
**METLIFE, AMERICAN INTERNATIONAL
GROUP AND ARAB NATIONAL BANK
COOPERATIVE INSURANCE COMPANY**
(A SAUDI JOINT STOCK COMPANY)

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

30 June 2017

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
LIMITED REVIEW REPORT (UNAUDITED)

At 30 June 2017

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INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF METLIFE, AMERICAN INTERNATIONAL GROUP AND ARAB NATIONAL BANK COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Metlife, American International Group and Arab National Bank Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 June 2017 and the related interim statements of insurance operations and shareholders' comprehensive operations for the three and six month periods then ended and the related interim statements of changes in shareholders' equity and insurance operations' and shareholders' cash flows for the six month period then ended and the related notes which form an integral part of these interim condensed financial information. Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" and Saudi Arabian Monetary Authority ("SAMA") guidance on accounting for Zakat and Income Tax. Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

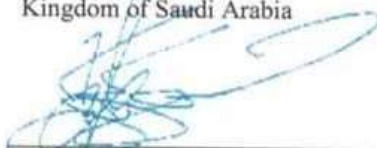
SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of these interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" and Saudi Arabian Monetary Authority ("SAMA") guidance on accounting for Zakat and Income Tax.

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25 July 2017
2 Duhl-Qadah 1438

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

		30 June 2017 (Unaudited) SR	31 December 2016 (Audited) SR
	Notes		
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	4	27,696,042	44,784,851
Time deposits	7	96,311,139	15,000,000
Premiums receivable, net	5	94,407,623	53,391,350
Reinsurers' balances receivable		-	1,249,349
Reinsurers' share of unearned premiums		30,474,915	28,592,267
Reinsurers' share of mathematical reserves	1.1	226,725,380	234,842,010
Reinsurers' share of outstanding claims		38,452,061	33,804,252
Deferred policy acquisition costs		13,644,352	9,083,617
Due from related parties	6	724,989	1,745,571
Prepaid expenses and other assets		28,581,816	35,261,723
Due from shareholders operations		48,641	2,904,525
Property and equipment, net		3,065,525	3,776,580
TOTAL INSURANCE OPERATIONS' ASSETS		560,132,483	464,436,095
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	4	11,377,223	104,001,918
Time deposits	7	128,000,000	49,000,000
Held to maturity investment	8	49,492,276	49,457,138
Prepaid expenses and other assets		1,095,424	750,301
Available for sale investments		3,175,163	3,175,163
Statutory deposit	9	35,000,000	35,000,000
Commission on statutory deposit	9	1,283,791	366,774
TOTAL SHAREHOLDERS' ASSETS		229,423,877	241,751,294
TOTAL INSURANCE OPERATIONS' AND SHAREHOLDERS' ASSETS		789,556,360	706,187,389



Managing Director/
Chief Executive Officer



Chief Financial Officer

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

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)

		<i>30 June 2017 (Unaudited) SR</i>	<i>31 December 2016 (Audited) SR</i>
	<i>Notes</i>		
INSURANCE OPERATIONS' LIABILITIES			
Gross unearned premiums		147,638,731	96,831,054
Gross outstanding claims		91,459,006	81,112,229
Gross mathematical reserves	1.1	226,725,380	234,842,010
Payables, accruals and others		41,740,551	21,776,258
Reinsurance balances payable		41,898,082	20,292,935
Unearned reinsurance commission income		5,445,332	4,952,097
Due to related parties	6	2,656,973	2,615,731
Employees' terminal benefits		2,568,428	2,013,781
TOTAL INSURANCE OPERATIONS' LIABILITIES		560,132,483	464,436,095
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Zakat		1,603,658	523,658
Payables, accruals and others		592,643	871,560
Commission on statutory deposit	9	1,283,791	366,774
Due to insurance operations		48,641	2,904,525
TOTAL SHAREHOLDERS' LIABILITIES		3,528,733	4,666,517
SHAREHOLDERS' EQUITY			
Share capital	10	350,000,000	350,000,000
Accumulated deficit		(124,104,856)	(112,915,223)
TOTAL SHAREHOLDERS' EQUITY		225,895,144	237,084,777
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		229,423,877	241,751,294
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SHAREHOLDERS' LIABILITIES AND EQUITY		789,556,360	706,187,389



Managing Director/
Chief Executive Officer



Chief Financial Officer

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MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INSURANCE OPERATIONS

	<i>For the three month period ended 30 June 2017 (Unaudited) SR</i>	<i>For the period ended 30 June 2017 (Unaudited) SR</i>	<i>For the three month period ended 30 June 2016 (Unaudited) SR</i>	<i>For the period ended 30 June 2016 (Unaudited) SR</i>
Gross written premiums	87,983,305	191,303,048	56,854,695	111,837,996
Reinsurance premiums ceded	(24,830,960)	(39,665,305)	(24,802,361)	(38,053,708)
Excess of loss premiums	(36,367)	(860,653)	(32,253)	(447,722)
NET WRITTEN PREMIUMS	63,115,978	150,777,090	32,020,081	73,336,566
Net changes in unearned premiums	(7,925,191)	(48,925,028)	5,211,201	(7,260,497)
NET EARNED PREMIUMS	55,190,787	101,852,062	37,231,282	66,076,069
Reinsurance commission income	3,365,048	6,600,926	2,859,913	4,738,655
Other underwriting income	1,688,302	3,162,248	1,368,848	2,595,047
UNDERWRITING REVENUE	60,244,137	111,615,236	41,460,043	73,409,771
Gross claims paid	(46,029,214)	(93,174,765)	(37,698,503)	(59,347,277)
Reinsurers' share of claims paid	8,492,297	18,956,309	8,158,637	15,147,049
NET CLAIMS PAID	(37,536,917)	(74,218,456)	(29,539,866)	(44,200,228)
Net changes in outstanding claims	(4,297,693)	(5,698,967)	(3,902,399)	(10,864,738)
NET CLAIMS INCURRED	(41,834,610)	(79,917,423)	(33,442,265)	(55,064,966)
Commission incurred	(6,696,776)	(12,749,248)	(3,754,889)	(6,021,808)
Inspection and supervisory fees	(834,057)	(1,534,451)	(595,164)	(1,072,180)
Other direct underwriting expense	(254,083)	(647,188)	(166,884)	(457,114)
Doubtful debt expense	(3,480,674)	(5,557,155)	(1,941,807)	(3,557,191)
UNDERWRITING EXPENSES	(53,100,200)	(100,405,465)	(39,901,009)	(66,173,259)
UNDERWRITING RESULTS	7,143,937	11,209,771	1,559,034	7,236,512
General and administrative expenses	(11,660,086)	(23,923,264)	(11,065,755)	(20,810,249)
Special commission income	478,008	781,537	356,884	624,793
NET DEFICIT FOR THE PERIOD FROM INSURANCE OPERATIONS	(4,038,141)	(11,931,956)	(9,149,837)	(12,948,944)
Shareholders' appropriation from deficit	4,038,141	11,931,956	9,149,837	12,948,944
NET RESULT FOR THE PERIOD	-	-	-	-


