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

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

**FOR THE THREE AND SIX MONTH PERIODS ENDED
30 JUNE 2016**

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

Unaudited Interim Condensed Financial Statements and Independent Auditors' Review Report
For the Three and Six Month Periods Ended 30 June 2016

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KPMG Al Fozan & Partners
Certified Public Accountants



Al-Bassam & Al-Nemer
Allied Accountants

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**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 30 June 2016, the related interim statements of comprehensive income - insurance and shareholders' operations for the three and six month periods then ended, the related interim statements of changes in shareholders' equity and cash flows - insurance and shareholders' operations for the six month period then ended and the related notes 1 through 16 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 "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 the 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.

REVIEW 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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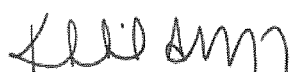


AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June

		<i>30 June</i> <i>2016</i> <i>SR</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2015</i> <i>SR</i> <i>(Audited)</i>
	<i>Notes</i>		
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	15,195,469	27,070,207
Term deposits	6	159,922,462	149,466,089
Investments	7(a)	1,923,079	1,923,079
Premiums and reinsurance balances receivable	9	72,303,880	85,811,649
Due from related parties		3,692,665	3,412,297
Due from shareholders' operations		23,956,541	51,633,383
Reinsurers' share of unearned premiums		51,155,549	56,783,251
Reinsurers' share of outstanding claims		108,763,741	157,125,580
Deferred policy acquisition costs		8,511,304	5,502,871
Prepayments and other assets		3,463,330	2,316,428
Property and equipment		211,888	206,527
TOTAL INSURANCE OPERATIONS' ASSETS		449,099,908	541,251,361
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	3,899,234	2,709,224
Term deposits	6	232,156,652	230,543,775
Investments	7(b)	90,323,880	89,586,973
Other assets		1,235,472	1,949,425
Return on investment of statutory deposit	10	1,241,902	966,547
Statutory deposit	10	40,000,000	40,000,000
TOTAL SHAREHOLDERS' ASSETS		368,857,140	365,755,944
TOTAL ASSETS		817,957,048	907,007,305



Khalid Allagany
Chief Executive Officer



Fadi Aboul Hosn
Chief Financial Officer

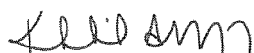
The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June

		30 June 2016 SR (Unaudited)	31 December 2015 SR (Audited)
	Notes		
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims		210,431,645	260,154,226
Gross unearned premiums		123,987,898	158,389,000
Accounts payable		6,052,941	3,742,945
Reinsurance balances payable		57,336,946	69,980,765
Due to related parties		892,075	3,486,684
Accrued expenses and other liabilities		26,387,836	25,942,199
Unearned reinsurance commission		8,426,735	7,033,385
Employees' end of service benefits		9,137,948	9,151,478
TOTAL INSURANCE OPERATIONS' LIABILITIES		442,654,024	537,880,682
INSURANCE OPERATIONS' SURPLUS			
Accumulated Surplus		6,445,884	3,370,679
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS		449,099,908	541,251,361
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Due to insurance operations		23,956,541	51,633,383
Due to a related party		1,061,027	1,061,027
Deferred return on investment of statutory deposit	10	1,241,902	966,547
Accrued expenses and other liabilities		24,444,373	19,629,893
TOTAL SHAREHOLDERS' LIABILITIES		50,703,843	73,290,850
SHAREHOLDERS' EQUITY			
Share capital	12	400,000,000	400,000,000
Fair value reserve for available for sale investments		(229,609)	(1,285,861)
Accumulated losses		(81,617,094)	(106,249,045)
TOTAL SHAREHOLDERS' EQUITY		318,153,297	292,465,094
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		368,857,140	365,755,944
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		817,957,048	907,007,305



