
SAUDI RE FOR COOPERATIVE REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2016**

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

For The Three month And Six Month Periods Ended 30 June 2016

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Certified Public Accountants



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Allied Accountants

INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF SAUDI RE FOR COOPERATIVE REINSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 June 2016 and the interim statement of income - reinsurance operations and accumulated surplus, interim statement of income - shareholders' operations and interim statement of comprehensive income - shareholders' operations for the three month and six month periods then ended and the interim statements of changes in shareholders' equity, reinsurance operations cash flows and shareholders' operations cash flows for the six months period then ended and the related notes 1 through 15 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard – 34 "Interim Financial Reporting" (IAS 34) and submitted to us together with all the information and explanations which we required.

We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

CONCLUSION:

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

EMPHASIS OF MATTER:

We draw attention to the fact that 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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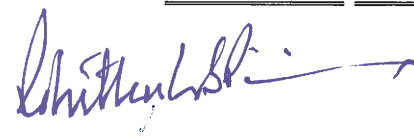
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(31 July 2016)

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
<i>Notes</i>		
<u>REINSURANCE OPERATIONS' ASSETS</u>		
Cash and bank balances	50,416,319	61,025,692
Time deposits	5 87,756,665	35,218,332
Accrued special commission income from time deposits	16,688	72,199
Premium receivables	4 202,026,994	195,141,907
Investments held at fair value through income statement	7 55,054,513	73,707,373
Accrued insurance premiums	353,374,028	440,823,628
Retroceded share of unearned premiums	8 6,256,032	7,363,459
Deferred excess of loss premiums	1,030,300	17,389,664
Retroceded share of outstanding claims	128,611,105	60,496,840
Deferred acquisition costs	119,625,927	94,148,447
Prepaid expenses and other assets	49,811,423	91,221,256
Due from shareholders' operations	169,714,676	130,783,161
Property and equipment	4,326,793	5,455,845
TOTAL REINSURANCE OPERATIONS' ASSETS	1,228,021,463	1,212,847,803
<u>SHAREHOLDERS' ASSETS</u>		
Cash and bank balances	47,116,305	31,917,275
Time deposits	5 144,194,506	118,849,000
Accrued special commission income from time deposits	2,002,823	540,411
Accrued special commission income from bonds and Sukuk	3,330,771	2,220,485
Investments held at fair value through income statement	7 642,033,572	687,580,266
Prepaid expenses and other assets	222,349	405,990
Statutory deposit	6 100,000,000	100,000,000
Return on investment of statutory deposit	6 8,941,483	7,592,394
Property and equipment	32,560,972	32,998,857
TOTAL SHAREHOLDERS' ASSETS	980,402,781	982,104,678
TOTAL ASSETS	2,208,424,244	2,194,952,481
<u>REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS</u>		
Accounts payable	11,263,579	10,101,722
Retrocession balances payable	5,157,901	14,927,181
Accrued retroceded premiums	1,555,665	354,467
Gross unearned premiums	8 483,832,059	502,998,272
Gross outstanding claims	714,910,632	674,119,737
Unearned commission income	1,459,218	1,806,605
Accrued expenses and other liabilities	5,253,663	4,185,212
Employees' end of service benefits	3,398,852	3,164,713
TOTAL REINSURANCE OPERATIONS' LIABILITIES	1,226,831,569	1,211,657,909
<u>REINSURANCE OPERATIONS' SURPLUS</u>		
Accumulated surplus	1,189,894	1,189,894
TOTAL REINSURANCE OPERATIONS' LIABILITIES AND SURPLUS	1,228,021,463	1,212,847,803
<u>SHAREHOLDERS' LIABILITIES AND EQUITY</u>		
<u>SHAREHOLDERS' LIABILITIES</u>		
Provision for Zakat and income tax	31,084,650	39,418,724
Due to reinsurance operations	169,714,676	130,783,161
Accrued expenses and other liabilities	1,810,607	2,173,675
Deferred return on investment of statutory deposit	6 8,941,483	7,592,394
TOTAL SHAREHOLDERS' LIABILITIES	211,551,416	179,967,954
<u>SHAREHOLDERS' EQUITY</u>		
Share capital	1,000,000,000	1,000,000,000
Statutory reserve	6,070,924	6,070,924
Accumulated deficit	(237,219,559)	(203,934,200)
TOTAL SHAREHOLDERS' EQUITY	768,851,365	802,136,724
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY	980,402,781	982,104,678
TOTAL REINSURANCE OPERATIONS' LIABILITIES, SURPLUS, SHAREHOLDERS' LIABILITIES AND EQUITY	2,208,424,244	2,194,952,481

