
**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE
“WAFI INSURANCE”**

(A SAUDI JOINT STOCK COMPANY)

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS
ENDED 30 SEPTEMBER 2016**

**together with the
INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT**

**SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE “WAFI INSURANCE”
(A Saudi Joint Stock Company)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS’ LIMITED REVIEW REPORT
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016**

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**Independent Auditors' limited review report on interim condensed financial statements
To the shareholders of Saudi Indian Company for Cooperative Insurance "Wafa Insurance"
(A Saudi Joint Stock Company)**

SCOPE OF REVIEW

We have reviewed the accompanying interim statement of financial position of Saudi Indian Company for Cooperative Insurance "Wafa Insurance" (A Saudi Joint Stock Company) ("the Company") as at 30 September 2016 and the related interim statement of comprehensive income - insurance operations, interim statement of income - shareholders' operations and interim statement of comprehensive income - shareholders' operations for the three and nine month periods then ended, the interim statement of changes in shareholders' equity and interim statements of cash flows - insurance and shareholders' operations for the nine month period then ended and Notes 1 to 17 which form part of the 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 Standards 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 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 the accompanying interim condensed financial statements are prepared in accordance with International Accounting Standards (IAS) 34 and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

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18 Muharram 1438H
19 October 2016G

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 September 2016
Expressed in Saudi Arabian Riyals

		30 September 2016	31 December 2015
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Insurance Operations' Assets			
Cash and cash equivalents	6	155,089,189	57,617,704
Receivable from policyholders, net	7	115,790,605	89,805,661
Receivable from reinsurers, net	8	15,549,438	8,075,987
Reinsurers' share of outstanding claims		72,326,043	36,451,628
Reinsurers' share of unearned premium income		34,843,529	55,953,021
Deferred policy acquisition costs		24,817,031	24,903,382
Prepaid expenses		4,815,508	1,752,382
Investments	9	2,787,862	45,923,078
Advances and other receivables		34,139,512	29,516,815
Property and equipment, net		2,380,275	1,064,104
Intangible assets, net		1,076,235	1,151,082
Capital work in progress		--	92,325
Due from shareholders' operations		59,207,877	133,752,723
Total Insurance Operations' Assets		522,823,104	486,059,892
Shareholders' Assets			
Cash and cash equivalents	6	153,615,426	33,050,707
Investment	9	3,904,442	160,522,450
Prepaid expenses		75,000	--
Advances and other receivables		591,551	391,946
Advance Zakat and tax		--	344,829
Statutory deposit investment return	10	990,256	861,217
Statutory deposit	10	30,750,000	20,600,000
Total Shareholders' Assets		189,926,675	215,771,149
Total Assets		712,749,779	701,831,041

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 September 2016
Expressed in Saudi Arabian Riyals

	30 September 2016	31 December 2015
<i>Note</i>	<u>(Unaudited)</u>	<u>(Audited)</u>
Insurance Operations' Liabilities and Surplus		
Reinsurers' balances payable	17,258,562	29,165,409
Unearned premium income	274,582,065	269,981,719
Unearned commission income	4,022,114	2,407,562
Outstanding claims including reserves	212,309,082	168,539,395
Reserve for life insurance operations	1,516,730	1,516,730
Accrued expenses	2,859,175	3,490,197
Other liabilities	2,724,944	9,302,833
Employees' end of service benefits	2,245,449	1,656,047
	517,518,121	486,059,892
Insurance Operations' Surplus		
Surplus distribution to policy holders	5,304,983	--
Total Insurance Operations' Liabilities and Surplus	522,823,104	486,059,892
Shareholders' Liabilities and Equity		
Shareholders' Liabilities		
Zakat and income tax payable	555,171	--
Accrued expenses	2,242,500	2,315,500
Statutory deposit investment return payable	10 990,256	861,217
Other liabilities	285,315	285,415
Share compensation	16 11,740,992	11,740,992
Due to insurance operations	59,207,877	133,752,723
Total Shareholders' Liabilities	75,022,111	148,955,847
Shareholders' Equity		
Share capital	16 205,000,000	205,000,000
Accumulated deficit	(88,999,879)	(137,707,149)
Fair value reserve for available for sale investments	(1,095,557)	(477,549)
Total Shareholders' Equity	114,904,564	66,815,302
Total Shareholders' Liabilities and Equity	189,926,675	215,771,149
Total Liabilities and Shareholders' Equity	712,749,779	701,831,041

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF COMPREHNSIVE INCOME - INSURANCE OPERATIONS
(UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODSENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

