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**METLIFE, AMERICAN INTERNATIONAL  
GROUP AND ARAB NATIONAL BANK  
COOPERATIVE INSURANCE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

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

**30 September 2015**

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MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

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INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'  
LIMITED REVIEW REPORT (UNAUDITED)

At 30 September 2015

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**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT TO THE SHAREHOLDERS OF  
METLIFE, AMERICAN INTERNATIONAL GROUP AND  
ARAB NATIONAL BANK- COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**SCOPE OF REVIEW:**

We have reviewed the accompanying interim statement of financial position of Metlife, American International Group and Arab National Bank- Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2015 and the related interim statements of insurance operations, shareholders' comprehensive operations for the three and nine month periods then ended, the related interim statements of changes in shareholders' equity, insurance operations' and shareholders' cash flows for the nine month period then ended and the related notes 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.

**CONCLUSION:**

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

**EMPHASIS OF A MATTER:**

We draw attention to the fact that 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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Allied Accountants  
P. O. Box 28355  
Riyadh 11437  
Kingdom of Saudi Arabia



**Abdul Mohsen M. Al Nemer**  
Certified Public Accountant  
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**Aldar Audit Bureau**  
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P. O. Box 2195  
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Kingdom of Saudi Arabia



**Abdullah M. Al Basri**  
Certified Public Accountant  
Registration No. 171

5 Muharram 1437  
(18 October 2015)



MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		30 September 2015 (Unaudited) SR	31 December 2014 (Audited) SR
	Notes		
<b>INSURANCE OPERATIONS' ASSETS</b>			
Cash and cash equivalents	4	46,160,259	2,238,414
Premiums receivable, net	6	48,619,149	3,421,552
Reinsurers' share of unearned premiums		29,675,895	3,251,099
Reinsurers' share of mathematical reserves	1.1	257,856,497	-
Reinsurers' share of outstanding claims		22,583,058	499,799
Deferred policy acquisition costs		3,951,374	469,688
Prepaid expenses and other assets		10,892,740	2,967,767
Due from shareholders operations		6,529,297	-
Property and equipment, net		6,323,536	8,054,849
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>		<b>432,591,805</b>	<b>20,903,168</b>
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents	4	83,168,159	11,157,980
Due from insurance operations		-	5,028,658
Prepaid expenses and other assets		458,630	113,623
Time deposits	5	-	85,000,000
Available for sale investments		3,175,163	3,175,163
Statutory deposit	8	17,674,521	17,500,000
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>104,476,473</b>	<b>121,975,424</b>
<b>TOTAL INSURANCE OPERATIONS' AND SHAREHOLDERS' ASSETS</b>		<b>537,068,278</b>	<b>142,878,592</b>



Managing Director/  
Chief Executive Officer



Chief Financial Officer

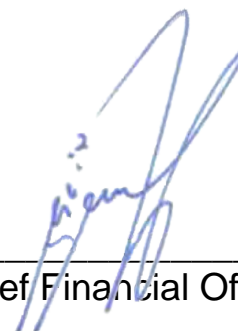
MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)

		30 September 2015 (Unaudited) SR	31 December 2014 (Audited) SR
	Note		
<b>INSURANCE OPERATIONS' LIABILITIES</b>			
Gross unearned premiums		88,152,213	4,709,142
Gross outstanding claims		29,339,775	787,530
Gross mathematical reserves	1.1	257,856,497	-
Payables, accruals and others		10,883,157	4,362,884
Reinsurance balances payable		40,451,880	2,927,713
Unearned reinsurance commission income		4,162,466	881,472
Due to related parties	7	899,944	1,822,887
Due to shareholders' operations		-	5,028,658
Employees' terminal benefits		845,873	382,882
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b>432,591,805</b>	<b>20,903,168</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Zakat		549,770	-
Payables, accruals and others		798,571	1,286,173
Due to insurance operations		6,529,297	-
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>7,877,638</b>	<b>1,286,173</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		175,000,000	175,000,000
Accumulated deficit		(78,401,165)	(54,310,749)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>96,598,835</b>	<b>120,689,251</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>104,476,473</b>	<b>121,975,424</b>
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>537,068,278</b>	<b>142,878,592</b>



Managing Director/  
Chief Executive Officer



Chief Financial Officer

MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INSURANCE OPERATIONS (UNAUDITED)

	<i>For the three month period ended 30 September 2015 SR</i>	<i>For the period ended 30 September 2015 SR</i>	<i>For the three month period ended 30 September 2014 SR</i>	<i>For the period ended 30 September 2014 SR</i>
Gross written premiums	59,577,673	111,108,803	959,382	1,988,225
Reinsurance premiums ceded	(6,183,449)	(42,519,113)	(436,222)	(1,297,252)
Excess of loss premiums	(167,229)	(290,312)	-	-
<b>NET WRITTEN PREMIUMS</b>	<b>53,226,995</b>	<b>68,299,378</b>	523,160	690,973
Net changes in unearned premiums	(46,805,904)	(57,018,275)	(401,114)	(561,079)
<b>NET EARNED PREMIUMS</b>	<b>6,421,091</b>	<b>11,281,103</b>	122,046	129,894
Reinsurance commission income	1,231,224	2,662,851	23,844	33,511
Other underwriting income	603,906	1,058,579	-	-
<b>UNDERWRITING REVENUE</b>	<b>8,256,221</b>	<b>15,002,533</b>	145,890	163,405
Gross claims paid	(11,280,508)	(19,820,798)	-	-
Reinsurers' share of claims paid	8,968,878	16,863,527	-	-
<b>NET CLAIMS PAID</b>	<b>(2,311,630)</b>	<b>(2,957,271)</b>	-	-
Net changes in outstanding claims	(1,873,338)	(6,468,986)	(97,420)	(97,420)
<b>NET CLAIMS INCURRED</b>	<b>(4,184,968)</b>	<b>(9,426,257)</b>	(97,420)	(97,420)
Commissions incurred	(908,693)	(1,948,396)	(30,824)	(35,462)
Other direct underwriting expense	(2,488)	(446,503)	(4,797)	(9,941)
Doubtful debt expense	(1,486,202)	(1,446,134)	(77,059)	(77,059)
<b>UNDERWRITING EXPENSES</b>	<b>(6,582,351)</b>	<b>(13,267,290)</b>	(210,100)	(219,882)
<b>UNDERWRITING RESULTS</b>	<b>1,673,870</b>	<b>1,735,243</b>	(64,210)	(56,477)
General and administration expenses	(9,140,843)	(25,036,392)	(7,217,623)	(12,550,339)
<b>NET DEFICIT FOR THE PERIOD FROM INSURANCE OPERATIONS</b>	<b>(7,466,973)</b>	<b>(23,301,149)</b>	(7,281,833)	(12,606,816)
Shareholders' appropriation from deficit	7,466,973	23,301,149	7,281,833	12,606,816
<b>NET RESULT FOR THE PERIOD</b>	<b>-</b>	<b>-</b>	-	-



