ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE-MONTHS AND SIX-MONTHS PERIOD ENDED 30 JUNE 2019

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

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FOR THE THREE-MONTHS AND SIX-MONTHSPERIOD ENDED 30 JUNE 2019

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ALLIED COOPERATIVE INSURANCE GROUP (ACIG) (a Saudi Joint Stock Company)

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Allied Cooperative Insurance Group (A Saudi Joint Stock Company) (the "Company") as of 30 June 2019 and the related interim condensed statements of income and comprehensive income for the three months and six months period then ended and related interim statement of changes in equity and cash flows for the six-months period then ended, and a summary of significant accounting policies and other selected explanatory notes from 1 to 19.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as endorsed in Kingdom of Saudi Arabia.

Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 and consequently 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 is not prepared, in all material respects, in accordance with IAS 34 as endorsed in Kingdom of Saudi Arabia.

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6 August 2019
5 Dhul Hijjah 1440
Riyadh, Kingdom of Saudi Arabia

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ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
At 30 June 2019

	Notes	*30 June 2019 (Unaudited) SR'000*	*31 December 2018 (Audited) SR'000*
ASSETS			
Cash and cash equivalents	3	106,716	93,495
Term deposits	4	190,251	187,239
Premiums and reinsurers' receivable – net	5	105,915	93,978
Reinsurers' share of unearned premiums	8	25,236	22,738
Reinsurers' share of outstanding claims	9	12,282	10,543
Reinsurers' share of claims incurred but not reported	9	6,611	6,004
Deferred policy acquisition cost		14,221	12,050
Due from a related party		2,395	2,391
Property and equipment, net		4,462	5,445
Intangible assets		5,091	4,564
Right of use asset -net		8,618	-
Available-for-sale investments	6	37,657	57,734
Prepayments and other receivables		45,735	34,649
Statutory deposit	7	20,000	20,000
Accrued commission on statutory deposit		1,517	1,386
TOTAL ASSETS		586,707	552,216
LIABILITIES			
Policyholders claim payable		7,090	8,741
Accrued and other payables		23,749	17,302
Reinsurances' balances payable		17,305	11,505
Unearned commission income		1,462	1,266
Unearned premiums	8	258,366	252,007
Other technical reserve		3,607	3,816
Outstanding claims	9	43,761	42,419
Claims incurred but not reported	9	56,622	55,769
Employees' terminal benefits		10,756	9,789
Lease liabilities		8,670	-
Surplus distribution payable		5,902	5,457
Accrued zakat and income tax	10	5,265	5,111
Accrued commission on statutory deposit payable to SAMA		1,517	1,386
Total liabilities		444,072	414,568
Shareholders' equity			
Share capital	11	200,000	200,000
Accumulated losses		(57,747)	(61,233)
Fair value reserve on available for sale investments		742	(759)
Total shareholders' equity		142,995	138,008
Remeasurement reserve of defined benefit obligation		(360)	(360)
Total equity		142,635	137,648
Total liabilities and equity		586,707	552,216
Contingencies and commitments	17	1,830	1,830

The accompanying notes 1 to 19 form part of these interim condensed financial information.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME
FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS ENDED 30 JUNE 2019

	Three-months period ended		*Six-months period ended*	
	30 June 2019	*30 June 2018*	***30 June 2019***	*30 June 2018*
	SR '000	*SR '000*	***SR '000***	*SR '000*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
		(Restated)		*(Restated)*
REVENUE				
Gross premiums written	**130,552**	114,118	**274,945**	230,081
Less: Premiums ceded				
- Local	**(1,216)**	(1,125)	**(2,488)**	(2,182)
- Foreign	**(9,235)**	(8,368)	**(24,180)**	**(17,015)**
	(10,451)	(9,493)	**(26,668)**	**(19,197)**
Less: Excess of loss premium				
- Local	(226)	(806)	**(1,001)**	(1,612)
- Foreign	**(266)**	(872)	**(1,140)**	(1,743)
	(492)	(1,678)	**(2,141)**	**(3,355)**
Net written premiums	**119,609**	102,947	**246,136**	**207,529**
Changes in net unearned premiums	**5,458**	(464)	**(3,861)**	**(11,307)**
Net premiums earned	**125,067**	102,483	**242,275**	**196,222**
Other underwriting income	**676**	2,544	**1,098**	**7,499**
Reinsurance commission earned	**997**	687	**1,872**	**1,257**
Net revenues	**126,740**	105,714	**245,245**	**204,978**
UNDERWRITING COST AND EXPENSES				
Gross claims paid	**111,233**	75,985	**204,920**	**151,314**
Less: Reinsurers' share	**(7,770)**	(12,157)	**(17,397)**	**(19,789)**
Net claims paid	**103,463**	63,828	**187,523**	**131,525**
Changes in outstanding claims, net	**(6,025)**	3,125	**(396)**	**4,364**
Changes in incurred but not reported, net	**1,021**	3,042	**247**	3,567
Change in unallocated loss adjustment expense, net	**(28)**	-	**13**	-
Net claims incurred	**98,431**	69,995	**187,387**	139,456
Change in premium deficiency reserves	**(183)**	-	**(223)**	-
Policy acquisition cost	**5,073**	6,920	**12,098**	14,118
Other underwriting expense	**2,102**	692	**3,700**	991
Total underwriting cost and expenses	105,423	77,607	**202,962**	154,565
Net result of insurance operations	**21,317**	28,107	**42,283**	50,413
OTHER OPERATING (EXPENSE)/ INCOME				
(Allowance for)/release of doubtful debts	**363**	(576)	**245**	(1,237)
General and administrative expenses	**(21,229)**	(22,815)	**(41,768)**	(43,433)
Commission income on deposits	**1,620**	1,132	**3,142**	2,165
Realized gain on available for sale investments	**656**	500	**2,209**	1,076
Impairment on available for sale investments	**-**	(2,797)	**-**	(2,797)
Other income	**3**	-	**3**	6
TOTAL OTHER OPERATING (EXPENSES) / INCOME	(18,587)	(24,556)	**(36,169)**	(44,220)
Total income for the period	**2,730**	3,551	**6,114**	6,193
Zakat charge for the period	**(1,200)**	(3,036)	**(2,183)**	(3,511)
Income tax charge for the period	**-**	(35)	**-**	(35)
INCOME / (LOSS) FOR THE PERIOD	**1,530**	480	**3,931**	2,647
Total income attributed to the insurance operations	**(247)**	(615)	**(445)**	(852)
TOTAL INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS'	**1,283**	(135)	**3,486**	1,795
Earnings per share (Expressed in SAR share)				
Basic earnings per share	**0.06**	(0.007)	0.17	0.09

The accompanying notes 1 to 19 form part of these interim condensed financial information.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS ENDED 30 JUNE 2019

	Three-months period ended		*Six-months period ended*	
	30 June 2019 SR'000 (Unaudited)	*30 June 2018 SR'000 (Unaudited) (Restated)*	***30 June 2019 SR'000 (Unaudited)***	*30 June 2018 SR'000 (Unaudited) (Restated)*
Total income for the period	**1,530**	480	**3,931**	2,647
Other comprehensive income				
Items that are or may be reclassified to interim condensed statements of income in subsequent periods				
- Available for sale investments:				
- Impairment on available for sale investments	**-**	2,797	**-**	2,797
- Net change in fair value	**808**	17	**1,501**	33
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,338**	3,294	**5,432**	5,477
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE INSURANCE OPERATIONS	**(247)**	(615)	**(445)**	(852)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS	**2,091**	2,679	**4,987**	4,625

The accompanying notes 1 to 19 form part of these interim condensed financial information.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2019

