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

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

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

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

Unaudited Interim Condensed Financial Statements and Independent Auditors' Review Report
For the Three Month Period Ended 31 March 2015

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KPMG Al Fozan & Al Sadhan



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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE SHAREHOLDERS OF AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Al Alamiya for Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 31 March 2015, the related interim statements of comprehensive income for insurance and shareholders' operations statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for the three month period 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 review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

CONCLUSION:

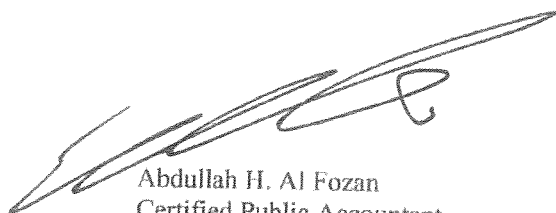
Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

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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30 Jumada II 1436H
(19 April 2015)

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

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

		<i>31 March 2015 SR (Unaudited)</i>	<i>31 December 2014 SR (Audited)</i>
	<i>Notes</i>		
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	62,894,441	60,891,348
Term deposits		54,210,859	54,195,859
Investments	6(a)	1,923,079	1,923,079
Premiums and insurance balances receivable	8	98,567,391	82,154,784
Due from related parties		2,708,023	2,052,914
Due from shareholders' operations		75,443,068	77,577,490
Reinsurers' share of unearned premiums		73,366,874	70,004,884
Reinsurers' share of outstanding claims		401,731,540	395,362,988
Deferred policy acquisition costs		9,952,890	6,136,160
Prepayments and other assets		2,049,696	7,978,400
Property and equipment, net		1,056,582	1,259,082
TOTAL INSURANCE OPERATIONS' ASSETS		783,904,443	759,536,988
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	48,245,445	12,476,575
Term deposits		220,238,075	100,220,075
Investments	6(b)	54,852,388	40,624,123
Other assets		861,583	424,271
Statutory deposit	9	40,939,658	20,000,000
TOTAL SHAREHOLDERS' ASSETS		365,137,149	173,745,044
TOTAL ASSETS		1,149,041,592	933,282,032



Khalid Allagany
Chief Executive Officer



Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2015

	<i>31 March 2015 SR (Unaudited)</i>	<i>31 December 2014 SR (Audited)</i>
INSURANCE OPERATIONS' LIABILITIES		
Gross outstanding claims	481,803,797	471,947,554
Gross unearned premiums	176,271,330	151,161,351
Accounts payable	7,145,139	6,060,301
Reinsurance balances payable	63,081,488	76,900,309
Due to related parties	3,008,773	2,987,938
Accrued expenses and other liabilities	29,978,174	30,278,830
Surplus distribution payable	725,159	488,001
Unearned reinsurance commission	12,779,701	10,654,878
End of service indemnities	9,110,882	9,057,826
TOTAL INSURANCE OPERATIONS' LIABILITIES	783,904,443	759,536,988
SHAREHOLDERS' LIABILITIES AND EQUITY		
SHAREHOLDERS' LIABILITIES		
Due to insurance operations	75,443,068	77,577,490
Due to a related party	1,058,354	1,058,354
Accrued expenses and other liabilities	13,012,046	12,299,691
TOTAL SHAREHOLDERS' LIABILITIES	89,513,468	90,935,535
SHAREHOLDERS' EQUITY		
Share capital	400,000,000	200,000,000
Unrealized gain / (loss) on available for sale investments	88,648	(384,982)
Accumulated losses	(124,464,967)	(116,805,509)
TOTAL SHAREHOLDERS' EQUITY	275,623,681	82,809,509
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY	365,137,149	173,745,044
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,149,041,592	933,282,032



Khalid Allagany
Chief Executive Officer



Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME – INSURANCE OPERATIONS
(UNAUDITED)