	Three months ended 30 September		Nine months ended 30 September	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Gross premiums written	93,155,713	91,822,908	454,034,704	360,615,881
Reinsurance premium ceded	(13,752,467)	(16,680,521)	(61,353,687)	(72,593,462)
Excess of loss premium	(1,466,250)	(764,093)	(4,398,750)	(2,292,278)
Net premiums written	77,936,996	74,378,294	388,282,267	285,730,141
Changes in unearned premium	48,343,334	436,894	(25,709,838)	(114,314,302)
Net premium earned	126,280,330	74,815,188	362,572,429	171,415,839
Reinsurance commissions	2,213,272	1,510,195	6,895,048	7,000,098
Other operating income	1,015,072	593,626	4,569,110	3,554,986
Other income	1,098,192	--	2,565,315	--
Unrealized loss on investments held for trading	(427,322)	--	(474,812)	--
Investment income	1,032,538	--	2,401,660	--
Total revenue	131,212,082	76,919,009	378,528,750	181,970,923
Gross claims paid	104,253,214	51,496,779	293,932,440	141,709,290
Less: Reinsurers' share	(18,975,529)	(11,554,770)	(55,599,499)	(37,079,751)
Net claims paid	85,277,685	39,942,009	238,332,941	104,629,539
Change in premium deficiency reserve and other reserves	97,000	--	(29,514,000)	(2,045,000)
Change in IBNR	10,159,000	26,000,000	38,324,000	37,209,000
Changes in outstanding claims	(1,183,640)	4,660,429	(914,728)	(2,293,938)
Net claims incurred	94,350,045	70,602,438	246,228,213	137,499,601
Policy acquisition costs	13,956,875	9,411,302	41,243,394	23,294,655
Other underwriting expenses	3,027,842	1,673,072	8,135,338	9,180,286
Total claims and other expenses	111,334,762	81,686,812	295,606,945	169,974,542
Underwriting surplus	19,877,320	(4,767,803)	82,921,805	11,996,381
General and administrative expenses	(11,018,076)	(8,454,467)	(29,871,970)	(21,598,125)
Net surplus/(deficit) for the period	8,859,244	(13,222,270)	53,049,835	(9,601,744)
(Transferred to)/ absorbed by shareholders' operations	(7,973,320)	13,222,270	(47,744,852)	9,601,744
Net result for the period	885,924	--	5,304,983	--
Other comprehensive income	--	--	--	--
Total comprehensive surplus for the period	885,924	--	5,304,983	--

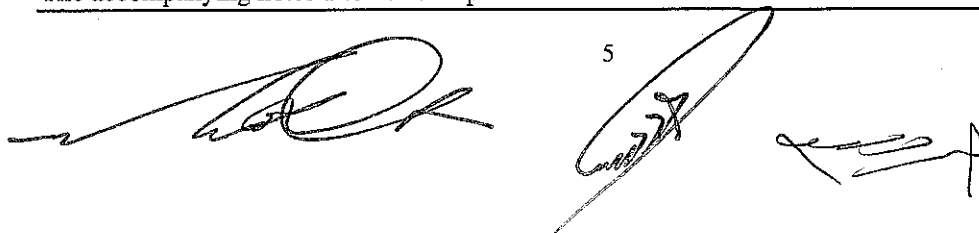
The accompanying notes 1 to 17 form part of these interim condensed financial statements.

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

		Three months ended 30 September		Nine months ended 30 September	
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Gain on sale of investments		--	38,501	--	2,848,437
Investment income		1,112,682	281,450	3,126,802	670,403
Net surplus transferred from insurance operations	3	7,973,320	--	47,744,852	--
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Directors' remuneration	12	9,086,002	319,951	50,871,654	3,518,840
General and administrative expenses		(285,000)	(168,000)	(855,000)	(855,000)
Net deficit transferred from insurance operations		(135,448)	(478,363)	(409,384)	(702,851)
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Net profit / (loss) for the period		--	(13,222,270)	--	(9,601,744)
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Net profit / (loss) for the period		8,665,554	(13,548,682)	49,607,270	(7,640,755)
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Basic and diluted earnings/(loss) per share- Saudi Riyals	13	0.42	(0.75)	2.42	(0.42)

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

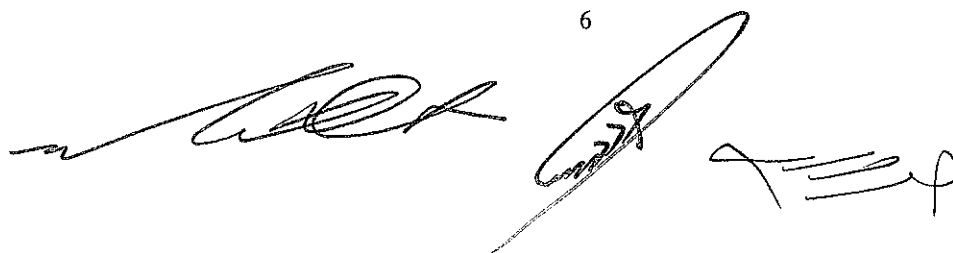
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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
 (A Saudi Joint Stock Company)
 INTERIM STATEMENT OF COMPREHENSIVE INCOME- SHAREHOLDERS'
 OPERATIONS (UNAUDITED)
 FOR THE THREE AND NINE MONTH PERIODSENDED 30 SEPTEMBER 2016
 Expressed in Saudi Arabian Riyals

	<u>Note</u>	Three months ended 30 September		Nine months ended 30 September	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Net profit/ (loss) for the period		8,665,554	(13,548,682)	49,607,270	(7,640,755)
<i>Other comprehensive income to be reclassified subsequently to the statement of income-shareholder operation</i>					
Changes in fair value of available for sale investments	9.2	(524,464)	(40,181)	(618,008)	(11,363)
Total comprehensive income/(loss) for the period		<u>8,141,090</u>	<u>(13,588,863)</u>	<u>48,989,262</u>	<u>(7,652,118)</u>



The accompanying notes 1 to 17 form part of these interim condensed financial statements.



SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "Wafa Insurance"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

	<u>Share capital</u>	<u>Accumulated deficit</u>	<u>Fair value reserve for available for sale investments</u>	<u>Total shareholders' equity</u>
For the nine month period ended 30 September 2015				
Balance at 1 January 2015	100,000,000	(70,792,232)	(231,989)	28,975,779
Other comprehensive income	--	(7,640,755)	(11,363)	(7,652,118)
Capital issue expenses	--	(3,899,521)	--	(3,899,521)
Right issue	105,000,000	--	--	105,000,000
Zakat	--	(1,054,363)	--	(1,054,363)
Balance as at 30 September 2015	<u>205,000,000</u>	<u>(83,386,871)</u>	<u>(243,352)</u>	<u>121,369,777</u>
Balance at 1 January 2016				
Net profit for the period	205,000,000	(137,707,149)	(477,549)	66,815,302
Changes in fair value of available for sale investments	--	49,607,270	--	49,607,270
Provision for Zakat and income tax	--	--	(618,008)	(618,008)
	--	(900,000)	--	(900,000)
Balance as at 30 September 2016	<u>205,000,000</u>	<u>(88,999,879)</u>	<u>(1,095,557)</u>	<u>114,904,564</u>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

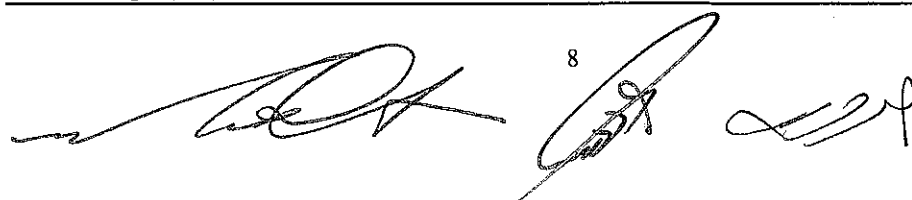



SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS - INSURANCE OPERATIONS(UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODSENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

	<u>Note</u>	30 September 2016 (Unaudited)	30 September 2015 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net results for the period		5,304,983	--
<i>Adjustments for:</i>			
Profit transferred to Shareholders' operations		47,744,852	(9,601,744)
Provision for employees' end of service benefits		589,402	166,999
Unrealized loss on investments held for trading		474,812	--
Amortization of intangibles		620,745	330,874
Depreciation		324,970	134,380
Reinsurers' share of unearned premium		21,109,492	(10,079,321)
Unearned premium income		4,600,346	124,393,623
Provision for doubtful debts		199,958	489,114
		<u>80,969,560</u>	<u>105,833,925</u>
Changes in operating assets and liabilities:			
Receivable from policyholders, net		(25,984,943)	(42,261,176)
Receivable from reinsurers, net		(7,473,453)	--
Reinsurers' share of outstanding claims		(35,874,415)	(657,607)
Deferred policy acquisition costs		86,351	(11,270,010)
Prepaid expenses		(3,063,125)	(1,220,704)
Advances and other receivables		(4,622,697)	(2,257,441)
Reinsurers' balances payable		(11,906,847)	(3,305,838)
Unearned commission income		1,614,552	1,960,585
Outstanding claims including reserves		43,769,687	33,527,665
Accrued expenses		(631,022)	678,501
Other liabilities		(6,577,889)	12,741,125
Due from shareholders' operation, net		26,799,994	(45,104,682)
Employees' end of service benefits paid		(86,097)	--
Net cash from operating activities		<u>57,019,656</u>	<u>48,664,343</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangibles assets		(545,896)	(151,843)
Purchase of property and equipment		(1,641,141)	(1,029,053)
Purchase of investments		(4,773,324)	--
Proceeds from disposal of investment		47,412,190	--
Net cash from /(used in) investing activities		<u>40,451,829</u>	<u>(1,180,896)</u>
Increase in cash and cash equivalents during the period		97,471,485	47,483,447
		57,617,704	
Cash and cash equivalents at the beginning of the period			6,977,023
Cash and cash equivalents at the end of the period	6	<u>155,089,189</u>	<u>54,460,470</u>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

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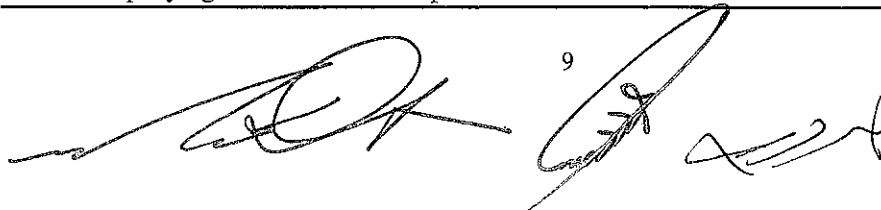


SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS - SHAREHOLDERS' OPERATIONS
(UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODSENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