Managing Director/  
Chief Executive Officer



Chief Financial Officer

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

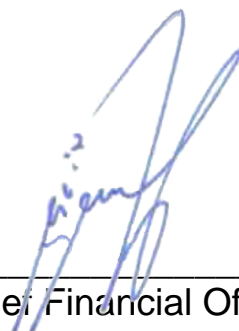
MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS  
(UNAUDITED)

		<i>For the three month period ended 30 September 2015</i>	<i>For the nine month period ended 30 September 2015</i>	<i>For the three month period ended 30 September 2014</i>	<i>For the nine month period ended 30 September 2014</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Appropriation of deficit from insurance operations		(7,466,973)	(23,301,149)	(7,281,833)	(12,606,816)
Special commission income		59,504	325,058	173,161	606,258
Dividend income		-	339,103	-	-
General and administrative expenses		(316,755)	(903,658)	(386,032)	(6,577,858)
<b>LOSSES INCURRED DURING THE PERIOD</b>		<b>(7,724,224)</b>	<b>(23,540,646)</b>	<b>(7,494,704)</b>	<b>(18,578,416)</b>
Pre-incorporation expenses, net		-	-	-	405,006
<b>NET LOSS BEFORE ZAKAT FOR THE PERIOD</b>		<b>(7,724,224)</b>	<b>(23,540,646)</b>	<b>(7,494,704)</b>	<b>(18,173,410)</b>
Zakat		(183,567)	(549,770)	(55,178)	(830,125)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(7,907,791)</b>	<b>(24,090,416)</b>	<b>(7,549,882)</b>	<b>(19,003,535)</b>
<b>LOSS PER SHARE:</b>					
Basic and diluted loss per share	9	(0.44)	(1.35)	(0.43)	(1.04)



Managing Director/  
Chief Executive Officer



Chief Financial Officer

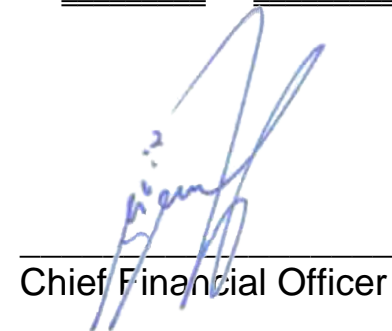
MetLife, American International Group and Arab National Bank  
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INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	<i>Saudi and GCC Shareholders Share Capital SR</i>	<i>Accumulated Deficit SR</i>	<i>Foreign Shareholders Share Capital SR</i>	<i>Accumulated deficit SR</i>	<i>Total Shareholders Share capital SR</i>	<i>Accumulated deficit SR</i>	<i>Total SR</i>
<b>Balance as at 1 January 2015</b>	<b>105,000,000</b>	<b>(33,083,518)</b>	<b>70,000,000</b>	<b>(21,227,231)</b>	<b>175,000,000</b>	<b>(54,310,749)</b>	<b>120,689,251</b>
Net loss for the period	-	(14,124,388)	-	(9,416,258)	-	(23,540,646)	(23,540,646)
Zakat	-	(549,770)	-	-	-	(549,770)	(549,770)
<b>Balance as at 30 September 2015</b>	<b>105,000,000</b>	<b>(47,757,676)</b>	<b>70,000,000</b>	<b>(30,643,489)</b>	<b>175,000,000</b>	<b>(78,401,165)</b>	<b>96,598,835</b>
<b>Balance as at 1 January 2014</b>	105,000,000	(16,891,813)	70,000,000	(11,005,134)	175,000,000	(27,896,947)	147,103,053
Transaction costs on issue of share capital	-	239,310	-	159,540	-	398,850	398,850
Net loss for the period	-	(10,904,046)	-	(7,269,364)	-	(18,173,410)	(18,173,410)
Zakat	-	(830,125)	-	-	-	(830,125)	(830,125)
<b>Balance as at 30 September 2014</b>	<b>105,000,000</b>	<b>(28,386,674)</b>	<b>70,000,000</b>	<b>(18,114,958)</b>	<b>175,000,000</b>	<b>(46,501,632)</b>	<b>128,498,368</b>



Managing Director/  
Chief Executive Officer



Chief Financial Officer

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.



MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
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INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS  
(UNAUDITED)

	<i>For the period ended 30 September 2015</i>	<i>For the period ended 30 September 2014</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES</b>		
Net result for the period	-	-
<i>Adjustments for:</i>		
Shareholders' appropriation from deficit	(23,301,149)	(12,606,816)
Depreciation	2,057,472	1,342,680
Released provision for doubtful receivables	1,446,134	77,059
Employees' terminal benefits	475,636	156,650
	(19,321,907)	(11,030,427)
<i>Changes in operating assets and liabilities:</i>		
Premiums receivable	(46,643,731)	(1,396,247)
Reinsurers' share of outstanding claims	(22,083,259)	(98,173)
Reinsurers' share of unearned premiums	(26,424,796)	(1,166,355)
Reinsurers' share of mathematical reserves	(257,856,497)	-
Deferred policy acquisition costs	(3,481,686)	(178,057)
Prepaid expenses and other assets	(7,924,973)	(2,711,401)
Gross outstanding claims	28,552,245	195,593
Gross unearned premiums	83,443,071	1,727,434
Gross mathematical reserves	257,856,497	-
Payables, accruals and others	6,520,273	3,506,429
Reinsurance balances payable	37,524,167	960,327
Unearned reinsurance commission income	3,280,994	303,414
Due to related parties	(922,943)	1,043,794
Due to/from shareholders' operations	11,743,194	9,535,617
Employees' terminal benefits paid	(12,645)	-
Net cash from operating activities	44,248,004	691,948
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(326,159)	(304,530)
Net cash used in investing activities	(326,159)	(304,530)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	43,921,845	387,418
Cash and cash equivalents at the beginning of the period	2,238,414	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	46,160,259	387,418