Khalid Allagany
Chief Executive Officer



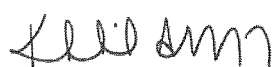
Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 16 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>For the three month period ended</i>		<i>For the six month period ended</i>	
	<i>30 June 2016</i>	<i>30 June 2015</i>	<i>30 June 2016</i>	<i>30 June 2015</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross written premiums	49,797,808	88,093,977	158,842,493	205,682,007
Less: Reinsurance premium ceded	(24,415,198)	(30,481,357)	(60,440,401)	(65,867,202)
Excess of loss premiums	--	--	(11,370,439)	(10,672,000)
NET WRITTEN PREMIUMS	25,382,610	57,612,620	87,031,653	129,142,805
Changes in unearned premiums	41,186,899	8,524,333	34,401,102	(16,585,650)
Changes in reinsurance share of unearned premiums	(11,966,150)	(10,897,645)	(5,627,702)	(7,535,651)
NET PREMIUMS EARNED	54,603,359	55,239,308	115,805,053	105,021,504
Gross claims paid	(46,505,211)	(39,672,422)	(119,583,593)	(87,315,820)
Reinsurers' share of gross claims paid	22,078,829	17,137,046	63,695,342	35,951,818
Changes in outstanding claims	20,576,541	6,747,605	49,722,581	(3,108,637)
Changes in reinsurance share of outstanding claims	(20,741,149)	(9,915,745)	(48,361,839)	(3,547,194)
NET CLAIMS INCURRED	(24,590,990)	(25,703,516)	(54,527,509)	(58,019,833)
Policy acquisition costs	(4,945,827)	(5,706,952)	(12,332,110)	(12,652,862)
Reinsurance commission income	3,180,321	4,054,173	8,459,343	10,085,952
Other underwriting expenses	(262,498)	(549,653)	(799,138)	(1,055,051)
NET UNDERWRITING SURPLUS	27,984,365	27,333,360	56,605,639	43,379,710
General and administrative expenses	(14,621,901)	(17,176,148)	(27,172,555)	(30,804,205)
Investment income	659,501	77,608	1,282,641	160,090
Other income	--	349,657	36,322	220,462
INSURANCE OPERATIONS' SURPLUS	14,021,965	10,584,477	30,752,047	12,956,057
Shareholders' appropriation from insurance operations' surplus	2 (12,619,769)	(9,526,029)	(27,676,842)	(11,660,451)
NET SURPLUS AT END OF THE PERIOD	1,402,196	1,058,448	3,075,205	1,295,606
OTHER COMPREHENSIVE INCOME	--	--	--	--
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,402,196	1,058,448	3,075,205	1,295,606



Khalid Allagany
Chief Executive Officer



Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 16 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 – SHAREHOLDERS’
OPERATIONS (UNAUDITED)**

For the three and six month periods ended 30 June

	<i>Notes</i>	<i>For the three month period ended</i>		<i>For the six month period ended</i>	
		<i>30 June 2016</i>	<i>30 June 2015</i>	<i>30 June 2016</i>	<i>30 June 2015</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
INCOME		12,619,769	9,526,029	27,676,842	11,660,451
Shareholders’ appropriation from insurance operations’ surplus	2	1,180,334	754,480	2,206,607	1,156,721
Investment income		13,800,103	10,280,509	29,883,449	12,817,172
General and administration expenses		(344,298)	(505,608)	(687,245)	(969,749)
NET INCOME FOR THE PERIOD		13,455,805	9,774,901	29,196,204	11,847,423
OTHER COMPREHENSIVE INCOME					
Change in fair value of available for sale investments	8	529,152	(737,924)	1,056,252	(264,294)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		13,984,957	9,036,977	30,252,456	11,583,129
BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD	11	0.34	0.24	0.73	0.30
WEIGHTED AVERAGE NUMBER OF ISSUED SHARES	11	40,000,000	40,000,000	40,000,000	39,480,000



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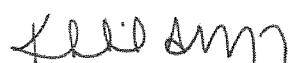
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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

For the six month period ended 30 June

	<i>Share Capital SR</i>	<i>Fair value reserve for available for sale investments SR</i>	<i>Accumulated losses SR</i>	<i>Total SR</i>
Balance at 1 January 2015(audited)	200,000,000	(384,982)	(116,805,509)	82,809,509
Net income for the period	--	--	11,847,423	11,847,423
Other comprehensive income:				
Change in fair value of available for sale investments	--	(264,294)	--	(264,294)
Total comprehensive income	--	(264,294)	11,847,423	11,583,129
Rights issue	200,000,000	--	--	200,000,000
Rights issue transaction costs	--	--	(9,144,643)	(9,144,643)
Zakat and income tax	--	--	(2,153,099)	(2,153,099)
Balance as at 30 June 2015 (unaudited)	<u>400,000,000</u>	<u>(649,276)</u>	<u>(116,255,828)</u>	<u>283,094,896</u>
Balance at 1 January 2016 (Audited)	<u>400,000,000</u>	<u>(1,285,861)</u>	<u>(106,249,045)</u>	<u>292,465,094</u>
Net income for the period	--	--	29,196,204	29,196,204
Other comprehensive income:				
Change in fair value of available for sale investments	--	1,056,252	--	1,056,252
Total comprehensive income	--	1,056,252	29,196,204	30,252,456
Zakat and income tax	--	--	(4,564,253)	(4,564,253)
Balance as at 30 June 2016 (unaudited)	<u>400,000,000</u>	<u>(229,609)</u>	<u>(81,617,094)</u>	<u>318,153,297</u>