	30 September 2016 <u>Note</u> <u>(Unaudited)</u>	30 September 2015 <u>(Unaudited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	49,607,270	(7,640,755)
<u>Adjustments for:</u>		
Gain on sale of investments	--	(3,518,840)
Surplus transferred from insurance operations	(47,744,852)	9,601,744
	<u>1,862,418</u>	<u>(1,557,851)</u>
Changes in operating assets and liabilities:		
Prepaid expenses	(75,000)	(45,000)
Advances and other receivables	(199,606)	760,556
Accrued expenses	(73,000)	1,030,500
Other liabilities	128,940	98,515
Due to insurance operations, net	(26,799,994)	45,104,683
	<u>(25,156,242)</u>	<u>45,391,403</u>
Zakat and income tax paid	--	(760,513)
Net cash (used in)/ from operating activities	<u>(25,156,242)</u>	<u>44,630,890</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Statutory deposit	(10,279,039)	(10,598,515)
Purchase of investments	--	13,417,590
Proceeds from disposal of investment	156,000,000	--
Net cash from investing activities	<u>145,720,961</u>	<u>2,819,075</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	--	105,000,000
Capital issue expenses	--	(3,899,521)
Net cash from investing activities	<u>--</u>	<u>101,100,479</u>
Increase in cash and cash equivalents during the period	120,564,719	148,550,444
Cash and cash equivalents at the beginning of the period	<u>33,050,707</u>	<u>3,310,236</u>
Cash and cash equivalents at the end of the period	6 <u>153,615,426</u>	<u>151,860,680</u>
<u>Non-cash supplemental information:</u>		
Net change in the fair value of available for sale investments	9.2 <u>(618,008)</u>	<u>(11,363)</u>

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "Wafa Insurance"
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Saudi Indian Company for Cooperative Insurance "Wafa Insurance" (the "Company") is a Saudi joint stock company as sanctioned by the Royal Decree No. M60 dated 18 Ramadan 1427H corresponding to October 9, 2006 (date of inception). The Company is registered in Riyadh with the Ministry of Commerce and Industry under commercial registration No.1010236705 dated 24/7/1428H corresponding to August 7, 2007. The Company's registered office address is Al-Maseef Dist., Northern Ring Road between exit 5&6, PO Box: 341413, Riyadh 11333, Kingdom of Saudi Arabia.

The principal activities of the Company are to transact the cooperative insurance operations and all related activities including reinsurance and agency activities under the law of Supervision of Cooperative Insurance Companies and its by-laws and other regulations promulgated in the Kingdom of Saudi Arabia. The Company is permitted to conduct its operations in the Kingdom of Saudi Arabia.

The Company has been granted the license (number TMN/14/20086) to practice all lines of insurance business on 6 Jumada II, 1429H corresponding to September 8, 2008 from Saudi Arabian Monetary Agency ("SAMA"). SAMA renewed the operational license for a further period of three years from 6 Jumada II, 1432 H corresponding to May 9, 2011 and renewed thereafter for a further period of three years from 5 Jumada II, 1435 H corresponding to April 5, 2014. The Company commenced its general insurance operations from August 20, 2008 and protection and savings insurance operations from January 11, 2009.

2. BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34- "Interim Financial Reporting". These interim condensed financial statements have been prepared on the historical cost basis except for revaluation of investments, which are carried at fair value. These 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 audited financial statements for the year ended 31 December 2015.

In management's opinion, these 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.

Increase in share capital

As at 30 September 2016 the Company has accumulated losses of SR 88.99million (31 December 2015: SR 137.71 million) that is 43.4% of the share capital (31 December 2015: 67.2%). On 8 April 2015, the Company held an extraordinary general meeting of its shareholders to approve the increase in the share capital through rights issue. Based on the approval received from the shareholders at the extraordinary general meeting, the Company finalized the process of the capital increase and received the new capital in the bank. Under the terms of the rights issue, the Company's new capital after issue of new shares of SR 105,000,000 is SR 205,000,000.

Further, the Company is in a continuous process to improve its business performance in order to reduce its accumulated losses. Accordingly, the Board of Directors has considered positively the impact of increase in the share capital on the financial position and future profitability of the Company and believes that the going concern basis used for preparation of these financial statements is appropriate.

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE “Wafa Insurance”
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(Continued)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

3. BASIS OF PRESENTATION

As required by the Saudi Arabian insurance regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors. Losses incurred by Insurance Operations are absorbed by Shareholders' Operations. Net surplus shall be distributed at the rate of 10% at the end of each year to the policyholders. The remaining 90% of the net surplus shall be transferred to the shareholder's income statement.

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2015 except for the adoption of the following new standards and other amendments to existing standards mentioned below which have had no significant financial impact on the 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:

New and amended standards issued and adopted

- IFRS 14 – “Regulatory Deferral Accounts”, applicable for the annual periods beginning on or after 1 January 2016, allows an entity, whose activities are subject to rate regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first time adoption of IFRS. The standard does not apply to existing IFRS preparers. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first-time application of IFRS.