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Managing Director/  
Chief Executive Officer



Chief Financial Officer

MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
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INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)

		<i>For the nine month period ended 30 September 2015</i>	<i>For the nine month period ended 30 September 2014</i>
	<i>Note</i>	SR	SR
<b>OPERATING ACTIVITIES</b>			
Net loss before Zakat		(23,540,646)	(18,173,410)
<i>Adjustments for:</i>			
Appropriation of deficit from insurance operations		23,301,149	12,606,816
Depreciation		-	575,609
Special commission income		(325,058)	(606,258)
Dividends		(339,103)	-
Employees' terminal benefits		-	57,173
		(903,658)	(5,540,070)
<i>Changes in operating assets and liabilities:</i>			
Statutory deposit		(174,521)	(17,500,000)
Due to/from insurance operations		(11,743,194)	(9,535,617)
Prepaid expenses and other assets		(55,604)	1,414,397
Payables, accruals and others		(487,602)	(1,184,887)
Due to related parties		-	(32,498,949)
Net cash used in operating activities		(13,364,579)	(64,845,126)
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		-	(309,953)
Time deposits		85,000,000	-
Available for sale investments		-	(3,175,163)
Special commission income received		374,758	517,687
Net cash from/ (used in) investing activities		85,374,758	(2,967,429)
<b>FINANCING ACTIVITIES</b>			
Transaction costs on issue of share capital		-	398,850
Net cash from financing activities		-	398,850
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>72,010,179</b>	<b>(67,413,705)</b>
Cash and cash equivalents at the beginning of the period		11,157,980	170,918,064
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>83,168,159</b>	<b>103,504,359</b>



Managing Director/  
Chief Executive Officer



Chief Financial Officer

MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

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

For the three and nine month period ended 30 September 2015

**1 ORGANISATION AND PRINCIPAL ACTIVITIES**

MetLife, American International Group and Arab National Bank Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration numbered 1010391438 dated 22 Dhul-Hijjah 1434H (corresponding to 27 October 2013).

The address of registered office of the Company is as follows:

MetLife, American International Group and Arab National Bank Cooperative Insurance Company  
P.O. Box 56437  
Riyadh 11554  
Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative insurance operations and related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations applicable in the Kingdom of Saudi Arabia. Its principal lines of business include individual and group life, accident and health and all classes of general insurance. The Company’s shares were listed on the Saudi Arabian Stock Exchange (“Tadawul”) on 23 Muharram 1435H (corresponding to 26 November 2013).

The company has commenced its insurance operations during April 2014. Accordingly, the interim statements of “insurance operations” and “insurance operations cash flows” include the comparative figures for the period from April 1<sup>st</sup>, 2014 till the end of September 30<sup>th</sup>, 2014.

**1.1 METLIFE ALICO PORTFOLIO TRANSFER**

The company has entered into an agreement with MetLife ALICO (30% shareholder) by which MetLife ALICO has transferred its existing Saudi run-off portfolio to the Company effective April 1st, 2015. This portfolio includes long-term life Protection and Savings insurance products and Personal Accident policies. The Company reinsures back to MetLife 100% of this portfolio under a quota-share reinsurance agreement. Accordingly, the Company has become the owner of the transferred policies and MetLife has become the reinsurer of this block of business. The transfer of the portfolio was made at book value with no cash payment. Accordingly, the liabilities related to this portfolio were recorded in the Company’s books at book value with an offsetting assets representing the reinsurance share of these liabilities. MetLife pays a reinsurance commission amounting to SAR 870,868 as at 30 September 2015 to the company to compensate the cost of capital for this portfolio in addition to reimbursing the company for all expenses related to the administration of this portfolio by paying an administration fee amounting to SAR 464,912 as at 30 September 2015 which is booked under “Other underwriting income”.

The portfolio transfer has been approved by the Board of Directors on Feb 16<sup>th</sup>, 2015 and by the shareholders of the company in their General Assembly meeting on May 12<sup>th</sup>, 2015. SAMA has also provided their approval on 28/5/1436 H corresponding to Mar 19<sup>th</sup>, 2015.

Assets and liabilities of the transferred portfolio as at 30 September 2015 are shown as below:

	<u><b>Assets</b></u>
Cash and Cash equivalents	9,991,131
Reinsurance share of technical reserves	275,531,718
Receivable & other assets	260,657
<b>Total</b>	<b><u>285,783,506</u></b>
	<u><b>Liabilities</b></u>
Gross Technical Reserves	275,531,718
Reinsurance balances payable	9,554,743
Payable and other liabilities	697,045
<b>Total</b>	<b><u>285,783,506</u></b>

MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

For the three and nine month period ended 30 September 2015

**1.2 MANAFETH AGREEMENT WITH TAWUNIYA**

The company participated in the Manafeth agreement between Tawuniya and the majority of the insurance companies in Saudi Arabia effective January 1st, 2015 for co-insuring cars entering into Saudi Arabia from all Saudi borders (except the border with AL-Bahrain). Based on this agreement, all insurance companies participating in this coverage will have an equal share of the net result of this portfolio after allowing for all expenses related to managing this portfolio by Tawuniya. This deal is for three years starting from Jan 1st, 2015 and is expected to renew at same terms. The income related to this portfolio is included in the financial statements under "Other underwriting income" and is allocated to Motor Insurance in the segment reporting.

**2 BASIS OF PREPARATION**

*Basis of preparation*

The interim condensed financial statements have been prepared under the historical cost basis.