Khalid Allagany
Chief Executive Officer

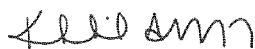


Fadi Aboul Hosn
Chief Financial Officer

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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASHFLOWS – INSURANCE OPERATIONS
(UNAUDITED)

	<i>Notes</i>	<i>For the six month period ended</i>	
		<i>30 June 2016 SR</i>	<i>30 June 2015 SR</i>
OPERATING ACTIVITIES			
Insurance operations' surplus after shareholders' appropriation		3,075,205	1,295,606
<i>Adjustments to reconcile insurance operations' surplus to net cash provided from operating activities:</i>			
Depreciation		98,639	383,559
Employees' end of service indemnities		1,310,001	1,187,249
Provision for doubtful receivables	9	553,267	1,823,503
Operating cash inflows before changes in operating assets and liabilities		5,037,112	4,689,917
<i>Changes in operating assets and liabilities:</i>			
Premiums and insurance balances receivable		12,954,502	(5,865,332)
Due from related parties		(254,627)	(739,368)
Due from shareholders' operations		27,676,842	11,660,451
Reinsurers' share of outstanding claims		48,361,839	3,547,194
Prepayments and other assets		(1,146,902)	4,186,177
Reinsurers' share of unearned premiums		5,627,702	7,535,652
Deferred policy acquisition costs		(3,008,433)	(5,007,643)
Gross outstanding claims		(49,722,581)	3,108,637
Gross unearned premiums		(34,401,102)	16,585,649
Accounts payable		2,309,996	(1,394,563)
Reinsurance balances payable		(12,643,819)	(17,547,244)
Due to related parties		(2,620,350)	134,693
Accrued expenses and other liabilities		445,637	2,241,830
Unearned reinsurance commission income		1,393,350	2,963,182
<i>Cash from operations</i>		9,166	26,099,232
Employees' end of service benefits paid		(1,323,531)	(372,332)
Net cash (used in) / from operating activities		(1,314,365)	25,726,900
INVESTING ACTIVITY			
Purchase of property and equipment		(104,000)	(150,436)
Term deposit		(10,456,373)	--
Net cash used in investing activity		(10,560,373)	(150,436)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(11,874,738)	25,576,464
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		27,070,207	60,891,348
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	15,195,469	86,467,812



Khalid Allagany
Chief Executive Officer




Fadi Aboul Hosn
Chief Financial Officer


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

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

	<i>Notes</i>	<i>For the six month period ended</i>	
		<i>30 June 2016</i>	<i>30 June 2015</i>
		<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES			
Net income for the period		29,196,204	11,847,423
Operating cash flows before changes in operating assets and liabilities			
<i>Changes in operating assets and liabilities:</i>			
Other assets		713,953	(674,502)
Due to insurance operations		(27,676,842)	(11,660,451)
Accrued expenses and other liabilities		250,227	(100,152)
Statutory deposit		--	(20,966,547)
Net cash used from/(used in) operating activities		2,483,542	(21,554,229)
INVESTING ACTIVITIES			
Term deposits		(1,612,877)	(120,146,950)
Investments		319,345	(49,189,790)
Net cash used in investing activities		(1,293,532)	(169,336,740)
FINANCING ACTIVITIES			
Proceeds from rights issue		--	200,000,000
Transactions costs relating to rights issues		--	(9,144,643)
Net cash from financing activities		--	190,855,357
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		1,190,010	(35,612)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		2,709,224	12,476,575
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	3,899,234	12,440,963
<u>Non-cash transactions:</u>			
Net change in fair value of available for sale investments		1,056,252	(264,294)


Khalid Allagany
Chief Executive Officer


Fadi Aboul Hosn
Chief Financial Officer

The accompanying notes 1 to 16 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)

For the six month period ended 30 June 2016

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 Centre Building, P.O. Box: 6393, Riyadh 11442, Kingdom of Saudi Arabia.