Six-months period ended 30 June 2019 – unaudited	**Share capital**	**Accumulated losses**	**Fair value reserve on available for sale investments**	**Remeasurement reserve of defined benefit obligation**	**Total**
	SR '000	**SR '000**	**SR '000**	**SR '000**	**SR '000**
Balance as at 31 December 2018 (audited)	**200,000**	**(61,233)**	**(759)**	**(360)**	**137,648**
Change in fair value reserve on available-for-sale investments	**-**	**-**	**1,501**	**-**	**1,501**
Net income for the period attributable to shareholders	**-**	**3,486**	**-**	**-**	**3,486**
Balance as at 30 June 2019 (unaudited)	**200,000**	**(57,747)**	**742**	**(360)**	**142,635**

Six-months period ended 30 June 2018 – unaudited	Share capital	Accumulated losses	Available-for-sale investments reserve	Total
Balance as at 31 December 2017 (audited)	200,000	(57,827)	(4,239)	137,934
Net income for the period attributable to shareholders	-	1,795	-	1,795
Change in fair value reserve on available-for-sale investments	-	-	2,830	2,830
Balance as at 30 June 2018 (unaudited)	200,000	(56,032)	(1,409)	142,559

The accompanying notes 1 to 19 form part of these interim condensed financial information.

ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2019

	Six-month period ended	
	30 June 2019 (Unaudited) SR'000	*30 June 2018 (Unaudited) SR'000*
Cash flows from operating activities:		
Net profit for the period before zakat and income tax	6,114	6,193
Adjustments for non-cash items:		
Depreciation of property and equipment	1,095	849
Amortization of Intangible assets	446	336
Employees' terminal benefits	1,232	1,118
Allowance for / (release of) doubtful debts	(245)	1,237
Impairment on available for sale investments	-	2,797
Gain on available for sale investments	(2,209)	(1,076)
Changes in operating assets and liabilities:		
Premiums and reinsurers' receivable	(11,692)	(25,783)
Reinsurers' share of unearned premiums	(2,498)	4,769
Reinsurers' share of outstanding claims	(1,739)	6,063
Reinsurers' share of claims incurred but not reported	(607)	73
Deferred policy acquisition cost	(2,171)	2,717
Prepayments and other receivables	(11,086)	4,214
Increase in right of use assets – net	(8,618)	-
Increase in lease liabilities	8,670	-
Policyholders claims payable	(1,651)	4,452
Due to related party	(4)	442
Reinsurance payables	5,800	(7,194)
Unearned commission income	196	(221)
Unearned premiums	6,359	6,539
Outstanding claims	1,342	693
Claims incurred but not reported and other technical reserves	644	3,493
Accrued and other payables	6,447	6,008
	(4,175)	17,719
End of service indemnities paid	(265)	(258)
Zakat and income tax paid	(2,029)	(2,781)
Net cash (used in)/from operating activities	(6,469)	14,680
INVESTING ACTIVITIES		
Purchase of property and equipment	(111)	(622)
Proceed from sale of property and equipment	-	2
Purchase of Intangible assets	(974)	(265)
Increase in term deposits	(3,012)	-
Purchase of available for sale investments	-	(7,128)
Proceed from sale of available for sale investments	23,787	1,189
Net cash from/(used in) investing activities	19,690	(6,824)
Net increase in cash and cash equivalents	13,221	7,856
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	93,495	77,598
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	106,716	85,454
NON – CASH INFORMATION:		
Change in fair value of available for sale investments	1,501	33

The accompanying notes 1 to 19 form part of these interim condensed financial information.

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Allied Cooperative Insurance Group ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030171999 dated 9 Shabaan 1428H, corresponding to 22 August 2007.

The registered office address of the Company was situated at Al Malka District District, P. O. Box 40523, Riyadh 11511, Kingdom of Saudi Arabia. However, as per the Board of Directors resolution dated 30 January 2018, the registered office address of the Company has been changed to Al Heteen District P.O. Box 40523 Riyadh 11511, Kingdom of Saudi Arabia. The legal formalities to change the registered office address of the Company have been completed during the period ended 30 September 2018 and accordingly new Commercial Registration No. 1010417178 has been obtained.

The activities of the Company are to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia. On 4 April 2009, the Company received a license from the Saudi Arabian Monetary Authority ("SAMA") to engage in insurance in Saudi Arabia. The Company commenced its commercial operations on 1 July 2009. The Company was listed on the Saudi Stock Exchange (Tadawul) on 27 August 2007.

There are 3 registered branches as set out below:

Branch	Commercial Registration Number	Place of issuance	Date
Branch of ACIG	2051043671	Al Khobar	12 Ramadan 1439 H
Branch of ACIG	5855035150	Khamis Mushayt	12 Ramadan 1439 H
Branch of ACIG	4030204059	Jeddah	12 Ramadan 1439 H

The Board of Directors on 7 March 2017 approved the study of a possibility of merger with Malath Cooperative Insurance Company (Malath). During the quarter ended 31 March 2018, the Board approved to extend the previously announced period by six months to sign a non-binding memorandum of understanding to conduct the technical, financial and legal studies necessary for the merger process and to present the results of the studies to the Board of Directors of the two companies. However, on 12 July 2018, the Board of Directors of ACIG decided not to continue the merger due to the failure to reach a preliminary agreement with Malath regarding the methodology used in evaluating the two companies.

2. BASIS OF PREPARATION

Statement of Compliance

The interim condensed financial information of the Company as at and for the period ended 30 June 2019 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia.

The financial statements of the Company as at and for the period and year ended 31 March 2019 and 31 December 2018, respectively, were prepared in compliance with the IAS 34 and the International Financial Reporting Standards ("IFRS") respectively, as modified by SAMA for the accounting of zakat and income tax (relating to the application of IAS 12 – "Income Taxes" and IFRIC 21 – "Levies" so far as these relate to zakat and income tax) and the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

SAMA instructed the Insurance Companies in the Kingdom of Saudi Arabia to account for the zakat and income taxes in the statement of income. This aligns with the IFRS and its interpretations as issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PREPARATION – (continued)

Statement of Compliance – (continued)

Accordingly, the Company changed its accounting treatment for zakat and income tax by retrospectively adjusting the impact in line with International Accounting Standard 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the change in the accounting for zakat and income tax as explained below:

Change in the accounting for zakat and income tax:

As mentioned above, the basis of preparation has been changed for the period ended 30 June 2019 as a result of the issuance of latest instructions from SAMA. Previously, zakat and income tax were recognized in the statement of changes in equity as per the SAMA circular no 381000074519 dated 11 April 2017. With the latest instructions issued by SAMA, the zakat and income tax shall be recognized in the statement of income. The Company has accounted for this change in the accounting for zakat and income tax retrospectively. The change has resulted in reduction of reported income of the Company for the period ended 30 June 2018 by SR 3.5 million. The change has had no impact on the statement of cash flows for the period ended 30 June 2018.

As at and for the six – months period ended June 30, 2018

Financial Statement impact	Account	Before the restatement for the six-month period ended June 30, 2018	Effect of restatement	As restated as at and for the six-month period ended June 30, 2018
Statement of changes in equity	Accrued zakat and income tax	3,511	(3,511)	-
Statement of changes in equity	Accrued zakat and income tax	35	(35)	-
Statement of income	Zakat charge for the period	-	3,511	3,511
Statement of income	Income tax charge for the period	-	35	35
Statement of income	Earnings per share	0.27	(0.18)	0.09

As at and for the three – months period ended June 30, 2018

Financial Statement impact	Account	Before the restatement for the six-month period ended June 30, 2018	Effect of restatement	As restated as at and for the six-month period ended June 30, 2018
Statement of changes in equity	Accrued zakat and income tax	3,036	(3,036)	-
Statement of changes in equity	Accrued zakat and income tax	35	(35)	-
Statement of income	Zakat charge for the period	-	3,036	3,036
Statement of income	Income tax charge for the period	-	35	35
Statement of income	Earnings per share	0.15	(0.157)	(0.007)

The Company follows a fiscal year ending 31 December.