As required by Saudi Arabian insurance regulations, the Company maintains separate accounts for Insurance Operations and Shareholders' Operations. The physical custody of all assets related to the Insurance Operations and Shareholders' Operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of other revenue and expenses from joint operations is as determined by the management and Board of Directors. As per the by-laws of the Company, the deficit arising from the Insurance Operations is allocated fully to Shareholders Operations whereas any surplus arising from the Insurance Operations is distributed as follows:

Shareholders	90%
Policyholders	10%
	<hr/>
	100%

*Statement of compliance*

The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Accordingly, these interim condensed financial statements are not intended to be a presentation in conformity with the accounting standards generally accepted in the Kingdom of Saudi Arabia, as issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

The interim condensed financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the period from 29 August 2013 to 31 December 2014.

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

*Functional and presentational currency*

The functional and presentation currency of the Company is Saudi Riyals.

**3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY**

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the Company's annual financial statements for the period from 29 August 2013 to 31 December 2014, except for the adoption of new standards and amendments to existing standards effective for the annual period beginning 1 January 2015.

The nature and the impact of each new standard / amendment are summarized as follows:

Amendments to IAS 19 applicable for annual periods beginning on or after 1 July 2014 are applicable to defined benefit plans involving contribution from employees and / or third parties. This provides relief, based on meeting certain criteria's, from the requirements proposed in the amendments of 2011 for attributing employee / third party

MetLife, American International Group and Arab National Bank  
Cooperative Insurance Company  
(A Saudi Joint Stock Company)

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

For the three and nine month period ended 30 September 2015

contributions to periods of service under the plan benefit formula or on a straight line basis. The current amendment gives an option, if conditions satisfy, to reduce service cost in period in which the related service is rendered.

Annual improvements to IFRS 2010-2012 and 2011-2013 cycle applicable for annual periods beginning on or after 1 July 2014. A summary of the amendments is contained as under:

- IFRS 3 – “business combinations” amended to clarify the classification and measurement of contingent consideration in a business combination. It has been further amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in IFRS 11.
- IFRS 8 – “operating segments” has been amended to explicitly require disclosure of judgments made by management in applying aggregation criteria.
- IFRS 13 has been amended to clarify measurement of interest free short term receivables and payables at their invoiced amount without discounting, if the effect of discounting is immaterial. It has been further amended to clarify that the portfolio exception potentially applies to contracts in the scope of IAS 39 and IFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under IAS 32.
- IAS 16 – “Property plant and equipment” and IAS 38 – “intangible assets”: – the amendments clarify the requirements of revaluation model recognizing that the restatement of accumulated depreciation (amortisation) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 – “related party disclosures”– the definition of a related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or indirectly.

***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 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 decided that IFRS 9 would be mandatorily effective for years ending on or after 31 December 2018.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
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**4 CASH AND CASH EQUIVALENTS**

	<i>30 September 2015 (Unaudited)</i>		<i>31 December 2014 (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 at banks and in hand	<b>46,160,259</b>	<b>8,168,159</b>	2,238,414	5,157,980
Short-term deposit with original maturity of three months or less	-	<b>75,000,000</b>	-	6,000,000
	<b>46,160,259</b>	<b>83,168,159</b>	2,238,414	11,157,980

Cash at banks are placed with local commercial banks with investment grade credit ratings.

**5 TIME DEPOSITS**

Time deposits represent deposits with local commercial banks with investment grade credit ratings and have an original maturity of more than three months from date of acquisition. The average variable special commission rate on the time deposits up to the period ended 30 September 2015 is 0.85% per annum (31 December 2014: 0.85%).

**6 PREMIUMS RECEIVABLE, NET**

	<i>30 September 2015 (Unaudited)</i>	<i>31 December 2014 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Premiums receivable	<b>50,156,110</b>	3,512,379
Provision for Doubtful debts	<b>(1,536,961)</b>	(90,827)
<b>Premiums receivable, net</b>	<b>48,619,149</b>	3,421,552

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**7 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders and key management personnel of the Company. Pricing policies and term of settlements with related parties are as per the commercial terms. The significant related party transactions and the related balances at the end of the period are set out below:

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	<i>Balance</i>
	<i>For the period ended 30 September 2015</i>	<i>For the period ended 30 September 2014</i>	<i>30 September 2015</i>	<i>31 December 2014</i>
	SR	SR	SR	SR
<b>Premium receivable from a related party</b>				
<b>Arab National Bank (“ANB”) (Shareholder)</b>				
Premiums receivable (advances) on policies sold through agency agreement with ANB agency	<b>56,404,694</b>	151,587	<b>24,715,920</b>	(817)
Commission payable on policies sold through agency agreement with ANB agency	<b>1,223,985</b>	26,465	<b>373,891</b>	2,205
<b>Reinsurance balances payable</b>				
<b>American International Group (“AIG”) (Shareholder)</b>				
Reinsurance premiums payable + XOL	<b>10,202,954</b>	1,285,968	<b>9,780,221</b>	2,775,444
Reinsurance commission	<b>(2,499,040)</b>	(336,925)		
Reinsurance share of paid claims	<b>(21,555)</b>			
<b>Delaware American Life Insurance Company (Owned 100% by MetLife)</b>				
Reinsurance premiums payable	<b>1,814,452</b>	-	<b>1,040,598</b>	-
Reinsurance commission	<b>(285,170)</b>			
Reinsurance share of paid claims	<b>(488,685)</b>			
<b>American Life Insurance Company “ALICO” (Owned 100% by MetLife)</b>				
Reinsurance premiums net of reinsurance commission (portfolio transfer)	<b>7,471,541</b>	-		
Reinsurance share of claims paid (portfolio transfer)	<b>10,164,954</b>	-	<b>9,554,743</b>	-

