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

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

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2013

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

INDEX	PAGE
Limited reviewreport	1
Interim statement of financial position	2-3
Interim statement of insurance comprehensive operations	4
Interim statement of shareholders' comprehensive operations	5
Interim statement of changes in shareholders' equity	6
Interim statement of insurance operations' cash flows	7-8
Interim statement of shareholders' cash flows	9
Notes to the interim condensed financial statements	10-23

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

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

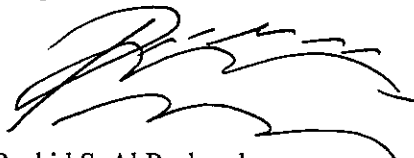
CONCLUSION:

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

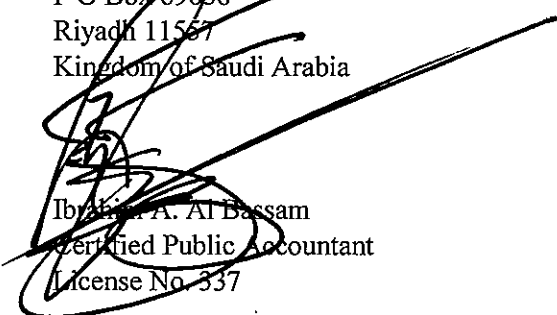
EMPHASIS OF A MATTER:

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

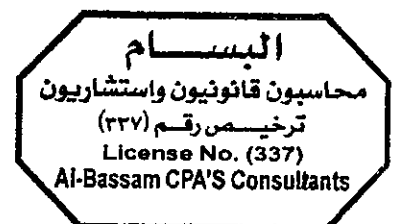
Ernst & Young
P O Box 2732
Riyadh 11461
Kingdom of Saudi Arabia


Rashid S. Al Rashoud
Certified Public Accountant
Registration No. 366

Al Bassam Certified Public
Accountants & Consultants
P O Box 69658
Riyadh 11587
Kingdom of Saudi Arabia


Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337

8 Ramadan 1434H
(16 July 2013)

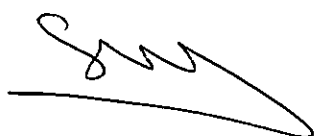


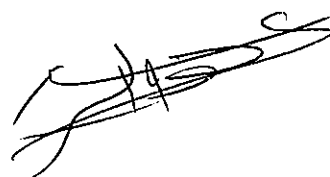
**BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	<i>Note</i>	<i>30 June 2013 (Unaudited) SR</i>	<i>31 December 2012 (Audited) SR</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	66,621,233	83,841,589
Time deposits	6	20,445,068	-
Premiums and reinsurance balances receivable, net	7	45,587,924	31,743,493
Available for sale investments	8(i)(a)	7,709,990	8,050,824
Held to maturity investments	9	8,000,000	-
Reinsurers' share of outstanding claims		37,756,297	27,789,918
Prepayments and other assets		8,162,959	4,932,541
Deferred policy acquisition costs		11,415,064	8,172,281
Reinsurers' share of unearned premiums		36,944,467	21,636,698
Property and equipment, net		4,091,121	4,460,391
Due from shareholders' operations		4,626,795	6,231,910
TOTAL INSURANCE OPERATIONS' ASSETS		251,360,918	196,859,645
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	35,114,982	33,870,831
Available for sale investments	8(ii)	31,989,008	34,540,378
Prepayments and other assets		941,091	836,300
Statutory deposit	11	13,157,101	13,110,708
TOTAL SHAREHOLDERS' ASSETS		81,202,182	82,358,217
TOTAL ASSETS		332,563,100	279,217,862





