

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

CONDENSED INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2012

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

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

FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Deloitte.

Deloitte & Touche
Bakr Abulkhair & Co.
Public Accountants - License No. 96
P. O. Box 182, Dammam 31411
Kingdom of Saudi Arabia

Tel: +966 (3) 887-3937
Fax: +966 (3) 887-3931
www.deloitte.com
Head Office: Riyadh

Al Bassam

Certified Public Accountants & Consultants
P.O. Box 4636 Al Khobar 31952
Kingdom of Saudi Arabia

Te.: (+966) (3) 887 5333
Fax: (+966) (3) 887 5333

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

SCOPE OF REVIEW:

We have reviewed the accompanying condensed interim statement of financial position of Al Alamiya for Cooperative Insurance Company (a Saudi Joint Stock Company) ("the Company") as at March 31, 2012, and the related condensed interim statements of insurance operations, shareholders' comprehensive income, changes in shareholders' equity, insurance operations' cash flows and shareholders' operations' cash flows for the three months then ended and the notes 1 to 17 which form an integral part of these condensed interim financial statements. These condensed interim financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) and submitted to us together with all the information and explanations which we required.

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

CONCLUSION:

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed interim financial statements for them to be in conformity with International Accounting Standard 34 - Interim Financial Reporting (IAS 34).

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

EMPHASIS OF A MATTER:

We draw attention to the fact that these condensed interim financial statements are prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

Deloitte & Touche
Bakr Abulkhair & Co.

Nasser M. Al-Sagga
License No. 322



Al Bassam
Certified Public Accountants &
Consultants

Ibrahim A. Al-Bassam
License No. 337

25 Jumada I, 1433
April 17, 2012



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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

	Note	March 31, 2012 SR (Un-audited)	December 31, 2011 SR (Audited)
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	6	50,246,914	44,007,199
Investment		2,473,079	2,473,079
Premiums and insurance balances receivable	7,8	85,585,396	91,363,256
Reinsurers' share of unearned premiums		40,391,211	36,425,889
Reinsurers' share of outstanding claims		87,721,553	90,373,628
Deferred policy acquisition costs		6,688,668	5,997,709
Prepayments and other assets		2,008,857	1,768,509
Due from related parties		28,556,891	25,504,866
Due from shareholders' operations		30,492,471	32,048,462
Property and equipment		925,150	986,969
TOTAL INSURANCE OPERATIONS' ASSETS		335,090,190	330,949,566
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	6	41,773,706	24,455,671
Time deposits		90,216,394	118,205,017
Other assets		377,171	69,398
Investments		8,023,707	-
Due from policyholders' operations-current account		13,793,113	11,386,827
Statutory deposit	9	20,000,000	20,000,000
TOTAL SHAREHOLDERS' ASSETS		174,184,091	174,116,913
TOTAL ASSETS		509,274,281	505,066,479

Chief Financial Officer

Tommy Laupsa




Managing Director

Michael William Jakeman



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

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
AS AT MARCH 31, 2012

	March 31, 2012 SR (Un-audited)	December 31, 2011 SR (Audited)
INSURANCE OPERATIONS' LIABILITIES		
Accounts payable	7,661,205	11,035,157
Reinsurance balances payable	8	31,839,236
Unearned reinsurance commission income	8,469,030	4,544,143
Gross unearned premiums	93,604,998	90,251,887
Gross outstanding claims	8	151,176,419
Accrued expenses and other liabilities	8	23,902,830
Due to shareholders' operations-current account	13,793,113	11,386,827
Surplus distribution payable	172,888	-
End-of-service indemnities	8	6,813,067
TOTAL INSURANCE OPERATIONS' LIABILITIES	335,090,190	330,949,566
SHAREHOLDERS' LIABILITIES AND EQUITY		
SHAREHOLDERS' LIABILITIES		
Due to policyholders' operations	30,492,471	32,048,462
Due to a related party	831,839	678,683
Accrued expenses and other liabilities	8	5,074,206
TOTAL SHAREHOLDERS' LIABILITIES	37,149,016	37,801,351
SHAREHOLDERS' EQUITY		
Share capital	10	200,000,000
Accumulated losses	(62,964,925)	(63,684,438)
TOTAL SHAREHOLDERS' EQUITY	137,035,075	136,315,562
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY	174,184,091	174,116,913
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	509,274,281	505,066,479