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**7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	<i>Balance</i>
	<i>For the period ended 30 September 2015 SR</i>	<i>For the period ended 30 September 2014 SR</i>	<i>30 September 2015 SR</i>	<i>31 December 2014 SR</i>
<b>Due to related parties</b>				
<b>MetLife (Shareholder)</b>				
Pre-incorporation expenses paid on behalf of the Company and recharged to the Company	521,599	1,747,887	(59,719)	1,403,719
General and administrative expenses paid on behalf of the Company and recharged to the Company				
<b>Arab National Bank (“ANB”) (Shareholder)</b>				
General and administrative expenses paid on behalf of the Company and recharged to the Company	-	558	-	-
<b>American International Group (“AIG”) (Shareholder)</b>				
Pre-incorporation expenses paid on behalf of the Company and recharged to the Company	-	-		
General and administrative expenses paid on behalf of the Company and recharged to the Company	553,116	2,498,212	959,663	959,663
<b>Total amounts due to related parties</b>			<b>899,945</b>	<b>1,822,887</b>



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

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**7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	<i>Balance</i>
	<i>For the period ended</i> <i>30 September 2015</i> SR	<i>For the period ended</i> <i>30 September 2014</i> SR	<i>30 September</i> <i>2015</i> SR	<i>31 December 2014</i> SR
<b>Commitments and Contingencies</b>				
<b>Arab National Bank (“ANB”) (Shareholder)</b>				
Letter of Guarantees	<u>2,995,097</u>	<u>-</u>	<u>3,545,097</u>	<u>550,000</u>
<b>Investment activities</b>				
<b>Arab National Bank (“ANB”) (Shareholder)</b>				
Time Deposits			<b>15,000,000</b>	<b>56,000,000</b>
Special commission income on deposits	<u>185,112</u>	<u>508,131</u>	<u>11,464</u>	<u>95,871</u>
<b>Key management personnel</b>				
Salaries and other benefits	<u>5,626,081</u>	<u>3,468,930</u>	<u>-</u>	<u>-</u>
Board of Directors and Executive Committees’ fees	<u>399,000</u>	<u>623,000</u>	<u>597,750</u>	<u>999,000</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

For the three and nine month period ended 30 September 2015

**8 STATUTORY DEPOSIT**

	<i>30 September 2015 (Unaudited) SR</i>	<i>31 December 2014 ( Audited) SR</i>
Statutory Deposit (10% of paid-up share capital)	<b>17,500,000</b>	17,500,000
Income credited to the Statutory Deposit	<b>174,521</b>	-
	<b><u>17,674,521</u></b>	<u>17,500,000</u>

Statutory deposit represents 10% of the paid up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Agency ("SAMA"). SAMA is entitled for its income and the deposits cannot be withdrawn without the consent of SAMA.

**9 BASIC AND DILUTED LOSS PER SHARE**

Basic and diluted loss per share for the period has been calculated by dividing the net loss before Zakat for the period by the ordinary, issued and outstanding shares at the period end of 17.5 million shares.

**10 SEGMENT 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.

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

Segment liabilities do not include part of end-of-service indemnities, accrued expenses and other liabilities and due to related parties. Accordingly they are included in unallocated 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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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three and nine month period ended 30 September 2015

10 SEGMENT INFORMATION (continued)

a) Interim statement of insurance operations

*For the three month period ended 30 September 2015*

	<i>Accident and Liability SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Engineering SR</i>	<i>Other General SR</i>	<i>Health SR</i>	<i>Protection &amp; Savings SR</i>	<i>Total SR</i>
Gross written premiums	2,189,413	-	358,365	511,587	195,596	582,202	52,430,069	3,310,441	59,577,673
Reinsurance premiums ceded	(1,741,874)	-	(356,580)	(434,849)	(191,466)	(18,495)	(257,486)	(3,182,699)	(6,183,449)
Excess of loss premiums	(64,383)	-	(2,068)	(1,882)	-	(98,896)	-	-	(167,229)
<b>Net written premiums</b>	<b>383,156</b>	<b>-</b>	<b>(283)</b>	<b>74,856</b>	<b>4,130</b>	<b>464,811</b>	<b>52,172,583</b>	<b>127,742</b>	<b>53,226,995</b>
Net changes in unearned premiums	(68,629)	-	5,602	(23,772)	(2,660)	(347,217)	(47,501,654)	1,132,426	(46,805,904)
<b>Net earned premiums</b>	<b>314,527</b>	<b>-</b>	<b>5,319</b>	<b>51,084</b>	<b>1,470</b>	<b>117,594</b>	<b>4,670,929</b>	<b>1,260,168</b>	<b>6,421,091</b>
Reinsurance commission income	202,886	-	250,638	64,155	129,738	27,615	76,642	479,550	1,231,224
Other underwriting income	-	274,741	-	-	-	-	-	329,165	603,906
<b>Underwriting revenue</b>	<b>517,413</b>	<b>274,741</b>	<b>255,957</b>	<b>115,239</b>	<b>131,208</b>	<b>145,209</b>	<b>4,747,571</b>	<b>2,068,883</b>	<b>8,256,221</b>
Gross claims paid	(738)	-	-	-	-	-	(1,174,094)	(10,105,676)	(11,280,508)
Reinsurers' share of claims paid	369	-	-	-	-	-	239,793	8,728,716	8,968,878
<b>Net claims paid</b>	<b>(369)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(934,301)</b>	<b>(1,376,960)</b>	<b>(2,311,630)</b>
Changes in outstanding claims	(301,708)	-	(5,177)	(42,274)	(917)	(138,709)	(2,865,623)	1,481,070	(1,873,338)
<b>Net claims incurred</b>	<b>(302,077)</b>	<b>-</b>	<b>(5,177)</b>	<b>(42,274)</b>	<b>(917)</b>	<b>(138,709)</b>	<b>(3,799,924)</b>	<b>104,110</b>	<b>(4,184,968)</b>
Commissions incurred	(172,559)	-	(119,187)	(52,966)	(92,428)	(33,857)	(226,551)	(211,145)	(908,693)
Other direct underwriting expense	(6,787)	-	(1,355)	-	111,060	3,952	(81,066)	(28,292)	(2,488)
Doubtful debt expense	(407,154)	-	(304,852)	(3,142)	(52,074)	(27,283)	(652,086)	(39,611)	(1,486,202)
<b>Underwriting expenses</b>	<b>(888,577)</b>	<b>-</b>	<b>(430,571)</b>	<b>(98,382)</b>	<b>(34,359)</b>	<b>(195,897)</b>	<b>(4,759,627)</b>	<b>(174,938)</b>	<b>(6,582,351)</b>
<b>Underwriting result</b>	<b>(371,164)</b>	<b>274,741</b>	<b>(174,614)</b>	<b>16,857</b>	<b>96,849</b>	<b>(50,688)</b>	<b>(12,056)</b>	<b>1,893,945</b>	<b>1,673,870</b>
<b>Unallocated expenses</b>									<b>(9,140,843)</b>
<b>Net deficit for the period from insurance operations</b>									<b>(7,466,973)</b>