Amendments to existing standards

- Amendments to IFRS 10 – “Consolidated Financial Statements”, IFRS 12 – “Disclosure of Interests in Other Entities” and IAS 28 – “Investments in Associates”, applicable for the annual periods beginning on or after 1 January 2016, address three issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value. Furthermore, only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES *(Continued)*

-Amendments to IFRS 11 – “Joint Arrangements”, applicable for the annual periods beginning on or after 1 January 2016, require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in IFRS 3 – “Business Combinations” and other IFRSs that do not conflict with the requirements of IFRS 11 Joint Arrangements. Furthermore, entities are required to disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by one of the parties to the joint operation on its formation. Furthermore, the amendments clarify that, for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

-Amendments to IAS 1 – “Presentation of Financial Statements”, applicable for the annual periods beginning on or after 1 January 2016, clarify, existing IAS 1 requirements in relation to:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and other comprehensive income (“OCI”) and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. The amendments further clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

- Amendments to IAS 16 – “Property, Plant and Equipment” and IAS 38 – “Intangible Assets”, applicable for the annual periods beginning on or after 1 January 2016, restricts the use of ratio of revenue generated to total revenue expected to be generated to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

- Amendments to IAS 16 – “Property, Plant and Equipment” and IAS 41 – “Agriculture”, applicable for the annual periods beginning on or after 1 January 2016, change the scope of IAS 16 to include biological assets that meet the definition of bearer plants. Agricultural produce growing on bearer plants will remain within the scope of IAS 41. In addition, government grants relating to bearer plants will be accounted for in accordance with IAS 20 – “Accounting for Government Grants and Disclosure of Government Assistance”, instead of IAS 41.

- Amendments to IAS 27 – “Separate Financial Statements”, applicable for the annual periods beginning on or after 1 January 2016, allows an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

Annual improvements to IFRS 2012-2014 cycle applicable for annual periods beginning on or after 1 January 2016. A summary of the amendments is as follows:

-IFRS 5 – “Non-current Assets Held for Sale and Discontinued Operations”, amended to clarify that changing from one disposal method to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5.

5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES *(Continued)*

-IFRS 7 – “Financial Instruments: Disclosures” has been amended to clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. The nature of the fee and the arrangement should be assessed in order to consider whether the disclosures are required under IFRS 7 and the assessment must be done retrospectively. IFRS 7 has been further amended to clarify that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

-IAS 19 – “Employee Benefits” – amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

-IAS 34 – “Interim Financial Reporting” – amendment clarifies that the required interim disclosures must be either in the interim financial statements or incorporated by cross-referencing to the interim financial report (e.g., in the management commentary or risk report). However, the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

Standards issued but not yet effective

The following new or amended standards are not expected to have significant impact on the financial statements and the Company has chosen not to early adopt the following standards:

- IFRS 9 – Financial instruments (effective on or after January 1, 2018)
- IFRS 15 – Revenue from contracts with customers (effective on or after January 1, 2018)
- IFRS 16 – Leases (effective on or after January 1, 2019)

Use of estimates in the preparation of interim condensed financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and the Company’s interim condensed financial statements present fairly, in all material respects, the financial position and results of operations.

Financial risk management

The Company’s activities expose it to a variety of financial risks: market risk (including commission rate risk, currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed financial statements do not include all financial risk management information and disclosure required in the annual financial statements and therefore should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2015.

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6. CASH AND CASH EQUIVALENTS

	30 September 2016	
	(Unaudited)	
	<i>Insurance Operations</i>	<i>Shareholders</i>
Cash in hand	126,794	--
Balance in current account	29,371,207	14,744,830
Term deposit at banks (note no 6.a)	125,591,188	138,870,596
	155,089,189	153,615,426
	31 December 2015 (Audited)	
	<i>Insurance Operations</i>	<i>Shareholders</i>
Cash in hand	915,818	--
Balance in current account	56,701,886	33,050,707
	57,617,704	33,050,707

- 6 (a) This represents investment in murahaba term deposit having maturity of not more than three months at a rate of interest ranging between 1.5% to 3.4% per annum.

7. RECEIVABLE FROM POLICYHOLDERS, NET

	30 September 2016	31 December 2015
	(Unaudited)	(Audited)
Gross receivables arising from insurance contracts	127,462,178	98,645,936
Less: Provision for doubtful debts (note 7.a)	(11,671,573)	(8,840,275)
Net receivables	115,790,605	89,805,661

- 7 (a) The movement in the provision for doubtful debts of receivable from policyholders is as follows:

	30 September 2016	31 December 2015
	(Unaudited)	(Audited)
Opening balance	8,840,275	8,023,145
Charge of Provision during the period / year	2,831,298	817,130
Closing balance	11,671,573	8,840,275

8. RECEIVABLES FROM REINSURERS, NET

	30 September 2016	31 December 2015
	(Unaudited)	(Audited)
Gross receivables	15,686,475	10,844,365
Less: Provision for doubtful debts (note 8.1)	(137,037)	(2,768,378)
Net receivables	15,549,438	8,075,987

- 8.1 The movement in the provision for doubtful debts of reinsurance receivables is as follows:

	30 September 2016	31 December 2015
	(Unaudited)	(Audited)
Opening balance	2,768,378	--
(Reversal) / Charge during the period / year	(2,631,341)	2,768,378
Closing balance	137,037	2,768,378

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9. INVESTMENTS

		30 September 2016 (Unaudited)	
		<i>Insurance Operations</i>	<i>Shareholders</i>
Available for sale			
Unquoted securities	9.1	1,923,078	---
Shariah compliant funds-quoted	9.2	--	3,904,442
Held to maturity			
Shariah compliant murahaba term deposit	9.3	--	--
Held for trading			
Quoted securities	9.4	864,784	--
		2,787,862	3,904,442
		31 December 2015 (Audited)	
		<i>Insurance Operations</i>	<i>Shareholders</i>
Available for sale			
Unquoted securities	9.1	1,923,078	--
Shariah compliant funds-quoted	9.2	--	4,522,450
Held to maturity			
Shariah compliant murahaba term deposit	9.3	44,000,000	156,000,000
		45,923,078	160,522,450