Chief Financial Officer

Tommy Laupsa




Managing Director

Michael William Jakeman



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

CONDENSED INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012

	Note	Three months ended March 31, 2012 SR (Un-audited)	Three months ended March 31, 2011 SR (Un-audited)
REVENUES			
Gross written premiums	8	55,193,707	59,093,714
Less: Reinsurance premiums ceded	8	(27,580,742)	(21,953,582)
Excess of loss premiums		(3,051,662)	(2,489,888)
NET PREMIUMS WRITTEN		24,561,303	34,650,244
Changes in unearned premiums, net		612,211	(3,321,000)
NET PREMIUMS EARNED		25,173,514	31,329,244
Gross claims paid and other expenses	8	(26,888,997)	(18,305,988)
Reinsurers' share of gross claims paid	8	6,962,498	4,471,382
Changes in outstanding claims, net		7,418,955	(7,570,222)
NET CLAIMS INCURRED		(12,507,544)	(21,404,828)
Policy acquisition costs		(3,466,461)	(4,593,017)
Reinsurance commission income	8	4,100,370	4,301,123
Other underwriting expenses		(358,550)	(313,406)
NET UNDERWRITING RESULT		12,941,329	9,319,116
Operating and administrative salaries		(8,055,484)	(7,171,051)
Other general and administrative expenses	8	(3,166,779)	(4,472,378)
Special commission income		48,987	18,581
Other expenses, net		(39,174)	(21,895)
INSURANCE OPERATIONS' SURPLUS (DEFICIT)		1,728,879	(2,327,627)
Insurance operations' (surplus) deficit transferred to shareholders' comprehensive income		(1,555,991)	2,327,627
Insurance operations' surplus after shareholders' appropriation		172,888	-

Chief Financial Officer

Tommy Laupsa




Managing Director

Michael William Jakeman



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

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

**CONDENSED INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012**

	Note	Three months ended March 31, 2012 SR (Un-audited)	Three months ended March 31, 2011 SR (Un-audited)
Insurance operations' surplus (deficit)		1,555,991	(2,327,627)
Investment income		<u>229,787</u>	<u>314,242</u>
General and administrative expenses	8	<u>1,785,778</u> <u>(429,683)</u>	<u>(2,013,385)</u> <u>(661,595)</u>
Net income (loss) for the period		1,356,095	(2,674,980)
Other comprehensive expenses			
Zakat and income tax		<u>(636,582)</u>	<u>(802,513)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u>719,513</u>	<u>(3,477,493)</u>
Earnings (loss) per share for the period	14	<u>0.07</u>	<u>(0.13)</u>
Weighted average number of outstanding shares		<u>20,000,000</u>	<u>20,000,000</u>

Chief Financial Officer

Tommy Laupsa



Managing Director

Michael William Jakeman




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

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2012

	Share capital SR	Accumulated losses SR	Total SR
January 1, 2011 (audited)	200,000,000	(42,464,940)	157,535,060
Net loss for the period	-	(2,674,980)	(2,674,980)
Zakat and Income tax	-	(802,513)	(802,513)
March 31, 2011 (un-audited)	200,000,000	(45,942,433)	154,057,567
January 1, 2012 (audited)	200,000,000	(63,684,438)	136,315,562
Net income for the period	-	1,356,095	1,356,095
Zakat and Income tax	-	(636,582)	(636,582)
March 31, 2012 (un-audited)	200,000,000	(62,964,925)	137,035,075

Chief Financial Officer

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Managing Director

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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
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CONDENSED INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012