Managing Director/
Chief Executive Officer


Chief Financial Officer

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

MetLife, American International Group and Arab National Bank
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(A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS

	<i>For the three month period ended 30 June 2017 (Unaudited)</i>	<i>For the period ended 30 June 2017 (Unaudited)</i>	<i>For the three month period ended 30 June 2016 (Unaudited)</i>	<i>For the three month period ended 30 June 2016 (Unaudited)</i>
<i>Notes</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Appropriation of deficit from insurance operations	(4,038,141)	(11,931,956)	(9,149,837)	(12,948,944)
Special commission income	1,382,633	2,762,603	1,558,296	2,005,376
Dividend income	-	-	384,616	384,616
General and administrative expenses	(586,201)	(940,280)	(380,734)	(708,139)
NET LOSS FOR THE PERIOD	(3,241,709)	(10,109,633)	(7,587,659)	(11,267,091)
LOSS PER SHARE:				
Basic and diluted loss per share - restated 12	(0.09)	(0.29)	(0.22)	(0.34)



Managing Director/
Chief Executive Officer



Chief Financial Officer

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MetLife, American International Group and Arab National Bank
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INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Saudi and GCC Shareholders		Foreign Shareholders		Total Shareholders	
	Share Capital SR	Accumulated Deficit SR	Share Capital SR	Accumulated Deficit SR	Share Capital SR	Accumulated Deficit SR
Balance as at 1 January 2017 (Audited)	210,000,000	(68,648,404)	140,000,000	(44,266,819)	350,000,000	(112,915,223)
Net loss for the period	-	(6,065,780)	-	(4,043,853)	-	(10,109,633)
Zakat for the current period (note 9)	-	(1,080,000)	-	-	-	(1,080,000)
Balance as at 30 June 2017 (Unaudited)	210,000,000	(75,794,184)	140,000,000	(48,310,672)	350,000,000	(124,104,856)
Balance as at 1 January 2016 (Audited)	105,000,000	(52,597,508)	70,000,000	(33,826,243)	175,000,000	(86,423,751)
Issue of share capital	105,000,000	-	70,000,000	-	175,000,000	-
Transaction costs on issue of share capital	-	(2,547,722)	-	(1,698,482)	-	(4,246,204)
Net loss for the period	-	(6,760,255)	-	(4,506,836)	-	(11,267,091)
Zakat for the period	-	(122,995)	-	-	-	(122,995)
Balance as at 30 June 2016 (Unaudited)	210,000,000	(62,028,480)	140,000,000	(40,031,561)	350,000,000	(102,060,041)


Managing Director/
Chief Executive Officer


Chief Financial Officer

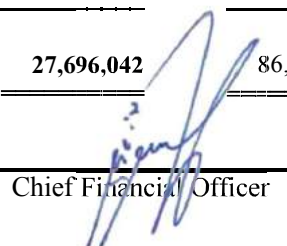
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MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS

	<i>For the period ended 30 June 2017 SR (Unaudited)</i>	<i>For the period ended 30 June 2016 SR (Unaudited)</i>
OPERATING ACTIVITIES	<i>Notes</i>	
Net loss for the period	-	-
<i>Adjustments for:</i>		
Shareholders' appropriation from deficit	(11,931,956)	(12,948,944)
Depreciation	1,090,862	1,334,313
Special commission income	(781,537)	(624,793)
Provision for doubtful receivables	5,557,155	3,557,191
Employees' terminal benefits	614,227	487,103
	(5,451,249)	(8,195,130)
<i>Changes in operating assets and liabilities:</i>		
Premiums receivable	(46,573,428)	(22,311,304)
Reinsurers' balances receivable	1,249,349	-
Reinsurers' share of outstanding claims	(4,647,809)	(3,028,843)
Reinsurers' share of unearned premiums	(1,882,648)	(11,882,045)
Reinsurers' share of mathematical reserves	8,116,630	7,516,963
Deferred policy acquisition costs	(4,560,735)	(4,982,580)
Due from related parties	1,020,582	(706,069)
Prepaid expenses and other assets	6,762,554	(6,663,322)
Gross outstanding claims	10,346,777	13,893,581
Gross unearned premiums	50,807,677	19,142,542
Gross mathematical reserves	(8,116,630)	(7,516,963)
Payables, accruals and others	19,964,293	15,521,678
Reinsurance balances payable	21,605,147	15,840,789
Unearned reinsurance commission income	493,235	2,849,918
Due to related parties	41,242	93,339
Due to/from shareholders' operations	14,787,840	11,806,355
Employees' terminal benefits paid	(59,580)	(3,547)
Net cash from operating activities	63,903,247	21,375,362
INVESTING ACTIVITIES		
Time Deposits	(81,311,139)	-
Purchase of property and equipment	(379,807)	(250,994)
Special commission income received	698,890	488,612
Net cash (used in) / from investing activities	(80,992,056)	237,618
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,088,809)	21,612,980
Cash and cash equivalents at the beginning of the period	44,784,851	64,689,241
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	86,302,221