The Company operates in an industry where significant seasonal or cyclical variations in operating income are not experienced during the financial year.

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 six month period ended 30 June 2016 ("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 2015.

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.

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

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 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 year have been reclassified to conform to the presentation made in the current period:

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

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

For the period ended 30 June 2016

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (Continued)

Annual improvements to IFRSs 2012 – 2014

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.

The following new or amended standards are not expected to have significant impact on the financial statements.

IFRS 15 Revenue from contracts with customers

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 2015.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

For the period ended 30 June 2016

5 CASH AND CASH EQUIVALENTS

	<i>30 June 2016 (Unaudited)</i>		<i>31 December 2015 (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	34,748	--	38,157	--
Cash at banks - Current accounts	15,160,721	3,899,234	10,532,050	2,709,224
Cash at banks - Time deposits	--	--	16,500,000	--
	<u>15,195,469</u>	<u>3,899,234</u>	<u>27,070,207</u>	<u>2,709,224</u>

6 TERM DEPOSITS

Term deposits are placed with counterparties which have credit ratings of A- to A+ under Standard and Poor's and Moody's ratings methodology. Time deposits are placed with local banks with a maturity of more than three months from the date of original acquisition and earn investment income at an average rate of 1.9% per annum (31 December 2015: 1.7% per annum). The carrying amounts of the time deposits reasonably approximate the fair value at the statement of financial position date.

The Company holds an amount of SR 900,000 (31 December 2015 – SR 900,000) in a fiduciary capacity in the statement of financial position of Insurance operations, in respect of claims to be settled for a third party insurer in favour of service providers.

7 INVESTMENTS

a) Insurance operations – Available for sale investments (AFS)

This represents investment in respect of the Company's shareholding in Najm for Insurance Services. This investment has been carried at cost in the absence of an active market or other means of reliably measuring its fair value.

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

	<i>30 June 2016 (Unaudited)</i>		<i>31 December 2015 (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-Fixed Rate				
Abu Dhabi National Energy Company (TAQA)	4,080,923	4,151,250	4,158,050	4,157,624
SABIC Capital II BV	34,372,670	34,222,500	34,507,978	33,878,250
QNB (Qatar National Bank) Finance	13,766,565	13,705,200	13,799,873	13,573,575
Abu Dhabi Commercial Bank	15,674,957	15,565,680	15,684,660	15,311,400
Sukuks-Fixed Rate				
Saudi Electricity Company	18,792,421	18,843,750	18,818,966	18,834,374
EIB Sukuk Ltd (Emirates Islamic Bank)	3,865,953	3,835,500	3,903,307	3,831,750
	<u>90,553,489</u>	<u>90,323,880</u>	<u>90,872,834</u>	<u>89,586,973</u>

The investment income ranges between 2% to 3% per annum (31 December 2015: 2% to 3% per annum) in case of bonds and approximates 2.4% per annum (31 December 2015: 2.4% per annum) in case of sukuks.

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(UNAUDITED) (continued)

For the period ended 30 June 2016

7 INVESTMENTS (Continued)

The analysis of the composition of investments is as follows:

	<i>30 June 2016 (Unaudited)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Quoted SR</i>	<i>Unquoted SR</i>	<i>Quoted SR</i>	<i>Unquoted SR</i>
Bonds-Fixed Rate	67,644,630	--	66,920,849	--
Sukuks-Fixed Rate	22,679,250	--	22,666,124	--
	<u>90,323,880</u>	<u>--</u>	<u>89,586,973</u>	<u>--</u>

The geographical split of investments held as available for sale comprise of bonds/ sukuks issued by GCCbased companies through international stock exchanges.

8 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.

	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
<u>As at 30 June 2016 (Unaudited)</u>				
Abu Dhabi National Energy Company (TAQA)	4,151,250	--	--	4,151,250
SABIC Capital II BV	34,222,500	--	--	34,222,500
QNB (Qatar National Bank) Finance	13,705,200	--	--	13,705,200
Abu Dhabi Commercial Bank	15,565,680	--	--	15,565,680
Saudi Electricity Company (Sukuks)	18,843,750	--	--	18,843,750
EIB Sukuk Ltd(Emirates Islamic Bank)	3,835,500	--	--	3,835,500
	<u>90,323,880</u>	<u>--</u>	<u>--</u>	<u>90,323,880</u>

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(UNAUDITED) (continued)