	Three months ended March 31, 2012 SR	Three months ended March 31, 2011 SR
	(Un-audited)	(Un-audited)
OPERATING ACTIVITIES		
Insurance operations' surplus after shareholders' appropriation	172,888	-
Adjustments to reconcile insurance operations' surplus to net cash provided from operating activities:		
Depreciation	146,149	205,144
End-of-service indemnities	516,902	478,546
Property and equipment written off	41,120	-
	877,059	683,690
Premiums and insurance balances receivable	5,777,860	(13,620,472)
Reinsurance share of unearned premiums	(3,965,322)	(3,035,000)
Reinsurers' share of outstanding claims	2,652,075	(18,695,000)
Deferred policy acquisition costs	(690,959)	127,537
Prepayments and other assets	(240,348)	(401,805)
Due from related parties	(3,052,025)	(3,793,706)
Due from shareholders' operations	1,555,991	(2,327,627)
Due from shareholders' operations-current account	-	(3,133,111)
Accounts payable	(3,373,952)	4,437,923
Reinsurance balances payable	3,809,937	9,503,283
Unearned reinsurance commission income	3,924,887	1,198,778
Gross unearned premiums	3,353,111	6,356,000
Gross outstanding claims	(10,071,030)	26,265,222
Accrued expenses and other liabilities	3,638,531	2,266,415
Due to shareholders' operations-current account	2,406,286	-
Cash generated from operations	6,602,101	5,832,127
End-of-service indemnities paid	(236,936)	(49,549)
Net cash from operating activities	6,365,165	5,782,578
INVESTING ACTIVITIES		
Purchase of property and equipment	(125,450)	-
Net cash used in investing activities	(125,450)	-
Net change in cash and cash equivalents	6,239,715	5,782,578
Cash and cash equivalents, January 1	44,007,199	39,269,809
CASH AND CASH EQUIVALENTS, MARCH 31	50,246,914	45,052,387
Non-cash transaction:		
End-of-service indemnities	-	89,748



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

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

	Three months ended March 31, 2012 SR	Three months ended March 31, 2011 SR
	(Un-audited)	(Un-audited)
OPERATING ACTIVITIES		
Net income (loss) for the period	1,356,095	(2,674,980)
Changes in assets and liabilities:		
Other assets	(307,773)	(364,242)
Due from policyholders' operations-current account	(2,406,286)	-
Due to a related party	153,156	-
Due to policyholders' operations	(1,555,991)	2,327,627
Due to policyholders' operations-current account	-	3,133,111
Accrued expenses and other liabilities	113,918	482,525
Cash (used in) generated from operations	(2,646,881)	2,904,041
Zakat paid	-	(2,904,164)
Net cash used in operating activities	(2,646,881)	(123)
INVESTING ACTIVITIES		
Time deposits	27,988,623	(10,000,000)
Investments	(8,023,707)	-
Net cash from (used in) investing activities	19,964,916	(10,000,000)
Net change in cash and cash equivalents	17,318,035	(10,000,123)
Cash and cash equivalents, January 1	24,455,671	27,413,104
CASH AND CASH EQUIVALENTS, MARCH 31	41,773,706	17,412,981

Chief Financial Officer

Tommy Laupsa




Managing Director

Michael William Jakeman



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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2012

1. ORGANIZATION 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 (November 17, 2009) under commercial registration number 4030194978.

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 (December 13, 2009), the Company received the license from Saudi Arabian Monetary Agency ("SAMA") to transact insurance business in the Kingdom of Saudi Arabia.

The Company's principal place of business is in Jeddah, Kingdom of Saudi Arabia.

2. ASSET PURCHASE AGREEMENT AND TRANSFER OF INSURANCE PORTFOLIO

The Company started its insurance operations on February 13, 2010. The Company's Board of Directors approved on April 14, 2010, to transfer insurance portfolio and net assets of Royal & Sun Alliance Insurance (Middle East) Limited E.C – Saudi Arabia Operations and Al Alamiya for Commerce and Services Limited, to the Company after completing the related procedures as required under the Saudi Arabian Monetary Agency (SAMA) letter addressed to the Company on March 24, 2010. The transfer of insurance portfolio and net assets has been approved by the shareholders at their General Assembly Meeting.