9.1 This represents investment in shares of Najm for insurance services amounting to SAR 1,923,078 (December 2015: SAR 1,923,078)

9.2 Shariah compliant fund

	30 September 2016 (Unaudited)	31 December 2015 (Audited)
Opening balance	4,522,450	4,768,010
Unrealised loss during the period/year	(618,008)	(245,560)
Closing balance	3,904,442	4,522,450

9.3 This represents investment in Murahaba amounting to SAR Nil (December 2015: SAR 200,000,000).

9.4 The represents investment in quoted shares amounting to SAR 864,784 (December 2015: Nil).

10. STATUTORY DEPOSIT

In accordance with Article 58 of the Implementing Regulations for Cooperative Insurance, the Company has deposited an amount of SR 30,750,000 (31 December 2015: SAR 20,600,000) with Riyadh Bank. During the period statutory deposit is increased from 10% to 15% of share capital in order to comply with SAMA letter no 371000070032 dated 30th March 2016. However, the Company is not allowed to withdraw any portion of the original deposit or the profit unless prior approval is obtained from SAMA. Profit accrued of SAR 990,256 (31 December 2015: SAR 861,217) and the corresponding liability have been shown separately.

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11. RELATED PARTY TRANSACTIONS AND BALANCES

Related party	Nature of transaction	Note	Amount of transaction		Amount of transaction		Balance	
			Three months		Nine months			
			30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	31 December 2015
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
The New India Assurance Company Limited (Shareholder)	- Reinsurance premium ceded		199,215	354,660	1,378,406	1,076,035	2,098,974	697,931
	- Reinsurance commission		45,763	82,323	337,489	258,372	419,795	160,496
	- Reinsurer's share of outstanding claims		200,990	120,140	448,836	41,432	7,363,871	188,012
	- Share compensation		--	--	--	--	5,932,155	5,932,155
Life Insurance Corporation of INDIA (Shareholder)	- Share compensation		--	--	--	--	5,708,300	5,708,300
Life Insurance Corporation (International) BSC (Shareholder)	- Share compensation		--	--	--	5,422,885	--	--
Trust Broker (Director is GM in trust)	- Premium for policies written		2,050,056	308,845	21,106,348	14,529,033	2,077,568	1,045,077
	- Commission		170,482	69,530	1,717,389	669,545	524,421	232,699
Mubarak (Common Director)	- Premium for policies written		--	--	--	--	542,995	714,200
Actuscope (Chairman is partner in actuscope)	- Actuarial Services		432,517	225,000	817,551	372,500	577,551	--
Directors and Executive Committee	- Remuneration	12	285,000	168,000	855,000	855,000	1,982,555	1,921,157
Directors and Executive Committee	- Meeting attendance fee		58,500	58,500	175,500	175,500	406,945	394,343

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12. DIRECTORS' REMUNERATION

During the period, provision has been made for the Board of Directors' remuneration for an amount of SAR 855,000 (30 September 2015: SR 855,000).

13. BASIC AND DILUTED EARNING PER SHARE

As the result of a rights issue, during the year ended December 31 2015, the Company issued 10.5 million new shares of SR 10 each at par. The resulting capital is SR 205 million, comprising 20.5 million shares of SR 10 each.

Basic and diluted earnings per share have been computed by dividing the net income for the relevant periods by the weighted average number of issued outstanding shares. The relevant averages are 20,500,000 for the three and nine month period ended September 30, 2016 and 18,040,020 for the three and nine month period ended September 30, 2015.

14. 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 between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair values of recognized financial instruments are not significantly different from the carrying values included in the interim condensed financial statements.

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 market prices in active market for the identical instrument (i.e., without modification or adjustment);
- Level 2: Quoted market prices in active market 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.

The table below presents the financial instruments at their fair values as of 30 September 2016 based on the fair value hierarchy:

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14. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

<u>30 September 2016(Unaudited)</u>	Level 1	Level 2	Level 3	Total
Investments				
- Insurance operations	864,784	--	1,923,078	2,787,862
- Shareholders' operations	3,904,442	--	--	3,904,442
Total	4,769,226	--	1,923,078	6,692,304

<u>31 December 2015(Audited)</u>	Level 1	Level 2	Level 3	Total
Investments				
- Insurance operations	--	--	45,923,078	45,923,078
- Shareholders' operations	4,522,450	--	156,000,000	160,522,450
Total	4,522,450	--	201,923,078	206,445,528

The unlisted securities amounting to SAR 1,923,078(31 December 2015: SAR 201,923,078)are stated at cost in the absence of active markets or other means of reliably measuring their fair value.

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

During the ninemonth period ended 30 September 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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15. SEGMENTAL INFORMATION

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the Company's activities, assets and liabilities. Information disclosed in the note is based on current reporting to the chief operating decision maker. Operating segments do not include shareholders' operations of the Company.

Segment assets do not include insurance operations' cash and cash equivalents, receivables, prepaid expenses, investments, advances and other receivables, due from shareholders' operations and property and equipment. Accordingly, they are included in unallocated assets.