	<i>Note</i>	<i>For the three month period ended</i>	
		<i>31 March 2015</i>	<i>31 March 2014</i>
		<i>SR</i>	<i>SR</i>
Gross written premiums		117,588,030	78,763,164
Less: Reinsurance premium ceded		(35,385,845)	(33,669,480)
Excess of loss premiums		(10,672,000)	(11,546,168)
NET WRITTEN PREMIUMS		71,530,185	33,547,516
Changes in unearned premiums, net		(21,747,989)	5,273,550
NET PREMIUMS EARNED		49,782,196	38,821,066
Gross claims paid		(47,643,398)	(62,653,404)
Reinsurers' share of gross claims paid		18,814,772	26,463,990
Changes in outstanding claims, net		(3,487,691)	(7,329,988)
NET CLAIMS INCURRED		(32,316,317)	(43,519,402)
Policy acquisition costs		(6,945,910)	(4,058,566)
Reinsurance commission income		6,031,779	6,196,595
Other underwriting expenses		(505,398)	(356,868)
NET UNDERWRITING SURPLUS / (LOSS)		16,046,350	(2,917,175)
General and administrative expenses		(13,628,057)	(13,868,787)
Investment income		82,482	162,613
Other (expense) / income		(129,195)	13,101
INSURANCE OPERATIONS' SURPLUS / (DEFICIT)		2,371,580	(16,610,248)
Shareholders' appropriation from insurance operations' (surplus) / deficit	2	(2,134,422)	16,610,248
NET SURPLUS AT END OF THE PERIOD		237,158	--



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

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

		<i>For the three month period ended</i>	
		<i>31 March 2015 SR</i>	<i>31 March 2014 SR</i>
	<i>Notes</i>		
INCOME			
Shareholders’ appropriation from insurance operations’ surplus / (deficit)	2	2,134,422	(16,610,248)
Investment income		402,241	428,943
		2,536,663	(16,181,305)
General and administration expenses		(464,141)	(325,028)
NET INCOME / (LOSS) FOR THE PERIOD		2,072,522	(16,506,333)
OTHER COMPREHENSIVE INCOME			
Change in fair value of available for sale investments	7	473,630	219,017
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		2,546,152	(16,287,316)
BASIC AND DILUTED EARNING / (LOSS) PER SHARE FOR THE PERIOD – RESTATED	10	0.05	(0.45)
WEIGHTED AVERAGE NUMBER OF OUTSTANDINGS SHARES - RESTATED	10	38,948,315	36,400,000



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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

For the three month period ended 31 March 2015

	<i>Share Capital SR</i>	<i>Unrealized (loss) / gain on available for sale investments SR</i>	<i>Accumulated losses SR</i>	<i>Total SR</i>
Balance at 1 January 2014	200,000,000	208,689	(87,101,785)	113,106,904
Net loss for the period	--	--	(16,506,333)	(16,506,333)
<i>Other comprehensive income:</i>				
Net change in fair value of available for sale investments	--	219,017	--	219,017
Total comprehensive loss	--	219,017	(16,506,333)	(16,287,316)
Zakat and income tax	--	--	(472,502)	(472,502)
Balance as at 31 March 2014	200,000,000	427,706	(104,080,620)	96,347,086
Balance at 1 January 2015	200,000,000	(384,982)	(116,805,509)	82,809,509
Net income for the period	--	--	2,072,522	2,072,522
Rights issue transaction costs (note 11)	--	--	(9,144,643)	(9,144,643)
<i>Other comprehensive income:</i>				
Change in fair value of available for sale investments	--	473,630	--	473,630
Total comprehensive loss	--	473,630	(7,072,121)	(6,598,491)
Rights issue (note 11)	200,000,000	--	--	200,000,000
Zakat and income tax	--	--	(587,337)	(587,337)
Balance as at 31 March 2015	400,000,000	88,648	(124,464,967)	275,623,681



Khalid Allagany
Chief Executive Officer





Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF CASHFLOWS – INSURANCE OPERATIONS
(UNAUDITED)