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

For the three and nine month period ended 30 September 2015

10 SEGMENT INFORMATION (continued)

a) Interim statement of insurance operations (continued)

	<i>For the period ended 30 September 2015</i>								
	<i>Accident and Liability SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Engineering SR</i>	<i>Other General SR</i>	<i>Health SR</i>	<i>Protection &amp; Savings SR</i>	<i>Total SR</i>
Gross written premiums	5,130,071	-	3,288,387	1,197,259	23,873,924	920,116	62,932,412	13,766,634	111,108,803
Reinsurance premiums ceded	(3,689,512)	-	(3,260,972)	(1,017,671)	(23,854,756)	(99,671)	(1,824,104)	(8,772,427)	(42,519,113)
Excess of loss premiums	(101,353)	-	(3,105)	(4,376)	-	(181,478)	-	-	(290,312)
<b>Net written premiums</b>	<b>1,339,206</b>	<b>-</b>	<b>24,310</b>	<b>175,212</b>	<b>19,168</b>	<b>638,967</b>	<b>61,108,308</b>	<b>4,994,207</b>	<b>68,299,378</b>
Net changes in unearned premiums	(600,911)	-	(10,911)	(76,738)	(16,031)	(271,129)	(53,913,357)	(2,129,198)	(57,018,275)
<b>Net earned premiums</b>	<b>738,295</b>	<b>-</b>	<b>13,399</b>	<b>98,474</b>	<b>3,137</b>	<b>367,838</b>	<b>7,194,951</b>	<b>2,865,009</b>	<b>11,281,103</b>
Reinsurance commission income	530,524	-	560,067	124,578	252,424	40,601	195,318	959,339	2,662,851
Other underwriting income	-	593,667	-	-	-	-	-	464,912	1,058,579
<b>Underwriting revenue</b>	<b>1,268,819</b>	<b>593,667</b>	<b>573,466</b>	<b>223,052</b>	<b>255,561</b>	<b>408,439</b>	<b>7,390,269</b>	<b>4,289,260</b>	<b>15,002,533</b>
Gross claims paid	(300,738)	-	(21,292)	-	-	-	(2,068,520)	(17,430,248)	(19,820,798)
Reinsurers' share of claims paid	300,369	-	21,186	-	-	-	488,684	16,053,288	16,863,527
<b>Net claims paid</b>	<b>(369)</b>	<b>-</b>	<b>(106)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,579,836)</b>	<b>(1,376,960)</b>	<b>(2,957,271)</b>
Changes in outstanding claims	(626,478)	-	(11,889)	(79,687)	(2,278)	(391,674)	(4,405,736)	(951,244)	(6,468,986)
<b>Net claims incurred</b>	<b>(626,847)</b>	<b>-</b>	<b>(11,995)</b>	<b>(79,687)</b>	<b>(2,278)</b>	<b>(391,674)</b>	<b>(5,985,572)</b>	<b>(2,328,204)</b>	<b>(9,426,257)</b>
Commissions incurred	(426,265)	-	(278,975)	(102,851)	(175,397)	(86,864)	(403,038)	(475,006)	(1,948,396)
Other direct underwriting expense	(22,260)	-	(21,256)	(3,428)	(7,331)	2,263	(338,236)	(56,255)	(446,503)
Doubtful debt expense	(421,499)	-	(304,852)	(3,142)	(52,074)	51,873	(670,904)	(45,536)	(1,446,134)
<b>Underwriting expenses</b>	<b>(1,496,871)</b>	<b>-</b>	<b>(617,078)</b>	<b>(189,108)</b>	<b>(237,080)</b>	<b>(424,402)</b>	<b>(7,397,750)</b>	<b>(2,905,001)</b>	<b>(13,267,290)</b>
<b>Underwriting result</b>	<b>(228,052)</b>	<b>593,667</b>	<b>(43,612)</b>	<b>33,944</b>	<b>18,481</b>	<b>(15,963)</b>	<b>(7,481)</b>	<b>1,384,259</b>	<b>1,735,243</b>
Unallocated expenses									<u>(25,036,392)</u>
Net deficit for the period from insurance operations									<u>(23,301,149)</u>

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10 SEGMENT INFORMATION (continued)

a) Interim statement of insurance operations (continued)