The interim condensed financial information are expressed in Saudi Riyals, being the functional currency of the Company and have been rounded off to the nearest thousand, unless otherwise specified.

2. BASIS OF PREPARATION – (continued)

Basis of presentation

The preparation of interim condensed financial information in conformity with International Financial Reporting Standards ("IFRS") requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the interim condensed financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of available-for-sale investments. The Company's interim statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, term deposits, premiums and reinsurers' receivable - net, reinsurers' share of unearned premium, reinsurers' share of outstanding claims, reinsurers' share of claims incurred but not reported, deferred policy acquisitions cost, due from related parties, prepaid expenses and other assets, policyholders claim payable, accrued and other liabilities, unearned premiums, unearned reinsurance commission, outstanding claims, claims incurred but not reported, other technical reserves, surplus distribution payable and Zakat and income tax. The following balances would generally be classified as non-current: end-of-service indemnities, investments, statutory deposit, accrued income on statutory deposit and property and equipment.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim statement of financial position, statements of income and statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented on Note No. 16 of the interim condensed financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial information in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

The inclusion of separate information of the insurance operations with the financial information of the Company in the interim statement of financial position, the statement of income, statement of comprehensive income, cash flows as well as certain relevant notes to the financial information represents additional supplementary information required as required by the implementing regulations.

As per the by-laws of the Company, surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders' operations	90%
Transfer to Policyholders' operations	10%
	100%

In case of deficit, the whole deficit will be transferred to Shareholders' operations.

2. BASIS OF PREPARATION – (continued)

New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company

The Company has adopted the following amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB):

Standard/ Interpretation	*Description*	*Effective date*
IFRS 16	Leases	1 January 2019

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 4%.

The Company has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019:

	SR
Total operating lease commitments as at 31 December 2018	14,258,600
Discounted using the lessee's incremental borrowing rate at date of initial application	(2,543,765)
Less: short-term leases recognised on a straight-line basis as expenses	(1,729,600)
Total lease liabilities recognised under IFRS 16 at 1 January 2019	**9,985,235**

2. BASIS OF PREPARATION – (continued)

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's interim condensed financial information are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they are effective.

IFRS 17- "Insurance Contracts", applicable for the period beginning on or after 1 January 2022, and will supersede IFRS 4 "Insurance Contracts". Earlier adoption is permitted if both IFRS 15 "Revenue form Contracts with Customers" and IFRS 9 "Financial Instruments" have also been applied. The Company has decided not to early adopt this new standard.

IFRS 9 – "Financial Instruments", in July 2014, the IASB published IFRS 9 Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

In September 2016, the IASB published amendments to IFRS 4 Insurance Contracts that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2022.The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied. The Company has decided to defer the implementation of IFRS 9.
The Company believes that IFRS 9 would have an impact on the classification of financial instruments required to be measured mandatorily at fair value. At present it is not possible to provide a reasonable estimate of the effects of application of this new standard as the Company is yet to perform a detailed review.

3. CASH AND CASH EQUIVALENTS

	30 June 2019 (Unaudited) SR'000	31 December 2018 (Audited) SR'000
Insurance operations		
Cash in hand and at banks	**75,750**	83,409
	75,750	83,409
Shareholders' operations		
Cash in hand and at banks	**30,966**	10,086
	30,966	10,086

Cash at banks are placed with counterparties who have good credit ratings.
The carrying amounts disclosed above reasonably approximate fair value at the statement of interim financial position date.

4. TERM DEPOSITS

	30 June 2019 (Unaudited) SR'000	31 December 2018 (Audited) SR'000
Insurance Operations		
Term deposits	**135,513**	138,256
Shareholders' Operations		
Term deposits	**54,738**	48,983

The term deposits are held with the commercial banks. These term deposits are denominated in Saudi Arabian Riyals and have been an original maturity of more than three months and less than twelve months. The carrying amounts of these term deposits reasonably approximate their fair values at the reporting date.

5. PREMIUMS AND REINSURERES' RECEIVABLE, NET

	30 June 2019 (Unaudited) SR'000	31 December 2018 (Audited) SR'000
Due from policyholders	**81,441**	75,050
Due from policyholders – related parties	**3,029**	3,752
Due from Brokers and agents	**27,034**	22,590
Receivables from reinsurers	**7,471**	5,891
Provision for doubtful debts	**(13,060)**	(13,305)
	105,915	93,978

Movement in provision for doubtful debts is as follows:

	30 June 2019 (Unaudited) SR'000	31 December 2018 (Audited) SR'000
Balance at the beginning of the period / year	**13,305**	5,806
(Release)/Provisions made during the period / year	**(245)**	7,499
Balance at the end of the period / year	**13,060**	13,305

6. AVAILABLE-FOR-SALE INVESTMENTS

Shareholders' operations

	30 June 2019 (Unaudited) SR'000	31 December 2018 (Audited) SR'000
Investment in sukuk	**25,000**	25,000
Quoted securities	**-**	20,712
Unquoted securities	**1,923**	1,923
Units in quoted local real estate fund	**10,734**	10,099
	37,657	57,734

As at 30 June 2019 – (Unaudited)	**Balance at the beginning of the period SR'000**	**Net movement during the period SR'000**	**Change in fair value for the period SR'000**	**Balance at the end of the period SR'000**
Investment in Najm for Insurance Services Company	1,923	-	-	1,923
Investment in sukuk	25,000	-	-	25,000
Units in quoted local real estate fund	10,099	-	635	10,734
Quoted securities	20,712	(22,286)	1,574	-
	57,734	**(22,286)**	**2,209**	**37,657**

As at 31 December 2018 – (Audited)	Balance at the beginning of the year SR'000	Net movement during the year SR'000	Change in fair value for the year SR'000	Balance at the end of the year SR'000
Investment in Najm for Insurance Services Company	1,923	-	-	1,923
Units in quoted local real estate fund	-	9,992	107	10,099
Investment in sukuk	25,000	-	-	25,000
Quoted securities	16,800	6,728	(2,816)	20,712
	43,723	16,720	(2,709)	57,734

6. AVAILABLE-FOR-SALE INVESTMENTS – (continued)

Investment in Najm for Insurance Services Company is classified under level 3. Investments in mutual funds and GACA Sukuk are classified under level 2. There is no movement in levels of investments.

7. STATUTORY DEPOSIT

Shareholders' Operations	**30 June 2019 (Unaudited) *SR'000***	31 December 2018 (Audited) *SR'000*
Statutory deposit	**20,000**	20,000

As required by Saudi Arabian Insurance Regulations, the Company deposited 10% of its paid up capital, amounting to SR 20 million in a bank designated by the Saudi Arabian Monetary Authority (SAMA). The Company cannot withdraw this deposit without SAMA's approval.