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME - REINSURANCE OPERATIONS AND ACCUMULATED SURPLUS

For the three month and six month periods ended 30 June 2016

	<i>Notes</i>	(Unaudited)			
		For the three month		For the six month	
		period ended		period ended	
		30 June 2016 SR	30 June 2015 SR	30 June 2016 SR	30 June 2015 SR
Gross written premiums		448,888,587	102,828,482	895,557,135	346,582,594
Retroceded premiums		(2,007,125)	(3,088,980)	(3,678,736)	(6,070,474)
Excess of loss expenses		(11,652,223)	(8,411,993)	(28,449,069)	(24,207,569)
Net written premiums		435,229,239	91,327,509	863,429,330	316,304,551
Change in unearned premiums	8	195,420,488	22,859,566	18,058,786	(135,447,228)
Net earned premiums		630,649,727	114,187,075	881,488,116	180,857,323
Net claims paid	9	(708,460,692)	(68,995,495)	(810,204,681)	(150,125,316)
Change in outstanding claims		139,345,063	8,899,375	27,323,370	22,046,744
Net claims incurred		(569,115,629)	(60,096,120)	(782,881,311)	(128,078,572)
Gross acquisition costs		(69,236,901)	(27,020,205)	(107,664,118)	(40,415,705)
Supervision and inspection fees		(2,244,443)	(514,142)	(4,477,786)	(1,732,913)
Commissions on retroceded business		688,391	1,063,258	1,389,903	1,588,532
Net acquisition costs		(70,792,953)	(26,471,089)	(110,752,001)	(40,560,086)
(Deficit)/ surplus from reinsurance operation		(9,258,855)	27,619,866	(12,145,196)	12,218,665
Special commission income from time deposits		462,766	33,177	930,000	65,990
Realized gains on investments held at fair value through income statement	7	98,238	--	98,858	14,940
Unrealized gains on investments held at fair value through income statement	7	1,437,057	51,587	2,494,568	1,187,031
Other income		193,295	--	193,295	216,469
Investment management expenses		(88,558)	(81,055)	(186,157)	(153,236)
General and administrative expenses		(10,514,967)	(9,263,353)	(20,090,997)	(19,484,139)
Foreign exchange translation (loss)/ gain		(1,948,208)	1,773,231	(2,030,633)	443,202
Net (deficit) / surplus from reinsurance operations		(19,619,232)	20,133,453	(30,736,262)	(5,491,078)
Shareholders' appropriation from reinsurance operations' deficit / (surplus)	2	19,619,232	(20,133,453)	30,736,262	5,491,078
Reinsurance operations' deficit / surplus after shareholders' appropriation		--	--	--	--
Accumulated surplus at the beginning of the period		1,189,894	932,077	1,189,894	932,077
Accumulated surplus at the end of the period		1,189,894	932,077	1,189,894	932,077

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS
For the three month and six month periods ended 30 June 2016

	<i>Notes</i>	(Unaudited)			
		For the three month		For the six month	
		period ended		period ended	
		30 June 2016 SR	30 June 2015 SR	30 June 2016 SR	30 June 2015 SR
Special commission income from time deposits		978,221	102,375	1,518,659	164,450
Special commission income from bonds and sukuk		734,235	943,866	1,585,642	2,845,170
Realized gains on investments held at fair value through income statement	7	908,530	962,809	914,452	2,876,891
Unrealized gains on investments held at fair value through income statement	7	10,008,501	3,570,334	4,451,990	18,332,156
Dividend income		1,277,835	--	1,277,835	--
Other income		--	--	--	2,716
Total investment income		13,907,322	5,579,384	9,748,578	24,221,383
General and administrative expenses		(1,365,705)	(1,081,462)	(2,865,041)	(2,512,321)
Investment management expenses		(831,030)	(815,909)	(1,620,313)	(1,580,899)
Board of directors' remunerations, meeting fees and expenses		(1,123,008)	(1,203,843)	(1,256,415)	(1,318,668)
Foreign exchange translation gains/ (losses)		102,762	--	99,953	(21,816)
Shareholders' appropriation from reinsurance operations' (deficit) / surplus	2	(19,619,232)	20,133,453	(30,736,262)	(5,491,078)
Net (loss) / income for the period		(8,928,891)	22,611,623	(26,629,500)	13,296,601
Basic and diluted (losses) / earnings per share for the period	13	(0.09)	0.23	(0.27)	0.13
Weighted average number of issued and outstanding shares		100,000,000	100,000,000	100,000,000	100,000,000




The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENT OF COMPREHENSIVE INCOME - SHAREHOLDERS'
OPERATIONS

For the three month and six month periods ended 30 June 2016

(Unaudited)

	For the three month period ended		For the six month period ended	
	30 June 2016 SR	30 June 2015 SR	30 June 2016 SR	30 June 2015 SR
Net (loss) / income for the period	(8,928,891)	22,611,623	(26,629,500)	13,296,601
Total comprehensive (loss) / income for the period	<u>(8,928,891)</u>	<u>22,611,623</u>	<u>(26,629,500)</u>	<u>13,296,601</u>




The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended 30 June 2016

	GCC Shareholders and General Public			Non – GCC Shareholders			Total			
	Share capital SR	Statutory reserve SR	Accumulated deficit SR	Share capital SR	Statutory reserve SR	Retained earnings SR	Share capital SR	Statutory reserve SR	Accumulated deficit SR	Total SR
Balance as at 1 January 2015 (Audited)	974,152,000	5,914,003	(189,235,211)	25,848,000	156,921	589,505	1,000,000,000	6,070,924	(188,645,706)	817,425,218
Net income for the period	--	--	12,967,138	--	--	329,463	--	--	13,296,601	13,296,601
Zakat	--	--	(7,424,118)	--	--	--	--	--	(7,424,118)	(7,424,118)
Balance as at 30 June 2015 (Unaudited)	974,152,000	5,914,003	(183,692,191)	25,848,000	156,921	918,968	1,000,000,000	6,070,924	(182,773,223)	823,297,701
Balance as at 1 January 2016 (Audited)	976,078,306	5,925,697	(204,507,637)	23,921,694	145,227	573,437	1,000,000,000	6,070,924	(203,934,200)	802,136,724
Transfer during the period	(4,709,726)	(28,592)	(112,899)	4,709,726	28,592	112,899	--	--	--	--
Net loss for the period	--	--	(25,867,060)	--	--	(762,440)	--	--	(26,629,500)	(26,629,500)
Zakat	--	--	(6,655,859)	--	--	--	--	--	(6,655,859)	(6,655,859)
Balance as at 30 June 2016 (Unaudited)	971,368,580	5,897,105	(237,143,455)	28,631,420	173,819	(76,104)	1,000,000,000	6,070,924	(237,219,559)	768,851,365



The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS - REINSURANCE OPERATIONS