*For the three month period ended 30 September 2014*

	<i>Accident and Liability SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Engineering SR</i>	<i>Other General SR</i>	<i>Health SR</i>	<i>Protection &amp; Savings SR</i>	<i>Total SR</i>
Gross written premiums	256,478	-	170,916	-	35,000	496,988	-	-	959,382
Reinsurance premiums ceded	(200,710)	-	(170,061)	-	(34,738)	(30,713)	-	-	(436,222)
Excess of loss premiums	-	-	-	-	-	-	-	-	-
<b>Net written premiums</b>	<b>55,768</b>	<b>-</b>	<b>855</b>	<b>-</b>	<b>262</b>	<b>466,275</b>	<b>-</b>	<b>-</b>	<b>523,160</b>
Net changes in unearned premiums	(41,785)	-	(381)	-	(247)	(358,701)	-	-	(401,114)
<b>Net earned premiums</b>	<b>13,983</b>	<b>-</b>	<b>474</b>	<b>-</b>	<b>15</b>	<b>107,574</b>	<b>-</b>	<b>-</b>	<b>122,046</b>
Reinsurance commission income	25,278	-	4,995	-	602	(7,031)	-	-	23,844
Other underwriting income	-	-	-	-	-	-	-	-	-
<b>Underwriting revenue</b>	<b>39,261</b>	<b>-</b>	<b>5,469</b>	<b>-</b>	<b>617</b>	<b>100,543</b>	<b>-</b>	<b>-</b>	<b>145,890</b>
Gross claims paid	-	-	-	-	-	-	-	-	-
Reinsurers' share of claims paid	-	-	-	-	-	-	-	-	-
<b>Net claims paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in outstanding claims	(11,116)	-	(541)	-	(11)	(85,752)	-	-	(97,420)
<b>Net claims incurred</b>	<b>(11,116)</b>	<b>-</b>	<b>(541)</b>	<b>-</b>	<b>(11)</b>	<b>(85,752)</b>	<b>-</b>	<b>-</b>	<b>(97,420)</b>
Commissions incurred	(13,747)	-	(2,896)	-	(314)	(13,867)	-	-	(30,824)
Other direct underwriting expense	(1,283)	-	(854)	-	(175)	(2,485)	-	-	(4,797)
Doubtful debt expense	-	-	-	-	-	(77,059)	-	-	(77,059)
<b>Underwriting expenses</b>	<b>(26,146)</b>	<b>-</b>	<b>(4,291)</b>	<b>-</b>	<b>(500)</b>	<b>(179,163)</b>	<b>-</b>	<b>-</b>	<b>(210,100)</b>
<b>Underwriting result</b>	<b>13,115</b>	<b>-</b>	<b>1,178</b>	<b>-</b>	<b>117</b>	<b>(78,620)</b>	<b>-</b>	<b>-</b>	<b>(64,210)</b>
<b>Unallocated expenses</b>									<b>(7,217,623)</b>
<b>Net deficit for the period from insurance operations</b>									<b>(7,281,833)</b>

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

For the three and nine month period ended 30 September 2015

10 SEGMENT INFORMATION (continued)

b) Interim statement of insurance operations (continued)

<i>For the period ended 30 September 2014</i>									
	<i>Accident and Liability SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Engineering SR</i>	<i>Other General SR</i>	<i>Health SR</i>	<i>Protection &amp; Savings SR</i>	<i>Total SR</i>
Gross written premiums	553,133	-	172,416	-	35,000	1,227,676	-	-	1,988,225
Reinsurance premiums ceded	(477,190)	-	(170,061)	-	(34,738)	(615,263)	-	-	(1,297,252)
Excess of loss premiums	-	-	-	-	-	-	-	-	-
<b>Net written premiums</b>	<b>75,943</b>	<b>-</b>	<b>2,355</b>	<b>-</b>	<b>262</b>	<b>612,413</b>	<b>-</b>	<b>-</b>	<b>690,973</b>
Net changes in unearned premiums	(61,121)	-	(1,633)	-	(247)	(498,078)	-	-	(561,079)
<b>Net earned premiums</b>	<b>14,822</b>	<b>-</b>	<b>722</b>	<b>-</b>	<b>15</b>	<b>114,335</b>	<b>-</b>	<b>-</b>	<b>129,894</b>
Reinsurance commission income	27,914	-	4,995	-	602	-	-	-	33,511
Other underwriting income	-	-	-	-	-	-	-	-	-
<b>Underwriting revenue</b>	<b>42,736</b>	<b>-</b>	<b>5,717</b>	<b>-</b>	<b>617</b>	<b>114,335</b>	<b>-</b>	<b>-</b>	<b>163,405</b>
Gross claims paid	-	-	-	-	-	-	-	-	-
Reinsurers' share of claims paid	-	-	-	-	-	-	-	-	-
<b>Net claims paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in outstanding claims	(11,116)	-	(541)	-	(11)	(85,752)	-	-	(97,420)
<b>Net claims incurred</b>	<b>(11,116)</b>	<b>-</b>	<b>(541)</b>	<b>-</b>	<b>(11)</b>	<b>(85,752)</b>	<b>-</b>	<b>-</b>	<b>(97,420)</b>
Commissions incurred	(15,102)	-	(2,896)	-	(314)	(17,150)	-	-	(35,462)
Other direct underwriting expense	(2,766)	-	(862)	-	(175)	(6,138)	-	-	(9,941)
Doubtful debt expense	-	-	-	-	-	(77,059)	-	-	(77,059)
<b>Underwriting expenses</b>	<b>(28,984)</b>	<b>-</b>	<b>(4,299)</b>	<b>-</b>	<b>(500)</b>	<b>(186,099)</b>	<b>-</b>	<b>-</b>	<b>(219,882)</b>
<b>Underwriting result</b>	<b>13,752</b>	<b>-</b>	<b>1,418</b>	<b>-</b>	<b>117</b>	<b>(71,764)</b>	<b>-</b>	<b>-</b>	<b>(56,477)</b>
<b>Unallocated expenses</b>									<b>(12,550,339)</b>
<b>Net deficit for the period from insurance operations</b>									<b>(12,606,816)</b>