The Company entered into a purchase agreement whereby it has purchased the insurance business operations in the Kingdom of Saudi Arabia of Royal & Sun Alliance Insurance (Middle East) Limited E.C – Saudi Arabian Operations and Al Alamiya for Commerce and Services Limited. The purchase price was based on a valuation study conducted in accordance with the due diligence and valuation guidelines issued by SAMA. In accordance with the SAMA letter of November 10, 2008 ("the Letter"), the value of combined goodwill was estimated at SR 64.14 million.

3. BASIS OF PRESENTATION

Statement of compliance

The condensed interim financial statements for the three months ended March 31, 2012 have been prepared in accordance with International Accounting Standard No. 34 – Interim Financial Reporting.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual reissued financial statements for the year ended December 31, 2011. In management's opinion, the condensed interim financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim period presented.



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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value.

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual reissued financial statements as at and for the year ended December 31, 2011, except for the adoption of new standards, improvements, amendments and revisions which are effective for the current condensed interim financial statements as described below:

Amendments/Improvements to International Financial Reporting Standards (IFRSs)

None of the new standards, amendments and revisions to standards that have been adopted in the current period which are effective for annual period beginning on or after January 1, 2012 has affected the disclosures and presentations in the accompanying condensed interim financial statements.

5. CRITICAL ACCOUNTING JUDGEMENT 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 uncertainty were the same as those that were applied to the reissued financial statements as at and for the year ended December 31, 2011.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	Insurance Operations		Shareholders' Operations	
	March 31, 2012 SR	December 31, 2011 SR	March 31, 2012 SR	December 31, 2011 SR
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Cash in hand	135,443	77,604	-	-
Cash at banks- Current accounts	20,018,380	13,873,368	41,773,706	24,455,671
- Time deposits	30,093,091	30,056,227	-	-
	50,246,914	44,007,199	41,773,706	24,455,671

Included in cash and cash equivalents is SR 42.9 million (December 31, 2011: SR 34.64 million) associated with the portfolio transfer process which is currently held in the name of related parties on behalf of the company.



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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

7. PREMIUMS AND INSURANCE BALANCES RECEIVABLE

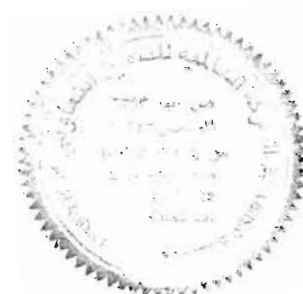
	March 31, 2012 SR	December 31, 2011 SR
	(Un-audited)	(Audited)
Premiums receivable	54,128,959	49,280,584
Receivables from insurance and reinsurance companies	7,447,155	7,991,579
Receivables from related parties	41,295,230	54,377,041
	<u>102,871,344</u>	<u>111,649,204</u>
Less: allowance for doubtful debts	(17,285,948)	(20,285,948)
	<u>85,585,396</u>	<u>91,363,256</u>

Allowance for doubtful debts includes SR 4,951,285 (December 31, 2011: SR 7,240,171) against receivables from related parties.

8. RELATED PARTY TRANSACTIONS

The significant transactions with related parties and the related approximate amounts are as follows:

Related parties	Nature of transactions	Three months ended March 31, 2012 SR	Three months ended March 31, 2011 SR
		(Un-audited)	(Un-audited)
Shareholders/affiliates	Gross written premiums	11,777,959	22,705,517
	Gross claims paid and other expenses	15,237,705	11,885,790
	Reinsurance premiums ceded	14,582,253	4,859,470
	Reinsurers' share of gross claims paid	1,637,637	837,970
	Reinsurance commission income	4,479,906	1,480,428
	Outsourced service charges	1,530,497	1,583,750
	Brand fee	7,525	7,525
Board of Directors	Remuneration and meeting fee	122,000	187,500