For the six month period ended 30 June 2016

	(Unaudited)	
	30 June 2016 SR	30 June 2015 SR
Notes		
OPERATING ACTIVITIES		
Reinsurance operations' deficit after shareholders' appropriation	--	--
Adjustments to reconcile reinsurance operations' deficit after shareholders' appropriation to net cash from operating activities:		
Employees' end of service benefits	579,884	640,566
Depreciation	1,248,181	1,179,843
Realized (gains) on investments held at fair value through income statement	(98,858)	(14,940)
Unrealized (gains) on investments held at fair value through income statement	(2,494,568)	(1,187,031)
Loss from disposal of property and equipment	--	86,998
Retroceded share of unearned premiums	1,107,427	(1,119,179)
Gross unearned premiums	(19,166,213)	136,566,404
Shareholders' appropriation from reinsurance operations' deficit	(30,736,262)	(5,491,078)
Operating (loss) / income before changes in operating assets and liabilities	(49,560,409)	130,661,583
Changes in operating assets and liabilities:		
Premiums receivable	(6,885,087)	(11,274,085)
Time deposits	(52,538,333)	--
Accrued insurance premiums	87,449,600	(66,483,135)
Retroceded share of outstanding claims	(68,114,265)	7,080,178
Deferred acquisition costs	(25,477,480)	(34,446,672)
Deferred excess of loss premiums	16,359,364	16,287,252
Prepaid expenses and other assets	41,465,344	(3,712,842)
Accounts payable	1,161,857	(11,350,398)
Retrocession balances payable	(9,769,280)	3,493,920
Accrued retroceded premiums	1,201,198	(793,940)
Gross outstanding claims	40,790,895	(29,126,922)
Unearned commission income	(347,387)	75,565
Accrued expenses and other liabilities	1,068,451	849,256
Cash (used in) / from operations	(23,195,532)	1,259,760
Employees' end of service benefits paid	(345,745)	(236,587)
Net cash (used in) / from operating activities	(23,541,277)	1,023,173
INVESTING ACTIVITIES		
Purchase of property and equipment	(146,576)	(1,610,383)
Additions in investments held at fair value through income statement	7 (697,535)	(34,725,973)
Proceeds from disposal of property plant and equipment	27,447	331,887
Proceeds from investments held at fair value through income statement	7 21,943,821	37,211,049
Net cash from investing activities	21,127,157	1,206,580
FINANCING ACTIVITY		
Due from shareholders' operations	(8,195,253)	(334,189)
(DECREASE) / INCREASE IN CASH AND BANK BALANCES	(10,609,373)	1,895,564
Cash and bank balances at the beginning of the period	61,025,692	1,454,864
CASH AND BANK BALANCES AT THE END OF THE PERIOD	50,416,319	3,350,428

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS – SHAREHOLDERS’ OPERATIONS
For the six month period ended 30 June 2016

	(Unaudited)	
	30 June 2016 SR	30 June 2015 SR
<i>Notes</i>		
OPERATING ACTIVITIES		
Net (loss) / income for the period	(26,629,500)	13,296,601
Adjustments to reconcile net (loss) / income to net cash used in operating activities:		
Depreciation	437,885	400,414
Realized (gains) on investments held at fair value through income statement	(914,452)	(2,876,891)
Unrealized (gains) on investments held at fair value through income statement	(4,451,990)	(18,332,156)
Income on statutory deposit	(1,349,089)	(7,559,675)
Shareholders’ appropriation from reinsurance operations’ deficit	30,736,262	5,491,078
Operating deficit before changes in operating assets and liabilities	(2,170,884)	(9,580,629)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	183,641	6,847,031
Accrued expenses and other liabilities	(363,068)	1,028,051
Accounts payable	1,349,089	--
Zakat and income tax paid	(14,989,933)	(11,417,728)
Net cash used in operating activities	(15,991,155)	(13,123,275)
INVESTING ACTIVITIES		
Purchase of property and equipment	--	(132,318)
Accrued special commission income from time deposits	(1,462,412)	(94,218)
Accrued special commission income from bonds and sukuk	(1,110,286)	112,037
Additions in investments held at fair value through income statement	7 (63,258,011)	(141,916,809)
Proceeds from investments held at fair value through income statement	7 114,171,147	110,426,478
Time deposits	(25,345,506)	(21,000,000)
Held to maturity investments	--	71,751,543
Net cash from investing activities	22,994,932	19,146,713
FINANCING ACTIVITY		
Due to reinsurance operations	8,195,253	334,189
INCREASE IN CASH AND BANK BALANCES		
Cash and bank balances at the beginning of the period	15,199,030	6,357,627
	31,917,275	2,567,730
CASH AND BANK BALANCES AT THE END OF THE PERIOD	47,116,305	8,925,357



The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2016

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Re for Cooperative Reinsurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010250125 dated 12 Jumada Al-Awal 1429H (corresponding to 17 May 2008) with a branch in the Federal Territory of Labuan, Malaysia with license number IS2014146. The address of the Company’s registered office is at P.O. Box 300259, Riyadh 11372, Al Wadi, Northern Ring Road West, Exit 7, Building 4130, Riyadh, Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative reinsurance and related activities inside and outside the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

Basis of measurement

These unaudited interim condensed financial statements are prepared under the historical cost basis except for the measurement at fair value of investments held at fair value through income statement.

Statement of compliance

The unaudited interim condensed financial statements for the three month and six month periods ended 30 June 2016 have been prepared in accordance with International Accounting Standard (IAS 34) – “Interim Financial Reporting”.

The accompanying unaudited 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 annual financial statements as at 31 December 2015.

Surplus is distributed between reinsurance operations and shareholders operations in accordance with the implementing regulations issued by the SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from reinsurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on reinsurance operations is transferred to the shareholders' operation in full.

In management’s opinion, the unaudited 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.

As required by Saudi Arabian insurance regulations, the Company maintains separate accounts for Reinsurance and Shareholders’ operations and presents the financial statements accordingly. 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.

In accordance with the Company’s by-laws and Article 70 (2g) of the Insurance Implementing Regulations of SAMA, a minimum of 20% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid up capital of the Company. This reserve is not available for distribution.

Functional and presentation currency

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

Fiscal year

The Company follows a fiscal year ending December 31.

3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS

The accounting policies used in the preparation of these unaudited interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015 except for the adoption of the following new standards and other amendments to existing standards mentioned below which have had an no significant financial impact on the unaudited interim condensed financial statements of the Company on the current period or prior period and is expected to have no significant effect in future periods. Certain figures for the prior period have been reclassified to conform to the presentation made in the current period, however the impact of such reclassifications was not material to the overall presentation of the condensed financial statements.

