<b>Total</b>	<i>Past due but not impaired</i>	<i>Past due and impaired</i>
<b>30 June 2014 (Unaudited)</b>	<b>3,228,493</b>	<b>3,109,346</b>	<b>119,147</b>
31 December 2013 (Audited)	1,443,232	1,295,054	148,178







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**7 OUTSTANDING CLAIMS AND OTHER TECHNICAL RESERVES**

	<i>30 June 2014 (Unaudited)</i>		
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
Outstanding claim reserves	58,549,882	(19,359,796)	39,190,086
Incurred but not reported reserve ("IBNR")	23,880,657	(5,681,753)	18,198,904
Premium deficiency reserve	14,545,649	--	14,545,649
Outstanding claims and other technical reserves	<u>96,976,188</u>	<u>(25,041,549)</u>	<u>71,934,639</u>

	<i>31 December 2013 (Audited)</i>		
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
Outstanding claim reserves	54,435,816	(19,524,529)	34,911,287
Incurred but not reported reserve ("IBNR")	23,880,657	(4,093,862)	19,786,795
Premium deficiency reserve	10,447,008	--	10,447,008
Outstanding claims and other technical reserves	<u>88,763,481</u>	<u>(23,618,391)</u>	<u>65,145,090</u>

**8 INVESTMENTS**

***Investments - available for sale***

Investment in available for sale securities comprise of the following:

	<i>30 June 2014 (Unaudited)</i>			<i>31 December 2013 (Audited)</i>
	<i>Cost</i>	<i>Unrealised gain</i>	<i>Market value</i>	<i>Market value</i>
<b><i>Quoted/Published prices</i></b>				
Mutual Funds	6,625,998	397,844	7,023,842	6,999,291
Global Sukuk Fund deposits	9,450,000	1,995,985	11,445,985	11,098,930
Equities	20,882,509	4,160,263	25,042,772	24,039,071
	<u>36,958,507</u>	<u>6,554,092</u>	<u>43,512,599</u>	<u>42,137,292</u>
<b><i>Unquoted</i></b>				
Equities	1,923,078	--	1,923,078	1,923,078
<b>Total investments in available for sale</b>	<u>38,881,585</u>	<u>6,554,092</u>	<u>45,435,677</u>	<u>44,060,370</u>

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**8 INVESTMENTS (continued)**

Movements in available for sale investments are as follows:

	<i>30 June 2014</i> <i>(Unaudited)</i>	<i>30 June 2013</i> <i>(Unaudited)</i>
At beginning of the period	<b>44,060,370</b>	40,145,978
Addition during the period	--	19,575,283
Disposals during the period	--	(9,430,086)
Change in fair value	<b>1,375,307</b>	(7,142,218)
At end of the period	<b>45,435,677</b>	43,148,957

**9 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 as stated below. Segment results do not include general and administration expenses and other income.


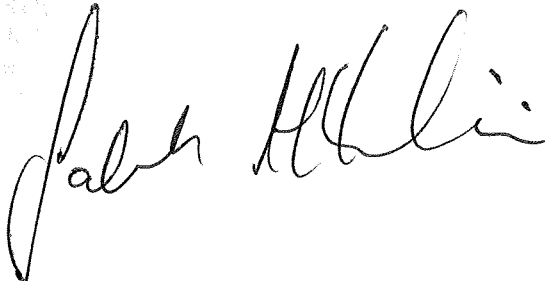
Segment assets do not include property and equipment, prepayments and other assets, premiums receivable, reinsurances' balance receivables, cash and cash equivalents, and due from shareholders' operations. Accordingly they are included in unallocated assets.

Segment liabilities do not include, end-of-service indemnities, reinsurers' balances payable, accrued expenses and other liabilities.

All unallocated assets and liabilities are reported to chief operating decision maker as unallocated assets and liabilities and are monitored on a centralized basis.

All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.





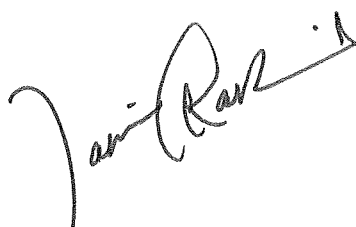
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**9 SEGMENTAL INFORMATION (CONTINUED)**