		<i>For the three month period ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2015</i>	<i>2014</i>
		<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES	<i>Note</i>		
Insurance operations' surplus after shareholders' appropriation		237,158	--
<i>Adjustments to reconcile insurance operations' surplus to net cash provided from operating activities:</i>			
Depreciation		202,500	135,278
Employees' end of service indemnities		371,781	338,750
Provision for doubtful debt	8	(25,369)	(279,063)
Operating cash inflows before changes in operating assets and liabilities		786,070	194,965
<i>Changes in operating assets and liabilities:</i>			
Premiums and insurance balances receivable		(16,387,238)	(7,805,269)
Due from related parties		(655,109)	(183,933)
Due from shareholders' operations		2,134,422	(16,610,248)
Reinsurers' share of outstanding claims		(6,368,552)	82,189,392
Prepayments and other assets		5,928,704	(1,690,308)
Reinsurers' share of unearned premiums		(3,361,990)	3,300,512
Deferred policy acquisition costs		(3,816,730)	(1,710,581)
Gross outstanding claims		9,856,243	(74,859,404)
Gross unearned premiums		25,109,979	(445,512)
Accounts payable		1,084,838	351,126
Reinsurance balances payable		(13,818,821)	(19,860,601)
Due to related parties		20,835	125,369
Accrued expenses and other liabilities		(300,656)	(31,602)
Unearned reinsurance commission income		2,124,823	2,155,600
Cash from / (used in) operations		2,336,818	(34,880,494)
Employees' end of service benefits paid		(318,725)	(993,365)
Net cash from / (used in) operating activities		2,018,093	(35,873,859)
INVESTING ACTIVITY			
Purchase of property and equipment		--	(110,901)
Term deposit		(15,000)	--
Net cash used in investing activity		(15,000)	(110,901)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,003,093	(35,984,760)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		60,891,348	40,462,274
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	62,894,441	4,477,514
 Khalid Allagany Chief Executive Officer		 Fadi Aboul Hosn Chief Financial Officer	

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

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

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

		<i>For the three month period ended</i>	
	<i>Note</i>	<i>31 March 2015 SR</i>	<i>31 March 2014 SR</i>
OPERATING ACTIVITIES			
Net income / (loss) for the period		2,072,522	(16,506,333)
Operating cash outflows before changes in operating assets and liabilities			
<i>Changes in operating assets and liabilities:</i>			
Other assets		(437,312)	(310,523)
Due to insurance operations		(2,134,422)	16,610,248
Accrued expenses and other liabilities		125,018	110,985
Statutory deposit		(20,939,658)	--
Net cash used in operating activities		(21,313,852)	(95,623)
INVESTING ACTIVITIES			
Term deposits		(120,018,000)	--
Investments		(13,754,635)	84,392
Net cash (used in) / from investing activities		(133,772,635)	84,392
FINANCING ACTIVITIES			
Proceeds from right issue	11	200,000,000	--
Payment for right issue transactions cost	11	(9,144,643)	--
Net cash from financing activities		190,855,357	--
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		35,768,870	(11,231)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		12,476,575	9,958,892
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	48,245,445	9,947,661
<u>Non-cash transactions:</u>			
Net change in fair value of available for sale investments		473,630	219,017



Khalid Allagany
Chief Executive Officer



Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

31 March 2015

1 ORGANISATION AND PRINCIPAL ACTIVITIES

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

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

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

2 BASIS OF PREPARATION

Basis of measurement

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

Statement of compliance

The accompanying interim condensed financial statements for the three month period ended 31 March 2015 ("the period") are prepared in accordance with IAS 34 – Interim Financial Reporting, as such these do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2014.

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

In management's opinion, the interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. Certain comparative amounts have been reclassified to conform to the current period presentation. The interim results may not be indicative of the Company's annual results.

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

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

31 March 2015

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2014.

The Company has adopted the following new standards and amendments, which are effective for the Company's financial years starting 2015 and thereafter:

Annual Improvements 2010-2012 and 2011-2013 Cycles

Annual improvements to IFRS 2010-2012 and 2011-2013 cycle applicable for annual periods beginning on or after 1 July 2014. The IASB made amendments to a total of nine standards, which included an amendment to IFRS 13 Fair Value Measurement. It clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

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.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied to the reissued financial statements as at and for the year ended 31 December 2014.

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

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

31 March 2015

5 CASH AND CASH EQUIVALENTS

	<i>31 March 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 in hand	39,534	--	26,248	--
Cash at banks - Current accounts	62,854,907	48,245,445	60,865,100	12,476,575
	<u>62,894,441</u>	<u>48,245,445</u>	<u>60,891,348</u>	<u>12,476,575</u>

6 INVESTMENTS

a) Insurance operations – Investments

This represents investment in respect of the Company's share in the capital of Najm for Insurance Services. This investment has been carried at cost in the absence of active markets or other means of reliably measuring their fair value.