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

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

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2013

	<i>Note</i>	30 June 2013 (Unaudited) SR	31 December 2012 (Audited) SR
INSURANCE OPERATIONS' LIABILITIES & SURPLUS			
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims		73,960,542	65,459,524
Reinsurance and insurance balances payable		36,165,784	24,309,413
Accrued expenses and other liabilities		8,085,333	7,374,974
Employees' end of service benefits		1,751,012	1,480,899
Unearned reinsurance commission		4,900,483	3,621,073
Gross unearned premiums		122,584,537	91,952,351
Other reserves		3,735,729	2,652,159
TOTAL INSURANCE OPERATIONS' LIABILITIES		251,183,420	196,850,393
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		427,150	-
Changes in fair values of available for sale investments	8(i)(a)	(249,652)	9,252
TOTAL INSURANCE OPERATIONS' LIABILITIES & SURPLUS		251,360,918	196,859,645
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Zakat payable	12	6,466,004	7,069,613
Accrued expenses and other liabilities		2,088,981	1,828,987
Due to a related party	13	22,207	8,207
Due to insurance operations		4,626,795	6,231,910
TOTAL SHAREHOLDERS' LIABILITIES		13,203,987	15,138,717
SHAREHOLDERS' EQUITY			
Share Capital		130,000,000	130,000,000
Accumulated losses		(60,564,778)	(63,766,512)
Change in fair values of available for sale investments	8(ii)(d)	(1,437,027)	986,012
TOTAL SHAREHOLDERS' EQUITY		67,998,195	67,219,500
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		81,202,182	82,358,217
TOTAL LIABILITIES AND EQUITY		332,563,100	279,217,862

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE COMPREHENSIVE OPERATIONS (UNAUDITED)

	<i>For the three month period ended</i>		<i>For the six month period ended</i>	
	<i>30 June 2013</i>	<i>30 June 2012</i>	<i>30 June 2013</i>	<i>30 June 2012</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross written premiums	69,676,672	64,276,078	150,100,482	136,015,830
Reinsurance premiums ceded	(19,651,470)	(8,193,731)	(46,074,443)	(20,057,799)
Excess of loss premiums	(849,096)	(580,626)	(1,698,192)	(4,414,367)
NET PREMIUMS WRITTEN	49,176,106	55,501,721	102,327,847	111,543,664
Movement in unearned premiums, net	(4,534,144)	(19,945,076)	(15,324,417)	(57,923,908)
NET PREMIUMS EARNED	44,641,962	35,556,645	87,003,430	53,619,756
Reinsurance commission income	3,589,399	3,424,413	6,174,124	5,539,085
Policy fees	1,090,715	1,114,554	2,214,444	1,205,472
TOTAL REVENUES	49,322,076	40,095,612	95,391,998	60,364,313
Gross claims paid	(33,436,866)	(25,803,294)	(67,318,633)	(42,881,464)
Reinsurance share of claims paid	6,283,333	1,910,787	9,794,885	4,976,369
NET CLAIMS PAID	(27,153,533)	(23,892,507)	(57,523,748)	(37,905,095)
Movement in outstanding claims, net	(1,730,497)	105,012	1,465,362	1,237,886
Movement in other reserves	271,120	(572,847)	(1,083,570)	(572,847)
NET CLAIMS INCURRED	(28,612,910)	(24,360,342)	(57,141,956)	(37,240,056)
Policy acquisition costs	(5,628,302)	(5,228,744)	(10,805,166)	(9,506,578)
Inspection and supervision fees	(620,228)	(321,854)	(1,274,424)	(677,550)
Other underwriting expenses	(1,258,302)	(30,873)	(1,933,728)	(107,426)
TOTAL UNDERWRITING COSTS	(36,119,742)	(29,941,813)	(71,155,274)	(47,531,610)
NET UNDERWRITING SURPLUS	13,202,334	10,153,799	24,236,724	12,832,703
General and administrative expenses	(9,458,023)	(7,549,673)	(18,802,584)	(14,992,205)
(Allowance for) reversal of doubtful debts	(2,130,217)	(593,970)	(1,733,032)	556,468
Special commission income from time deposits	168,788	100,697	308,841	105,700
Special commission income from investments	140,438	-	298,019	-
Realized loss from available for sale investments	(35,761)	-	(35,761)	-
Gain (loss) on disposal of property and equipment	-	2,654	(709)	(28)
SURPLUS(DEFICIT) FROM INSURANCE OPERATIONS	1,887,559	2,113,507	4,271,498	(1,497,362)
(Surplus)deficit transferred to shareholders' operations	(1,698,803)	(1,902,156)	(3,844,348)	1,497,362
NET RESULT FOR THE PERIOD	188,756	211,351	427,150	-
OTHER COMPREHENSIVE LOSS TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Change in fair values of available for sale investments	(213,096)	-	(258,904)	-
Total comprehensive (loss) / income for the period	(24,340)	211,351	168,246	-