**a) Statement of results for insurance operations**

	<i>For the three month ended 30 June 2014 (Unaudited)</i>					
	<i>Medical</i>	<i>Motor</i>	<i>Marine</i>	<i>Engineering</i>	<i>Others</i>	<i>Total</i>
Gross written premiums	5,151,498	18,124,425	3,957,780	2,400,947	2,773,262	32,407,912
Reinsurance premiums ceded (note a)	(16,334,946)	(737,000)	(3,007,318)	(2,308,523)	(2,040,562)	(24,428,349)
<b>Net written premiums</b>	<b>(11,183,448)</b>	<b>17,387,425</b>	<b>950,462</b>	<b>92,424</b>	<b>732,700</b>	<b>7,979,563</b>
Net changes in unearned premiums	24,557,170	734,144	329,681	45,889	81,934	25,748,818
Net earned premiums	13,373,722	18,121,569	1,280,143	138,313	814,634	33,728,381
Reinsurance commission earned	1,740,432	-	793,573	986,391	769,559	4,289,955
Other underwriting income	1,000	13,015	15,735	1,010	7,510	38,270
<b>Underwriting revenue</b>	<b>15,115,154</b>	<b>18,134,584</b>	<b>2,089,451</b>	<b>1,125,714</b>	<b>1,591,703</b>	<b>38,056,606</b>
<b>EXPENSES</b>						
Gross claims paid	(10,271,191)	(15,191,895)	(1,408,279)	(2,449,646)	(817,552)	(30,138,563)
Reinsurance share of claims paid	768,138	-	1,091,881	2,305,152	672,093	4,837,264
<b>Net claims paid</b>	<b>(9,503,053)</b>	<b>(15,191,895)</b>	<b>(316,398)</b>	<b>(144,494)</b>	<b>(145,459)</b>	<b>(25,301,299)</b>
Net changes in outstanding claims and other technical reserves	828,994	(443,686)	51,485	76,670	50,008	563,471
<b>Net claims incurred</b>	<b>(8,674,059)</b>	<b>(15,635,581)</b>	<b>(264,913)</b>	<b>(67,824)</b>	<b>(95,451)</b>	<b>(24,737,828)</b>
Policy acquisition costs	(1,669,465)	(2,584,341)	(399,722)	(535,010)	(452,959)	(5,641,497)
Other underwriting expenses	(393,313)	(1,064,807)	(160,079)	(101,192)	(101,017)	(1,820,408)
Impairment allowance against doubtful and salvage receivables	(1,080,683)	(3,636,151)	-	-	-	(4,716,834)
<b>Underwriting expenses</b>	<b>(11,817,520)</b>	<b>(22,920,880)</b>	<b>(824,714)</b>	<b>(704,026)</b>	<b>(649,427)</b>	<b>(36,916,567)</b>
<b>Underwriting surplus / (deficit) before administration expenses and other income</b>	<b>3,297,634</b>	<b>(4,786,296)</b>	<b>1,264,737</b>	<b>421,688</b>	<b>942,276</b>	<b>1,140,039</b>
Unallocated income						49,500
Unallocated expenses						(11,303,235)
<b>Net deficit from insurance operations</b>						<b>(10,113,696)</b>

- a) During the second quarter ended 30 June 2014, the Company negotiated a medical reinsurance treaty from Excess of Loss to Proportionate with effect from 1 January 2014. This has resulted in an increase in the reinsurance premiums ceded in the second quarter ended 30 June 2014.



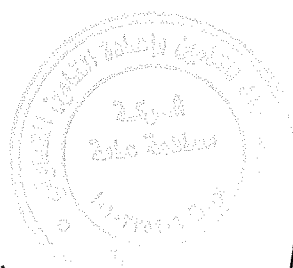

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**9 SEGMENTAL INFORMATION (CONTINUED)**

