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**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND  
LIMITED REVIEW REPORT**

**FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2013**

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BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT  
For The Three and Nine Month Periods Ended 30 September 2013

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**LIMITED REVIEW REPORT TO THE SHAREHOLDERS OF  
BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**SCOPE OF REVIEW:**

We have reviewed the accompanying interim statement of financial position of Buruj Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2013, the related interim statements of insurance and shareholders' comprehensive operations for the three and nine month periods then ended, the related interim statements of changes in shareholders' equity, insurance operations' and shareholders' cash flows for the nine month period then ended and the related notes which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard – 34 "Interim Financial Reporting" (IAS 34) and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

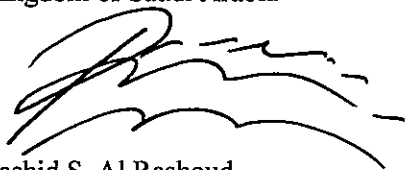
**CONCLUSION:**

Based on our 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.

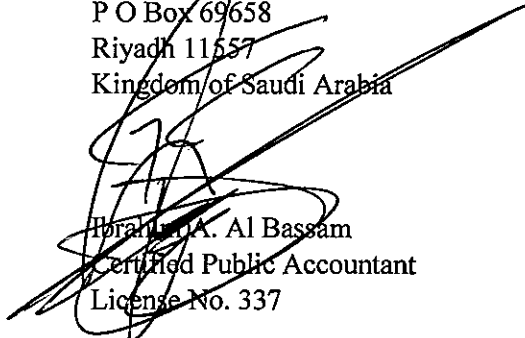
**EMPHASIS OF A MATTER:**

We draw attention to the fact that 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.

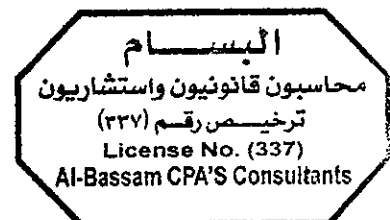
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22 Dhul Hijjah 1434H  
(27 October 2013)



**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM STATEMENT OF FINANCIAL POSITION**

As at 30 September 2013

		<i>30 September 2013</i>	<i>31 December 2012</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>INSURANCE OPERATIONS' ASSETS</b>			
Cash and cash equivalents	5	69,783,561	83,841,589
Time deposits	6	38,603,408	-
Premiums and reinsurance balances receivable, net	7	39,725,465	31,743,493
Available for sale investments	8(i)(a)	7,977,938	8,050,824
Held to maturity investments	9	8,000,000	-
Reinsurers' share of outstanding claims		39,083,294	27,789,918
Prepayments and other assets		10,367,666	4,932,541
Deferred policy acquisition costs		11,187,746	8,172,281
Reinsurers' share of unearned premiums		38,015,387	21,636,698
Property and equipment, net		3,649,489	4,460,391
Due from shareholders' operations		5,065,217	6,231,910
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>		<b>271,459,171</b>	<b>196,859,645</b>
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents	5	34,814,535	33,870,831
Time deposits	6	3,000,080	-
Available for sale investments	8(ii)(d)	30,024,461	34,540,378
Prepayments and other assets		883,128	836,300
Statutory deposit	11	13,157,101	13,110,708
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>81,879,305</b>	<b>82,358,217</b>
<b>TOTAL ASSETS</b>		<b>353,338,476</b>	<b>279,217,862</b>

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

BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September 2013

	<i>Note</i>	<i>30 September 2013 (Unaudited) SR</i>	<i>31 December 2012 (Audited) SR</i>
<b>INSURANCE OPERATIONS' LIABILITIES &amp; SURPLUS</b>			
<b>INSURANCE OPERATIONS' LIABILITIES</b>			
Gross outstanding claims		76,143,487	65,459,524
Reinsurance and insurance balances payable		44,403,400	24,309,413
Accrued expenses and other liabilities		7,671,938	7,374,974
Employees' end of service benefits		1,895,710	1,480,899
Unearned reinsurance commission		4,781,663	3,621,073
Gross unearned premiums		130,307,085	91,952,351
Other reserves		5,759,835	2,652,159
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b>270,963,118</b>	<b>196,850,393</b>
<b>INSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		506,625	-
Changes in fair values of available for sale investments	8(i)(a)	(10,572)	9,252
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES &amp; SURPLUS</b>		<b>271,459,171</b>	<b>196,859,645</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Zakat payable	12	6,941,737	7,069,613
Accrued expenses and other liabilities		1,663,361	1,828,987
Due to a related party	13	22,207	8,207
Due to insurance operations		5,065,217	6,231,910
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>13,692,522</b>	<b>15,138,717</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital		130,000,000	130,000,000
Accumulated losses		(60,360,663)	(63,766,512)
Change in fair values of available for sale investments	8(ii)(d)	(1,452,554)	986,012
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>68,186,783</b>	<b>67,219,500</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>81,879,305</b>	<b>82,358,217</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>353,338,476</b>	<b>279,217,862</b>