For the period ended 30 June 2016

8 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>
As at 31 December 2015 (Audited)				
Abu Dhabi National Energy Company (TAQA)	4,157,624	--	--	4,157,624
SABIC Capital II BV	33,878,250	--	--	33,878,250
QNB (Qatar National Bank) Finance	13,573,575	--	--	13,573,575
Abu Dhabi Commercial Bank	15,311,400	--	--	15,311,400
Saudi Electricity Company (Sukuks)	18,834,374	--	--	18,834,374
EIB Sukuk Ltd(Emirates Islamic Bank)	3,831,750	--	--	3,831,750
	<u>89,586,973</u>	<u>--</u>	<u>--</u>	<u>89,586,973</u>

The unlisted securities of SR 1.92 million (2015: 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 six month period ended 30 June 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. The net change in fair value of AFS investments amounting to a gain of SR 1,056,252 (30 June 2015: loss of SR 264,294) has been recorded in the interim statement of comprehensive income – shareholders' operations.

The Company has not disclosed the fair value of other financial assets and liabilities as their carrying value are reasonably approximate to their fair values.

The credit quality of investment portfolio is as follows:

			30 June 2016 (Unaudited) SR
Strong quality A to A+	S&P	Bonds/ Sukuks	86,488,380
Strong quality A to A+	Fitch	Bonds/ Sukuks	3,835,500
			<u>90,323,880</u>
			<i>31 December 2015(Audited) SR</i>
Credit Quality	Credit Rating Agency	Financial Instrument	
Very strong quality AA	S&P	Bonds/ Sukuks	18,834,374
Strong quality A to A+	S&P	Bonds/ Sukuks	66,920,849
Satisfactory quality BBB	S&P	Bonds/ Sukuks	3,831,750
			<u>89,586,973</u>

Very strong quality: Capitalisation, earnings, financial strength, liquidity, management, market reputation and repayment ability are excellent.

Strong quality: Capitaliation, earnings, financial strength, liquidity, management, market reputation and repayment ability are good.

Satisfactory quality: Require regular monitoring due to financial risk factors. Ability to repay remains at a satisfactory level

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(UNAUDITED) (continued)

For the period ended 30 June 2016

9 PREMIUMS AND REINSURANCE BALANCES RECEIVABLE

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Premiums receivable	68,331,138	50,978,547
Receivables from insurance and reinsurance companies	8,255,803	42,408,255
Receivables from related parties	11,390,970	7,545,611
	87,977,911	100,932,413
Less: Allowance for impairment of receivables	(15,674,031)	(15,120,764)
	72,303,880	85,811,649

Allowance for impairment of receivables includes SR 2.9 million (31 December 2015: SR 1.68 million) against receivables from related parties. Movement in the allowance for doubtful debts was as follows:

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Opening balance	15,120,764	12,854,165
Debts written off against the provision	--	(888,188)
Charge for the period / year	553,267	3,154,787
Closing balance	15,674,031	15,120,764

10 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 Law on Supervision of Cooperative Insurance Companies. This statutory deposit cannot be withdrawn without the consent of SAMA.

The Company's statutory deposit amounts to SR 40 million (31 December 2015: SR 40 million). The statutory deposit is held with a local bank as approved by SAMA.

As at 30 June 2016, return received on the statutory deposit amounts to SR 1,241,902 (31 December 2015: SR 966,547) and is placed in a separate bank account as instructed by SAMA. This statutory deposit along with related income cannot be withdrawn without the prior consent of SAMA

11 BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD

The basic and diluted earnings per share are as follows:

	For the six month period ended 30 June 2016 (Unaudited) SR	For the six month period ended 30 June 2015 (Unaudited) SR
Net income for the period	29,196,204	11,847,423
Weighted average number of ordinary shares	40,000,000	39,480,000
Basic and diluted earnings per share	0.73	0.30

12 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. (2015: SR 400 million divided into 40 million shares of SR 10 each).