Managing Director/
Chief Executive Officer


Chief Financial Officer

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MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
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INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS

		<i>For the period ended 30 June 2017 SR (Unaudited)</i>	<i>For the period ended 30 June 2016 SR (Unaudited)</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Net loss before Zakat		(10,109,633)	(11,267,091)
<i>Adjustments for:</i>			
Appropriation of deficit from insurance operations		11,931,956	12,948,944
Special commission income		(2,762,603)	(2,005,376)
Dividends		-	(384,616)
Amortization of Discount on HTM		(35,138)	-
		(975,418)	(708,139)
<i>Changes in operating assets and liabilities:</i>			
Statutory deposit	11	-	(17,500,000)
Due to/from insurance operations		(14,787,840)	(11,806,355)
Prepaid expenses and other assets		(167,993)	487,156
Payables, accruals and others		(278,917)	(346,751)
Zakat paid		-	(481,598)
Net cash used in operating activities		(16,210,168)	(30,355,687)
INVESTING ACTIVITIES			
Time deposits		(79,000,000)	-
Special commission income received		2,585,473	1,986,382
Net cash (used in) / from investing activities		(76,414,527)	1,986,382
FINANCING ACTIVITIES			
Issue of share capital	10	-	175,000,000
Transaction costs on issue of share capital	10	-	(4,246,204)
Net cash from financing activities		-	170,753,796
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(92,624,695)	142,384,491
Cash and cash equivalents at the beginning of the period		104,001,918	66,314,800
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	11,377,223	208,699,291


Managing Director/
Chief Executive Officer


Chief Financial Officer

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

For the period ended 30 June 2017

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

MetLife, American International Group and Arab National Bank Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration numbered 1010391438 dated 22 Dhul-Hijjah 1434H (corresponding to 27 October 2013).

The address of registered office of the Company is as follows:

MetLife, American International Group and Arab National Bank Cooperative Insurance Company
P.O. Box 56437
Riyadh 11554
Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative insurance operations and related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations applicable in the Kingdom of Saudi Arabia. Its principal lines of business include individual and group life, accident and health and all classes of general insurance. The Company’s shares were listed on the Saudi Arabian Stock Exchange (“Tadawul”) on 23 Muharram 1435H (corresponding to 26 November 2013).

The Company received the approval letters from the Saudi Arabian Monetary Agency and Ministry of Commerce and Investment regarding the amendment of the Company’s by-laws to be in accordance with the new companies’ regulations. Based on the above, the Company’s extraordinary general assembly was held on 12 April 2017 corresponding to 15 Rajab 1438 and accordingly the new by-laws was approved.

1.1 METLIFE ALICO PORTFOLIO TRANSFER

The Company has entered into an agreement with MetLife ALICO (30% shareholder) by which MetLife ALICO has transferred its existing Saudi run-off portfolio to the Company effective 01 April 2015. This portfolio includes long-term life Protection and Savings insurance products and Personal Accident policies. The Company reinsures back to MetLife 100% of this portfolio under a quota-share reinsurance agreement. Accordingly, the Company has become the owner of the transferred policies and MetLife has become the reinsurer of this block of business. The transfer of the portfolio was made at book value with no cash payment. Accordingly, the liabilities related to this portfolio were recorded in the Company’s books at book value with an offsetting assets representing the reinsurance share of these liabilities. MetLife paid to the Company a reinsurance commission amounting to SR1,228,888 for the period ended 30 June 2017 (SR1,332,528 for the period ended 30 June 2016) to compensate the cost of capital for this portfolio in addition to reimbursing the Company for all expenses related to the administration of this portfolio by paying an administration fee amounting to SR776,401 for the period ended 30 June 2017 (SR856,070 for the year ended 30 June 2016) which is booked under “Other underwriting income”.

The portfolio transfer has been approved by the Board of Directors on 16 February 2015 and by the shareholders of the Company in their General Assembly meeting on 12 May 2015. Saudi Arabian Monetary Authority (“SAMA”) has also provided their approval on 28/5/1436 H corresponding to 19 March 2015.

Assets and liabilities of the transferred portfolio as at 30 June 2017 are shown as below:

Assets			Liabilities		
	30 June 2017 (Unaudited) SR	31 December 2016 (Audited) SR		30 June 2017 (Unaudited) SR	31 December 2016 (Audited) SR
Cash and Cash equivalents	1,961,850	3,724,653	Gross unearned premiums	334,540	453,881
Reinsurers’ share of unearned premiums	334,540	453,881	Gross outstanding claims	11,107,869	11,126,543
Reinsurers’ share of mathematical reserves	226,725,380	234,842,010	Gross mathematical reserves	226,725,380	234,842,010
Reinsurers’ share of outstanding claims	11,107,869	11,126,543	Due to shareholders operations	3,037,418	7,485,578
Reinsurers’ balances receivable	-	1,249,349	Reinsurance balances payable	412,958	-
Receivable & other assets	1,636,489	2,612,822	Payable and other liabilities	147,963	101,246
Total	241,766,128	254,009,258	Total	241,766,128	254,009,258

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

For the period ended 30 June 2017

1 ORGANIZATION AND PRINCIPAL ACTIVITIES (continued)

1.2 MANAFETH AGREEMENT WITH TAWUNIYA

The Company participated in the Manafeth agreement between Tawuniya and the majority of the insurance companies in Saudi Arabia effective 01 January 2015 for co-insuring cars entering into Saudi Arabia from all Saudi borders (except the border with AL-Bahrain). Based on this agreement, all insurance companies participating in this coverage will have an equal share of the net result of this portfolio after allowing for all expenses related to managing this portfolio by Tawuniya. This deal is for three years starting from 01 January 2015 and is expected to renew at same terms. The income related to this portfolio is included in the interim statement of insurance operations under “Other underwriting income” and is allocated to Motor Insurance in the segment reporting.

2 BASIS OF PREPARATION

Basis of preparation

The interim condensed financial statements have been prepared under the historical cost basis.