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

**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM STATEMENT OF INSURANCE COMPREHENSIVE OPERATIONS (UNAUDITED)**

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross written premiums	68,382,113	56,333,456	218,482,595	192,349,286
Reinsurance premiums ceded	(20,567,874)	(16,098,454)	(66,642,317)	(36,156,253)
Excess of loss premiums	(2,168,054)	(849,096)	(3,866,246)	(5,263,463)
<b>NET PREMIUMS WRITTEN</b>	<b>45,646,185</b>	<b>39,385,906</b>	<b>147,974,032</b>	<b>150,929,570</b>
Movement in unearned premiums, net	(6,651,628)	(1,023,214)	(21,976,045)	(58,947,122)
<b>NET PREMIUMS EARNED</b>	<b>38,994,557</b>	<b>38,362,692</b>	<b>125,997,987</b>	<b>91,982,448</b>
Reinsurance commission income	2,424,610	2,815,035	8,598,734	8,354,120
Policy fees	1,803,141	839,114	4,017,585	2,044,586
<b>TOTAL REVENUES</b>	<b>43,222,308</b>	<b>42,016,841</b>	<b>138,614,306</b>	<b>102,381,154</b>
Gross claims paid	(24,501,782)	(26,472,022)	(91,820,415)	(69,353,486)
Reinsurance share of claims paid	2,885,474	1,008,341	12,680,359	5,984,710
<b>NET CLAIMS PAID</b>	<b>(21,616,308)</b>	<b>(25,463,681)</b>	<b>(79,140,056)</b>	<b>(63,368,776)</b>
Movement in outstanding claims, net	(855,948)	(1,162,908)	609,414	74,978
Movement in other reserves	(2,024,106)	(2,161,705)	(3,107,676)	(2,734,552)
<b>NET CLAIMS INCURRED</b>	<b>(24,496,362)</b>	<b>(28,788,294)</b>	<b>(81,638,318)</b>	<b>(66,028,350)</b>
Policy acquisition costs	(5,429,383)	(5,447,102)	(16,234,549)	(14,953,680)
Inspection and supervision fees	(546,879)	(354,520)	(1,821,303)	(1,032,070)
Other underwriting expenses	(1,633,531)	(482,398)	(3,567,259)	(589,824)
<b>TOTAL UNDERWRITING COSTS</b>	<b>(32,106,155)</b>	<b>(35,072,314)</b>	<b>(103,261,429)</b>	<b>(82,603,924)</b>
<b>NET UNDERWRITING SURPLUS</b>	<b>11,116,153</b>	<b>6,944,527</b>	<b>35,352,877</b>	<b>19,777,230</b>
General and administrative expenses	(9,566,959)	(8,105,918)	(28,369,543)	(23,098,123)
Allowance for doubtful debts	(1,089,510)	(577,640)	(2,822,542)	(21,172)
Special commission income from time deposits	190,057	265,701	498,898	371,401
Special commission income from investments	144,709	33,413	442,728	33,413
Realized loss from available for sale investments	-	-	(35,761)	-
Gain (loss) on disposal of property and equipment	299	-	(410)	(28)
<b>SURPLUS (DEFICIT) FROM INSURANCE OPERATIONS</b>	<b>794,749</b>	<b>(1,439,917)</b>	<b>5,066,247</b>	<b>(2,937,279)</b>
(Surplus) deficit transferred to shareholders' operations	(715,274)	1,439,917	(4,559,622)	2,937,279
<b>NET RESULT FOR THE PERIOD</b>	<b>79,475</b>	<b>-</b>	<b>506,625</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:</b>				
Change in fair values of available for sale investments	239,080	(44,724)	(19,824)	(44,724)
Total comprehensive income (loss) for the period	318,555	(44,724)	486,801	(44,724)

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

BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS  
(UNAUDITED)

	Note	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
		2013	2012	2013	2012
		SR	SR	SR	SR
Surplus (deficit) transferred from insurance operations		715,274	(1,439,917)	4,559,622	(2,937,279)
<b>EXPENSES</b>					
General and administrative		(420,002)	(470,670)	(1,471,777)	(1,732,085)
<b>INCOME (LOSS) FROM OPERATIONS</b>		<u>295,272</u>	<u>(1,910,587)</u>	<u>3,087,845</u>	<u>(4,669,364)</u>
Special commission income from time deposits	5, 6	50,583	90,504	243,043	225,873
Special commission income from available for sale investments		290,116	321,753	855,715	896,259
Realized gain from available for sale investments		43,877	263,053	1,202,534	421,693
<b>INCOME (LOSS) BEFORE ZAKAT</b>		<u>679,848</u>	<u>(1,235,277)</u>	<u>5,389,137</u>	<u>(3,125,539)</u>
Zakat	12	(475,733)	(391,168)	(1,983,288)	(1,168,768)
<b>NET INCOME (LOSS) FOR THE PERIOD</b>		<u><u>204,115</u></u>	<u><u>(1,626,445)</u></u>	<u><u>3,405,849</u></u>	<u><u>(4,294,307)</u></u>
<b>OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:</b>					
Change in fair values of available for sale investments	8(ii)(d)	15,527	348,324	(2,438,566)	1,113,249
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<u><u>219,642</u></u>	<u><u>(1,278,121)</u></u>	<u><u>967,283</u></u>	<u><u>(3,181,058)</u></u>
<b>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (BEFORE ZAKAT) FOR THE PERIOD</b>					
	15	<u>0.05</u>	<u>(0.10)</u>	<u>0.41</u>	<u>(0.24)</u>
<b>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (AFTER ZAKAT) FOR THE PERIOD</b>					
	15	<u>0.02</u>	<u>(0.13)</u>	<u>0.26</u>	<u>(0.33)</u>

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

BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
(UNAUDITED)

For the Nine Month Period Ended 30 September 2013

	<i>Share capital SR</i>	<i>Accumulated losses SR</i>	<i>Change in fair values of available for sale investments SR</i>	<i>Total SR</i>
<i>2012</i>				
Balance as at 1 January 2012	130,000,000	(44,766,205)	(104,897)	85,128,898
Net loss for the period	-	(4,294,307)	-	(4,294,307)
Other comprehensive income for the period	-	-	1,113,249	1,113,249
<i>Total comprehensive loss for the period</i>	-	(4,294,307)	1,113,249	(3,181,058)
Balance as at 30 September 2012	130,000,000	(49,060,512)	1,008,352	81,947,840
<i>2013</i>				
Balance as at 1 January 2013	130,000,000	(63,766,512)	986,012	67,219,500
Net income for the period	-	3,405,849	-	3,405,849
Other comprehensive loss for the period	-	-	(2,438,566)	(2,438,566)
<i>Total comprehensive income for the period</i>	-	3,405,849	(2,438,566)	967,283
Balance as at 30 September 2013	130,000,000	(60,360,663)	(1,452,554)	68,186,783