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(UNAUDITED) (continued)

For the period ended 30 June 2016

13 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. Related parties include RSA group in United Kingdom as well as affiliated companies in United Arab Emirates, Sultanate of Oman and Kingdom of Bahrain. 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 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
Shareholders / Companies under common management	Gross written Premiums	19,444,310	58,956,450	11,390,970	7,545,610
	Gross claims paid	12,475,736	34,128,674	--	--
	Reinsurance premiums ceded	15,969,132	25,311,210	--	--
	Reinsurers' share of gross claims paid	10,788,907	9,521,776	11,483,301	--
	Reinsurance commission income	4,489,057	6,862,083	--	--
	Outsourced service charges*	3,025,000	1,800,000	11,369,236	(8,967,714)
	Brand fee*	15,050	15,050	(187,575)	(173,075)
	Reinsurers' share of gross outstanding Claims	--	--	(22,540,991)	--
	Gross outstanding claims	--	--	(26,166,646)	(28,534,421)
Board of directors RSA group entities	Remuneration and meeting fee	232,500	232,500	--	(497,205)
RSA group entities	Operational expenses paid on behalf of affiliates and reinsurance placements	398,350	739,368	3,692,665	3,412,297
	Operation expenses paid by affiliates on behalf of Company	160,353	(134,693)	(892,075)	(4,547,711)

*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.

Key management personnel's remuneration

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

	Six month period ended 30 June 2016 (Unaudited) SR	Six month period ended 30 June 2015 (Unaudited) SR
Short term benefits	3,464,281	3,013,365
End of service benefits	110,742	104,933
	3,575,023	3,118,298

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(UNAUDITED) (continued)

For the period ended 30 June 2016

14 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' operations 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.

During the period ended 30 June 2016, Group Life has been reported as a separate segment which was previously included in others. The comparative figures have accordingly been reclassified to conform current period presentation.

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

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations								
Gross written premiums	17,831,822	12,147,879	7,252,927	1,467,986	5,768,942	2,219,978	3,108,274	49,797,808
Reinsurance premiums ceded	(13,903,961)	--	(5,740,642)	(864,991)	(2,334,376)	(1,548,464)	(22,764)	(24,415,198)
Excess of loss premiums	--	--	--	--	--	--	--	--
Net written premiums	3,927,861	12,147,879	1,512,285	602,995	3,434,566	671,514	3,085,510	25,382,610
Change in unearned premiums, net	6,280,162	21,250,828	(1,036,819)	(35,134)	1,494,521	758,193	508,998	29,220,749
Net premiums earned	10,208,023	33,398,707	475,466	567,861	4,929,087	1,429,707	3,594,508	54,603,359
Gross claims paid	(15,845,841)	(22,194,778)	(3,031,970)	(652,994)	(1,103,989)	(3,503,965)	(171,674)	(46,505,211)
Reinsurers' share of gross claims paid	15,684,343	--	2,652,774	378,996	301,997	2,979,970	80,749	22,078,829
Change in outstanding claims, net	(11,000)	2,600,474	(244,256)	(48,000)	(1,410,686)	111,999	(1,163,139)	(164,608)
Net claims incurred	(172,498)	(19,594,304)	(623,452)	(321,998)	(2,212,678)	(411,996)	(1,254,064)	(24,590,990)
Policy acquisition costs	(793,873)	(2,584,012)	(522,995)	(4,677)	(806,992)	46,955	(280,233)	(4,945,827)
Reinsurance commission income	1,128,572	--	270,550	(2,498)	1,090,706	451,806	241,185	3,180,321
	10,370,224	11,220,391	(400,431)	238,688	3,000,123	1,516,472	2,301,396	28,246,863
Other underwriting expenses	--	--	--	--	--	--	--	(262,498)
Net underwriting surplus	10,370,224	11,220,391	(400,431)	238,688	3,000,123	1,516,472	2,301,396	27,984,365
General and administrative Expenses								(14,621,901)
Investment income								659,501
Other income								--
Insurance operations' surplus								<u>14,021,965</u>

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(UNAUDITED) (continued)