*a) Statement of results for insurance operations (continued)*

	<i>For the six month ended 30 June 2014 (Unaudited)</i>					
	<i>Medical</i>	<i>Motor</i>	<i>Marine</i>	<i>Engineering</i>	<i>Others</i>	<i>Total</i>
Gross written premiums	23,012,767	55,277,594	13,385,984	8,677,001	8,743,467	109,096,813
Reinsurance premiums ceded	(17,115,246)	(1,474,000)	(10,993,309)	(8,336,157)	(6,622,846)	(44,541,558)
Net written premiums	5,897,521	53,803,594	2,392,675	340,844	2,120,621	64,555,255
Net changes in unearned premiums	29,100,633	(13,549,561)	(182,070)	(718,568)	(461,057)	14,189,377
Net earned premiums	34,998,154	40,254,033	2,210,605	(377,724)	1,659,564	78,744,632
Reinsurance commission earned	1,740,432	-	3,543,446	1,776,472	1,496,317	8,556,667
Other underwriting income	5,800	41,495	30,635	2,730	19,355	100,015
<b>Total underwriting revenue</b>	<b>36,744,386</b>	<b>40,295,528</b>	<b>5,784,686</b>	<b>1,401,478</b>	<b>3,175,236</b>	<b>87,401,314</b>
<b>EXPENSES</b>						
Gross claims paid	(17,803,529)	(34,768,665)	(3,261,685)	(8,846,899)	(1,671,666)	(66,352,444)
Reinsurance share of claims paid	1,289,946	-	2,392,504	8,383,359	1,441,915	13,507,724
<b>Net claims paid</b>	<b>(16,513,583)</b>	<b>(34,768,665)</b>	<b>(869,181)</b>	<b>(463,540)</b>	<b>(229,751)</b>	<b>(52,844,720)</b>
Net changes in outstanding claims and other technical reserves	(4,518,891)	(2,522,905)	7,565	312,350	(67,668)	(6,789,549)
<b>Net claims incurred</b>	<b>(21,032,474)</b>	<b>(37,291,570)</b>	<b>(861,616)</b>	<b>(151,190)</b>	<b>(297,419)</b>	<b>(59,634,269)</b>
Policy acquisition costs	(3,333,573)	(5,257,581)	(1,774,348)	(1,028,605)	(908,663)	(12,302,770)
Other underwriting expenses, net	(879,382)	(1,752,640)	(628,797)	(495,674)	(334,321)	(4,090,814)
Impairment allowance against doubtful and salvage receivables	(2,771,881)	(9,326,549)	--	--	--	(12,098,430)
<b>Underwriting expenses</b>	<b>(28,017,310)</b>	<b>(53,628,340)</b>	<b>(3,264,761)</b>	<b>(1,675,469)</b>	<b>(1,540,403)</b>	<b>(88,126,283)</b>
<b>Underwriting surplus / (deficit) before administration expenses and other income</b>	<b>8,727,076</b>	<b>(13,332,812)</b>	<b>2,519,925</b>	<b>(273,991)</b>	<b>1,634,833</b>	<b>(724,969)</b>
Unallocated income						129,748
Unallocated expenses						(22,642,712)
<b>Net deficit from insurance operations</b>						<b>(23,237,933)</b>

*Yamin Rami*



*John Alhadi*

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**9 SEGMENTAL INFORMATION (Continued)**

**a) Statement of results for insurance operations (continued)**

	<i>For the three months ended 30 June 2013 (Unaudited)</i>					
	<i>Medical</i>	<i>Motor</i>	<i>Marine</i>	<i>Engineering</i>	<i>Others</i>	<i>Total</i>
Gross written premiums	12,246,774	21,478,165	3,271,882	2,322,674	3,042,857	42,362,352
Reinsurance premiums ceded	(1,029,047)	(1,240,439)	(2,384,089)	(2,117,998)	(2,269,021)	(9,040,594)
Net written premiums	11,217,727	20,237,726	887,793	204,676	773,836	33,321,758
Net changes in unearned premiums	(1,745,094)	530,496	20,670	26,417	83,640	(1,083,871)
Net earned premiums	9,472,633	20,768,222	908,463	231,093	857,476	32,237,887
Reinsurance commission earned	--	--	837,639	900,881	742,259	2,480,779
Other underwriting income	1,300	64,173	14,820	1,325	7,000	88,618
<b>Underwriting revenue</b>	<b>9,473,933</b>	<b>20,832,395</b>	<b>1,760,922</b>	<b>1,133,299</b>	<b>1,606,735</b>	<b>34,807,284</b>
<b>EXPENSES</b>						
Gross claims paid	(13,588,500)	(16,648,653)	(2,582,816)	(404,502)	(2,103,155)	(35,327,626)
Reinsurance share of claims paid	2,887,151	147,000	2,079,368	389,000	1,775,259	7,277,778
Net claims paid	(10,701,349)	(16,501,653)	(503,448)	(15,502)	(327,896)	(28,049,848)
Net changes in outstanding claims and other technical reserves	1,044,587	(1,083,196)	400,380	(155,152)	162,197	368,816
Net claims incurred	(9,656,762)	(17,584,849)	(103,068)	(170,654)	(165,699)	(27,681,032)
Policy acquisition costs	(625,976)	(2,706,346)	(343,189)	(485,463)	(441,088)	(4,602,062)
Other underwriting expenses, net	(447,466)	(772,769)	(410,230)	(242,209)	(240,516)	(2,113,190)
Impairment allowance against doubtful and salvage receivables	(1,427,022)	(2,759,466)	--	--	--	(4,186,488)
<b>Underwriting expenses</b>	<b>(12,157,226)</b>	<b>(23,823,430)</b>	<b>(856,487)</b>	<b>(898,326)</b>	<b>(847,303)</b>	<b>(38,582,772)</b>
Underwriting (deficit) / surplus before administration expenses and other income	(2,683,293)	(2,991,035)	904,435	234,973	759,432	(3,775,488)
Unallocated income						67,633
Unallocated expenses						(13,569,885)
Net deficit from insurance operations						<u>(17,277,740)</u>