As required by Saudi Arabian insurance regulations, the Company maintains separate accounts for Insurance Operations and Shareholders’ Operations. The physical custody of all assets related to the Insurance Operations and Shareholders’ Operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of other revenue and expenses from joint operations is as determined by the management and Board of Directors. As per the by-laws of the Company, the deficit arising from the Insurance Operations is allocated fully to Shareholders Operations whereas any surplus arising from the Insurance Operations is distributed as follows:

Shareholders	90%
Policyholders	10%
	<hr/>
	100%

Statement of compliance

The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” and Saudi Arabian Monetary Authority (“SAMA”) guidance on accounting for Zakat and Income Tax.

During 2017, SAMA issued a circular number 381000074519 dated 14 Rajab 1438H (April 11, 2017) (“Circular”) and subsequent amendments through certain clarifications relating to accounting of Zakat and tax. The impact of these amendments is that Zakat and tax will be recognized in the condensed interim statement of shareholders’ equity with the corresponding liability in the condensed interim statement of financial position.

Applying the above framework, the condensed interim financial statements of the Company as at and for the three and six month periods ended 30 June 2017 have been prepared using International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”) and SAMA guidance for accounting of Zakat and Tax.

Until 2016, the condensed interim financial statements of the Company were prepared in accordance with IAS 34. This change in framework resulted in a change in presentation of zakat and income tax. However, this did not affect interim condensed financial statements of the Company for any of the year / period presented as the Company was already following the same presentation.

The interim condensed financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2016.

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 Company’s interim results may not be indicative of its annual results.

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

For the period ended 30 June 2017

2 BASIS OF PREPARATION (continued)

Functional and presentational currency

The functional and presentation currency of the Company is Saudi Riyals.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards and amendments to existing standards effective for the annual period beginning 1 January 2017.

The nature and the impact of each new standard / amendment are summarized as follows:

Amendments to IAS 7, 'Statement of Cash flows' disclosure initiative

Amendments to IAS 7, 'Statement of Cash flows' on disclosure initiative, effective January 1, 2017. These amendments introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from the financing activities.

Annual improvements 2014 – 2016

Amendments to IFRS 12 on disclosure of interest in other entities, effective January 1, 2017. This amendment clarifies the scope of IFRS 12 by specifying that its disclosure requirements apply to an entity's interests irrespective of whether they are classified as held for sale or as discontinued operations in accordance with IFRS 5.

Standards issued but not yet effective

In addition to the above mentioned standards, the following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance for the Company with effect from future dates.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015.

However, on 19 November 2013, the IASB issued IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9) amending IFRS 9 to include the new general hedge accounting model. In its February 2014 meeting, the IASB decided that IFRS 9 would be mandatorily effective for years ending on or after 31 December 2018.

IFRS 16 Leases

The amended IFRS 16 (Leases) released on January 13, 2016 which changes the set of requirements for the accounting treatment for asset, liability and other complexities such as non-lease element, variable lease period and option periods. The standard is effective from January 01, 2019 with early adoption permitted in certain circumstances.

IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.

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4 CASH AND CASH EQUIVALENTS

	<i>30 June 2017 (Unaudited)</i>		<i>31 December 2016 (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 at banks and in hand	12,696,042	1,377,223	13,784,851	2,001,918
Short-term deposit with original maturity of three months or less	15,000,000	10,000,000	31,000,000	102,000,000
	27,696,042	11,377,223	44,784,851	104,001,918

Cash at banks are placed with local commercial banks with good investment grade credit ratings.

5 PREMIUMS RECEIVABLE, NET

	<i>30 June 2017 (Unaudited)</i>	<i>31 December 2016 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Premiums receivable	104,259,376	57,685,948
Provision for doubtful debts	(9,851,753)	(4,294,598)
Premiums receivable, net	94,407,623	53,391,350

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6 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders and key management personnel of the Company. Pricing policies and term of settlements with related parties are as per the commercial terms. The significant related party transactions and the related balances at the end of the period are set out below:

Related party/ Nature of transactions	Amount of transactions			Balance 31 December 2016 SR (Audited)
	For the period ended 30 June 2016 SR (Unaudited)		Balance 30 June 2017 SR (Unaudited)	
	30 June 2017 SR (Unaudited)			
Premium receivable from / Commission Payable to a related party				
Arab National Bank ("ANB") (Shareholder)				
Premiums receivable on policies sold through agency agreement with ANB agency	17,908,214	5,445,345	7,266,933	572,042
Commission payable on policies sold through agency agreement with ANB agency	(2,024,904)	579,930	(616,926)	(84,857)
Reinsurance balances payable				
American International Group ("AIG") (Shareholder)				
Reinsurance premiums payable & XOL	11,293,072	7,346,577	13,166,811	6,768,162
Reinsurance commission	(2,719,191)	(4,664,623)	-	-
Reinsurance share of paid claims	(1,131,886)	(103,968)	-	-
Delaware American Life Insurance Company (Owned 100% by MetLife)				
Reinsurance premiums payable	4,950,898	1,684,032	4,022,854	541,001
Reinsurance commission	(708,507)	(251,005)	-	-
Reinsurance share of paid claims	(995,204)	(621,547)	-	-
Reinsurance balances receivable / (Payable)				
American Life Insurance Company "ALICO" (Owned 100% by MetLife)				
Reinsurance premiums (portfolio transfer)	6,143,064	4,567,293	(412,958)	1,249,349
Reinsurance commission	1,228,888	(1,332,528)	-	-
Reinsurance share of claims paid (portfolio transfer)	(15,113,753)	(7,457,422)	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
For the period ended 30 June 2017

6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>		
	<i>For the period ended 30 June 2017 SR (Unaudited)</i>	<i>For the period ended 30 June 2016 SR (Unaudited)</i>	<i>Balance 31 December 2016 SR (Audited)</i>
Due from related parties			
MetLife (Shareholder)			
General and administrative expenses paid on behalf of the Company and recharged to the Company	75,000	-	1,745,571
Administration Fees Income (portfolio transfer)	776,401	421,119	-
Due to related parties			
American International Group ("AIG") (Shareholder)			
General and administrative expenses paid on behalf of the Company and recharged to the Company	41,242	-	2,615,731