New and amended standards issued and adopted

Annual improvements to IFRSs 2012 – 2014

Saudi Re for Cooperative Reinsurance Company (A Saudi Joint Stock Company)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2016

3. SIGNIFICANT ACCOUNTING POLICIES AND AMENDMENTS TO STANDARDS (Continued)

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

Disclosure initiative (Amendments to IAS 1)

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

Standards issued but not yet effective

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

IFRS 9 Financial Instruments

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

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

Disclosure initiative (Amendments to IAS 7)

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

4. PREMIUM RECEIVABLES

	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
Premium receivable	206,162,227	197,764,243
Allowance for doubtful receivables	(4,135,233)	(2,622,336)
	<u>202,026,994</u>	<u>195,141,907</u>

5. TIME DEPOSITS

Time deposits are placed with banks which have credit ratings in line with Company's investment policy of BBB and above and have maturity period of more than three months from the date of original placement. Such deposits earn special commission at an average effective commission rate of 2.23% per annum (31 December 2015: 1.74% per annum).

6. STATUTORY DEPOSIT

The Company has deposited an amount of SR 100 million (31 December 2015: SR 100 million) with a local bank, which has been rated "A" (by Standard & Poor's Ratings Services) representing the statutory deposit of 10% of its paid-up capital as required by the Implementing Regulations of the "Law On Supervision of Cooperative Insurance Companies" issued by the Saudi Arabian Monetary Agency (SAMA). This statutory deposit cannot be withdrawn without the consent of the SAMA. Further, the statutory deposit generates special commission income. This special commission income is shown as a separate line item in the Statement of Financial Position.

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7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT

i. Investments held at fair value through income statement consist of the following as at:

	30 June 2016		31 December 2015	
	(Unaudited)		(Audited)	
Investments in:	Reinsurance operations	Shareholders' operations	Reinsurance operations	Shareholders' operations
	SR	SR	SR	SR
Money market funds	697,535	44,870	21,844,963	36,280,976
Investment funds	--	50,000,000	--	25,000,000
Equities	--	143,477,313	--	175,235,360
Fixed-Rate bonds/Sukuk	51,875,534	376,436,920	49,380,880	396,373,680
Floating-Rate bonds/Sukuk	2,481,444	72,074,469	2,481,530	54,690,250
	55,054,513	642,033,572	73,707,373	687,580,266

ii. Determination of fair value and fair values hierarchy:

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

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.

As at 30 June 2016 and 31 December 2015, all financial instruments under reinsurance operations which are measured at fair value are Level 1 instruments. The following table shows an analysis of financial instruments under shareholders' operations measured at fair value by level of the fair value hierarchy:

	30 June 2016 (Unaudited)			
Investments in:	Level 1	Level 2	Level 3	Total
	SR	SR	SR	SR
Money Market Funds	44,870	--	--	44,870
Equities	143,477,313	--	--	143,477,313
Fixed-Rate Bonds/Sukuk	318,872,406	57,564,514	--	376,436,920
Floating-Rate Bonds/Sukuk	32,074,469	40,000,000	--	72,074,469
	494,469,058	97,564,514	--	592,033,572

	31 December 2015 (Audited)			
Investments in:	Level 1	Level 2	Level 3	Total
	SR	SR	SR	SR
Money Market Funds	36,280,976	--	--	36,280,976
Equities	175,235,360	--	--	175,235,360
Fixed-Rate Bonds/Sukuk	298,924,502	77,500,000	--	376,424,502
Floating-Rate Bonds/Sukuk	54,639,428	20,000,000	--	74,639,428
	565,080,266	97,500,000	--	662,580,266

The unlisted real estate fund amounting to SR 50,000,000 (2015: SR 25,000,000) was stated at cost in the absence of active market or other means of reliably measuring their fair value.

iii. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 30 June 2016 and year ended 31 December 2015.

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7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)

iv. The movements of investments held at fair value through income statement are as follows:

	30 June 2016 (Unaudited)		31 December 2015 (Audited)	
	Reinsurance operations SR	Shareholders' operations SR	Reinsurance operations SR	Shareholders' operations SR
Opening balance	73,707,373	687,580,266	124,911,737	732,671,564
Additions during the period	697,535	63,258,011	55,437,973	219,579,979
Disposals during the period	(21,943,821)	(114,171,147)	(107,894,039)	(256,879,577)
Unrealized gains/ (losses)	2,494,568	4,451,990	1,324,820	(7,851,967)
Realized gains/ (losses)	98,858	914,452	(73,118)	60,267
Closing balance	55,054,513	642,033,572	73,707,373	687,580,266

Investments under reinsurance and shareholders' operations include cash component of SR 3.7 million and SR 17.9 million respectively as at 30 June 2016 (31 December 2015: SR 4.1 million and SR 17.2 million respectively) available with external fund managers within the agreed investment guidelines.

v. The analysis of the composition of investments is as follows:

	30 June 2016 (Unaudited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money Market Funds	44,870	--	44,870
Investment Funds	--	50,000,000	50,000,000
Equities	143,477,313	--	143,477,313
Fixed-Rate Bonds/Sukuk	318,872,406	57,564,514	376,436,920
Floating-Rate Bonds/Sukuk	32,074,469	40,000,000	72,074,469
	494,469,058	147,564,514	642,033,572
	31 December 2015 (Audited)		
	Quoted SR	Unquoted SR	Total SR
<i>Shareholders' operations</i>			
Money Market Funds	36,280,976	--	36,280,976
Investment Funds	--	25,000,000	25,000,000
Equities	175,235,360	--	175,235,360
Fixed-Rate Bonds/Sukuk	356,336,611	40,037,069	396,373,680
Floating-Rate Bonds/Sukuk	54,690,250	--	54,690,250
	622,543,197	65,037,069	687,580,266

As at 30 June 2016 and 31 December 2015, all financial instruments under reinsurance operations, which are measured at fair value, are quoted.

vi. Average credit ratings of all fixed and floating rates sukuk and bonds are within the investment grades i.e. BBB and above.