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



BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS  
(UNAUDITED)

	<i>For the nine month period ended</i>	
	<i>30 September 2013</i>	<i>30 September 2012</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) from insurance operations	506,625	(2,937,279)
<i>Adjustments for:</i>		
Surplus transferred to shareholders' operations	4,559,622	-
Depreciation	1,550,109	1,350,397
Provision for employees' end of service benefits	574,605	555,682
Allowance for doubtful debts	2,822,542	21,172
Special commission income from time deposits	(498,898)	(371,401)
Special commission income from investments	(442,728)	(33,413)
Realized loss from available for sale investments	35,761	-
Loss on disposal of property and equipment	410	28
<i>Net surplus (deficit) before changes in operating assets and liabilities</i>	<u>9,108,048</u>	<u>(1,414,814)</u>
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurance balances receivable	(10,804,514)	(1,897,126)
Prepayments and other assets	(5,435,125)	(5,147,047)
Reinsurers' share of outstanding claims	(11,293,376)	(6,608,322)
Deferred policy acquisition costs	(3,015,465)	(2,283,008)
Reinsurers' share of unearned premiums	(16,378,689)	(7,304,623)
Gross outstanding claims	10,683,963	6,533,345
Reinsurance and insurance balances payable	20,093,987	9,437,769
Accrued expenses and other liabilities	296,964	520,117
Unearned reinsurance commission	1,160,590	989,991
Gross unearned premiums	38,354,734	66,251,745
Other reserves	3,107,676	2,734,552
<i>Cash from operating activities</i>	<u>35,878,793</u>	<u>61,812,579</u>
Employees' end of service benefits paid	(159,794)	(44,721)
<i>Net cash from operating activities</i>	<u>35,718,999</u>	<u>61,767,858</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(740,917)	(701,702)
Time deposits	6 (38,603,408)	(47,000,000)
Purchase of available for sale investments	8(i)(b) (2,398,868)	(7,895,408)
Proceeds from sale of available for sale investments	8(i)(b) 2,451,930	-
Purchase of held to maturity investments	(8,000,000)	-
Special commission income from time deposits	498,898	371,401
Special commission income from investments	442,728	33,413
Realized loss from available for sale investments	(35,761)	-
Proceeds from disposal of property and equipment	1,300	1,275
<i>Net cash used in investing activities</i>	<u>(46,384,098)</u>	<u>(55,191,021)</u>
<b>FINANCING ACTIVITY</b>		
Due (to) from shareholders' operations	(3,392,929)	16,524
<i>Net cash (used in) from financing activity</i>	<u>(3,392,929)</u>	<u>16,524</u>

(.....Continued)

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

BURUJ COOPERATIVE INSURANCE COMPANY  
 (A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS  
 (UNAUDITED) (continued)

	<i>Note</i>	<i>For the nine month period ended</i>	
		<i>30 September 2013 SR</i>	<i>30 September 2012 SR</i>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(14,058,028)</b>	<b>6,593,361</b>
Cash and cash equivalents at beginning of the period		<u>83,841,589</u>	<u>35,673,588</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>5</b>	<b><u>69,783,561</u></b>	<b><u>42,266,949</u></b>
<b><i>Noncash transactions:</i></b>			
Transfer of surplus (deficit) to shareholders' comprehensive operations		<u>4,559,622</u>	<u>(2,937,279)</u>
Net change in fair value of available for sale investments		<u>(19,824)</u>	<u>(44,724)</u>



BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS  
(UNAUDITED)

	Note	<i>For the nine months period ended</i>	
		<i>30 September 2013 SR</i>	<i>30 September 2012 SR</i>
<b>OPERATING ACTIVITIES</b>			
Income (loss) before zakat		5,389,137	(3,125,539)
<i>Adjustments for:</i>			
(Surplus) deficit transferred from insurance operations		(4,559,622)	2,937,279
Special commission income from time deposits		(243,043)	(225,873)
Special commission income from available for sale investments		(855,715)	(896,259)
Realized gain from available for sale investments		(1,202,534)	(421,693)
<i>Net deficit before changes in operating assets and liabilities</i>		<u>(1,471,777)</u>	<u>(1,732,085)</u>
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		(46,828)	(127,144)
Statutory deposit		(46,393)	(110,708)
Accrued expenses and other liabilities		(165,626)	307,796
Due to a related party		14,000	(60,817)
<i>Cash used in operations</i>		<u>(1,716,624)</u>	<u>(1,722,958)</u>
Zakat paid	12	(2,111,164)	-
Net cash used in operating activities		<u>(3,827,788)</u>	<u>(1,722,958)</u>
<b>INVESTING ACTIVITIES</b>			
Time deposits		(3,000,080)	-
Special commission income from time deposits		243,043	225,873
Special commission income from available for sale investments		855,715	896,259
Realized gain from available for sale investments		1,202,534	421,693
Purchase of available for sale investments	8(ii)(d)	(23,595,153)	(13,350,180)
Proceeds from sale of available for sale investments	8(ii)(d)	25,672,504	14,769,956
Net cash from investing activities		<u>1,378,563</u>	<u>2,963,601</u>
<b>FINANCING ACTIVITY</b>			
Due from (to) insurance operations		3,392,929	(16,524)
Net cash from (used in) financing activity		<u>3,392,929</u>	<u>(16,524)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		943,704	1,224,119
Cash and cash equivalents at the beginning of the period		<u>33,870,831</u>	<u>33,379,381</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<u><u>34,814,535</u></u>	<u><u>34,603,500</u></u>
<i>Non-cash transactions:</i>			
Transfer of (surplus) deficit from insurance operations		<u>(4,559,622)</u>	<u>2,937,279</u>
Net change in fair values of available for sale investments	8(ii)(d)	<u>(2,438,566)</u>	<u>1,113,249</u>

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

**BURUJ COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED)  
30 September 2013**

**1 ORGANISATION AND PRINCIPAL ACTIVITIES**

Buruj Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010280606 dated 10 Safar 1431H, corresponding to 26 January 2010. The registered office address of the Company is P O Box 51855, Riyadh 11553, Kingdom of Saudi Arabia. The objective of the Company is to transact cooperative insurance business and related activities in the Kingdom of Saudi Arabia. Its principal lines of business include all classes of general insurance. The Company was listed on the Tadawul (the Saudi Arabian Stock Market) on 15 February 2010.