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

For the period ended 30 June 2017

6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance 31 December 2016 SR (Audited)</i>
	<i>For the period ended 30 June 2017 SR (Unaudited)</i>	<i>For the period ended 30 June 2016 SR (Unaudited)</i>	
Commitments and Contingencies			
Arab National Bank (“ANB”) (Shareholder)	-	-	3,473,849
Letters of Guarantee			
Investment activities			
Arab National Bank (“ANB”) (Shareholder)	-	-	53,062,500
Time Deposits	361,612	1,049,211	35,955
Special commission income on deposits	-	-	10,000,000
Held to Maturity Investment (investment in ANB Sukuk)	181,539	126,028	90,759
Special commission income on held to maturity investments			
Key management personnel			
Salaries and other benefits	4,274,100	3,985,028	-
Board of Directors and Executive Committees’ fees	472,500	312,249	857,000

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For the period ended 30 June 2017

7 TIME DEPOSITS

Time deposits represent deposits with local commercial banks with good investment grade credit ratings and have an original maturity of more than three months from date of acquisition. Time Deposits invested for more than three months is set out below:

	<i>30 June 2017</i>		<i>31 December 2016</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>
Time deposits	96,311,139	128,000,000	15,000,000	49,000,000
Average variable special commission rate	2.37%	2.75%	3.250%	3.648%

The carrying values of time deposits approximate their fair value at the reporting date.

8 INVESTMENTS

(i) Held to maturity

Held to Maturity ("HTM") investments amounting to SR 49,492,276 (31 December 2016: 49,457,138) comprise of unquoted Sukuk and its maturity up to ten years. Management's opinion is that the fair value of the HTM investment as at 30 June 2017 was not materially different from its carrying value, book value net of amortization is set out below:

	<i>Shareholders' operations</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Type of Investments	<i>SR</i>	<i>SR</i>
Sukuk – Private – Floating rate	35,000,000	35,000,000
Sukuk – Governmental – Fixed rate	14,440,500	14,440,500
Amortization of discount on HTM	51,776	16,638
	49,492,276	49,457,138

The movement in HTM investments for the period ended 30 June 2017 and 31 December 2016 is set out below:

	<i>Shareholders' operations</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
	<i>SR</i>	<i>SR</i>
Beginning balance	49,457,138	10,000,000
Acquisitions during the year	-	40,000,000
Discount on Sukuk	-	(559,500)
Amortization of discount on HTM	35,138	16,638
Disposals during the year	-	-
	49,492,276	49,457,138

8 INVESTMENTS (continued)

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(ii) Available for sale

This investment represents equity holding in the unquoted share capital of “Najm For Insurance Services Company”. As the fair value is not readily available; this investment has been carried at cost and reviewed by management for impairment. Management opinion that the fair value of this investment is not materially different from its carrying value.

(iii) Levels of Investments

The above held to maturity investments have not been classified into levels as they are kept at amortized cost. Regarding the available for sale investment, it is classified under level 3.

9 STATUTORY DEPOSIT

	30 June 2017 (Unaudited) SR	31 December 2016 (Audited) SR
Statutory Deposit (10% of paid-up share capital)	35,000,000	35,000,000
	35,000,000	35,000,000

Statutory deposit represents 10% of the paid up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Authority (“SAMA”). SAMA is entitled for the income generated on Statutory Deposit which cannot be withdrawn without the consent of SAMA. Commission on Statutory Deposit amounted to SR1,283,791 as of 30 June 2017 (SR 366,774 as of 31 December 2016) and was reported separately under Shareholders’ Assets and Shareholders’ Liabilities in accordance with SAMA instructions.

10 SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company is SR 350 million divided into 35 million shares of SAR 10 each (31 December 2016: SR 350 million divided into 35 million shares of SR 10 each).

The Company held an extraordinary general assembly of its shareholders on 22 February 2016 to approve the increase in the share capital from SAR 175 million to SAR 350 million through rights issue. Based on the approval received from shareholders at the extraordinary general assembly, the Company proceeded successfully in March 2016 to raise SAR 175 million through a rights issue. Under the terms of the rights issue, the Company offered 17,500,000 ordinary new shares by way of rights to qualifying shareholders at an offer price of SR 10 per share at close of trading on the date of 22 February 2016 (the “Eligibility Date”). The rights were made on the ratio of one right for every one share held by shareholders as of the Eligibility Date. Rights issue transaction costs incurred amounting to SR 4,246,204 was charged to the interim statement of changes in shareholders’ equity.

11 ZAKAT AND INCOME TAX

a) Zakat Charge for the period:

The zakat charge for the period consists of the current period’s provision amounting to SR1,080,000 (30 June 2016: SR122,995). The zakat provision is based on Saudi Shareholders’ share of capital at 48.02% (30 June 2016: 48.02%).

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(Continued)

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11 ZAKAT AND INCOME TAX (Continued)

b) Income tax charge for the period:

There was no income tax charge for the period relating to the Non-Saudi shareholder due to the net adjusted loss (same for 30 June 2016). The Non Saudi Shareholders' share of capital is 51.98% (30 June 2016: 51.98%).

c) Status of zakat and income tax assessments:

Tax/zakat return of the Company for the 12 months ending 31 December 2016 has been filed within the stipulated deadline. The final tax/zakat certificate has been received which is valid till 30 April 2018.

During 2016 the Company has received the following assessments related to 2014 Tax and Zakat filling as follows:

- GAZT letter No. 019000006784 dated 03 November 2016 requesting the Company to pay additional zakat of SR 351,479 for the year 2014 and Company filed an appeal during the legal period.
- GAZT letter No. 024000033080 dated 03 November 2016 requesting the Company to pay additional suppliers' withholding tax of SR 246,462 for the year 2014 (include SR58,323 as delay fines) and Company filed an appeal during the legal period.