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7. INVESTMENTS HELD AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)

vii. The geographical split of investments held at fair value through income statement is as follows:

	Domestic		International		Total	
	30 June 2016	31 December	30 June 2016	31 December	30 June	31 December
	(Unaudited)	2015	(Unaudited)	2015	2016	2015
	SR	(Audited)	SR	(Audited)	(Unaudited)	(Audited)
		SR		SR	SR	SR
Reinsurance operations						
Money Market Funds	697,535	21,844,963	--	--	697,535	21,844,963
Fixed-Rate Bonds/Sukuk	--	3,913,426	51,875,534	45,467,454	51,875,534	49,380,880
Floating-Rate Bonds/Sukuk	--	--	2,481,444	2,481,530	2,481,444	2,481,530
Total	697,535	25,758,389	54,356,978	47,948,984	55,054,513	73,707,373

	Domestic		International		Total	
	30 June 2016	31 December	30 June 2016	31 December	30 June	31 December
	(Unaudited)	2015	(Unaudited)	2015	2016	2015
	SR	(Audited)	SR	(Audited)	(Unaudited)	(Audited)
		SR		SR	SR	SR
Shareholders' operations						
Money Market Funds	44,870	36,280,976	--	--	44,870	36,280,976
Investment Funds	50,000,000	25,000,000	--	--	50,000,000	25,000,000
Equities	56,080,117	78,742,056	87,397,196	96,493,304	143,477,313	175,235,360
Fixed-Rate Bonds/Sukuk	40,000,000	49,110,657	336,436,920	347,263,023	376,436,920	396,373,680
Floating-Rate Bonds/Sukuk	40,000,000	20,000,000	32,074,469	34,690,250	72,074,469	54,690,250
Total	186,124,987	209,133,689	455,908,585	478,446,577	642,033,572	687,580,266

8. UNEARNED PREMIUM

	30 June 2016 (Unaudited)		
	Gross	Retroceded	Net
	SR	share	SR
Opening balance	502,998,272	(7,363,459)	495,634,813
Premiums written during the period	895,557,135	(32,127,805)	863,429,330
Premium earned	(914,723,348)	33,235,232	(881,488,116)
Change in unearned premiums	(19,166,213)	1,107,427	(18,058,786)
Closing balance	483,832,059	(6,256,032)	477,576,027
	31 December 2015 (Audited)		
	Gross	Retroceded	Net
	SR	share	SR
Opening balance	238,458,639	(2,080,440)	236,378,199
Premiums written during the period	804,825,788	(50,033,814)	754,791,974
Premiums earned	(540,286,155)	44,750,795	(495,535,360)
Change in unearned premiums	264,539,633	(5,283,019)	259,256,614
Closing balance	502,998,272	(7,363,459)	495,634,813

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9. NET CLAIMS PAID

	For the three month period ended		For the six month period ended	
	30 June 2016 (Unaudited) SR	30 June 2015 (Unaudited) SR	30 June 2016 (Unaudited) SR	30 June 2015 (Unaudited) SR
Gross claims paid	710,933,181	72,714,608	816,603,308	155,265,043
Retroceded share of claims paid	(2,472,489)	(3,719,113)	(6,398,627)	(5,139,727)
Net claims paid	708,460,692	68,995,495	810,204,681	150,125,316

10. RELATED PARTY TRANSACTIONS AND BALANCES

The following are the details of major related party transactions during the period and balances at the end of the period/ year:

Related party	Nature of transactions	Amounts of transactions for the six month period ended		Balance as at	
		30 June 2016 (Unaudited) SR	30 June 2015 (Unaudited) SR	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
Board of Directors	Consulting fees	162,400	168,632	--	--
	Remunerations, Meeting fees and expenses	1,256,416	1,318,668	142,503	249,000
Key management personnel	Short term benefits	4,789,236	4,846,124	548,000	961,500
	End of service benefits	204,529	209,141	1,157,445	1,007,143
Companies represented by the BOD members		3,563,822			
	Gross written premiums		7,797,564	3,527,621	2,987,653
	Claims incurred	3,132,262	1,663,401	4,220,735	6,378,454
	Commission	930,143	1,998,731	--	--
	HSBC Custodian fees	102,000	180,000	68,935	29,052

Balances with related parties are included in accrued expenses and other liabilities as shown in the interim statement of financial position.

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11. SEGMENTAL INFORMATION

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

Segment results do not include realized and unrealized gains on investments held at fair value through income statement, other income, investment management expenses and all general and administrative expenses and depreciation.

Segment assets do not include cash and bank balances of reinsurance operations, investments held at fair value through income statement, prepaid expenses and other assets, due from shareholders' operations and property and equipment.

Segment liabilities do not include surplus distribution payable, accrued expenses and other liabilities and employees' end of service benefits.

11.1 Business segments

The Company revises periodically its estimated gross written premiums and related retroceded premium upon receipt of actual information from cedants. In some business segments, this results in negative gross written premiums, positive retroceded premiums and negative net written premiums for the period when the revision take place.

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Life SR	Speciality SR	Others SR	Total SR
For the three month period ended 30 June 2016 (Unaudited)									
Reinsurance operations' results									
Gross written premiums	7,861,828	18,568,153	(1,380,361)	379,250,558	6,167,545	20,367,463	--	18,053,401	448,888,587
Retroceded premiums	(1,471,060)	(524,310)	77,995	--	(89,704)	--	--	(46)	(2,007,125)
Excess of loss expenses	(2,276,730)	(7,691,436)	(294,278)	--	(485,887)	(679,680)	--	(224,212)	(11,652,223)
Net written premiums	4,114,038	10,352,407	(1,596,644)	379,250,558	5,591,954	19,687,783	--	17,829,143	435,229,239
Change in net unearned premiums	13,189,833	13,902,203	9,594,855	159,154,465	3,610,713	(11,439,176)	8,620,353	(1,212,758)	195,420,488
Net earned premiums	17,303,871	24,254,610	7,998,211	538,405,023	9,202,667	8,248,607	8,620,353	16,616,385	630,649,727
Net claims paid	(4,775,141)	(36,537,442)	(3,973,830)	(636,909,682)	(3,144,739)	(17,652,471)	--	(5,467,387)	(708,460,692)
Change in net outstanding claims	(12,521,163)	6,106,575	(643,488)	155,834,824	(931,935)	62,966	(4,758,574)	(3,804,142)	139,345,063
Net claims incurred	(17,296,304)	(30,430,867)	(4,617,318)	(481,074,858)	(4,076,674)	(17,589,505)	(4,758,574)	(9,271,529)	(569,115,629)
Gross acquisition costs	(5,962,296)	(7,937,605)	(2,689,173)	(45,171,357)	(3,090,107)	(725,073)	(2,127,487)	(1,533,803)	(69,236,901)
Supervision and inspection fees	(39,308)	(92,841)	6,902	(1,896,253)	(30,838)	(101,838)	--	(90,267)	(2,244,443)
Commissions on retroceded business	226,632	285,068	76,141	--	91,033	(656)	--	10,173	688,391
Net acquisition costs	(5,774,972)	(7,745,378)	(2,606,130)	(47,067,610)	(3,029,912)	(827,567)	(2,127,487)	(1,613,897)	(70,792,953)
Net underwriting results	(5,767,405)	(13,921,635)	774,763	10,262,555	2,096,081	(10,168,465)	1,734,292	5,730,959	(9,258,855)