8. UNEARNED PREMIUMS, NET

	30 June 2019 (Unaudited) *SR'000*	31 December 2018 (Audited) *SR'000*
Unearned premiums	**258,366**	252,007
Reinsurance share of unearned premiums	**(25,236)**	(22,738)
	233,130	229,269

9. TECHNICAL RESERVES, NET

	30 June 2019 (Unaudited) *SR'000*	31 December 2018 (Audited) *SR'000*
Outstanding claims	**43,761**	42,419
Claims incurred but not reported	**56,622**	55,769
Additional premium deficiency reserves	**1,797**	2,020
Other technical reserves	**1,810**	1,796
	103,990	102,004
Less: Reinsurers' share of outstanding claims	**(12,282)**	(10,543)
Less: Reinsurers' share of claims incurred but not reported	**(6,611)**	(6,004)
	85,097	85,457

10. ZAKAT AND INCOME TAX

Zakat and Income Tax

The Zakat and income tax payable by the Company has been calculated based on the best estimates of the management.

The movement in the Zakat payable is as follows:

	30 June 2019 (Unaudited) *SR'000*	31 December 2018 (Audited) *SR'000*
Balance at the beginning of the period / year	**5,111**	2,103
Charge for the current period / year	**2,183**	5,764
Paid during the period / year	**(2,029)**	(2,781)
Balance at the end of the period / year	**5,265**	5,086
Balance at the end of the period / year for income tax	**-**	25
Total Zakat and income tax payable	**5,265**	5,111

The differences between the financial and the zakatable results are mainly due to certain adjustments in accordance with the relevant fiscal regulations.

Zakat base has been computed based on the Company's understanding of the Zakat regulations enforced in the Kingdom of Saudi Arabia. The Zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the GAZT could be different from the declarations filed by the Company.

Income Tax

Foreign shareholder, being Islamic Development Bank (IDB) is exempted from income tax.

Status of assessment:

Zakat and income tax returns have been filed with the General Authority of Zakat and Tax ("GAZT") for the years ended up to 31 December 2017. Final certificate has been received from GAZT for the year ended 31 December 2008. However, GAZT has raised an additional assessment in respect of the returns filed for the years ended 31 December 2008, 2009 and 2010 amounting to SR 1.86 million which has been paid. The major difference of additional assessment relates to disallowance of a portion of pre incorporation expenses and withholding tax. The Company has filed an objection against this additional assessment with the preliminary tax objection Committee subsequent to the year end, as adverse decision was received from the preliminary Tax Objection Committee, upon which the Company filed appeal with the Higher Objection Committee. The high appeal committee issued its decision in favour of the Company with respect to Zakat and rejected the appeal related to withholding tax. The Company has referred the matter to the board of grievance. In this regard, the Company has issued a letter of guarantee amounting to SAR 1.83 million in favour of GAZT (see contingency and commitment notes). And they have paid the amount of tax SAR 1.3 million. The company has raised an objection for unfavourable assessment raised by GAZT for the years 31 December 2013 till 2015 with the amount of SAR 4.98 million. The objection is currently under review by GAZT.

11. SHARE CAPITAL

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

	30 June 2019 (Unaudited)		31 December 2018 (Audited)	
	% holding	***SR'000***	*% holding*	SR'000
Founding shareholders	**40**	**80,000**	40	80,000
General public	**60**	**120,000**	60	120,000
Balance at the end of the period / year	**100**	**200,000**	100	200,000

12. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share for the period has been calculated by dividing the net income for the period by the weighted average number of issued and outstanding shares for the period.

13. STATUTORY RESERVE

As required by Saudi Arabian Insurance Regulations, 20% of the net shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of paid capital. No appropriation has been made as the Company has accumulated losses at the end of the period.

14. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Major related party transactions during the period and the related balances at the end of the period / year are as follows:

Related party	*Nature of transaction*	*Amount of transactions Six-months period ended*		*Closing balance Receivable / (Payable)*	
		30 June 2019 (Unaudited) SR'000	30 June ,2018 (Unaudited) SR'000	**30 June 2019 (Unaudited) SR'000**	31 December 2018 (Audited) SR'000
Abiat (Affiliate)	Premiums written	2	2	77	75
	Claims paid	31	38	(1)	(13)
Fuji Saudi Arabia (Affiliate)	Premiums written	(15)	93	1,065	1,275
	Claims paid	224	297	(82)	(180)
GEEC (Affiliate)	Premiums written	4	77	580	575
	Claims paid	123	117	(51)	(50)
Mayar Holding (Affiliate)	Premiums written	-	18	177	200
	Claims paid	38	42	(4)	(11)
Saudi Drip (Affiliate)	Premiums written	16	(12)	165	-
	Claims paid	-	-	-	-
Taya Feed Mill Factory (Affiliate)	Premiums written	35	33	241	258
	Claims paid	68	21	(10)	(4)
Taya Real Estate (Affiliate)	Premiums written	73	12	49	99
	Claims paid	39	44	-	(3)
Taya Holding (Affiliate)	Premiums written	27	3	105	300
	Claims paid	62	109	(102)	(13)
GCP Co. (Affiliate)	Premiums written	4	-	94	122
	Claims paid	51	50	(8)	(12)

Al Huda Charity Trust (Affiliate)	Premiums written	4	3	25	35
	Claims paid	8	6	**(10)**	(1)
Saudi Wings Co. (Affiliate)	Premiums written	-	-	7	12
	Claims paid	7	4	(2)	-
Taya Agriculture Co. (Affiliate)	Premiums written	142	-	212	300
	Claims paid	47	71	(34)	(22)
Bakri and sons Holding Co. (Affiliate)	Premiums written	-	-	-	-
	Claims paid	-	-	-	(200)
Saudi Drip Irrigation system Co. (Affiliate)	Premiums written	-	-	1	28
	Claims paid	74	69	**(65)**	(13)
Red sea Marine services Co. (Affiliate)	Premiums written	-	-	26	26
	Claims paid	-	-	-	-
Solaiman A.El Khereiji consultant (SAK) (Affiliate)	Premiums written	-	90	-	-
	Claims paid	-	-	-	-
M/s Arabian Gulf Co. For Maintenance & Contracting (Affiliate)	Premiums written	**6**	62	65	65
	Claims paid	9	8	-	-
Abdullah Al Rayes EST (Affiliate)	Premiums written	38	4	20	4
	Claims paid	14	-	(1)	(8)
M/s Edama Co Medical	Premiums written	12	-	32	19
	Claims paid	-	-	-	-
M/s Nama Real Estate	Premiums written	16	-	15	21
	Claims paid	7	-	(12)	-
M/s Valie Real Estate	Premiums written	1	-	6	13

	Claims paid	1	-	(1)	-
Mr. Hesham Mohammed Abdullah Al Shareef and family	Premiums written	-	-	-	-
	Claims paid	-	-	-	(5)
ACIG Bahrain (Shareholder)					
	Claims paid on behalf of ACIG Bahrain	4	-	2,395	2,391
Board and audit committee	Meetings fee	1,962	375	-	-
Key management personnel	Short term benefits	2,743	3,092	12	77
	Long term benefits	203	216	(2,365)	(1,809)

15. SEGMENTAL INFORMATION

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

Segment results do not include general and administrative expenses, provision for doubtful debts and other income.

Segment assets do not include cash and cash equivalents, investments, prepayments and other receivables, and property and equipment, net.

Segment liabilities do not include reinsurance payables, accrued expenses and other liabilities, due to shareholders' operations and employees' terminal benefits.