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

For the three and nine month period ended 30 September 2015

10 SEGMENT INFORMATION (continued)

c) Insurance operations' assets and liabilities

	September 30, 2015									
	<i>Accident and Liability SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Engineering SR</i>	<i>Other General SR</i>	<i>Health SR</i>	<i>Protection &amp; Savings SR</i>	<i>Unallocated SR</i>	<i>Total SR</i>
<b>Insurance operations' assets</b>										
Cash and cash equivalents	-	-	-	-	-	-	-	-	46,160,259	46,160,259
Premiums receivable, net	3,077,702	-	1,413,642	172,771	14,874,057	787,695	27,930,044	363,238	-	48,619,149
Reinsurers' share of unearned premiums	3,595,003	-	1,584,533	434,849	22,389,252	686,984	598,777	386,497	-	29,675,895
Reinsurers' share of mathematical reserves	-	-	-	-	-	-	-	257,856,497	-	257,856,497
Reinsurers' share of outstanding claims	2,120,490	-	1,653,581	437,116	1,245,637	109,309	416,768	16,600,157	-	22,583,058
Deferred policy acquisition costs	466,793	-	168,301	76,738	1,855,118	110,331	911,081	363,012	-	3,951,374
Prepaid expenses and other assets	66,765	318,926	7,986	7,162	112,038	123,591	3,046,547	39,612	7,170,113	10,892,740
Due from shareholders operations	-	-	-	-	-	-	-	-	6,529,297	6,529,297
Property and equipment, net	-	-	-	-	-	-	-	-	6,323,536	6,323,536
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>	<b>9,326,753</b>	<b>318,926</b>	<b>4,828,043</b>	<b>1,128,636</b>	<b>40,476,102</b>	<b>1,817,910</b>	<b>32,903,217</b>	<b>275,609,013</b>	<b>66,183,205</b>	<b>432,591,805</b>
<b>Insurance operations' liabilities</b>										
Gross unearned premiums	4,355,603	-	1,597,272	511,587	22,407,644	1,372,652	55,391,760	2,515,695	-	88,152,213
Gross outstanding claims	2,790,548	-	1,666,689	516,803	1,247,923	682,052	4,884,360	17,551,400	-	29,339,775
Gross mathematical reserves	-	-	-	-	-	-	-	257,856,497	-	257,856,497
Payables, accruals and others	493,155	-	339,278	179,589	1,197,418	120,584	1,330,692	22,254	7,200,187	10,883,157
Reinsurance balances payable	3,556,067	-	2,560,635	809,123	21,287,541	979,612	1,053,358	10,205,544	-	40,451,880
Unearned reinsurance commission income	663,844	-	407,644	92,949	2,628,330	178,616	101,959	89,124	-	4,162,466
Due to related parties	-	-	-	-	-	-	-	-	899,944	899,944
Employees' terminal benefits	-	-	-	-	-	-	-	-	845,873	845,873
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>	<b>11,859,217</b>	<b>-</b>	<b>6,571,518</b>	<b>2,110,051</b>	<b>48,768,856</b>	<b>3,333,516</b>	<b>62,762,129</b>	<b>288,240,514</b>	<b>8,946,004</b>	<b>432,591,805</b>

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

For the three and nine month period ended 30 September 2015

10 SEGMENT INFORMATION (continued)

b) Insurance operations' assets and liabilities (continued)

	<i>December 31, 2014</i>									
	<i>Accident and Liability SR</i>	<i>Motor SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Engineering SR</i>	<i>Other General SR</i>	<i>Health SR</i>	<i>Protection &amp; Savings SR</i>	<i>Unallocated SR</i>	<i>Total SR</i>
<b>Insurance operations' assets</b>										
Cash and cash equivalents	-	-	-	-	-	-	-	-	2,238,414	2,238,414
Premiums receivable, net	1,343,890	-	174,915	-	281,350	864,628	756,769	-	-	3,421,552
Reinsurers' share of unearned premiums	1,650,841	-	529,758	-	312,466	743,469	14,565	-	-	3,251,099
Reinsurers' share of outstanding claims	357,943	-	139,745	-	1,133	-	978	-	-	499,799
Deferred policy acquisition costs	266,190	-	79,663	-	47,224	76,611	-	-	-	469,688
Prepaid expenses and other assets	29,016	-	124	-	-	94,341	-	-	2,844,286	2,967,767
Property and equipment, net	-	-	-	-	-	-	-	-	8,054,849	8,054,849
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>	<b>3,647,880</b>	<b>-</b>	<b>924,205</b>	<b>-</b>	<b>642,173</b>	<b>1,779,049</b>	<b>772,312</b>	<b>-</b>	<b>13,137,549</b>	<b>20,903,168</b>
<b>Insurance operations' liabilities</b>										
Gross unearned premiums	1,810,530	-	531,586	-	314,828	1,158,007	894,191	-	-	4,709,142
Gross outstanding claims	401,523	-	140,963	-	1,142	181,067	62,835	-	-	787,530
Payables, accruals and others	206,801	-	25,900	-	42,203	68,790	-	-	4,019,190	4,362,884
Reinsurance balances payable	1,588,918	-	405,950	-	222,924	701,989	7,932	-	-	2,927,713
Unearned reinsurance commission income	454,429	-	135,841	-	90,615	193,302	7,285	-	-	881,472
Due to related parties	-	-	-	-	-	-	-	-	1,822,887	1,822,887
Due from shareholders operations	-	-	-	-	-	-	-	-	5,028,658	5,028,658
Employees' terminal benefits	-	-	-	-	-	-	-	-	382,882	382,882
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>	<b>4,462,201</b>	<b>-</b>	<b>1,240,240</b>	<b>-</b>	<b>671,712</b>	<b>2,303,155</b>	<b>972,243</b>	<b>-</b>	<b>11,253,617</b>	<b>20,903,168</b>



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

For the three and nine month period ended 30 September 2015

**11 PROPOSED CAPITAL INCREASE**

On April 27<sup>th</sup>, 2015, the Company's Board of directors has recommended increasing the Company's capital from SAR 175 million to SAR 350 million through a rights issue. In this connection, the Company submitted its business plan along with related documents to SAMA on June 7<sup>th</sup>, 2015 for approval and SAMA has approved the capital increase in their letter no. 361000144425 dated 16/11/1436 H (corresponding to August 31<sup>st</sup>, 2015 G). The Company has appointed Saudi Hollandi Capital as a Financial Advisor for this transaction and the Company is currently preparing the required documents for obtaining CMA's approval. As of the financial reporting date, the Company has not yet submitted its Capital Increase documents to the CMA.

**12 COMMITMENTS AND CONTINGENCIES**

At September 30<sup>th</sup>, 2015, Letters of Guarantee amounting to SAR 3,545,097 were outstanding in favour of medical providers and general insurance tenders (SAR 550,000 as at Dec 31<sup>st</sup>, 2014). These letters of guarantee were issued against cash margin amounting to SAR 3,545,097 and SAR 550,000 as at 30<sup>th</sup> September 2015 and 31<sup>st</sup> December 2014 respectively which is classified under prepaid expenses and other assets in the financial position. There were no other commitments, contingencies, or outstanding legal proceedings or disputes of material nature.

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

The interim condensed financial statements have been approved by the management on 05/01/1437 H corresponding to (18/10/2015 G).