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11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Life SR	Speciality SR	Others SR	Total SR
For the three month period ended 30 June 2015 (Unaudited)									
Reinsurance operations' results									
Gross written premiums	13,242,438	28,431,512	4,552,940	10,363,053	5,221,709	20,744,108	--	20,272,722	102,828,482
Retroceded premiums	(3,069,761)	(122,122)	129,204	--	(26,192)	--	--	(109)	(3,088,980)
Excess of loss expenses	(2,317,039)	(5,091,323)	(354,315)	--	(2,703)	(430,013)	--	(216,600)	(8,411,993)
Net written premiums	7,855,638	23,218,067	4,327,829	10,363,053	5,192,814	20,314,095	--	20,056,013	91,327,509
Change in net unearned premiums	9,318,568	6,757,590	8,428,537	475,768	3,405,092	35,844	3,739,968	(9,301,801)	22,859,566
Net earned premiums	17,174,206	29,975,657	12,756,366	10,838,821	8,597,906	20,349,939	3,739,968	10,754,212	114,187,075
Net claims paid	(4,674,087)	(30,597,835)	(2,413,982)	(3,142,662)	(4,851,341)	(19,668,970)	--	(3,646,618)	(68,995,495)
Change in net outstanding claims	(11,220,991)	22,713,787	(465,251)	(3,306,141)	(1,562,396)	4,405,195	(1,826,233)	161,405	8,899,375
Net claims incurred	(15,895,078)	(7,884,048)	(2,879,233)	(6,448,803)	(6,413,737)	(15,263,775)	(1,826,233)	(3,485,213)	(60,096,120)
Gross acquisition costs	(6,267,012)	(9,734,308)	(4,366,922)	244,555	(2,916,675)	(1,258,271)	(1,776,604)	(944,968)	(27,020,205)
Supervision and inspection fees	(66,212)	(142,157)	(22,764)	(51,815)	(26,109)	(103,720)	--	(101,365)	(514,142)
Commissions on retroceded business	717,398	181,591	106,300	--	57,956	--	--	13	1,063,258
Net acquisition costs	(5,615,826)	(9,694,874)	(4,283,386)	192,740	(2,884,828)	(1,361,991)	(1,776,604)	(1,046,320)	(26,471,089)
Net underwriting results	(4,336,698)	12,396,735	5,593,747	4,582,758	(700,659)	3,724,173	137,131	6,222,679	27,619,866

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11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Life SR	Speciality SR	Others SR	Total SR
For the six month period ended 30 June 2016 (Unaudited)									
Reinsurance operations' results									
Gross written premiums	59,698,429	104,319,830	26,380,373	519,563,181	37,725,598	33,821,143	58,564,622	55,483,959	895,557,135
Retroceded premiums	(2,747,196)	(657,754)	(175,260)	--	(93,639)	--	--	(4,887)	(3,678,736)
Excess of loss expenses	(4,847,426)	(20,043,975)	(913,641)	--	(971,984)	(1,194,830)	--	(477,213)	(28,449,069)
Net written premiums	52,103,807	83,618,101	25,291,472	519,563,181	36,659,975	32,626,313	58,564,622	55,001,859	863,429,330
Change in net unearned premiums	(15,441,472)	(37,749,039)	(7,586,481)	178,904,210	(20,720,318)	(12,715,663)	(41,323,916)	(25,308,535)	18,058,786
Net earned premiums	36,662,335	45,869,062	17,704,991	698,467,391	15,939,657	19,910,650	17,240,706	29,693,324	881,488,116
Net claims paid	(11,833,748)	(71,190,007)	(8,756,108)	(662,200,323)	(5,929,550)	(39,577,730)	--	(10,717,215)	(810,204,681)
Change in net outstanding claims	(8,577,889)	14,925,768	1,496,092	35,307,040	(2,118,545)	(1,424,109)	(9,547,787)	(2,737,200)	27,323,370
Net claims incurred	(20,411,637)	(56,264,239)	(7,260,016)	(626,893,283)	(8,048,095)	(41,001,839)	(9,547,787)	(13,454,415)	(782,881,311)
Gross acquisition costs	(12,160,859)	(14,154,515)	(5,493,481)	(60,931,352)	(4,966,769)	(1,124,924)	(5,838,511)	(2,993,707)	(107,664,118)
Supervision and inspection fees	(298,491)	(521,599)	(131,902)	(2,597,816)	(188,628)	(169,106)	(292,823)	(277,421)	(4,477,786)
Commissions on retroceded business	568,628	458,296	215,460	--	127,149	(656)	--	21,026	1,389,903
Net acquisition costs	(11,890,722)	(14,217,818)	(5,409,923)	(63,529,168)	(5,028,248)	(1,294,686)	(6,131,334)	(3,250,102)	(110,752,001)
Net underwriting results	4,359,976	(24,612,995)	5,035,052	8,044,940	2,863,314	(22,385,875)	1,561,585	12,988,807	(12,145,196)