*Tamim Rami*



*Abdul Muhaimin*

**SANAD COOPERATIVE INSURANCE AND REINSURANCE COMPANY**  
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*(Amount in Saudi Riyals)*

**9 SEGMENTAL INFORMATION (Continued)**

**a) Statement of results for insurance operations (continued)**

	<i>For the six months ended 30 June 2013 (Unaudited)</i>					
	<i>Medical</i>	<i>Motor</i>	<i>Marine</i>	<i>Engineering</i>	<i>Others</i>	<i>Total</i>
Gross written premiums	23,009,872	67,979,632	12,863,891	8,502,003	10,918,677	123,274,075
Reinsurance premiums ceded	(2,007,044)	(1,700,689)	(10,678,597)	(7,948,725)	(8,518,466)	(30,853,521)
Net written premiums	21,002,828	66,278,943	2,185,294	553,278	2,400,211	92,420,554
Net changes in unearned premiums	(2,147,305)	(26,477,126)	27,009	(146,563)	(826,172)	(29,570,157)
Net earned premiums	18,855,523	39,801,817	2,212,303	406,715	1,574,039	62,850,397
Reinsurance commission earned	--	--	3,049,768	1,651,749	1,497,581	6,199,098
Other underwriting income	5,000	(31,098)	28,325	3,350	22,800	28,377
Underwriting revenue	18,860,523	39,770,719	5,290,396	2,061,814	3,094,420	69,077,872
<b>EXPENSES</b>						
Gross claims paid	(29,574,933)	(32,718,925)	(3,541,558)	(708,012)	(2,345,833)	(68,889,261)
Reinsurance share of claims paid	8,372,792	224,879	2,800,142	651,373	1,919,983	13,969,169
Net claims paid	(21,202,141)	(32,494,046)	(741,416)	(56,639)	(425,850)	(54,920,092)
Net changes in outstanding claims and other technical reserves	7,997,250	224,755	376,220	(141,179)	219,570	8,676,616
Net claims incurred	(13,204,891)	(32,269,291)	(365,196)	(197,818)	(206,280)	(46,243,476)
Policy acquisition costs	(963,430)	(5,288,055)	(1,486,315)	(974,588)	(922,126)	(9,634,514)
Other underwriting expenses, net	(878,808)	(1,276,772)	(456,828)	(268,980)	(275,152)	(3,156,541)
Impairment allowance against doubtful receivables	(2,677,197)	(1,601,132)	--	--	--	(4,278,329)
Underwriting expenses	(17,724,326)	(40,435,250)	(2,308,340)	(1,441,386)	(1,403,558)	(63,312,860)
Underwriting surplus / (deficit) before administration expenses and other income	1,136,197	(664,531)	2,982,056	620,428	1,690,862	5,765,012
Unallocated income						151,917
Unallocated expenses						(23,767,620)
Net deficit from insurance operations						(17,850,691)

*Yamin Rana*



*Yamin Rana*

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**10 FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Company measures financial instruments and non-financial assets at fair value at each balance sheet date. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.


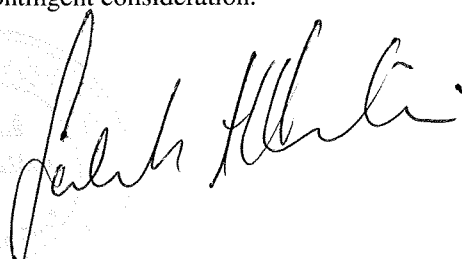
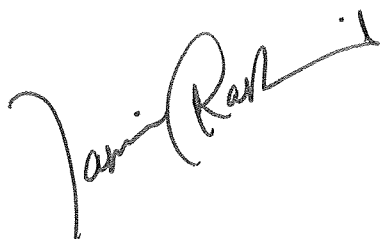
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement, such as assets held for distribution in any discontinued operation. External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration.



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**10 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)**

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<i>30 June 2014 (Unaudited)</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>Quoted investments</i>				
Equities	25,042,772	--	--	25,042,772
Other quoted investments	--	18,469,827	--	18,469,827
Unquoted equities	--	--	1,923,078	1,923,078
	<u>25,042,772</u>	<u>18,469,827</u>	<u>1,923,078</u>	<u>45,435,677</u>
	<i>31 December 2013 (Audited)</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>Quoted investments</i>				
Equities	24,039,071	--	--	24,039,071
Other quoted investments	--	18,098,221	--	18,098,221
Unquoted equities	--	--	1,923,078	1,923,078
	<u>24,039,071</u>	<u>18,098,221</u>	<u>1,923,078</u>	<u>44,060,370</u>

**11 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on 16 July 2014 corresponding to 19 Ramadan 1435H.