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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

8. RELATED PARTY TRANSACTIONS (Continued)

Balances due from (due to) related parties are comprised the following:

Related parties	Nature of transactions	March 31, 2012 SR	December 31, 2011 SR
		(Un-audited)	(Audited)
Shareholders/affiliates	Gross written premiums	41,295,230	54,377,041
	Gross claims paid and other expenses	(51,963,295)	(58,161,335)
	Reinsurers' share of gross outstanding claims	24,694,017	26,126,683
	Outsourced service charges	(9,299,324)	(7,768,827)
	Brand fee	(67,725)	(60,200)
Board of Directors	Remuneration and meeting fee	(622,000)	(500,000)

Compensation of key management personnel

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

	Three months ended March 31, 2012 SR	Three months ended March 31, 2011 SR
	(Un-audited)	(Un-audited)
Salaries and benefits	1,105,488	1,475,303
End-of-service indemnities	21,996	17,689
	1,127,484	1,492,992

9. STATUTORY DEPOSIT

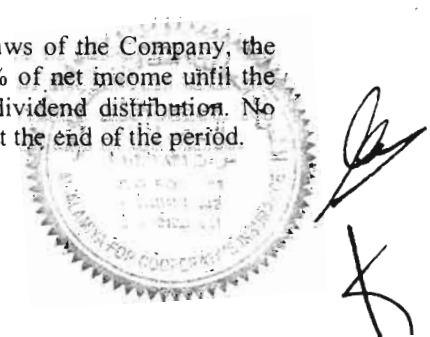
Statutory deposit represents 10% of the paid-up capital which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia. SAMA is entitled to the earnings of this statutory deposit and it cannot be withdrawn without its consent.

10. SHARE CAPITAL

The authorized, issued and paid up share capital of the Company is SR 200 million at the period end consisting of 20 million shares of SR 10 each.

11. STATUTORY RESERVE

In accordance with Regulations for Companies in Saudi Arabia and the by-laws of the Company, the Company is required to establish a statutory reserve by the appropriating 20% of net income until the reserve equals 100% of the share capital. This reserve is not available for dividend distribution. No appropriation has been made because the Company has accumulated losses as at the end of the period.



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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

12. CONTINGENCIES

Goodwill

The Company entered into a purchase agreement whereby it has purchased the insurance business operations in the Kingdom of Saudi Arabia of Royal & Sun Alliance Insurance (Middle East) Limited E.C – Saudi Arabian Operations and Al Alamiya for Commerce and Services Limited. The purchase price was based on a valuation study conducted in accordance with the due diligence and valuation guidelines issued by SAMA. In accordance with the SAMA letter of November 10, 2008 ("the Letter"), the value of combined goodwill was estimated at SR 64.14 million. The amount will be paid in accordance with SAMA's instructions therein which include among other matters, the following conditions:

- The Company shall maintain solvency ratios and minimum capital requirements as per the guidelines prescribed by SAMA in this respect;
- No payment of goodwill will be made in the year when the Company reports a loss and the goodwill shall not be paid out of any retained earnings from earlier years;
- The payment is restricted to 50% of the profit earned in the current year; and
- Limitation will be placed by SAMA on the period during which payments can be made.

In view of the current year losses and the requirements set by SAMA in this respect as illustrated above, and the fact that the Company is not in a position to make the initial payment of goodwill, the goodwill has not been recorded as a liability and hence was reflected as a contingent liability in the financial statements pending compliance with SAMA requirements in this respect and their approval for payment.

Legal proceedings

The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company's management, based on independent legal advice, believes that the outcome of these court cases will not have a material impact on the Company's income or financial condition.

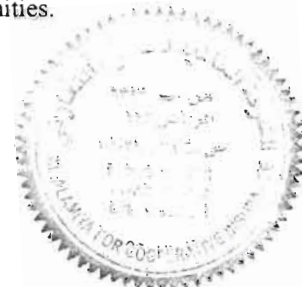
13. SEGMENTAL INFORMATION

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

Segment results do not include operating and administrative salaries, other general and administrative expenses, special commission income and other (expenses) income, net.