The Company was licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree numbered 72/M dated 28 Shawal 1429H (corresponding to 29 October 2008), pursuant to Council of Ministers resolution numbered 313 dated 27 Shawal 1429H (corresponding to 28 October 2008). On 10 Muharram 1431H (corresponding to 27 December 2009), the Ministry of Commerce and Industry issued a resolution declaring the incorporation of the Company.

On 15 Jumada Thani 1431H (corresponding to 29 May 2010), the Saudi Arabian Monetary Agency ("SAMA") issued a formal approval to transact insurance business.

The Company launched its insurance operations on 1 July 2010 after receipt of an authorization from SAMA to commence insurance operations as product approval and related formalities were completed.

**2 SURPLUS / DEFICIT TRANSFERRED TO SHAREHOLDERS' OPERATIONS**

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% 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.

The insurance operations resulted in a surplus for the nine month period ended 30 September 2013 (deficit for the period ended 30 September 2012). Accordingly, 90% of the net surplus amounting to SR 4.6 million (30 September 2012: entire deficit of SR 2.9 million) has been transferred to the shareholders' operations.

**3 BASIS OF MEASUREMENT**

***Basis of measurement***

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

***Statement of compliance***

The accompanying interim condensed financial statements for the three and nine month periods ended 30 September 2013 (the "period") are prepared in accordance with IAS 34 – Interim Financial Reporting, 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 2012.

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.

The interim results may not be indicative of the Company's annual results.

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4 SIGNIFICANT ACCOUNTING POLICIES NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

*Significant accounting policies*

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2012. In addition, accounting policies applicable to significant transactions and account balances arising during the nine month period ended 30 September 2013 is set out below:

*Held to maturity investments ("HTM")*

Held to maturity investments are non-derivative financial assets which have fixed or determinable payments that the Company has the positive intention and ability to hold to maturity and are initially measured at amortised cost adjusted by the amount of amortisation of premium or accretion of discount using the effective interest method. Any permanent decline in value of HTM investments is recognised in the statement of insurance operations. Investments classified as held to maturity cannot ordinarily be sold or reclassified without impacting the Company's ability to use this classification and cannot be designated as a hedged item with respect to special commission rate or prepayment risk, reflecting the longer-term nature of these investments.

*New standards, amendments to standards and interpretations*

The accounting and risk management policies adopted in the preparation of interim condensed financial statements are consistent with those used in the Company's audited financial statements for the year ended 31 December 2012 except for the adoption of following amendments and revisions to existing standards mentioned below which has had no financial impact on the interim condensed financial statements of the Company:

*IFRS 13 Fair Value Measurement*

IFRS 13 describes how to measure fair value when fair value is required or permitted by IFRS. New disclosures related to fair value measurements are also required to help users understand the valuation techniques and inputs used to develop fair value measurements and the effect of fair value measurements on profit or loss. Adoption of this standard did not impact the Company's financial position or performance.

*IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7*

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments have not impacted the Company's financial position or performance.

*IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements*

IFRS 10 replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities, which resulted in SIC-12 being withdrawn. IFRS 10 does not change consolidation procedures (i.e., how to consolidate an entity). Rather, IFRS 10 changes whether an entity is consolidated by revising the definition of control. Adoption of this standard did not impact the Company's financial position or performance.

*IAS 16 Property, Plant and Equipment — Classification of servicing equipment*

The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. Adoption of this standard did not impact the Company's financial position or performance.

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4 SIGNIFICANT ACCOUNTING POLICIES NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

*New standards, amendments to standards and interpretations (continued)*

*IAS 34 Interim Financial Reporting — Interim financial reporting and segment information*

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment. Adoption of this standard did have not impact the Company's financial position or performance.

*IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments affected presentation only and had no impact on the Company's financial position or performance.

*IAS 1 Clarification of the requirement for comparative information (Amendment)*

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements. An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

*Standards issued but not yet effective*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

*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. In subsequent phases, the Board will address impairment and hedge accounting. The Company will quantify the effect of the adoption of the first phase of IFRS 9 in conjunction with the other phases, when issued, to present a comprehensive picture.

*IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32*

The amendments clarify that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The amendments also clarify that rights of set-off must not be contingent on a future event. The IAS 32 offsetting criteria require the reporting entity to intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The amendments clarify that only gross settlement mechanisms with features that eliminate or result in insignificant credit and liquidity risk and that process receivables and payables in a single settlement process or cycle would be, in effect, equivalent to net settlement and, therefore, meet the net settlement criterion. The amendment is effective for annual periods beginning on or after 1 January 2014.

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4 SIGNIFICANT ACCOUNTING POLICIES NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

*Standards issued but not yet effective (continued)*

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.

5 CASH AND CASH EQUIVALENTS

	<i>30 September 2013 (Unaudited)</i>		<i>31 December 2012 (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 on hand and at banks	69,783,561	30,279,537	42,279,100	5,770,831
Short term time deposits	-	4,534,998	41,562,489	28,100,000
Cash and cash equivalents	<u>69,783,561</u>	<u>34,814,535</u>	<u>83,841,589</u>	<u>33,870,831</u>

Short term time deposits placed with local banks have an original maturity of less than three months from the date of acquisition and earned special commission income at an average rate of 0.65% per annum (2012: 0.78%). The carrying amounts disclosed above reasonably approximate their fair values at the reporting date.