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

	<i>31 March 2015 (Unaudited)</i>		<i>31 December 2014 (Audited)</i>	
	<i>Amortised cost</i>	<i>Market value</i>	<i>Amortised cost</i>	<i>Market value</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Bonds				
Abu Dhabi National Energy Company (TAQA)	4,270,557	4,346,888	4,308,059	4,350,674
SABIC Capital II BV	13,830,795	13,721,265	13,853,721	13,500,000
QNB Finance (Qatar National Bank)	13,846,326	13,702,500	--	--
Sukuks				
Saudi Electricity Company	18,857,861	19,208,810	18,870,826	18,923,436
EIB Sukuk Ltd (Emirates Islamic Bank)	3,958,201	3,872,925	3,976,499	3,850,013
	<u>54,763,740</u>	<u>54,852,388</u>	<u>41,009,105</u>	<u>40,624,123</u>

The investment income ranges between 1.9% to 2.8% per annum (2014: 1.9% to 2.8% per annum) in case of bonds and 2.4% per annum (2014: 2.4% per annum) in case of sukuks.

7 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair values of recognised financial instruments are not significantly different from the carrying values included in the interim condensed financial statements. The estimated fair values of financial instruments are based on quoted market prices, when available. The fair values of these investments are disclosed below.

Determination of fair value and fair value hierarchy

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

Level 1: quoted prices in active markets for identical instrument (i.e., without modification or repacking);

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

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

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

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

31 March 2015

7 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
<u>As at 31 March 2015</u>				
Abu Dhabi National Energy Company (TAQA)	4,346,888	--	--	4,346,888
SABIC Capital II BV	13,721,265	--	--	13,721,265
QNB Finance (Qatar National Bank)	13,702,500	--	--	13,702,500
Saudi Electricity Company (Sukuks)	19,208,810	--	--	19,208,810
EIB Sukuk Ltd(Emirates Islamic Bank)	3,872,925	--	--	3,872,925
	54,852,388	--	--	54,852,388
	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
<u>As at 31 December 2014</u>				
Abu Dhabi National Energy Company (TAQA)	4,350,674	--	--	4,350,674
SABIC Capital II BV	13,500,000	--	--	13,500,000
Saudi Electricity Company (Sukuks)	18,923,436	--	--	18,923,436
EIB Sukuk Ltd(Emirates Islamic Bank)	3,850,013	--	--	3,850,013
	40,624,123	--	--	40,624,123

The unlisted securities of SR 1.92 million (2014: SR 1.92 million), held as part of Company's insurance operations, were stated at cost in the absence of active markets or other means of reliably measuring their fair value.

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

During the three-month period ended 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements. The net change in the fair value of AFS investments amounting to a gain of SR 473,630 (2014: SR 219,017) has been recorded in the interim statement of comprehensive income – shareholders' operations.

8 PREMIUM AND INSURANCE BALANCES RECEIVABLE

	<i>31 March 2015 (Unaudited) SR</i>	<i>31 December 2014 (Audited) SR</i>
Premiums receivable	62,749,502	45,724,701
Receivables from insurance and reinsurance companies	22,817,484	21,983,148
Receivables from related parties	25,829,201	27,301,100
	111,396,187	95,008,949
Less: Allowance for doubtful debts	(12,828,796)	(12,854,165)
	98,567,391	82,154,784

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(UNAUDITED) (continued)

31 March 2015

8 PREMIUM AND INSURANCE BALANCES RECEIVABLE (continued)

Allowance for doubtful debts includes SR 1.67 million (31 December 2014: SR 1.9 million) against receivables from related parties. Movement in the allowance for doubtful debt was as follows:

	<i>31 March 2015</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR</i>
Balance at 1 January	12,854,165	12,525,180
(Reversal) / charge for the period / year	(25,369)	328,985
Balance at 31 March / 31 December	<u>12,828,796</u>	<u>12,854,165</u>

9 STATUTORY DEPOSIT

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

As a result of increase in share capital, the Company's statutory deposit during the period increased to SR 40 million (2014: SR 20 million). The initial statutory deposit continue to be invested with a local bank as approved by SAMA. The Company has deposited the additional SR 20 million in a separate bank account and is in the process of obtaining necessary approval from SAMA to invest this amount in a SAMA designated financial institution.

As at 31 March 2015, commission received on the statutory deposit amounts to SR 939,658 and is placed in a separate bank account as instructed by SAMA.

10 BASIC AND DILUTED EARNING / (LOSS) PER SHARE FOR THE PERIOD

Basic and diluted earning / (loss) per share for the period has been calculated by dividing the net income / (loss) for the period by weighted average number of outstanding shares at the period end.