15. SEGMENTAL INFORMATION - (continued)

For three-months period ended 30 June 2019 (Unaudited)	Medical	Motor	General Accident	Others	Total
Revenue					
Gross premiums written	37,297	88,407	1,559	3,289	**130,552**
Less: Premiums ceded					
- Local	(734)	-	(32)	(450)	**(1,216)**
- Foreign	(6,582)	-	(211)	(2,442)	**(9,235)**
Less: Excess of loss premium					
- Local	-	(109)	(55)	(62)	**(226)**
- Foreign	-	**(164)**	**(9)**	**(93)**	**(266)**
Net written premiums	**29,981**	**88,134**	**1,252**	**242**	**119,609**
Changes in net unearned premiums	764	3,626	1,048	20	**5,458**
Net premiums earned	**30,745**	**91,760**	**2,300**	**262**	**125,067**
Other underwriting Income	-	676	-	-	**676**
Reinsurance commission earned	-	2	166	829	**997**
Total revenues	**30,745**	**92,438**	**2,466**	**1,091**	**126,740**
Underwriting Costs and expenses					
Gross claims paid and loss adjustment expenses	36,337	74,042	637	217	**111,233**
Less: Reinsurers' share	(7,542)	-	(63)	(165)	**(7,770)**
Net claims paid	**28,795**	**74,042**	**574**	**52**	**103,463**
Changes in outstanding claims, net	(3,694)	(2,290)	118	(159)	(6,025)
Changes in incurred but not reported, net	(9)	1,030	-	-	1,021
Change in unallocated loss adjustment expense	(22)	(6)	-	-	(28)
Net claims incurred	**25,070**	**72,776**	**692**	**(107)**	**98,431**
Change in premium deficiency reserves	(183)	-	-	-	(183)
Policy acquisition cost	2,577	1,867	237	392	5,073
Other underwriting expense	390	1,712	-	-	2,102
Total underwriting costs and expenses	**27,854**	**76,355**	**929**	**285**	**105,423**
Net underwriting income	**2,891**	**16,083**	**1,537**	**806**	**21,317**
General and administrative expenses					**(21,229)**
Realized gain on available for sale investments					**656**
Release of doubtful debts					**363**
Investment income					**1,620**
Other income					**3**
Total other operating expenses					**(18,587)**
Net Surplus					**2,730**
Surplus transferred to Shareholders'					**(2,483)**
Net result after transfer of surplus to shareholders'					**247**

15. SEGMENTAL INFORMATION - (continued)

For three-months period ended 30 June 2018 (Unaudited)	Medical	Motor	General Accident	Others	Total
Revenue	*SR '000*	*SR '000*	*SR '000*	*SR '000*	*SR '000*
Gross premiums written	38,395	71,164	1,548	3,011	**114,118**
Less: Premiums ceded					
- Local	(764)	-	(21)	(340)	**(1,125)**
- Foreign	(5,571)	(84)	(448)	(2,265)	**(8,368)**
Less: Excess of loss premium					
- Local	-	(540)	(231)	(35)	**(806)**
- Foreign		(810)	(9)	(53)	(872)
Net written premiums	32,060	69,730	839	318	**102,947**
Changes in net unearned premiums	(5,513)	3,716	1,329	4	**(464)**
Net premiums earned	26,547	73,446	2,168	322	**102,483**
Other underwriting Income	-	2,544	-	-	**2,544**
Reinsurance commission earned	-	-	171	516	**687**
Total revenues	26,547	75,990	2,339	838	**105,714**
Underwriting Costs and expenses					
Gross claims paid and loss adjustment expenses	25,458	50,242	232	53	**75,985**
Less: Reinsurers' share	(8,536)	(3,569)	-	(52)	**(12,157)**
Net claims paid	16,922	46,673	232	1	**63,828**
Changes in outstanding claims, net	2,037	696	332	60	**3,125**
Changes in incurred but not reported, net	1,292	1,750	-	-	**3,042**
Net claims incurred	20,251	49,119	564	61	**69,995**
Policy acquisition cost	2,472	4,022	227	199	**6,920**
Other underwriting expense	345	347	-	-	**692**
Total underwriting costs and expenses	23,068	53,488	791	260	**77,607**
Net underwriting income	3,479	22,502	1,548	578	**28,107**
General and administrative expenses					**(22,815)**
Realized gain on available for sale investments					**500**
Allowance for doubtful debts					**(576)**
Investment income					**1,132**
Impairment on available for sale investments					**(2,797)**
Total other operating expenses					**(24,556)**
Net Surplus					**3,551**
Surplus transferred to Shareholders					(2,936)
Net result after transfer of surplus to shareholders					615

15. SEGMENTAL INFORMATION - (continued)

For six-months period ended 30 June 2019 (Unaudited)	Medical	Motor	General Accident	Others	Total
Revenue					
Gross premiums written	72,035	185,992	4,943	11,975	274,945
Less: Premiums ceded					
- Local	(1,413)	-	(107)	(968)	(2,488)
- Foreign	(12,486)	-	(1,955)	(9,739)	(24,180)
Less: Excess of loss premium					
- Local	-	(633)	(253)	(115)	(1,001)
- Foreign	-	(951)	(17)	(172)	(1,140)
Net written premiums	58,136	184,408	2,611	981	246,136
Changes in net unearned premiums	5,356	(10,678)	1,812	(351)	(3,861)
Net premiums earned	63,492	173,730	4,423	630	242,275
Other underwriting Income	-	1,098	-	-	1,098
Reinsurance commission earned	-	6	318	1,548	1,872
Total revenues	63,492	174,834	4,741	2,178	245,245
Underwriting Costs and expenses					
Gross claims paid and loss adjustment expenses	69,370	134,501	756	293	204,920
Less: Reinsurers' share	(15,476)	(1,575)	(122)	(224)	(17,397)
Net claims paid	53,894	132,926	634	69	187,523
Changes in outstanding claims, net	(1,898)	1,295	230	(23)	(396)
Changes in incurred but not reported, net	1,478	(1,231)	-	-	247
Change in unallocated loss adjustment expense	(1)	14	-	-	13
Net claims incurred	53,473	133,004	864	46	187,387
Change in premium deficiency reserves	(223)	-	-	-	(223)
Policy acquisition cost	5,245	5,732	472	649	12,098
Other underwriting expense	780	2,920	-	-	3,700
Total underwriting costs and expenses	59,275	141,656	1,336	695	202,962
Net underwriting income	4,217	33,178	3,405	1,483	42,283
General and administrative expenses					(41,768)
Realized gain on available for sale investments					2,209
Release of doubtful debts					245
Other income					3
Investment income					3,142
Total other operating expenses					(36,169)
Net Surplus					6,114
Surplus transferred to Shareholders'					(5,669)
Net result after transfer of surplus to shareholders'					445

15. SEGMENTAL INFORMATION - (continued)

For six-months period ended 30 June 2018 (Unaudited)	Medical	Motor	General Accident	Others	Total
Revenue					
Gross premiums written	79,946	140,538	4,938	4,659	230,081
Less: Premiums ceded					
- Local	(1,653)	-	(31)	(498)	(2,182)
- Foreign	(11,668)	(84)	(1,958)	(3,305)	(17,015)
Less: Excess of loss premium					
- Local	-	(1,080)	(462)	(70)	(1,612)
- Foreign	-	(1,620)	(17)	(106)	(1,743)
Net written premiums	66,625	137,754	2,470	680	207,529
Changes in net unearned premiums	(17,495)	4,347	2,020	(179)	(11,307)
Net premiums earned	49,130	142,101	4,490	501	196,222
Other underwriting Income	2,416	5,083	-	-	7,499
Reinsurance commission earned	-	4	295	958	1,257
Total revenues	51,546	147,188	4,785	1,459	204,978
Underwriting Costs and expenses					
Gross claims paid and loss adjustment expenses	48,773	101,911	263	367	151,314
Less: Reinsurers' share	(15,697)	(3,754)	(12)	(326)	(19,789)
Net claims paid	33,076	98,157	251	41	131,525
Changes in outstanding claims, net	4,991	(1,258)	635	(4)	4,364
Changes in incurred but not reported, net	1,330	2,237	-	-	3,567
Net claims incurred	39,397	99,136	886	37	139,456
Policy acquisition cost	4,762	8,543	452	361	14,118
Other underwriting expense	415	576	-	-	991
Total underwriting costs and expenses	44,574	108,255	1,338	398	154,565
Net underwriting income	6,972	38,933	3,447	1,061	50,413
General and administrative expenses					(43,433)
Realized gain on available for sale investments					1,076
Allowance for doubtful debts					(1,237)
Investment income					2,165
Impairment on available for sale investments					(2,797)
Other income					6
Total other operating expenses					(44,220)
Net Surplus					6,193
Surplus transferred to Shareholders'					(5,341)
Net result after transfer of surplus to shareholders'					852