The Company's management expects the success in defending all items raised by GAZT above is most likely; therefore, no additional provisions were provided for these items.

12 BASIC AND DILUTED LOSS PER SHARE - Restated

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

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

	<i>For the three month period ended 30 June 2017</i>	<i>For the period ended 30 June 2017</i>	<i>For the three month period ended 30 June 2016</i>	<i>For the period ended 30 June 2016</i>
Issued ordinary shares at the beginning of the period	35,000,000	35,000,000	35,000,000	17,500,000
Adjusted rights issue		-		15,336,538
Effects of rights issue of shares		-		-
Weighted average number of ordinary shares	35,000,000	35,000,000	35,000,000	32,836,538

The weighted average number of ordinary shares for prior period is computed using an adjustment factor of 1.7, which is a ratio of the theoretical ex-rights of SR 33.52 and the closing price per share of SR 57.04 on 22 February 2016, the last day on which the shares were traded before the rights issue.

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(Continued)

For the period ended 30 June 2017

12 BASIC AND DILUTED LOSS PER SHARE – Restated (Continued)

The basic and diluted earnings per share are as follows:

	<i>For the three month period ended 30 June 2017 SR</i>	<i>For the period ended 30 June 2017 SR</i>	<i>For the three month period ended 30 June 2016 SR</i>	<i>For the period ended 30 June 2016 SR</i>
Net loss before Zakat for the period	(3,241,709)	(10,109,633)	(7,587,659)	(11,267,091)
Weighted average number of ordinary shares	35,000,000	35,000,000	35,000,000	32,836,538
Basic and diluted (loss) per share	(0.09)	(0.29)	(0.22)	(0.34)

13 SEGMENT INFORMATION

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the Company's activities, assets and liabilities as stated below. Segment results do not include general and administration expenses.

Segment assets do not include cash and cash equivalents, prepayments and other assets, due from shareholders' operations and property and equipment. Accordingly they are included in unallocated assets.

Segment liabilities do not include part of end-of-service indemnities, accrued expenses and other liabilities and due to related parties. Accordingly they are included in unallocated liabilities.

All unallocated assets and liabilities are reported to chief operating decision maker as unallocated assets and liabilities and are monitored on a centralized basis.

All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

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(Continued)

For the period ended 30 June 2017

13 SEGMENT INFORMATION (Continued)

a) Interim statement of insurance operations

For the three month period ended 30 June 2017 (Unaudited)

	<i>Protection & Savings SR</i>	<i>Health Insurance SR</i>	<i>Motor Insurance SR</i>	<i>Other General Insurance SR</i>	<i>Total SR</i>
Gross written premiums	7,370,903	54,932,465	8,553,663	17,126,274	87,983,305
Reinsurance premiums ceded	(4,852,331)	(3,353,674)	-	(16,624,955)	(24,830,960)
Excess of loss premiums	-	-	(35,461)	(906)	(36,367)
Net written premiums	2,518,572	51,578,791	8,518,202	500,413	63,115,978
Net changes in unearned premiums	1,017,899	(7,545,389)	(1,510,673)	112,972	(7,925,191)
Net earned premiums	3,536,471	44,033,402	7,007,529	613,385	55,190,787
Reinsurance commission income	684,980	289,375	-	2,390,693	3,365,048
Other underwriting income	378,477	-	1,222,322	87,503	1,688,302
Underwriting revenue	4,599,928	44,322,777	8,229,851	3,091,581	60,244,137
Gross claims paid	(8,131,527)	(34,062,056)	(3,266,026)	(569,605)	(46,029,214)
Reinsurers' share of claims paid	7,385,377	579,887	-	527,033	8,492,297
Net claims paid	(746,150)	(33,482,169)	(3,266,026)	(42,572)	(37,536,917)
Changes in outstanding claims	1,693,791	(3,090,033)	(2,848,519)	(52,932)	(4,297,693)
Net claims incurred	947,641	(36,572,202)	(6,114,545)	(95,504)	(41,834,610)
Commissions incurred	(732,391)	(3,797,994)	(842,140)	(1,324,251)	(6,696,776)
Inspection and supervisory fees	(42,510)	(687,099)	(35,215)	(69,233)	(834,057)
Other direct underwriting expense	-	(214,691)	(9,110)	(30,282)	(254,083)
Doubtful debt expense	(259,254)	(1,041,613)	(1,134,852)	(1,044,955)	(3,480,674)
Underwriting expenses	(86,514)	(42,313,599)	(8,135,862)	(2,564,225)	(53,100,200)
Underwriting result	4,513,414	2,009,178	93,989	527,356	7,143,937
Unallocated expenses					(11,660,086)
Unallocated special commission income					478,008
Net deficit for the period from insurance operations					(4,038,141)

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13 SEGMENT INFORMATION (Continued)

a) Interim statement of insurance operations

For the period ended 30 June 2017 (Unaudited)

	<i>Protection & Savings SR</i>	<i>Health Insurance SR</i>	<i>Motor Insurance SR</i>	<i>Other General Insurance SR</i>	<i>Total SR</i>
Gross written premiums	17,871,503	120,555,486	25,387,046	27,489,013	191,303,048
Reinsurance premiums ceded	(9,500,960)	(4,986,955)	-	(25,177,390)	(39,665,305)
Excess of loss premiums	-	-	(555,092)	(305,561)	(860,653)
Net written premiums	8,370,543	115,568,531	24,831,954	2,006,062	150,777,090
Net changes in unearned premiums	(1,332,996)	(34,616,568)	(13,282,544)	307,080	(48,925,028)
Net earned premiums	7,037,547	80,951,963	11,549,410	2,313,142	101,852,062
Reinsurance commission income	1,342,618	345,994	-	4,912,314	6,600,926
Other underwriting income	776,401	-	2,265,531	120,316	3,162,248
Underwriting revenue	9,156,566	81,297,957	13,814,941	7,345,772	111,615,236
Gross claims paid	(18,540,289)	(67,543,223)	(5,430,771)	(1,660,482)	(93,174,765)
Reinsurers' share of claims paid	16,361,587	995,204	-	1,599,518	18,956,309
Net claims paid	(2,178,702)	(66,548,019)	(5,430,771)	(60,964)	(74,218,456)
Changes in outstanding claims	(101,367)	(3,322)	(5,075,339)	(518,939)	(5,698,967)
Net claims incurred	(2,280,069)	(66,551,341)	(10,506,110)	(579,903)	(79,917,423)
Commissions incurred	(1,454,172)	(7,016,782)	(1,479,811)	(2,798,483)	(12,749,248)
Inspection and supervisory fees	(81,094)	(1,248,841)	(60,523)	(143,993)	(1,534,451)
Other direct underwriting expense	-	(481,854)	(135,052)	(30,282)	(647,188)
Doubtful debt expense	(298,700)	(2,512,563)	(1,373,055)	(1,372,837)	(5,557,155)
Underwriting expenses	(4,114,035)	(77,811,381)	(13,554,551)	(4,925,498)	(100,405,465)
Underwriting result	5,042,531	3,486,576	260,390	2,420,274	11,209,771
Unallocated expenses					(23,923,264)
Unallocated special commission income					781,537
Net deficit for the period from insurance operations					(11,931,956)