6 TIME DEPOSITS

Time deposits are placed with local banks and financial institutions with a maturity of more than three months from the date of original acquisition and earned special commission income at an average rate of 1.34% per annum (31 December 2012: nil). The carrying amounts of the time deposits reasonably approximate their fair values at the reporting date.

7 PREMIUMS AND REINSURANCE BALANCES RECEIVABLE, NET

Premiums and reinsurance balances receivable are comprised of the following:

	<i>30 September 2013 (Unaudited)</i>	<i>31 December 2012 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Premiums receivable	49,937,574	39,041,173
Less: Allowance for doubtful debts	(10,565,132)	(7,747,446)
	<u>39,372,442</u>	<u>31,293,727</u>
Reinsurance balances receivable	1,289,654	1,381,541
Less: Allowance for doubtful debts	(936,631)	(931,775)
	<u>353,023</u>	<u>449,766</u>
Total premiums and reinsurance balances receivable, net	<u>39,725,465</u>	<u>31,743,493</u>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

30 September 2013

**8 AVAILABLE FOR SALE INVESTMENTS (“AFS”)**

*(i) Insurance operations*

- (a) AFS investments comprise of a portfolio of quoted debt securities (Sharia’a compliant instruments) issued by sovereign, quasi sovereign, and corporates based in the Gulf Cooperative Council (the “GCC”) countries amounting to SR 7,977,938 (31 December 2012: SR 8,050,824). This portfolio is managed at the discretion of a locally regulated financial institution.

The cumulative change in fair value of this portfolio amounting to SR (10,572) (31 December 2012: SR 9,252) is presented within ‘insurance operations surplus’ in the interim statement of financial position and the current period change in fair value has been reported in the interim statement of insurance comprehensive operations’ under ‘other comprehensive income (loss) to be reclassified subsequently to the income statement’.

- (b) The movement during the period in available for sale investments (insurance operations) is as follows:

	<i>30 September 2013</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2012</i> <i>(Audited)</i> <i>SR</i>
At the beginning of the period / year	8,050,824	-
Purchased during the period / year	2,398,868	8,041,572
Sold during the period / year	(2,451,930)	-
	<u>7,997,762</u>	<u>8,041,572</u>
Change in fair values	(19,824)	9,252
At the end of the period / year	<u>7,977,938</u>	<u>8,050,824</u>

*(ii) Shareholders operations*

- (a) AFS investments of shareholders operations comprise of various quoted bonds and sukuks issued by governments, quasi governments, banks and corporates in the Kingdom of Saudi Arabia and other GCC countries amounting to SR 26,101,383 (31 December 2012: SR 32,617,300). The custody of these investments is with a local regulated unrated financial institution.

- (b) AFS investments of shareholders operations also comprise of an investment amounting to SR 2,000,000 (31 December 2012: SR nil) in a private closed real estate fund (Sharia’a compliant), registered in the Kingdom of Saudi Arabia. The fund is managed by a local regulated unrated financial institution.

- (c) AFS investments of shareholders’ operations also comprise of an investment amounting to SR 1,923,078 (31 December 2012: SR 1,923,078) in an unquoted Company, registered in the Kingdom of Saudi Arabia. As there is no quoted price available, this investment has been valued at cost. Management is of the opinion that the fair value of this investment is not materially different from its carrying value.



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(UNAUDITED) (continued)

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8 AVAILABLE FOR SALE INVESTMENTS ("AFS") (continued)

(d) The movement during the period in available for sale investments (shareholders operations) are as follows:

	<i>30 September 2013</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2012</i> <i>(Audited)</i> <i>SR</i>
At the beginning of the period / year	34,540,378	34,170,224
Purchased during the period / year	23,595,153	19,025,330
Sold during the period / year	(25,672,504)	(19,746,085)
	<u>32,463,027</u>	<u>33,449,469</u>
Change in fair values	(2,438,566)	1,090,909
	<u>30,024,461</u>	<u>34,540,378</u>

The cumulative change in fair values of available for sale investments of shareholders' operations amounting to SR (1,452,554) (31 December 2012: SR 986,012) is presented within shareholders' equity in the interim statement of financial position.

9 HELD TO MATURITY INVESTMENTS

During the current year, the Company invested SR 8,000,000 in a secured Sukuk issued by an unquoted Company registered in the Kingdom of Saudi Arabia and maturing on 7 April 2015. The rate of return on the Sukuk is calculated based on 3-month SIBOR plus a margin of 170 basis points per annum and paid quarterly.

10 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 financial statements. Equity investment in an unquoted company categorised under AFS is carried at cost.

*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 (unadjusted) in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value instrument is directly or indirectly observable; and

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

	<i>Level 1</i> <i>SR</i>	<i>Level 2</i> <i>SR</i>	<i>Level 3</i> <i>SR</i>	<i>Total</i> <i>SR</i>
Available for sale investments - <i>Insurance operations</i>	<u>7,977,938</u>	<u>-</u>	<u>-</u>	<u>7,977,938</u>
Available for sale investments - <i>Shareholders operations</i>	<u>26,101,383</u>	<u>-</u>	<u>3,923,078</u>	<u>30,024,461</u>

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10 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

During the three and nine month periods ended 30 September 2013, 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.

11 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company which is maintained with a bank designated by SAMA in accordance with The Cooperative Insurance Companies Control Law for insurance companies. This statutory deposit cannot be withdrawn without the consent of SAMA. Accrued interest amounting to SR 157,101 (31 December 2012: SR 110,708) has been included under statutory deposit and accrued expenses and other liabilities.