Segment liabilities do not include reinsurers' balances payable, unearned commission income, employees' end of service benefits, accrued expenses and other liabilities. Accordingly, they are included in unallocated liabilities. These unallocated assets and liabilities are not reported to chief operating decision maker under the related segments and are monitored on a centralized basis.

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15. SEGMENTAL INFORMATION (Continued)

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

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	60,211,259	28,387,270	4,557,184	93,155,713
Reinsurance ceded	--	(9,835,553)	(3,916,914)	(13,752,467)
Excess of loss premiums ceded	(1,338,250)	--	(128,000)	(1,466,250)
Net premium written	58,873,009	18,551,717	512,270	77,936,996
Changes in unearned premium, net	42,120,306	5,612,188	610,840	48,343,334
Net premium earned	100,993,315	24,163,905	1,123,110	126,280,330
Reinsurance commissions	--	--	2,213,272	2,213,272
Other operating income	1,015,072	--	--	1,015,072
Other income	1,098,192	--	--	1,098,192
Unrealized loss on investments held for trading	--	--	(427,322)	(427,322)
Investment income	--	--	1,032,538	1,032,538
Total revenue	103,106,579	24,163,905	3,941,598	131,212,082
Gross claims paid	72,543,676	28,979,845	2,729,693	104,253,214
Less: reinsurers' share	(826,300)	(15,938,915)	(2,210,314)	(18,975,529)
Net claims paid	71,717,376	13,040,930	519,379	85,277,685
Changes in premium deficiency and other reserves	116,000	(19,000)	--	97,000
Changes in IBNR reserve	9,149,000	1,010,000	--	10,159,000
Changes in outstanding claims and reserves - net	(585,995)	(1,454,054)	856,409	(1,183,640)
Net claims incurred	80,396,381	12,577,876	1,375,788	94,350,045
Policy acquisition costs	8,822,811	3,641,213	1,492,851	13,956,875
Other underwriting expenses	691,916	2,317,807	18,119	3,027,842
Total claims and other expenses	89,911,108	18,536,896	2,886,758	111,334,762
Surplus from insurance operation	13,195,471	5,627,009	1,054,840	19,877,320
General and administrative expenses	--	--	--	(11,018,076)
Net surplus for the period	--	--	--	8,859,244

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15. SEGMENTAL INFORMATION (Continued)

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

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	346,153,613	68,697,350	39,183,741	454,034,704
Reinsurance ceded	--	(25,708,231)	(35,645,456)	(61,353,687)
Excess of loss premiums ceded	(4,014,750)	--	(384,000)	(4,398,750)
Net premium written	342,138,863	42,989,119	3,154,285	388,282,267
Changes in unearned premium, net	(64,000,717)	37,750,454	540,425	(25,709,838)
Net premium earned	278,138,146	80,739,573	3,694,710	362,572,429
Reinsurance commissions	--	--	6,895,048	6,895,048
Other operating income	4,569,110	--	--	4,569,110
Other income	2,565,315	--	--	2,565,315
Unrealized loss on investments held for trading	--	--	(474,812)	(474,812)
Investment income	--	--	2,401,660	2,401,660
Total revenue	285,272,571	80,739,573	12,516,606	378,528,750
Gross claims paid	206,063,760	76,904,164	10,964,516	293,932,440
Less: reinsurers' share	(3,464,680)	(42,302,941)	(9,831,878)	(55,599,499)
Net claims paid	202,599,080	34,601,223	1,132,638	238,332,941
Changes in premium deficiency and other reserves	(29,932,000)	418,000	--	(29,514,000)
Changes in IBNR reserve	39,957,000	(1,633,000)	--	38,324,000
Changes in outstanding claims	(499,080)	(1,062,211)	646,563	(914,728)
Net claims incurred	212,125,000	32,324,012	1,779,201	246,228,213
Policy acquisition costs	24,372,752	12,412,468	4,458,174	41,243,394
Other underwriting expenses	2,474,054	5,489,046	172,238	8,135,338
Total claims and other expenses	238,971,806	50,225,526	6,409,613	295,606,945
Surplus from insurance operation	46,300,765	30,514,047	6,106,993	82,921,805
General and administrative expenses	--	--	--	(29,871,970)
Net surplus for the period	--	--	--	53,049,835

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15. SEGMENTAL INFORMATION (Continued)

As at 30 September 2016 (Unaudited)

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Assets:				
Reinsurers' share of outstanding claims	297,000	11,486,932	60,542,111	72,326,043
Reinsurers' share of unearned premium income	--	18,571,164	16,272,365	34,843,529
Deferred policy acquisition costs	17,650,651	4,517,713	2,648,667	24,817,031
Unallocated assets				390,836,501
Total assets				<u>522,823,104</u>
Liabilities:				
Unearned premium income	206,437,430	49,765,844	18,378,791	274,582,065
Outstanding claims including reserves	126,133,384	21,304,057	64,871,641	212,309,082
Reserve for life insurance operations	--	--	1,516,730	1,516,730
Unallocated liabilities and surplus				34,415,227
Total liabilities				<u>522,823,104</u>

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15. SEGMENTAL INFORMATION (Continued)