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11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Life SR	Speciality SR	Others SR	Total SR
For the six month period ended 30 June 2015 (Unaudited)									
Reinsurance operations' results									
Gross written premiums	47,454,341	96,812,089	37,077,530	20,590,072	30,797,183	29,603,451	44,879,611	39,368,317	346,582,594
Retroceded premiums	(4,953,129)	(1,129,665)	135,817	(4,435)	310,281	(365,191)	--	(64,152)	(6,070,474)
Excess of loss expenses	(4,634,079)	(16,660,536)	(708,630)	--	(5,407)	(860,026)	--	(1,338,891)	(24,207,569)
Net written premiums	37,867,133	79,021,888	36,504,717	20,585,637	31,102,057	28,378,234	44,879,611	37,965,274	316,304,551
Change in net unearned premiums	(12,938,001)	(31,197,070)	(8,446,903)	(7,401,550)	(14,289,068)	(4,604,215)	(37,399,675)	(19,170,746)	(135,447,228)
Net earned premiums	24,929,132	47,824,818	28,057,814	13,184,087	16,812,989	23,774,019	7,479,936	18,794,528	180,857,323
Net claims paid	(7,300,581)	(64,937,068)	(11,807,317)	(5,563,685)	(6,694,704)	(45,751,440)	--	(8,070,521)	(150,125,316)
Change in net outstanding claims	(4,063,325)	37,516,780	550,256	(1,115,870)	(3,162,383)	(1,351,631)	(3,953,053)	(2,374,030)	22,046,744
Net claims incurred	(11,363,906)	(27,420,288)	(11,257,061)	(6,679,555)	(9,857,087)	(47,103,071)	(3,953,053)	(10,444,551)	(128,078,572)
Gross acquisition costs	(9,472,214)	(15,996,586)	(8,895,142)	3,207,440	(5,262,881)	1,271,026	(3,558,729)	(1,708,619)	(40,415,705)
Supervision and inspection fees	(237,272)	(484,060)	(185,387)	(102,950)	(153,986)	(148,017)	(224,398)	(196,843)	(1,732,913)
Commissions on retroceded business	836,688	323,664	239,066	443	135,384	45,998	--	7,289	1,588,532
Net acquisition costs	(8,872,798)	(16,156,982)	(8,841,463)	3,104,933	(5,281,483)	1,169,007	(3,783,127)	(1,898,173)	(40,560,086)
Net underwriting results	4,692,428	4,247,548	7,959,290	9,609,465	1,674,419	(22,160,045)	(256,244)	6,451,804	12,218,665

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11. SEGMENTAL INFORMATION (continued)

11.1 Business segments (continued)

	Engineering SR	Fire SR	Marine SR	Motor SR	General Accident SR	Life SR	Speciality SR	Others SR	Total SR
As at 30 June 2016 (Unaudited)									
Segment assets	113,081,804	277,647,755	47,842,064	159,952,000	52,960,875	35,065,080	30,419,073	93,955,353	810,924,004
Segment liabilities	240,851,225	410,824,924	68,810,551	131,052,343	70,818,549	81,223,571	90,147,105	124,450,786	1,218,179,054
As at 31 December 2015 (Audited)									
Segment assets	106,940,078	170,843,942	56,307,032	319,475,324	34,351,600	51,594,334	38,406,599	37,445,036	815,363,945
Segment liabilities	218,456,484	336,859,146	65,174,883	345,834,695	48,548,043	67,886,450	39,178,870	82,369,413	1,204,307,984

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11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the three month period ended 30 June 2016 (Unaudited)						
Reinsurance operations' results						
Gross written premiums	401,434,017	6,654,779	285,974	40,513,817	--	448,888,587
Retroceded premiums	(1,681,425)	(142,631)	(183,069)	--	--	(2,007,125)
Excess of loss expenses	(4,447,733)	(5,222,801)	(603,978)	(1,377,711)	--	(11,652,223)
Net written premiums	395,304,859	1,289,348	(501,073)	39,136,106	--	435,229,239
Change in net unearned premiums	184,070,248	12,122,564	6,325,405	(15,718,082)	8,620,353	195,420,488
Net earned premiums	579,375,107	13,411,911	5,824,332	23,418,024	8,620,353	630,649,727
Net claims paid	(664,056,001)	(21,543,428)	(6,599,370)	(16,261,893)	--	(708,460,692)
Change in net outstanding claims	141,652,829	3,673,210	590,846	(1,813,248)	(4,758,574)	139,345,063
Net claims incurred	(522,403,172)	(17,870,218)	(6,008,524)	(18,075,141)	(4,758,574)	(569,115,629)
Gross acquisition costs	(55,741,430)	(4,765,825)	(1,493,229)	(5,108,931)	(2,127,486)	(69,236,901)
Supervision and inspection fees	(2,007,174)	(33,270)	(1,430)	(202,569)	--	(2,244,443)
Commissions on retroceded business	628,002	28,224	32,165	--	--	688,391
Net acquisition costs	(57,120,602)	(4,770,871)	(1,462,494)	(5,311,500)	(2,127,486)	(70,792,953)
Net underwriting results	(148,667)	(9,229,178)	(1,646,686)	31,383	1,734,293	(9,258,855)
	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR

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

Reinsurance operations' results						
Gross written premiums	28,492,424	11,685,589	10,465,121	52,185,348	--	102,828,482
Retroceded premiums	(2,906,413)	(112,919)	(69,648)	--	--	(3,088,980)
Excess of loss expenses	(5,596,787)	(737,038)	(313,649)	(1,764,519)	--	(8,411,993)
Net written premiums	19,989,224	10,835,632	10,081,824	50,420,829	--	91,327,509
Change in net unearned premiums	25,852,948	9,110,295	2,865,580	(18,709,294)	3,740,037	22,859,566
Net earned premiums	45,842,172	19,945,927	12,947,404	31,711,535	3,740,037	114,187,075
Net claims paid	(37,897,115)	(9,408,053)	(10,936,710)	(10,753,617)	--	(68,995,495)
Change in net outstanding claims	8,909,793	237,231	(851,661)	2,767,474	(2,163,462)	8,899,375
Net claims incurred	(28,987,322)	(9,170,822)	(11,788,371)	(7,986,143)	(2,163,462)	(60,096,120)
Gross acquisition costs	(11,454,352)	(4,880,886)	(1,254,821)	(7,653,552)	(1,776,594)	(27,020,205)
Supervision and inspection fees	(142,462)	(58,428)	(52,325)	(260,927)	--	(514,142)
Commissions on retroceded business	1,011,209	30,409	21,640	--	--	1,063,258
Net acquisition costs	(10,585,605)	(4,908,905)	(1,285,506)	(7,914,479)	(1,776,594)	(26,471,089)
Net underwriting results	6,269,245	5,866,200	(126,473)	15,810,913	(200,019)	27,619,866