12 ZAKAT

The movement in provision during the period / year is set out below:

	<i>30 September 2013</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2012</i> <i>(Audited)</i> <i>SR</i>
At the beginning of the period / year	7,069,613	5,852,347
Provided for the period / year	1,493,621	1,217,266
Adjustments on prior years	489,667	-
Payments during the period / year	(2,111,164)	-
At the end of the period / year	<u>6,941,737</u>	<u>7,069,613</u>

*Status of assessments*

On review of the zakat return by the DZIT for the long period ended 31 December 2010, a demand of SR 2,256,659 raised by the DZIT. The Company paid this demand and filed an appeal with DZIT.

On review of the zakat return by the DZIT for the year ended 31 December 2011, a demand of SR 2,378,604 has been raised by the DZIT. However, the Company has filed an appeal with the DZIT. This appeal is in progress. The final assessment has not yet been carried out by the DZIT.

On review of the zakat return by the DZIT for the year ended 31 December 2012, an additional demand of SR 544,407 has been raised by the DZIT. However, the Company has filed an appeal with the DZIT. This appeal is in progress. The final assessment has not yet been carried out by the DZIT.

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13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) *The following are the details of major related party transactions during the period and the related balances at the end of the period:*

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>		<i>Balance as at</i>	
		<i>For the nine months ended</i>		<i>30 September</i>	<i>31 December</i>
		<i>30 September</i>	<i>30 September</i>	<i>2013</i>	<i>2012</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Shareholders	Gross written premiums	18,973,619	18,034,196		
	Reinsurance premium ceded	(2,156,380)	(2,894,270)		
	Claims incurred	(3,331,706)	(15,785,814)		
	General and administrative expenses	-	-	(22,207)	(8,207)
Board of directors and committees' members	Board of directors and committees' meeting fees and expenses	891,000	967,324		
	Gross written premiums	14,157,656	8,292,762		
	Insurance brokerage contract	2,999,491	2,556,488		

b) *Compensation of key management personnel*

Key management personnel of the Company include all executive and non-executive directors, and other senior management personnel. The summary of compensation of key management personnel for the period is as follows:

	<i>For the nine months period ended 30 September</i>	
	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Short-term benefits	2,200,063	2,235,405
End of service benefits	93,845	106,747
	<u>2,293,908</u>	<u>2,342,152</u>

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30 September 2013

14 SEGMENT 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 for insurance operations do not include general and administrative expenses, allowance for doubtful debts, special commission income from time deposits, investments and realised loss or gain on property and equipment.

Segment assets do not include insurance operations' property and equipment, prepayments and other assets, premiums and reinsurance balances receivable, time deposit, investments and cash and cash equivalents. Accordingly they 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 insurance operations' due to shareholders operations, employees' end of service benefits, insurance and reinsurance balances payable, accrued expenses and other liabilities. Accordingly they are included in unallocated liabilities.

Shareholders' operations' is a non-operating segment. Income earned from time deposits and income from available for sale investments is the only revenue generating activity. Certain direct operating expenses, other overhead expenses and the deficit or surplus from insurance operations' are allocated to this segment on an appropriate basis.

Operating segments

<i>For the three month period ended 30 September 2013 (Unaudited)</i>	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	5,149,891	32,955,648	3,684,566	23,168,756	3,423,252	68,382,113
Reinsurance premiums ceded	(4,922,193)	(1,060,060)	(2,693,306)	(8,784,027)	(3,108,290)	(20,567,876)
Excess of loss premiums	(28,375)	(1,865,970)	(221,324)	-	(52,383)	(2,168,052)
<b>Net premiums written</b>	<b>199,323</b>	<b>30,029,618</b>	<b>769,936</b>	<b>14,384,729</b>	<b>262,579</b>	<b>45,646,185</b>
Movement in unearned premiums, net	111,157	(4,722,982)	164,701	(2,211,022)	6,518	(6,651,628)
<b>Net premiums earned</b>	<b>310,480</b>	<b>25,306,636</b>	<b>934,637</b>	<b>12,173,707</b>	<b>269,097</b>	<b>38,994,557</b>
Reinsurance commission income	845,316	19,965	848,094	-	711,235	2,424,610
Policy fees	2,705	1,759,116	39,030	-	2,290	1,803,141
<b>Total revenues</b>	<b>1,158,501</b>	<b>27,085,717</b>	<b>1,821,761</b>	<b>12,173,707</b>	<b>982,622</b>	<b>43,222,308</b>
Net claims paid	(18,319)	(20,828,000)	(298,952)	(444,554)	(26,483)	(21,616,308)
Movement in outstanding claims, net	(741,368)	754,432	198,160	(1,260,119)	192,947	(855,948)
Movement in other reserves	(783,685)	(433,415)	-	-	(807,006)	(2,024,106)
<b>Net claims incurred</b>	<b>(1,543,372)</b>	<b>(20,506,983)</b>	<b>(100,792)</b>	<b>(1,704,673)</b>	<b>(640,542)</b>	<b>(24,496,362)</b>
Policy acquisition costs	(455,126)	(2,286,649)	(295,833)	(2,116,819)	(274,956)	(5,429,383)
Inspection and supervision fees	(13,739)	(158,307)	(16,633)	(347,531)	(10,669)	(546,879)
Other underwriting expenses	(74,850)	(222,513)	-	(1,336,168)	-	(1,633,531)
<b>Total underwriting costs</b>	<b>(2,087,087)</b>	<b>(23,174,452)</b>	<b>(413,258)</b>	<b>(5,505,191)</b>	<b>(926,167)</b>	<b>(32,106,155)</b>
<b>Net underwriting surplus</b>	<b>(928,586)</b>	<b>3,911,265</b>	<b>1,408,503</b>	<b>6,668,516</b>	<b>56,455</b>	<b>11,116,153</b>
Unallocated expenses						(10,656,170)
Unallocated income						334,766
<b>Surplus from insurance operations</b>						<b>794,749</b>

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14 SEGMENT INFORMATION (continued)