Segment assets do not include cash and cash equivalents, investments, premiums and insurance balances receivable, prepayments and other assets, due from related parties, due from shareholders operations, and property and equipment.

Segment liabilities do not include accounts payable, reinsurance balances payable, accrued expenses and other liabilities, due to policyholders' operations and end-of-service indemnities.



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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

13. SEGMENTAL INFORMATION (Continued)

Operating segments

For the three months ended March 31, 2012	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Others SR	Total SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Insurance operations							
Gross written premiums	15,188,848	17,120,829	10,270,897	(1,669,983)	8,574,914	5,708,202	55,193,707
Reinsurance premiums ceded	(13,384,066)	-	(8,232,418)	1,591,994	(5,396,146)	(2,160,106)	(27,580,742)
Excess of loss premiums	(770,246)	(908,411)	(346,246)	(43,390)	(760,332)	(223,037)	(3,051,662)
Net premiums written	1,034,536	16,212,418	1,692,233	(121,379)	2,418,436	3,325,059	24,561,303
Change in unearned premiums, net	(813,775)	(516,995)	(1,045,440)	2,004,981	1,316,437	(332,997)	612,211
Net premiums earned	220,761	15,695,423	646,793	1,883,602	3,734,873	2,992,062	25,173,514
Gross claims paid and other expenses	(2,808,972)	(16,727,099)	(366,996)	(2,940,971)	(2,278,977)	(1,765,982)	(26,888,997)
Reinsurers' share of gross claims paid	2,541,542	-	271,597	1,660,983	994,391	1,493,985	6,962,498
Change in outstanding claims, net	(371,296)	8,041,920	(887,090)	(57,999)	484,296	209,124	7,418,955
Net claims incurred	(638,726)	(8,685,179)	(982,489)	(1,337,987)	(800,290)	(62,873)	(12,507,544)
Policy acquisition costs	(607,641)	(1,861,336)	(445,543)	114,337	(493,030)	(173,248)	(3,466,461)
Reinsurance commission income	1,820,040	-	743,068	-	1,230,820	306,442	4,100,370
	794,434	5,148,908	(38,171)	659,952	3,672,373	3,062,383	13,299,879
Other underwriting expenses	-	-	-	-	-	-	(358,550)
Net underwriting result							12,941,329
Operating and administrative salaries							(8,055,484)
Other general and administration expenses							(3,166,779)
Special commission income							48,987
Other expenses, net							(39,174)
Insurance operations' surplus							<u>1,728,879</u>
As at March 31, 2012							
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Others SR	Total SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Insurance operations' assets							
Reinsurers' share of unearned Premiums	18,424,816	-	10,553,889	1,646,984	5,396,166	4,369,356	40,391,211
Reinsurers' share of outstanding claims	51,769,082	3,267,967	18,049,120	3,337,967	6,027,540	5,269,877	87,721,553
Deferred policy acquisition costs	1,428,867	2,811,000	1,671,613	174,654	406,996	195,538	6,688,668
Unallocated assets							<u>200,288,758</u>
							<u>335,090,190</u>
Insurance operations' liabilities							
Unearned reinsurance commission income	3,575,448	-	2,940,172	-	1,722,619	230,791	8,469,030
Gross unearned premiums	20,339,797	37,518,625	13,946,861	4,561,954	8,574,914	8,662,847	93,604,998
Gross outstanding claims	56,178,438	32,000,680	26,263,737	5,069,949	10,407,896	11,184,689	141,105,389
Unallocated liabilities							<u>91,910,773</u>
							<u>335,090,190</u>

AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

13. SEGMENTAL INFORMATION (Continued)

Operating segments

For the three months ended March 31, 2011	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Others SR	Total SR
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Insurance operations							
Gross written premiums	10,131,899	24,591,058	6,250,937	2,255,977	7,824,922	8,038,921	59,093,714
Reinsurance premiums ceded	(8,447,316)	-	(4,181,658)	(226,998)	(5,002,650)	(4,094,960)	(21,953,582)
Excess of loss premiums	(402,582)	(686,381)	(539,987)	(35,739)	(572,166)	(253,033)	(2,489,888)
Net premiums written	1,282,001	23,904,677	1,529,292	1,993,240	2,250,106	3,690,928	34,650,244
Change in unearned premiums, net	(783,992)	(6,783,941)	1,100,989	(178,999)	4,430,955	(1,106,012)	(3,321,000)
Net premiums earned	498,009	17,120,736	2,630,281	1,814,241	6,681,061	2,584,916	31,329,244
Gross claims paid and other expenses	(2,360,976)	(9,802,074)	(874,991)	(2,218,978)	(1,782,983)	(1,265,986)	(18,305,988)
Reinsurers' share of gross claims paid	1,878,008	-	615,394	849,992	254,997	872,991	4,471,382
Change in outstanding claims, net	(2,958,370)	(4,236,353)	(664,994)	(22,999)	578,895	(266,401)	(7,570,222)
Net claims incurred	(3,441,338)	(14,038,427)	(924,591)	(1,391,985)	(949,091)	(659,396)	(21,404,828)
Policy acquisition costs	(707,651)	(2,143,650)	(761,328)	(136,343)	(485,133)	(358,912)	(4,593,017)
Reinsurance commission income	2,000,940	-	724,873	(12,000)	1,001,296	586,014	4,301,123
	(1,650,040)	938,659	1,669,235	273,913	6,248,133	2,152,622	9,632,522
Other underwriting expenses	-	-	-	-	-	-	(313,406)
Net underwriting result							9,319,116
Operating and administrative salaries							(7,171,051)
Other general and administration expenses							(4,472,378)
Special commission income							18,581
Other expenses, net							(21,895)
Insurance operations' deficit							<u>(2,327,627)</u>
As at December 31, 2011							
	Property SR	Motor SR	Engineering SR	Medical SR	Marine SR	Others SR	Total SR
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Insurance operations' assets							
Reinsurers' share of unearned premiums	15,803,625	-	7,504,369	4,369,956	4,099,729	4,648,210	36,425,889
Reinsurers' share of outstanding claims	54,198,358	3,267,967	14,456,255	3,337,967	8,366,216	6,746,865	90,373,628
Deferred policy acquisition costs	518,523	3,831,883	874,168	46,317	493,030	233,788	5,997,709
Unallocated assets	-	-	-	-	-	-	198,152,340
							<u>330,949,566</u>
Insurance operations' liabilities							
Unearned reinsurance commission income	1,987,150	-	1,276,720	-	1,230,820	49,453	4,544,143
Gross unearned premiums	16,904,831	37,001,630	9,851,901	9,289,907	8,594,914	8,608,704	90,251,887
Gross outstanding claims	58,236,418	40,042,600	21,783,782	5,011,950	13,230,868	12,870,801	151,176,419
Unallocated liabilities	-	-	-	-	-	-	84,977,117
							<u>330,949,566</u>



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AL ALAMIYA FOR COOPERATIVE INSURANCE COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

14. EARNINGS (LOSS) PER SHARE FOR THE PERIOD

Earnings (loss) per share for the period is calculated by dividing the net income (loss) for the period by weighted average number of ordinary shares outstanding during the period.

15. GEOGRAPHICAL DISTRIBUTION

All the assets and liabilities of the Company are located in the Kingdom of Saudi Arabia except for investments held in Abu Dhabi.

16. RESULTS OF THE INTERIM PERIOD

The results of the interim period are not an indication of the results of the full statutory financial year.

17. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements have been approved by the Board of Directors on April 15, 2012 corresponding to 23 Jumada I, 1433. Subsequently, on April 17, 2012 corresponding to 25 Jumada I, 1433, the shareholders approved the portfolio transfer at their General Assembly Meeting.



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