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS
(UNAUDITED)

	Note	For the three month period ended 30 June		For the six month period ended 30 June	
		2013	2012	2013	2012
		SR	SR	SR	SR
Surplus(deficit) transferred from insurance operations		1,698,803	1,902,156	3,844,348	(1,497,362)
EXPENSES					
General and administrative		(491,638)	(802,409)	(1,051,775)	(1,261,415)
INCOME (LOSS) FROM OPERATIONS		1,207,165	1,099,747	2,792,573	(2,758,777)
Special commission income from time deposits	5	87,359	77,669	192,460	135,369
Special commission income from available for sale investments		289,916	307,195	565,599	574,506
Realized gain from available for sale investments		556,654	131,308	1,158,657	158,640
INCOME(LOSS) BEFORE ZAKAT		2,141,094	1,615,919	4,709,289	(1,890,262)
Zakat		(938,979)	(457,865)	(1,507,555)	(777,600)
NET INCOME / (LOSS) FOR THE PERIOD		1,202,115	1,158,054	3,201,734	(2,667,862)
OTHER COMPREHENSIVE (LOSS) INCOME TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:					
Change in fair values of available for sale investments	8(ii)	(1,975,152)	381,083	(2,423,039)	764,925
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(773,037)	1,539,137	778,695	(1,902,937)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (BEFORE ZAKAT) FOR THE PERIOD	16	0.16	0.12	0.36	(0.15)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (AFTER ZAKAT) FOR THE PERIOD	16	0.09	0.09	0.25	(0.21)

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

For the Six Month Period Ended 30 June 2013

	<i>Share capital SR</i>	<i>Accumulated losses SR</i>	<i>Change in fair values of available for sale investments SR</i>	<i>Total SR</i>
2012				
Balance as at 1 January 2012	130,000,000	(44,766,205)	(104,897)	85,128,898
Net loss for the period	-	(2,667,862)	-	(2,667,862)
Other comprehensive income for the period	-	-	764,925	764,925
<i>Total comprehensive loss for the period</i>	-	(2,667,862)	764,925	(1,902,937)
Balance as at 30 June 2012	130,000,000	(47,434,067)	660,028	83,225,961
2013				
Balance as at 1 January 2013	130,000,000	(63,766,512)	986,012	67,219,500
Net income for the period	-	3,201,734	-	3,201,734
Other comprehensive loss for the period	-	-	(2,423,039)	(2,423,039)
<i>Total comprehensive income for the period</i>	-	3,201,734	(2,423,039)	778,695
Balance as at 30 June 2013	130,000,000	(60,564,778)	(1,437,027)	67,998,195

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS'
CASH FLOWS (UNAUDITED)