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13 SEGMENT INFORMATION (Continued)

a) Interim statement of insurance operations

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

	<i>Protection & Savings SR</i>	<i>Health Insurance SR</i>	<i>Motor Insurance SR</i>	<i>Other General Insurance SR</i>	<i>Total SR</i>
Gross written premiums	6,630,493	27,106,935	2,101,750	21,015,517	56,854,695
Reinsurance premiums ceded	(4,788,388)	(59,574)	-	(19,954,399)	(24,802,361)
Excess of loss premiums	(2,611)	-	(9,217)	(20,425)	(32,253)
Net written premiums	1,839,494	27,047,361	2,092,533	1,040,693	32,020,081
Net changes in unearned premiums	(873,781)	5,701,084	157,257	226,641	5,211,201
Net earned premiums	965,713	32,748,445	2,249,790	1,267,334	37,231,282
Reinsurance commission income	795,575	78,464	-	1,985,874	2,859,913
Other underwriting income	434,950	-	933,898	-	1,368,848
Underwriting revenue	2,196,238	32,826,909	3,183,688	3,253,208	41,460,043
Gross claims paid	(7,939,696)	(28,474,035)	(935,944)	(348,828)	(37,698,503)
Reinsurers' share of claims paid	7,457,422	356,066	-	345,149	8,158,637
Net claims paid	(482,274)	(28,117,969)	(935,944)	(3,679)	(29,539,866)
Changes in outstanding claims	(494,535)	(2,472,840)	(1,175,796)	240,772	(3,902,399)
Net claims incurred	(976,809)	(30,590,809)	(2,111,740)	237,093	(33,442,265)
Commissions incurred	(171,142)	(1,833,065)	(318,706)	(1,431,976)	(3,754,889)
Inspection and supervisory fees	(28,520)	(498,406)	(11,151)	(57,087)	(595,164)
Other direct underwriting expense	-	(150,590)	(16,194)	(100)	(166,884)
Doubtful debt expense	(82,612)	(1,391,382)	(606,774)	138,961	(1,941,807)
Underwriting expenses	(1,259,083)	(34,464,252)	(3,064,565)	(1,113,109)	(39,901,009)
Underwriting result	937,155	(1,637,343)	119,123	2,140,099	1,559,034
Unallocated expenses					(11,065,755)
Unallocated special commission income					356,884
Net deficit for the period from insurance operations					(9,149,837)

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13 SEGMENT INFORMATION (Continued)

a) Interim statement of insurance operations

For the period ended 30 June 2016 (Unaudited)

	<i>Protection & Savings SR</i>	<i>Health Insurance SR</i>	<i>Motor Insurance SR</i>	<i>Other General Insurance SR</i>	<i>Total SR</i>
Gross written premiums	13,340,647	60,247,810	9,461,644	28,787,895	111,837,996
Reinsurance premiums ceded	(9,401,415)	(1,676,650)	-	(26,975,643)	(38,053,708)
Excess of loss premiums	(6,853)	-	(200,067)	(240,802)	(447,722)
Net written premiums	3,932,379	58,571,160	9,261,577	1,571,450	73,336,566
Net changes in unearned premiums	(1,865,908)	840,353	(6,332,188)	97,246	(7,260,497)
Net earned premiums	2,066,471	59,411,513	2,929,389	1,668,696	66,076,069
Reinsurance commission income	1,546,643	155,106	-	3,036,906	4,738,655
Other underwriting income	856,070	-	1,738,977	-	2,595,047
Underwriting revenue	4,469,184	59,566,619	4,668,366	4,705,602	73,409,771
Gross claims paid	(15,323,445)	(42,484,382)	(1,056,958)	(482,492)	(59,347,277)
Reinsurers' share of claims paid	14,046,995	621,547	-	478,507	15,147,049
Net claims paid	(1,276,450)	(41,862,835)	(1,056,958)	(3,985)	(44,200,228)
Changes in outstanding claims	(33,145)	(8,897,125)	(1,864,282)	(70,186)	(10,864,738)
Net claims incurred	(1,309,595)	(50,759,960)	(2,921,240)	(74,171)	(55,064,966)
Commissions incurred	(355,692)	(3,158,957)	(435,785)	(2,071,374)	(6,021,808)
Inspection and supervisory fees	(55,714)	(911,332)	(15,624)	(89,510)	(1,072,180)
Other direct underwriting expense	-	(420,985)	(36,029)	(100)	(457,114)
Doubtful debt expense	(120,235)	(2,413,029)	(631,300)	(392,627)	(3,557,191)
Underwriting expenses	(1,841,236)	(57,664,263)	(4,039,978)	(2,627,782)	(66,173,259)
Underwriting result	2,627,948	1,902,356	628,388	2,077,820	7,236,512
Unallocated expenses					(20,810,249)
Unallocated special commission income					624,793
Net deficit for the period from insurance operations					(12,948,944)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