The weighted average number of shares have been retrospectively adjusted for all prior periods to reflect the bonus element of the rights issue as required by IAS 33, 'Earnings per share' as follows:

	31 March 2015	31 March 2014
Issued ordinary shares as at 1 January	20,000,000	20,000,000
Adjusted rights issue	18,948,315	-
Effect of rights issue of shares	--	16,400,000
Weighted average number of ordinary shares	<u>38,948,315</u>	<u>36,400,000</u>

The weighted average number of ordinary shares for prior year is computed using an adjustment factor of 1.82, which is a ratio of the theoretical ex-rights of SR 56.26 and the closing price per share of SR 102.52 per share on 6 January 2015, the last day on which the shares were traded before the rights issue.

The basic and diluted loss per share are as follows:

	For the three month period ended 31 March 2015 SR	For the three month period ended 31 March 2014 SR
Net income / (loss) for the period	<u>2,072,522</u>	<u>(16,506,333)</u>
Weighted average number of ordinary shares	<u>38,948,315</u>	<u>36,400,000</u>
Basic and diluted earning / (loss) per share (restated)	<u>0.05</u>	<u>(0.45)</u>

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11 SHARE CAPITAL

The authorized and paid up share capital of the Company is SR 400 million divided into 40 million shares of SR 10 each. (2014: SR 200 million divided into 20 million shares of SR 10 each).

The Company held an extraordinary general assembly of its shareholders on 6 January 2015 to approve the increase in the share capital through a rights issue. Based on the approval received from the shareholders at the extraordinary general assembly, the Company proceeded to raise SAR 200 million through a rights issue. Under the terms of the rights issue, the Company offered 20,000,000 new ordinary shares by way of rights to qualifying shareholders at SAR 10 per new ordinary share at close of business on the record date, 6 January 2015. The rights issue was made on the basis of one new ordinary share for every one existing ordinary share held by shareholders.

The Company has successfully raised additional share capital of SR 200 million in February 2015.

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders and key management personnel of the Company. The Company transacts with its related parties in the ordinary course of business. The transactions with related parties are undertaken at mutually agreed terms which are approved by the management. The following are the details of major related party transactions for insurance and shareholders' operations during the period and the balances at the end of the period / year:

Related party	Nature of transaction	Amount of transactions for the three month period ended		Balance as at	
		31 March 2015 (Unaudited) SR	31 March 2014 (Unaudited) SR	31 March 2015 (Unaudited) SR	31 December 2014 (Audited) SR
Shareholders / Companies under common management	Gross written Premiums	30,567,197	24,866,255	25,829,201	27,301,100
	Gross claims paid	19,266,886	27,625,992	--	--
	Reinsurance premiums ceded	18,281,831	13,220,959	--	--
	Reinsurers' share of gross claims paid	4,054,897	3,570,025	--	--
	Reinsurance commission income	4,454,701	3,683,657	--	--
	Outsourced service charges*	1,400,000	1,400,000	(15,358,760)	(13,958,760)
	Brand fee	7,525	7,525	(150,500)	(142,975)
	Reinsurers' share of gross outstanding Claims	--	--	(86,851,602)	(90,835,582)
	Gross outstanding claims	--	--	(22,450,452)	(24,120,594)
Board of directors RSA group entities	Remuneration and meeting fee	116,250	116,250	(605,955)	(489,705)
RSA group entities	Operational expenses paid on behalf of affiliates and reinsurance placements	843,822	8,388	2,708,023	2,052,914
	Operation expenses paid by affiliates on behalf of Company	(28,569)	(16,652)	(4,067,127)	(4,046,292)

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

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31 December 2014

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management personnel's remuneration

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

	<i>Three month period ended 31 March 2015 (Unaudited) SR</i>	<i>Three month period ended 31 March 2014 (Unaudited) SR</i>
Short term benefits	1,502,852	1,412,927
End of service benefits	52,290	48,227
	1,555,142	1,461,154

13 SEGMENTAL INFORMATION

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

Segment results do not include general and administration expenses and other income.