For the period ended 30 June 2016

14 SEGMENTAL INFORMATION (continued)

	<i>For the three month period ended 30 June 2015 (Unaudited)</i>						
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR
Insurance operations							
Gross written premiums	21,795,782	38,893,611	6,924,931	3,261,968	6,472,935	6,113,939	4,630,811
Reinsurance premiums ceded	(15,549,844)	--	(5,862,642)	(1,799,982)	(1,971,181)	(5,076,949)	(220,759)
Net written premiums	6,245,938	38,893,611	1,062,289	1,461,986	4,501,754	1,036,990	4,410,052
Change in unearned premiums, net	(81,248)	(705,873)	(812,112)	111,209	(717,868)	544,050	(711,470)
Net premiums earned	6,164,690	38,187,738	250,177	1,573,195	3,783,886	1,581,040	3,698,582
Gross claims paid	(11,165,888)	(18,398,816)	(2,040,980)	(1,721,983)	(2,764,972)	(3,478,965)	(100,819)
Reinsurers' share of gross claims paid	10,341,307	--	1,769,382	1,175,988	1,678,483	2,184,978	(13,092)
Change in outstanding claims, net	784,283	(7,022,568)	1,227,423	(226,997)	1,856,953	(1,372,987)	1,585,754
Net claims incurred	(40,298)	(25,421,384)	955,825	(772,992)	770,464	(2,666,974)	1,471,843
Policy acquisition costs	(410,526)	(2,540,161)	(773,992)	(11,183)	(893,991)	(70,774)	1,006,325
Reinsurance commission income	184,346	--	1,301,351	--	1,150,035	1,343,179	75,262
Other underwriting expenses	5,898,212	10,226,193	1,733,361	789,020	4,810,394	186,471	4,239,362
Net underwriting surplus							27,333,360
General and administrative Expenses							(17,176,148)
Investment income							77,608
Other (expense) / income							349,657
Insurance operations' surplus							10,584,477

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For the period ended 30 June 2016

14 SEGMENTAL INFORMATION (continued)

For the six month period ended 30 June 2016 (Unaudited)

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations								
Gross written premiums	44,987,550	62,125,379	14,085,859	1,621,984	15,592,844	13,022,870	7,406,007	158,842,493
Reinsurance premiums ceded	(32,369,576)	--	(11,081,589)	(875,991)	(6,569,734)	(8,842,912)	(700,599)	(60,440,401)
Excess of loss premiums	(4,053,352)	(1,549,050)	(1,130,222)	(390,866)	(2,625,472)	(1,359,986)	(261,491)	(11,370,439)
Net written premiums	8,564,622	60,576,329	1,874,048	355,127	6,397,638	2,819,972	6,443,917	87,031,653
Change in unearned premiums, net	12,664,193	12,535,015	(796,701)	575,300	2,491,241	595,024	709,328	28,773,400
Net premiums earned	21,228,815	73,111,344	1,077,347	930,427	8,888,879	3,414,996	7,153,245	115,805,053
Gross claims paid	(52,659,473)	(47,254,527)	(3,319,967)	(1,624,984)	(5,925,941)	(7,470,925)	(1,327,776)	(119,583,593)
Reinsurers' share of gross claims paid	51,798,082	--	2,849,272	779,992	2,055,879	5,985,940	226,177	63,695,342
Change in outstanding claims, net	(1,276,502)	1,792,263	598,501	494,005	956,714	(44,902)	(1,159,337)	1,360,742
Net claims incurred	(2,137,893)	(45,462,264)	127,806	(350,987)	(2,913,348)	(1,529,887)	(2,260,936)	(54,527,509)
Policy acquisition costs	(3,582,550)	(5,453,350)	(1,126,989)	(12,505)	(1,337,987)	(12,685)	(806,044)	(12,332,110)
Reinsurance commission income	3,637,916	--	1,227,296	(5,596)	2,296,846	1,115,615	187,266	8,459,343
Other underwriting expenses	19,146,288	22,195,730	1,305,460	561,339	6,934,390	2,988,039	4,273,531	57,404,777 (799,138)
Net underwriting surplus								56,605,639
General and administrative Expenses								(27,172,555)
Investment income								1,282,641
Other income								36,322
Insurance operations' surplus								<u>30,752,047</u>

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14 SEGMENTAL INFORMATION (continued)