For the period ended 30 June 2017

13 SEGMENT INFORMATION (Continued)

b) Insurance operations' assets and liabilities

30 June 2017 (Unaudited)

	<i>Protection & Savings SR</i>	<i>Health Insurance SR</i>	<i>Motor Insurance SR</i>	<i>Other General Insurance SR</i>	<i>Unallocated SR</i>	<i>Total SR</i>
Insurance operations' assets						
Cash and cash equivalents	-	-	-	-	27,696,042	27,696,042
Premiums receivable, net	3,350,232	61,230,177	14,414,107	15,413,107	-	94,407,623
Reinsurers' balances receivable	-	-	-	-	-	-
Reinsurers' share of unearned premiums	526,168	2,966,319	-	26,982,428	-	30,474,915
Reinsurers' share of mathematical reserves	226,725,380	-	-	-	-	226,725,380
Reinsurers' share of outstanding claims	16,370,234	1,778,989	-	20,302,838	-	38,452,061
Deferred policy acquisition costs	485,294	8,191,246	2,233,170	2,734,642	-	13,644,352
Due from related parties	-	-	-	-	724,989	724,989
Prepaid expenses and other assets	57,372	21,246,624	1,365,909	248,774	5,663,137	28,581,816
Time deposits	-	31,293,014	-	-	65,018,125	96,311,139
Due from shareholders operations	-	-	-	-	48,641	48,641
Property and equipment, net	-	-	-	-	3,065,525	3,065,525
TOTAL INSURANCE OPERATIONS' ASSETS	247,514,680	126,706,369	18,013,186	65,681,789	102,216,459	560,132,483
Insurance operations' liabilities						
Gross unearned premiums	3,516,919	97,075,906	18,901,281	28,144,625	-	147,638,731
Gross outstanding claims	22,303,298	38,030,623	8,545,071	22,580,014	-	91,459,006
Gross mathematical reserves	226,725,380	-	-	-	-	226,725,380
Payables, accruals and others	1,920,273	29,013,946	2,952,483	1,662,519	6,191,330	41,740,551
Reinsurance balances payable	4,400,085	4,028,028	663,089	32,806,880	-	41,898,082
Unearned reinsurance commission income	83,460	492,711	-	4,869,161	-	5,445,332
Due to related parties	-	-	-	-	2,656,973	2,656,973
Employees' terminal benefits	-	-	-	-	2,568,428	2,568,428
TOTAL INSURANCE OPERATIONS' LIABILITIES	258,949,415	168,641,214	31,061,924	90,063,199	11,416,731	560,132,483

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

For the period ended 30 June 2017

13 SEGMENT INFORMATION (Continued)

b) Insurance operations' assets and liabilities

31 December 2016 (Audited)

	<i>Protection & Savings SR</i>	<i>Health Insurance SR</i>	<i>Motor Insurance SR</i>	<i>Other General Insurance SR</i>	<i>Unallocated SR</i>	<i>Total SR</i>
Insurance operations' assets						
Cash and cash equivalents	-	31,000,000	-	-	13,784,851	44,784,851
Premiums receivable, net	624,199	34,600,805	5,052,236	13,114,110	-	53,391,350
Reinsurers' balances receivable	1,249,349	-	-	-	-	1,249,349
Reinsurers' share of unearned premiums	206,192	282,253	-	28,103,822	-	28,592,267
Reinsurers' share of mathematical reserves	234,842,010	-	-	-	-	234,842,010
Reinsurers' share of outstanding claims	15,715,914	852,998	-	17,235,340	-	33,804,252
Deferred policy acquisition costs	262,429	5,132,546	763,885	2,924,757	-	9,083,617
Due from related parties	-	-	-	-	1,745,571	1,745,571
Prepaid expenses and other assets	32,926	19,574,671	3,430,779	377,560	11,845,787	35,261,723
Time deposits	-	-	-	-	15,000,000	15,000,000
Due from shareholders	-	-	-	-	2,904,525	2,904,525
Property and equipment, net	-	-	-	-	3,776,580	3,776,580
TOTAL INSURANCE OPERATIONS' ASSETS	252,933,019	91,443,273	9,246,900	61,755,589	49,057,314	464,436,095
Insurance operations' liabilities						
Gross unearned premiums	1,863,946	59,775,272	5,618,736	29,573,100	-	96,831,054
Gross outstanding claims	21,547,611	37,101,310	3,469,732	18,993,576	-	81,112,229
Gross mathematical reserves	234,842,010	-	-	-	-	234,842,010
Payables, accruals and others	1,093,708	11,547,455	1,027,546	1,848,298	6,259,251	21,776,258
Reinsurance balances payable	1,760,672	793,867	99,295	17,639,101	-	20,292,935
Unearned reinsurance commission income	45,489	81,114	-	4,825,494	-	4,952,097
Due to related parties	-	-	-	-	2,615,731	2,615,731
Employees' terminal benefits	-	-	-	-	2,013,781	2,013,781
TOTAL INSURANCE OPERATIONS' LIABILITIES	261,153,436	109,299,018	10,215,309	72,879,569	10,888,763	464,436,095

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

For the period ended 30 June 2017

14 COMMITMENTS AND CONTINGENCIES

At 30 June 2017, Letters of Guarantee amounting to SR 3,186,707 were outstanding in favour of medical providers and general insurance tenders (SR 3,499,207 as at 31 December 2016). These letters of guarantee were issued against cash margin amounting to SR1,411,349 and SR 3,499,207 as at 30 June 2017 and 31 December 2016 respectively which are classified under prepaid expenses and other assets in the interim statement of financial position. There were no other commitments, contingencies, or outstanding legal proceedings or disputes of material nature.

15 COMPARATIVE FIGURES

Certain figures for the prior period have been reclassified to conform to the presentation made in the current period; however the impact of such reclassifications was not material to the overall presentation of the interim financial statements.

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved on 02-Dhul Qadah-1438H corresponding to (25-July-2017 G).



Managing Director/
Chief Executive Officer



Chief Financial Officer