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

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

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

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

	<i>For the three month period ended 31 March 2015 (Unaudited)</i>						
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Others SR	Total SR
Insurance operations							
Gross written premiums	26,519,735	64,230,358	7,271,927	572,994	8,998,910	9,994,106	117,588,030
Reinsurance premiums ceded	(19,823,478)	--	(6,254,537)	(320,997)	(4,666,753)	(4,320,080)	(35,385,845)
Excess of loss premiums	(3,679,483)	(1,763,550)	(1,956,146)	(230,911)	(2,290,038)	(751,872)	(10,672,000)
Net written premiums	3,016,774	62,466,808	(938,756)	21,086	2,042,119	4,922,154	71,530,185
Change in unearned premiums, net	1,063,924	(25,351,236)	979,130	1,049,584	1,402,207	(891,598)	(21,747,989)
Net premiums earned	4,080,698	37,115,572	40,374	1,070,670	3,444,326	4,030,556	49,782,196
Gross claims paid	(13,541,865)	(25,531,745)	(1,768,982)	(1,785,982)	(1,688,983)	(3,325,841)	(47,643,398)
Reinsurers' share of gross claims paid	13,193,948	--	1,127,289	1,047,990	1,084,589	2,360,956	18,814,772
Change in outstanding claims, net	(148,536)	(1,017,868)	23,788	287,013	(1,577,289)	(1,054,799)	(3,487,691)
Net claims incurred	(496,453)	(26,549,613)	(617,905)	(450,979)	(2,181,683)	(2,019,684)	(32,316,317)
Policy acquisition costs	(1,846,833)	(3,233,524)	(1,279,073)	(50,817)	(160,998)	(374,665)	(6,945,910)
Reinsurance commission income	2,024,670	--	2,262,564	--	1,175,932	568,613	6,031,779
	3,762,082	7,332,435	405,960	568,874	2,277,577	2,204,820	16,551,748
Other underwriting expenses	--	--	--	--	--	--	(505,398)
Net underwriting surplus							16,046,350
General and administrative Expenses							(13,628,057)
Investment income							82,482
Other (expense) / income							(129,195)
Insurance operations' surplus							2,371,580

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13 SEGMENTAL INFORMATION (continued)

	<i>For the three month period ended 31 March 2014 (Unaudited)</i>						
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Others SR	Total SR
Insurance operations							
Gross written premiums	22,131,779	35,476,645	8,843,912	(1,091,989)	6,385,936	7,016,881	78,763,164
Reinsurance premiums ceded	(20,343,151)	-	(7,972,120)	605,994	(3,001,270)	(2,958,933)	(33,669,480)
Excess of loss premiums	(4,599,198)	(2,169,660)	(1,353,949)	(344,712)	(2,247,833)	(830,816)	(11,546,168)
Net premiums written	(2,810,570)	33,306,985	(482,157)	(830,707)	1,136,833	3,227,132	33,547,516
Change in unearned premiums, net	3,048,323	(3,538,286)	652,387	2,799,557	2,262,568	49,001	5,273,550
Net premiums earned	237,753	29,768,699	170,230	1,968,850	3,399,401	3,276,133	38,821,066
Gross claims paid	(22,640,774)	(32,420,676)	(709,993)	(4,188,958)	1,179,958	(3,872,961)	(62,653,404)
Reinsurers' share of gross claims paid	21,725,483	--	619,494	2,280,977	(1,548,154)	3,386,190	26,463,990
Change in outstanding claims, net	1,089,690	(3,427,906)	(139,599)	(1,812,982)	(1,663,083)	(1,376,108)	(7,329,988)
Net claims incurred	174,399	(35,848,582)	(230,098)	(3,720,963)	(2,031,279)	(1,862,879)	(43,519,402)
Policy acquisition costs	(1,072,657)	(1,424,266)	(514,496)	(210,963)	(667,993)	(168,191)	(4,058,566)
Reinsurance commission income	3,726,473	--	962,833	--	1,217,567	289,722	6,196,595
Other underwriting expenses	3,065,968	(7,504,149)	388,469	(1,963,076)	1,917,696	1,534,785	(2,560,307)
	--	--	--	--	--	--	(356,868)
Net underwriting surplus							(2,917,175)
General and administrative Expenses							(13,868,787)
Investment income							162,613
Other income, net							13,101
Insurance operations' deficit							(16,610,248)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
31 March 2015

13 SEGMENTAL INFORMATION (continued)

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14 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 15 April 2015, corresponding to 26 Jumada II 1436H.