15. SEGMENTAL INFORMATION - (continued)

As at 30 June 2019 (Unaudited)	Medical	Motor	General accident	Others	Total – Insurance operation	Shareholders' operations	Total
Assets							
Cash and cash equivalents	-	-	-	-	**75,750**	30,966	**106,716**
Premiums and reinsurers' receivable - net	-	-	-	-	**105,915**	-	**105,915**
Reinsurers' share of unearned premiums	12,263	-	2,605	10,368	**25,236**	-	**25,236**
Reinsurers' share of outstanding claims	3,792	3,888	4,047	555	**12,282**	-	**12,282**
Reinsurers' share of claims Incurred but not reported	4,099		1,054	1,458	**6,611**	-	**6,611**
Deferred policy acquisition costs	4,197	8,648	859	517	**14,221**	-	**14,221**
Investments	-	-	-	-	**135,513**	54,738	**190,251**
Unallocated assets	-	-	-	-	**61,382**	64,093	**125,475**
Total Assets	**24,351**	**12,536**	**8,565**	**12,898**	**436,910**	**149,797**	**586,707**
Liabilities							
Policyholders claims payable	-	-	-	-	**7,090**	-	**7,090**
Reinsurers' balances payable	-	-	-	-	**17,305**	-	**17,305**
Unearned premiums	59,090	175,187	12,834	11,255	**258,366**	-	**258,366**
Unearned reinsurance commission	-	-	388	1,074	**1,462**	-	**1,462**
Outstanding claims	16,277	19,837	6,940	707	**43,761**	-	**43,761**
Claims incurred but not reported	17,160	35,567	2,322	1,573	**56,622**	-	**56,622**
Other technical reserves	1,797	-	-	-	**1,797**	-	**1,797**
Loss Adjustment Expenses Reserve	167	1,385	201	57	**1,810**	-	**1,810**
Unallocated liabilities					**48,697**	149,797	**198,494**
Total liabilities	**94,491**	**231,976**	**22,685**	**14,666**	**436,910**	**149,797**	**586,707**

15. SEGMENTAL INFORMATION - (continued)

As at 31 December 2018	Medical	Motor	General accident	Others	Total – Insurance operation	Shareholders' operations	Total
Assets							
Cash and cash equivalents	-	-	-	-	83,409	10,086	93,495
Premiums and reinsurers' receivable - net	-	-	-	-	93,978	-	93,978
Reinsurers' share of unearned premiums	9,074	29	2,701	10,934	22,738	-	22,738
Reinsurers' share of outstanding claims	4,120	2,869	3,027	527	10,543	-	10,543
Reinsurers' share of claims Incurred but not reported	3,492	-	1,054	1,458	6,004	-	6,004
Deferred policy acquisition costs	4,824	5,874	964	388	12,050	-	12,050
Investments	-	-	-	-	138,256	48,983	187,239
Unallocated assets	-	-	-	-	40,447	85,722	126,169
Total Assets	21,510	8,772	7,746	13,307	407,425	144,791	552,216
Liabilities							
Policyholders claims payable	-	-	-	-	8,741	-	8,741
Reinsurers' balances payable	-	-	-	-	11,505	-	11,505
Unearned premiums	61,257	164,538	14,742	11,470	252,007	-	252,007
Unearned reinsurance commission	-	6	356	904	1,266	-	1,266
Outstanding claims	18,504	17,523	5,690	702	42,419	-	42,419
Claims incurred but not reported	15,075	36,798	2,323	1,573	55,769	-	55,769
Other technical reserves	2,188	1,371	201	56	3,816	-	3,816
Unallocated liabilities	-	-	-	-	31,902	144,791	176,693
Total liabilities	97,024	220,236	23,312	14,705	407,425	144,791	552,216

15. SEGMENTAL INFORMATION - (continued)

Gross written premium – For the six months period ended 30 June 2019	**Medical**	**Motor**	**Properties and accidents**	**Protection and Savings**	**Total**
Retail	5,657	178,688	2,432	-	186,777
Very Small	6,927	735	680	-	8,342
Small	20,034	2,790	4,514	-	27,338
Medium	13,469	2,426	1,215	-	17,110
Large	25,948	1,353	8,077	-	35,378
Total	**72,035**	**185,992**	**16,918**	**-**	**274,945**

Gross written premium – For the six months period ended 30 June 2018	Medical	Motor	Properties and accidents	Protection and Savings	Total
Retail	1	133,532	2,489	-	136,022
Very Small	1,874	892	630	-	3,396
Small	16,194	3,730	2,911	-	22,835
Medium	14,092	600	580	-	15,272
Large	47,785	1,784	2,987	-	52,556
Total	79,946	140,538	9,597	-	230,081

15. SEGMENTAL INFORMATION - (continued)

Gross written premium – For three months period ended 30 June 2019	**Medical**	**Motor**	**Properties and accidents**	**Protection and Savings**	**Total**
Retail	2,565	84,461	1,113	-	88,139
Very Small	2,106	258	-	-	2,364
Small	9,985	1,726	1,157	-	12,868
Medium	8,759	1,365	368	-	10,492
Large	13,882	597	2,210	-	16,689
Total	**37,297**	**88,407**	**4,848**	**-**	**130,552**

Gross written premium – For three months period ended 30 June 2018	Medical	Motor	Properties and accidents	Protection and Savings	Total
Retail	-	67,199	870	-	68,069
Very Small	1,060	712	20	-	1,792
Small	10,038	2,637	730	-	13,405
Medium	6,449	562	208	-	7,219
Large	20,848	54	2,731	-	23,633
Total	38,395	71,164	4,559	-	114,118