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11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
For the six month period ended 30 June 2016 (Unaudited)						
Reinsurance operations' results						
Gross written premiums	645,519,264	47,565,338	19,496,924	124,410,987	58,564,622	895,557,135
Retroceded premiums	(3,167,237)	(255,631)	(255,868)	--	--	(3,678,736)
Excess of loss expenses	(10,349,309)	(13,721,637)	(1,712,842)	(2,665,281)	--	(28,449,069)
Net written premiums	632,002,718	33,588,070	17,528,214	121,745,706	58,564,622	863,429,330
Change in net unearned premiums	148,820,474	(7,233,460)	(7,157,487)	(75,046,824)	(41,323,917)	18,058,786
Net earned premiums	780,823,192	26,354,610	10,370,727	46,698,882	17,240,705	881,488,116
Net claims paid	(735,206,805)	(31,393,482)	(11,901,111)	(31,703,283)	--	(810,204,681)
Change in net outstanding claims	46,476,912	(16,722,007)	2,244,155	4,872,097	(9,547,787)	27,323,370
Net claims incurred	(688,729,893)	(48,115,489)	(9,656,956)	(26,831,186)	(9,547,787)	(782,881,311)
Gross acquisition costs	(82,412,545)	(9,224,571)	(2,458,085)	(7,730,406)	(5,838,511)	(107,664,118)
Supervision and inspection fees	(3,227,596)	(237,827)	(97,485)	(622,055)	(292,823)	(4,477,786)
Commissions on retroceded business	1,280,404	61,932	47,567	--	--	1,389,903
Net acquisition costs	(84,359,737)	(9,400,466)	(2,508,003)	(8,352,461)	(6,131,334)	(110,752,001)
Net underwriting results	7,733,562	(31,161,345)	(1,794,232)	11,515,235	1,561,584	(12,145,196)
	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR

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

Reinsurance operations' results						
Gross written premiums	126,439,645	48,825,917	26,826,678	99,610,599	44,879,755	346,582,594
Retroceded premiums	(5,478,838)	(524,307)	(67,329)	--	--	(6,070,474)
Excess of loss expenses	(16,708,370)	(1,471,805)	(2,490,657)	(3,536,737)	--	(24,207,569)
Net written premiums	104,252,437	46,829,805	24,268,692	96,073,862	44,879,755	316,304,551
Change in net unearned premiums	(27,734,878)	(12,174,483)	(14,620,004)	(43,518,188)	(37,399,675)	(135,447,228)
Net earned premiums	76,517,559	34,655,323	9,648,688	52,555,674	7,480,079	180,857,323
Net claims paid	(87,636,881)	(20,843,206)	(15,525,546)	(26,119,683)	--	(150,125,316)
Change in net outstanding claims	12,774,366	12,975,732	(8,069,084)	8,656,008	(4,290,278)	22,046,744
Net claims incurred	(74,862,515)	(7,867,474)	(23,594,630)	(17,463,675)	(4,290,278)	(128,078,572)
Gross acquisition costs	(16,664,785)	(9,845,266)	1,428,873	(11,775,798)	(3,558,729)	(40,415,705)
Supervision and inspection fees	(632,198)	(244,130)	(134,133)	(498,054)	(224,398)	(1,732,913)
Commissions on retroceded business	1,441,896	124,645	21,991	--	--	1,588,532
Net acquisition costs	(15,855,087)	(9,964,751)	1,316,731	(12,273,852)	(3,783,127)	(40,560,086)
Net underwriting results	(14,200,043)	16,823,098	(12,629,211)	22,818,147	(593,326)	12,218,665

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11. SEGMENTAL INFORMATION (continued)

11.2 Geographical segments (continued)

	Kingdom of Saudi Arabia SR	Other Middle Eastern Countries SR	Africa SR	Asia SR	Other territories SR	Total SR
As at 30 June 2016 (Unaudited)						
Reinsurance operations						
Segment assets	355,219,917	132,822,385	39,362,924	193,006,249	90,512,529	810,924,004
Segment liabilities	514,410,151	250,318,983	65,111,473	299,338,877	88,999,570	1,218,179,054
As at 31 December 2015 (Audited)						
Segment assets	521,641,051	102,642,399	37,943,900	115,342,681	37,793,914	815,363,945
Segment liabilities	716,934,291	172,026,457	57,757,256	219,458,638	38,131,342	1,204,307,984

12. COMMITMENTS AND CONTINGENCIES

As at 30 June 2016, the Company has deposited and pledged SR 47,250,000 (31 December 2015: SR 47,250,000) with local bank to obtain the Standby Letter of Credit for its participation in a Lloyds Syndicate for 2015 and 2016 underwriting years. Further, the office premises related refundable deposit amounts to SR 103,750 (31 December 2015: SR 103,750).

13. BASIC AND DILUTED (LOSSES) / EARNINGS PER SHARE

Basic and diluted (losses) / earnings per share for the three and six month periods ended 30 June 2016 and 2015 have been calculated by dividing net (losses) / income for the period by the weighted average number of ordinary issued and outstanding shares at the end of the period.

14. FAIR VALUE

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

The Company's management believe that the carrying value of all financial assets and liabilities, other than those disclosed in note 7, approximate their fair values at the interim condensed financial statements.

15. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 23 Shawwal 1437H corresponding to 28 July 2016.