Operating segments

<i>For the three month period ended 30 September 2012 (Unaudited)</i>	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	4,376,022	35,134,249	4,255,889	9,350,041	3,217,255	56,333,456
Reinsurance premiums ceded	(4,135,839)	(984,157)	(3,128,003)	(4,960,484)	(2,889,971)	(16,098,454)
Excess of loss premiums	(27,320)	(618,750)	(183,141)	-	(19,885)	(849,096)
Net premiums written	212,863	33,531,342	944,745	4,389,557	307,399	39,385,906
Movement in unearned premiums, net	23,385	1,870,384	630,260	(3,735,318)	188,075	(1,023,214)
Net premiums earned	236,248	35,401,726	1,575,005	654,239	495,474	38,362,692
Reinsurance commission income	629,231	(20,141)	1,566,025	-	639,920	2,815,035
Policy fees	2,735	786,834	46,335	-	3,210	839,114
Total revenues	868,214	36,168,419	3,187,365	654,239	1,138,604	42,016,841
Net claims paid	(13,056)	(25,310,526)	(349,424)	(7,800)	217,125	(25,463,681)
Movement in outstanding claims, net	(344,001)	971,382	(1,727,466)	(162,128)	99,305	(1,162,908)
Movement in other reserves	-	(2,547,696)	-	385,991	-	(2,161,705)
Net claims incurred	(357,057)	(26,886,840)	(2,076,890)	216,063	316,430	(28,788,294)
Policy acquisition costs	(352,853)	(4,181,419)	(509,973)	(102,786)	(300,071)	(5,447,102)
Inspection and supervision fees	(13,626)	(170,442)	(18,783)	(140,250)	(11,419)	(354,520)
Other underwriting expenses	(26,350)	(359,331)	-	(96,717)	-	(482,398)
Total underwriting costs	(749,886)	(31,598,032)	(2,605,646)	(123,690)	4,940	(35,072,314)
Net underwriting surplus	118,328	4,570,387	581,719	530,549	1,143,544	6,944,527
Unallocated expenses						(8,683,558)
Unallocated income						299,114
Deficit from insurance operations						(1,439,917)

BURUJ COOPERATIVE INSURANCE COMPANY  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 September 2013

14 SEGMENT INFORMATION (continued)

Operating segments

For the nine month period ended  
30 September 2013  
(Unaudited)

	Property SR	Motor SR	Marine SR	Medical SR	Others SR	Total SR
Gross written premiums	17,772,956	98,006,814	14,279,461	78,997,034	9,426,330	218,482,595
Reinsurance premiums ceded	(16,584,652)	(1,122,765)	(10,162,710)	(30,473,800)	(8,298,390)	(66,642,317)
Excess of loss premiums	(83,015)	(3,103,470)	(587,606)	-	(92,155)	(3,866,246)
<b>Net premiums written</b>	<b>1,105,289</b>	<b>93,780,579</b>	<b>3,529,145</b>	<b>48,523,234</b>	<b>1,035,785</b>	<b>147,974,032</b>
Movement in unearned premiums, net	(268,912)	1,555,483	193,879	(23,652,928)	196,433	(21,976,045)
<b>Net premiums earned</b>	<b>836,377</b>	<b>95,336,062</b>	<b>3,723,024</b>	<b>24,870,306</b>	<b>1,232,218</b>	<b>125,997,987</b>
Reinsurance commission income	2,765,354	64,076	3,638,769	-	2,130,535	8,598,734
Policy fees	11,310	3,850,635	147,380	-	8,260	4,017,585
<b>Total revenues</b>	<b>3,613,041</b>	<b>99,250,773</b>	<b>7,509,173</b>	<b>24,870,306</b>	<b>3,371,013</b>	<b>138,614,306</b>
Net claims paid	(429,312)	(76,305,189)	(928,576)	(1,171,961)	(305,018)	(79,140,056)
Movement in outstanding claims, net	(1,686,611)	3,938,374	1,890,806	(3,539,542)	6,387	609,414
Movement in other reserves	(1,520,462)	(715,257)	-	-	(871,957)	(3,107,676)
<b>Net claims incurred</b>	<b>(3,636,385)</b>	<b>(73,082,072)</b>	<b>962,230</b>	<b>(4,711,503)</b>	<b>(1,170,588)</b>	<b>(81,638,318)</b>
Policy acquisition costs	(1,307,391)	(8,755,898)	(1,103,950)	(4,177,175)	(890,135)	(16,234,549)
Inspection and supervision fees	(49,738)	(482,940)	(65,887)	(1,184,955)	(37,783)	(1,821,303)
Other underwriting expenses	(126,350)	(565,287)	-	(2,875,622)	-	(3,567,259)
<b>Total underwriting costs</b>	<b>(5,119,864)</b>	<b>(82,886,197)</b>	<b>(207,607)</b>	<b>(12,949,255)</b>	<b>(2,098,506)</b>	<b>(103,261,429)</b>
<b>Net underwriting surplus (deficit)</b>	<b>(1,506,823)</b>	<b>16,364,576</b>	<b>7,301,566</b>	<b>11,921,051</b>	<b>1,272,507</b>	<b>35,352,877</b>
Unallocated expenses						(31,228,256)
Unallocated income						941,626
<b>Surplus from insurance operations</b>						<b>5,066,247</b>

BURUJ COOPERATIVE INSURANCE COMPANY  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) (continued)  
30 September 2013

14 SEGMENT INFORMATION (continued)

Operating segments

For the nine month period ended  
30 September 2012  
(Unaudited)