16. SUPPLEMENTARY INFORMATION,

	30 June 2019 (Unaudited)			31 December 2018 (Audited)		
Interim statement of financial position	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
Assets						
Cash and cash equivalents	**75,750**	**30,966**	**106,716**	83,409	10,086	93,495
Term deposits	**135,513**	**54,738**	**190,251**	138,256	48,983	187,239
Premiums and reinsurers' receivable – net	**105,915**	**-**	**105,915**	93,978	-	93,978
Reinsurers' share of unearned premium	**25,236**	**-**	**25,236**	22,738	-	22,738
Reinsurers' share of outstanding claims	**12,282**	**-**	**12,282**	10,543	-	10,543
Reinsurers' share of claims Incurred but not reported	**6,611**	**-**	**6,611**	6,004	-	6,004
Deferred policy acquisition cost	**14,221**	**-**	**14,221**	12,050	-	12,050
Due from related party	**2,395**	**-**	**2,395**	2,391	-	2,391
Prepaid expenses and other receivables	**40,816**	**4,919**	**45,735**	28,047	6,602	34,649
Property and equipment, net	**4,462**	**-**	**4,462**	5,445	-	5,445
Intangible assets, net	**5,091**	**-**	**5,091**	4,564	-	4,564
Right of use asset, net	**8,618**	**-**	**8,618**	-	-	-
Available for sale Investments	**-**	**37,657**	**37,657**	-	57,734	57,734
Accrued income on statutory deposit	**-**	**1,517**	**1,517**	-	1,386	1,386
Statutory deposit	**-**	**20,000**	**20,000**	-	20,000	20,000
TOTAL ASSETS	**436,910**	**149,797**	**586,707**	407,425	144,791	552,216
Liabilities						
Policyholders claims payable	**7,090**	**-**	**7,090**	8,741	-	8,741
Accrued and other payables -	**23,729**	**20**	**23,749**	17,016	286	17,302
Reinsurers' balances payable	**17,305**	**-**	**17,305**	11,505	-	11,505
Unearned premiums	**258,366**	**-**	**258,366**	252,007	-	252,007
Unearned reinsurance commission income	**1,462**	**-**	**1,462**	1,266	-	1,266
Other technical reserves	**3,607**	**-**	**3,607**	3,816	-	3,816
Outstanding claims	**43,761**	**-**	**43,761**	42,419	-	42,419
Claims incurred but not reported	**56,622**	**-**	**56,622**	55,769	-	55,769
Lease Liability	**8,670**	**-**	**8,670**	-	-	-
Employees' terminal benefits	**10,756**	**-**	**10,756**	9,789	-	9,789
Surplus distribution payable	**5,902**	**-**	**5,902**	5,457	-	5,457
Accrued zakat and income tax	**-**	**5,265**	**5,265**	-	5,111	5,111
Accrued commission on statutory deposit payable to SAMA	**-**	**1,517**	**1,517**	-	1,386	1,386
TOTAL LIABILITIES	**437,270**	**6,802**	**444,072**	407,785	6,783	414,568

16. SUPPLEMENTARY INFORMATION (continued)

	30 June 2019 (Unaudited)			31 December 2018 (Audited)		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
EQUITY						
Share capital	-	**200,000**	**200,000**	-	200,000	200,000
Accumulated losses	-	**(57,747)**	**(57,747)**	-	(61,233)	(61,233)
Fair value reserve on investments	-	**742**	**742**	-	(759)	(759)
Total shareholders' equity	-	**142,995**	**142,995**	-	138,008	138,008
Actuarial Reserve For Employee Benefits	**(360)**	-	**(360)**	(360)	-	(360)
Total equity	**(360)**	**142,995**	**142,635**	(360)	138,008	137,648
TOTAL LIABILITIES AND EQUITY	**436,910**	**149,797**	**586,707**	407,425	144,791	552,216

16. SUPPLEMENTARY INFORMATION (continued)

Interim statement of income	2019			2018		
For three-months period ended 30 June (Unaudited)	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations (Restated)	Total (Rested)
Revenue	*SR '000*	*SR '000*	*SR '000*	*SR '000*	***SR '000***	***SR '000***
Gross premiums written	130,552	-	130,552	114,118	-	114,118
Less: Premiums ceded						
- Local	(1,216)	-	(1,216)	(1,126)	-	(1,126)
- Foreign	(9,235)	-	(9,235)	(8,367)	-	(8,367)
Less: Excess of loss premium						
- Local	(226)	-	(226)	(806)	-	(806)
- Foreign	(266)	-	(266)	(872)	-	(872)
Net written premiums	119,609	-	119,609	102,947	-	102,947
Changes in net unearned premiums	5,458	-	5,458	(464)	-	(464)
Net premiums earned	125,067	-	125,067	102,483	-	102,483
Other underwriting Income	676	-	676	2,544	-	2,544
Reinsurance commission earned	997	-	997	687	-	687
Total revenues	126,740	-	126,740	105,714	-	105,714
Underwriting Costs and expenses						
Gross claims paid	111,233	-	111,233	75,985	-	75,985
Less: Reinsurers' share	(7,770)	-	(7,770)	(12,157)	-	(12,157)
Net claims and other benefits paid	103,463	-	103,463	63,828	-	63,828
Changes in outstanding claims, net	(6,025)	-	(6,025)	3,125	-	3,125
Changes in incurred but not reported, net	1,021	-	1,021	3,042	-	3,042
Change in unallocated loss adjustment expense, net	-	-	-	-	-	-
Net claims and other benefits incurred	98,431	-	98,431	69,995	-	69,995
Change in premium deficiency reserve	(183)	-	(183)		-	
Policy acquisition cost	5,073	-	5,073	6,920	-	6,920
Other underwriting expense	2,102	-	2,102	692	-	692
Total underwriting costs and expenses	105,423	-	105,423	77,607	-	77,607
Net underwriting (loss)/income	21,317	-	21,317	28,107	-	28,107
General and administrative expenses	(20,406)	(823)	(21,229)	(22,314)	(501)	(22,815)
Realized gain on available for sale investments	-	656	656	-	500	500
Provision of doubtful debts	363	-	363	(576)	-	(576)
Investment income	1,192	428	1,620	936	196	1,132
Impairment on available for sale investments	-	-	-	-	(2,797)	(2,797)
Other income	3	-	3	-	-	-
Total other operating (expenses) / income	(18,848)	261	(18,587)	(21,954)	(2,602)	(24,556)

16. SUPPLEMENTARY INFORMATION (continued)

For three-months period ended 30 June (Unaudited)	2019			2018		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations (Restated)	Total (Restated)
Net Surplus	**2,469**	**261**	**2,730**	6,153	(2,602)	3,551
Zakat charge for the period	-	(1,200)	**(1,200)**	-	(3,036)	(3,036)
Income tax charge for the period	-	-	-	-	(35)	(35)
Surplus transferred to shareholder operations	**(2,222)**	**2,222**	-	(5,538)	5,538	-
Net result after transfer of surplus to shareholders	*247*	*1,283*	*1,530*	*615*	*(135)*	*480*
Earnings per share (Expressed in SAR per share)						
Basic EPS	-	0.06	0.06	-	-0.007	-0.007

Interim statement of comprehensive income

	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR '000	*SR '000*	*SR '000*	*SR '000*	***SR '000***	***SR '000***
Shareholders' absorption of deficit/ (Surplus transferred to Shareholders)	**247**	**1,283**	**1,530**	615	(135)	480
Other comprehensive income/(loss)						
Items that are or may be reclassified to consolidated statement of income in subsequent periods:	-		-		-	
Impairment on available for sale investments	-	-	-	-	2,797	**2,797**
Net change in fair value of available for sale investments	-	**808**	**808**	-	17	17
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**247**	**2,091**	**2,338**	615	2,679	3,294