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

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	54,720,985	33,745,629	3,356,294	91,822,908
Reinsurance ceded	--	(13,795,340)	(2,885,181)	(16,680,521)
Excess of loss premiums ceded	(636,976)	--	(127,117)	(764,093)
Net premium written	54,084,009	19,950,289	343,996	74,378,294
Changes in unearned premium	(2,001,588)	1,848,785	589,697	436,894
Net premium earned	52,082,421	21,799,074	933,693	74,815,188
Reinsurance commissions	--	--	1,510,195	1,510,195
Other operating income	593,626	--	--	593,626
Underwriting revenue	52,676,047	21,799,074	2,443,888	76,919,009
Gross claims paid	30,952,428	19,481,391	1,062,960	51,496,779
Less: reinsurers' share	--	(10,729,595)	(825,175)	(11,554,770)
Net claims paid	30,952,428	8,751,796	237,785	39,942,009
Changes in IBNR reserve	26,000,000	--	--	26,000,000
Changes in outstanding claims and reserves – net	4,916,069	(366,468)	110,828	4,660,429
Net claims incurred	61,868,497	8,385,328	348,613	70,602,438
Policy acquisition costs	4,747,177	3,744,430	919,695	9,411,302
Other underwriting expenses	641,416	1,018,566	13,090	1,673,072
Total claims and other expenses	67,257,090	13,148,324	1,281,398	81,686,812
Underwriting (deficit)/surplus	(14,581,043)	8,650,750	1,162,490	(4,767,803)
General and administrative expenses				(8,454,467)
Net (deficit)/surplus for the period				(13,222,270)

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2016
Expressed in Saudi Arabian Riyals

15. SEGMENTAL INFORMATION (Continued)

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

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Gross premiums written	213,857,040	118,595,718	28,163,123	360,615,881
Reinsurance ceded	--	(48,308,733)	(24,284,729)	(72,593,462)
Excess of loss premiums ceded	(1,910,925)	--	(381,353)	(2,292,278)
Net premium written	211,946,115	70,286,985	3,497,041	285,730,141
Changes in unearned premium	(108,040,414)	(5,516,984)	(756,904)	(114,314,302)
Net premium earned	103,905,701	64,770,001	2,740,137	171,415,839
Reinsurance commissions	--	3,000,000	4,000,098	7,000,098
Other operating income	3,554,986	--	--	3,554,986
Underwriting revenue	107,460,687	67,770,001	6,740,235	181,970,923
Gross claims paid	79,531,241	57,597,112	4,580,937	141,709,290
Reinsurers' share	(1,131,667)	(32,120,388)	(3,827,696)	(37,079,751)
Net claims paid	78,399,574	25,476,724	753,241	104,629,539
Changes in premium deficiency reserve	(2,045,000)	--	--	(2,045,000)
Changes in IBNR reserve	37,303,000	(94,000)	--	37,209,000
Changes in outstanding claims and reserves – net	(2,404,643)	(1,792)	112,497	(2,293,938)
Net claims incurred	111,252,931	25,380,932	865,738	137,499,601
Policy acquisition costs	10,038,606	10,439,598	2,816,451	23,294,655
Other underwriting expenses	1,754,791	7,289,120	136,375	9,180,286
Total claims and other expenses	123,046,328	43,109,650	3,818,564	169,974,542
Underwriting (deficit)/surplus	(15,585,641)	24,660,351	2,921,671	11,996,381
General and administrative expenses				(21,598,125)
Net (deficit)/surplus for the period				(9,601,744)

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)
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15. SEGMENTAL INFORMATION (Continued)

As at 31 December 2015

	<u>Motor</u>	<u>Health</u>	<u>Others</u>	<u>Total</u>
Assets:				
Reinsurers' share of outstanding claims	731,000	14,792,985	20,927,643	36,451,628
Reinsurers' share of unearned premium income	--	47,080,097	8,872,924	55,953,021
Deferred policy acquisition costs	12,452,951	10,833,056	1,617,375	24,903,382
Unallocated assets				368,751,861
Total assets				<u><u>486,059,892</u></u>
Liabilities:				
Unearned premium income	142,436,713	116,025,234	11,519,772	269,981,719
Outstanding claims including reserves	117,041,464	26,887,312	24,610,619	168,539,395
Reserve for life insurance operations	--	--	1,516,730	1,516,730
Unallocated liabilities and surplus				46,022,048
Total liabilities				<u><u>486,059,892</u></u>

16. SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company is SR 205 million as at 30 September 2016 (2015: SR 205 million) consisting of 20.5 million shares (2015: 20.5 million shares) of SR 10 each (also refer note 2).

The Board of Directors recommended an increase in the Company's share capital through offering a rights issue with a total value of SR 105 million. The Company's application to increase its share capital was approved by Saudi Arabian Monetary Agency (SAMA) and the Capital Market Authority (CMA). The Shareholders approved the rights issue in their Extraordinary General Assembly held on April 08, 2015 corresponding to 19 Jumada II 1436.

The share compensation belongs to share holders who have not subscribed to the rights issue. Since the selling price of the unsubscribed shares is higher than the 'Offer Price', the difference is distributable in compensation to holders of rights who have not subscribed to their rights according to the percentage of the rights owned by them.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the board of directors of the company on 18, Muharram 1438H corresponding to 19th October 2016.