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

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations								
Gross written premiums	48,315,517	103,123,969	14,196,858	3,834,962	15,471,845	11,205,888	9,532,968	205,682,007
Reinsurance premiums ceded	(35,373,322)	--	(12,117,179)	(2,120,979)	(6,637,934)	(9,216,570)	(401,218)	(65,867,202)
Excess of loss premiums	(3,679,483)	(1,763,550)	(1,956,146)	(230,911)	(2,290,038)	(512,655)	(239,217)	(10,672,000)
Net written premiums	9,262,712	101,360,419	123,533	1,483,072	6,543,873	1,476,663	8,892,533	129,142,805
Change in unearned premiums, net	982,676	(26,057,109)	167,018	1,160,793	684,339	624,735	(1,683,753)	(24,121,301)
Net premiums earned	10,245,388	75,303,310	290,551	2,643,865	7,228,212	2,101,398	7,208,780	105,021,504
Gross claims paid	(24,707,752)	(43,930,561)	(3,809,962)	(3,507,965)	(4,453,955)	(6,494,935)	(410,690)	(87,315,820)
Reinsurers' share of gross claims paid	23,535,255	--	2,896,671	2,223,978	2,763,072	4,403,956	128,886	35,951,818
Change in outstanding claims, net	635,747	(8,040,436)	1,251,211	60,016	279,664	(1,313,892)	471,860	(6,655,831)
Net claims incurred	(536,751)	(51,970,997)	337,920	(1,223,971)	(1,411,219)	(3,404,871)	190,056	(58,019,833)
Policy acquisition costs	(2,257,359)	(5,773,685)	(2,053,065)	(62,000)	(1,054,989)	(124,532)	(1,327,232)	(12,652,862)
Reinsurance commission income	2,209,016	--	3,563,915	--	2,325,967	1,626,135	360,919	10,085,952
Other underwriting expenses	9,660,294	17,558,628	2,139,321	1,357,894	7,087,971	198,130	6,432,523	44,434,761
Net underwriting surplus								43,379,710
General and administrative Expenses								(30,804,205)
Investment income								160,090
Other expense								220,462
Insurance operations' surplus								12,956,057

As at 30 June 2016 (Unaudited)

	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations' assets								
Reinsurers' share of unearned Premiums	28,418,263	768,538	10,191,176	1,609,950	3,609,083	5,711,943	846,596	51,155,549
Reinsurers' share of outstanding claims	50,435,496	--	17,870,596	415,996	16,833,132	18,711,846	4,496,675	108,763,741
Deferred policy acquisition Costs	2,274,716	4,379,958	938,991	2,754	355,996	193,290	365,599	8,511,304
Unallocated assets								280,669,314
								449,099,908
Insurance operations' liabilities								
Gross outstanding claims	57,925,421	64,263,857	23,687,763	948,991	28,235,718	25,191,748	10,178,147	210,431,645
Gross unearned premiums	42,991,570	47,674,523	12,293,877	1,662,983	5,768,942	8,105,919	5,490,084	123,987,898
Unearned reinsurance commission Income	3,379,492	--	2,308,977	(925)	602,994	2,068,885	67,312	8,426,735
Unallocated liabilities								106,253,630
								449,099,908

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

For the period ended 30 June 2016

14 SEGMENTAL INFORMATION (continued)

	<i>As at 31 December 2015 (Audited)</i>							
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Group Life SR	Others SR	Total SR
Insurance operations' assets								
Reinsurers' share of unearned								
Premiums	34,083,159	499,995	8,584,914	1,675,650	5,234,848	3,420,966	3,283,719	56,783,251
Reinsurers' share of								
outstanding claims	93,275,644	7,880	24,957,082	1,279,987	15,903,541	19,026,843	2,674,603	157,125,580
Deferred policy acquisition								
Costs	1,294,312	2,544,381	938,991	12,259	530,995	13,977	167,956	5,502,871
Unallocated assets								<u>321,839,659</u>
								<u>541,251,361</u>
Insurance operations' liabilities								
Gross outstanding claims	99,489,005	66,063,339	31,372,686	2,306,977	28,262,717	25,457,745	7,201,757	260,154,226
Gross unearned premiums	61,320,387	59,940,401	9,890,901	2,303,977	9,885,901	6,409,936	8,637,497	158,389,000
Unearned reinsurance								
commission								
Income	2,496,006	-	1,752,982	(6,521)	1,205,988	1,402,518	182,412	7,033,385
Unallocated liabilities								<u>115,674,750</u>
								<u>541,251,361</u>

15 CONTINGENCIES AND COMMITMENTS

Legal proceedings and regulations

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management believes that such proceedings (including litigations) will not have a material effect on its results and financial position. The Company did not have any significant outstanding legal proceedings as at the reporting date.

Operating lease commitments

Rental expenses under operating leases pertained to leases of office spaces in various locations amounted to SR 0.69 million for the period ended 30 June 2016 (31 December 2015: SR 0.88 million) are recognised in the statement of comprehensive income - insurance operations.

Future minimum lease payments under the operating lease arrangements as at 30 June are as follows:

Operating lease commitments

Future minimum lease payments under the operating lease arrangements as at 30 June are as follows:

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Less than one year	<u>955,566</u>	<u>881,476</u>

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 25 July 2016, corresponding to 20 Shawwal 1437H.