16. SUPPLEMENTARY INFORMATION (continued)

Interim statement of income	2019			2018		
For six-months period ended 30 June (Unaudited)	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations (Restated)	Total (Restated)
Revenue	*SR '000*	*SR '000*	*SR '000*	*SR '000*	***SR '000***	***SR '000***
Gross premiums written	**274,945**	-	**274,945**	230,081	-	230,081
Less: Premiums ceded						
- Local	**(2,488)**	-	**(2,488)**	(2,182)	-	(2,182)
- Foreign	**(24,180)**	-	**(24,180)**	(17,015)	-	(17,015)
Less: Excess of loss premium						
- Local	**(1,001)**	-	**(1,001)**	(1,612)	-	(1,612)
- Foreign	**(1,140)**	-	**(1,140)**	(1,743)	-	(1,743)
Net written premiums	**246,136**	-	**246,136**	207,529	-	207,529
Changes in net unearned premiums	**(3,861)**	-	**(3,861)**	(11,307)	-	(11,307)
Net premiums earned	**242,275**	-	**242,275**	196,222	-	196,222
Other underwriting Income	**1,098**	-	**1,098**	7,499	-	7,499
Reinsurance commission earned	**1,872**	-	**1,872**	1,257	-	1,257
Total revenues	**245,245**	-	**245,245**	204,978	-	204,978
Underwriting Costs and expenses						
Gross claims paid	**204,920**	-	**204,920**	151,314	-	151,314
Less: Reinsurers' share	**(17,397)**	-	**(17,397)**	(19,789)	-	(19,789)
Net claims and other benefits paid	**187,523**	-	**187,523**	131,525	-	131,525
Changes in outstanding claims, net	**(396)**	-	**(396)**	4,364	-	4,364
Changes in incurred but not reported, net	**247**	-	**247**	3,567	-	3,567
Change in unallocated loss adjustment expense, net	**13**	-	**13**	-	-	-
Net claims and other benefits incurred	**187,387**	-	**187,387**	139,456	-	139,456
Change in premium deficiency reserve	**(223)**	-	**(223)**	-	-	-
Policy acquisition cost	**12,098**	-	**12,098**	14,118	-	14,118
Other underwriting expense	**3,700**	-	**3,700**	991	-	991
Total underwriting costs and expenses	**202,962**	-	**202,962**	154,565	-	154,565
Net underwriting (loss)/income	**42,283**	-	**42,283**	50,413	-	50,413
General and administrative expenses	**(40,453)**	**(1,315)**	**(41,768)**	(42,452)	(981)	(43,433)
Realized gain on available for sale investments	-	**2,209**	**2,209**	-	1076	1076
Provision of doubtful debts	**245**	-	**245**	(1,237)		(1,237)
Investment income	**2,376**	**766**	**3,142**	1,790	375	2,165
Impairment on available for sale investments	-	-	-		(2,797)	(2,797)
Other income	**3**	-	**3**	6	-	6
Total other operating (expenses) / income	**(37,829)**	**1,660**	**(36,169)**	(41,893)	(2,327)	(44,220)

16. SUPPLEMENTARY INFORMATION (continued)

For six-months period ended 30 June (Unaudited)	2019			2018		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations (Restated)	Total (Restated)
Net Surplus	4,454	1,660	6,114	8,520	(2,327)	6,193
Zakat charge for the period	-	(2,183)	(2,183)	-	(3,511)	(3,511)
Income tax charge for the period	-	-	-	-	(35)	(35)
Surplus transferred to shareholder operations	(4,009)	4,009	-	(7,668)	7,668	-
Net result after transfer of surplus to shareholders	445	3,486	3,931	852	1,795	2,647
Earnings per share (Expressed in SAR per share)						
Basic EPS	-	0.17	0.17	-	0.09	0.09

Interim statement of comprehensive income

	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations (Restated)	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
Shareholders' absorption of deficit/ (Surplus transferred to Shareholders)	445	3,486	3,931	852	1,795	2,647
Other comprehensive income/(loss)						
Items that are or may be reclassified to-consolidated statement of income in subsequent periods:		-		-		-
Impairment on available for sale investments	-	-	-	-	2,797	2,797
Net change in fair value of available for sale investments	-	1,501	1,501	-	33	33
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	445	4,987	5,432	852	4,625	5,477

16. SUPPLEMENTARY INFORMATION (continued)

Interim statement of cash flow	2019			2018		
For six-months period ended 30 June (Unaudited)	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
	SR '000	*SR '000*	*SR '000*	*SR '000*	*SR '000*	***SR '000***
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit for the period	445	5,669	6,114	852	5,341	6,193
Adjustments for non-cash items:						
Depreciation	1,541	-	1,541	1,185	-	1,185
Employees' terminal benefits	1,232	-	1,232	1,118	-	1,118
Allowance for/(Reversal of) doubtful debts	(245)	-	(245)	1,237	-	1,237
Impairment on available for sale investments	-	-	-	-	2,797	2,797
Realized (gain) on available for sale investments	-	(2,209)	(2,209)	-	(1,076)	(1,076)
Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable	(11,692)	-	(11,692)	(25,783)	-	(25,783)
Reinsurers' share of unearned premiums	(2,498)	-	(2,498)	4,769	-	4,769
Reinsurers' share of outstanding claims	(1,739)	-	(1,739)	6,063	-	6,063
Reinsurers' share of claims Incurred but not reported	(607)	-	(607)	73	-	73
Deferred policy acquisition cost	(2,171)	-	(2,171)	2,717	-	2,717
Prepayments and other receivables	(12,769)	1,683	(11,086)	4,670	(456)	4,214
Increase in right of use asset	(8,618)	-	(8,618)			
Increase in lease liability	8,670	-	8,670			
Policyholders claim payable	(1,651)	-	(1,651)	4,452	-	4,452
Due to related party	(4)	-	(4)	442		442
Reinsurance payable	5,800	-	5,800	(7,194)	-	(7,194)
Unearned commission income	196	-	196	(221)	-	(221)
Unearned premiums	6,359	-	6,359	6,539	-	6,539
Outstanding claims	1,342	-	1,342	693	-	693
Claims incurred but not reported and other reserves	644	-	644	3,493	-	3,493
Accrued and other payables	6,713	(266)	6,447	5,559	449	6,008
	(9,052)	4,877	(4,175)	10,664	7,055	17,719
End-of-service indemnities paid	(265)	-	(265)	(258)	-	(258)
Zakat and income tax paid	-	(2,029)	(2,029)	-	(2,781)	(2,781)
Net cash (used in) /generated from operating activities	(9,317)	2,848	(6,469)	10,406	4,274	14,680

16. SUPPLEMENTARY INFORMATION (continued)

For six-months period ended 31 June (Unaudited)	2019			2018		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
	SR '000	*SR '000*	*SR '000*	*SR '000*	*SR '000*	*SR '000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property and equipment	(111)	-	(111)	(887)	-	(887)
Proceed from sale of property and equipment	-	-	-	2	-	2
Purchase of Intangible	(974)	-	(974)	-	-	-
Increase in term deposits	2,743	(5,755)	(3,012)	-	-	-
Purchases of available for sale investments	-	-	-	-	(7,128)	(7,128)
Proceed from sale of available for sale investments	-	23,787	23,787	-	1,189	1,189
Sale/(Purchase) of investment	-	-	-	12,617	(12,617)	-
Net cash generated from/(used in) investing activities	1,658	18,032	19,690	11,732	(18,556)	(6,824)
Net (decrease) / increase in cash and cash equivalents	(7,659)	20,880	13,221	22,138	(14,282)	7,856
Cash and cash equivalents at the beginning of the period	83,409	10,086	93,495	44,283	33,315	77,598
Cash and cash equivalents at the end of the period	75,750	30,966	106,716	66,421	19,033	85,454

17. CONTINGENT LIABILITY

As at 30 June 2019, the Company has a letter of guarantee amounting to SR 1.83 million (31 December 2018: SR 1.83 million) in favor of GAZT (See Note 10). A margin of SR 1.83 million (31 December 2017: SR 1.83 million) being deposited with a bank for this purpose and is included in prepayments and other receivables in the interim statement of financial position. The Company has paid the assessment amount and requested for releasing of above mentioned guarantee amount.

18. COMPARATIVE FIGURES

Certain of the prior year amounts have been reclassified to conform to the presentation in the current year.

19. APPROVAL OF INTERIM CONDENSED FINANCIAL INFORMATION

These interim condensed financial information have been approved by the board of directors on 30 July 2019 corresponding to 27 Dhul Qadah 1440H.