	Property SR	Motor SR	Marine SR	Medical SR	Others SR	Total SR
Gross written premiums	11,919,186	144,978,976	15,999,331	10,934,027	8,517,766	192,349,286
Reinsurance premiums ceded	(10,998,239)	(993,287)	(11,056,179)	(5,783,385)	(7,325,163)	(36,156,253)
Excess of loss premiums	(135,310)	(4,526,616)	(536,874)	-	(64,663)	(5,263,463)
Net premiums written	785,637	139,459,073	4,406,278	5,150,642	1,127,940	150,929,570
Movement in unearned premiums, net	(202,549)	(54,991,964)	368,856	(4,383,530)	262,065	(58,947,122)
Net premiums earned	583,088	84,467,109	4,775,134	767,112	1,390,005	91,982,448
Reinsurance commission income	1,798,868	(86,732)	5,012,926	-	1,629,058	8,354,120
Policy fees	9,875	1,854,199	169,237	-	11,275	2,044,586
Total revenues	2,391,831	86,234,576	9,957,297	767,112	3,030,338	102,381,154
Net claims paid	(110,892)	(62,205,128)	(775,123)	(10,151)	(267,482)	(63,368,776)
Movement in outstanding claims, net	(158,486)	2,765,232	(2,559,948)	(299,617)	327,797	74,978
Movement in other reserves	-	(2,734,552)	-	-	-	(2,734,552)
Net claims incurred	(269,378)	(62,174,448)	(3,335,071)	(309,768)	60,315	(66,028,350)
Policy acquisition costs	(962,318)	(11,735,394)	(1,441,745)	(120,258)	(693,965)	(14,953,680)
Inspection and supervision fees	(38,493)	(719,459)	(73,642)	(164,010)	(36,466)	(1,032,070)
Other underwriting expenses	(26,350)	(450,843)	-	(112,631)	-	(589,824)
Total underwriting costs	(1,296,539)	(75,080,144)	(4,850,458)	(706,667)	(670,116)	(82,603,924)
Net underwriting surplus	1,095,292	11,154,432	5,106,839	60,445	2,360,222	19,777,230
Unallocated expenses						(23,119,323)
Unallocated income						404,814
Net deficit from insurance operations						(2,937,279)

BURUJ COOPERATIVE INSURANCE COMPANY  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 September 2013

14 SEGMENT INFORMATION (continued)

Operating segments

As at 30 September 2013 (Unaudited)

	Property SR	Motor SR	Marine SR	Medical SR	Others SR	Total SR
<b>ASSETS</b>						
Reinsurers' share of unearned premiums	8,577,882	792,933	2,693,306	19,507,723	6,443,543	38,015,387
Reinsurers' share of outstanding claims	17,787,556	2,435,621	5,654,739	7,457,111	5,748,267	39,083,294
Deferred policy acquisition costs	817,388	4,470,396	227,442	4,931,310	741,210	11,187,746
<b>SEGMENT ASSETS</b>	<b>27,182,826</b>	<b>7,698,950</b>	<b>8,575,487</b>	<b>31,896,144</b>	<b>12,933,020</b>	<b>88,286,427</b>
Unallocated assets						183,172,744
<b>TOTAL ASSETS</b>						<b>271,459,171</b>
<b>LIABILITIES</b>						
Gross unearned premiums	9,181,246	59,697,085	3,684,567	50,359,225	7,384,962	130,307,085
Gross outstanding claims	20,456,882	28,803,110	8,519,900	11,749,548	6,614,047	76,143,487
Unearned reinsurance commission	2,030,733	59,641	987,655	-	1,703,634	4,781,663
Other reserves	1,620,462	3,267,416	-	-	871,957	5,759,835
<b>SEGMENT LIABILITIES</b>	<b>33,289,323</b>	<b>91,827,252</b>	<b>13,192,122</b>	<b>62,108,773</b>	<b>16,574,600</b>	<b>216,992,070</b>
Unallocated liabilities and surplus						54,467,101
<b>TOTAL LIABILITIES</b>						<b>271,459,171</b>

Operating segments

As at 31 December 2012 (Audited)

	Property SR	Motor SR	Marine SR	Medical SR	Others SR	Total SR
<b>ASSETS</b>						
Reinsurers' share of unearned premiums	4,265,932	523,650	2,424,444	8,120,441	6,302,231	21,636,698
Reinsurers' share of outstanding claims	9,903,179	3,256,534	7,699,615	1,770,492	5,160,098	27,789,918
Deferred policy acquisition costs	473,208	5,549,561	223,290	1,193,456	732,766	8,172,281
<b>SEGMENT ASSETS</b>	<b>14,642,319</b>	<b>9,329,745</b>	<b>10,347,349</b>	<b>11,084,389</b>	<b>12,195,095</b>	<b>57,598,897</b>
Unallocated assets						139,260,748
<b>TOTAL ASSETS</b>						<b>196,859,645</b>
<b>LIABILITIES</b>						
Gross unearned premiums	4,600,384	60,983,285	3,609,584	15,319,015	7,440,083	91,952,351
Gross outstanding claims	10,885,894	33,562,397	12,455,582	2,523,385	6,032,266	65,459,524
Unearned reinsurance commission	1,056,962	39,510	904,390	-	1,620,211	3,621,073
Other reserves	100,000	2,552,159	-	-	-	2,652,159
<b>SEGMENT LIABILITIES</b>	<b>16,643,240</b>	<b>97,137,351</b>	<b>16,969,556</b>	<b>17,842,400</b>	<b>15,092,560</b>	<b>163,685,107</b>
Unallocated liabilities and surplus						33,174,538
<b>TOTAL LIABILITIES</b>						<b>196,859,645</b>



BURUJ COOPERATIVE INSURANCE COMPANY  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 September 2013

**15 BASIC AND DILUTED EARNINGS / LOSS PER SHARE**

- (a) Basic and diluted earnings / (loss) per share (before zakat) for the period has been calculated by dividing the 'income/ (loss) before zakat' for the period by the ordinary issued and outstanding shares at the period end of 13 million shares.
- (b) Basic and diluted earnings / (loss) per share (after zakat) for the period has been calculated by dividing the net income / (loss) for the period by the ordinary issued and outstanding shares at the period end of 13 million shares.

**16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on 22 Dhul Hijjah 1434H, (corresponding to 27 October 2013).