	Note	<i>For the six month period ended</i>	
		30 June 2013 SR	30 June 2012 SR
OPERATING ACTIVITIES			
Surplus (deficit) from insurance operations		427,150	(1,497,362)
<i>Adjustments for:</i>			
Surplus transferred to shareholders' operations		3,844,348	-
Depreciation		1,042,110	884,907
Employees' end of service benefits		365,879	317,006
Allowance / (reversal of) for doubtful debts		1,733,032	(556,468)
Special commission income from time deposits		(308,841)	(105,700)
Special commission income from investments		(298,019)	-
Realized loss from available for sale investments		35,761	-
Loss on disposal of property and equipment		709	28
<i>Net surplus (deficit) before changes in operating assets and liabilities</i>		<u>6,842,129</u>	<u>(957,589)</u>
<i>Changes in operating assets and liabilities:</i>			
Premiums and reinsurance balances receivable		(15,577,463)	(2,887,231)
Prepayments and other assets		(3,230,418)	(1,372,645)
Reinsurers' share of outstanding claims		(9,966,379)	(424,095)
Deferred policy acquisition costs		(3,242,783)	(3,882,585)
Reinsurers' share of unearned premiums		(15,307,769)	(1,713,643)
Gross outstanding claims		8,501,018	(813,791)
Reinsurance and insurance balances payable		11,856,371	4,125,045
Accrued expenses and other liabilities		710,359	(1,974,320)
Unearned reinsurance commission		1,279,410	832,935
Gross unearned premiums		30,632,186	59,637,551
Other reserves		1,083,570	572,847
<i>Cash from operating activities</i>		<u>13,580,231</u>	<u>51,142,479</u>
Employees' end of service benefits paid		(95,766)	-
<i>Net cash from operating activities</i>		<u>13,484,465</u>	<u>51,142,479</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(674,549)	(614,217)
Time deposits	6	(20,445,068)	(32,000,000)
Purchase of available for sale investments	8(i)(b)	(2,370,000)	-
Proceeds from available for sale investments	8(i)(b)	2,451,930	-
Purchase of held to maturity investments		(8,000,000)	-
Special commission income from time deposits		308,841	105,700
Special commission income from investments		298,019	-
Realized loss from available for sale investments		(35,761)	-
Proceeds from disposal of property and equipment		1,000	1,275
<i>Net cash used in investing activities</i>		<u>(28,465,588)</u>	<u>(32,507,242)</u>
FINANCING ACTIVITY			
Due from shareholders' operations		(2,239,233)	23,527
<i>Net cash (used in) from financing activity</i>		<u>(2,239,233)</u>	<u>23,527</u>

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

BURUJ COOPERATIVE INSURANCE COMPANY
 (A SAUDI JOINT STOCK COMPANY)

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

	Note	<i>For the six month period ended</i>	
		<i>30 June 2013</i>	<i>30 June 2012</i>
		SR	SR
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(17,220,356)	18,658,764
Cash and cash equivalents at beginning of the period		<u>83,841,589</u>	<u>35,673,588</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	<u><u>66,621,233</u></u>	<u><u>54,332,352</u></u>
<i>Noncash transactions:</i>			
Transfer of surplus(deficit) to shareholders' comprehensive operations		<u>3,844,348</u>	<u>(6,106,547)</u>
Net change in fair value of available for sale investments		<u>(258,904)</u>	<u>-</u>

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

	<i>Note</i>	<i>For the six months period ended</i>	
		<i>30 June 2013</i>	<i>30 June 2012</i>
		<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES			
Income (loss) before zakat		4,709,289	(1,890,262)
<i>Adjustments for:</i>			
(Surplus) deficit transferred from insurance operations		(3,844,348)	1,497,362
Special commission income from time deposits		(192,460)	(135,369)
Special commission income from available for sale investments		(565,599)	(574,506)
Realized gain from available for sale investments		(1,158,657)	(158,640)
<i>Net deficit before changes in operating assets and liabilities</i>		<u>(1,051,775)</u>	<u>(1,261,415)</u>
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		(104,791)	(25,768)
Statutory deposit		(46,393)	(110,708)
Accrued expenses and other liabilities		259,994	622,657
Due to a related party		14,000	(2,633)
<i>Cash used in operations</i>		<u>(928,965)</u>	<u>(777,867)</u>
Zakat paid		(2,111,164)	-
<i>Net cash used in operating activities</i>		<u>(3,040,129)</u>	<u>(777,867)</u>
INVESTING ACTIVITIES			
Special commission income from time deposits		192,460	135,369
Special commission income from available for sale investments		565,599	574,506
Realized gain from available for sale investments		1,158,657	158,640
Purchase of available for sale investments	8(ii)(d)	(23,595,153)	(10,124,533)
Sale of available for sale investments	8(ii)(d)	23,723,484	9,562,755
<i>Net cash from investing activities</i>		<u>2,045,047</u>	<u>306,737</u>
FINANCING ACTIVITY			
Due from insurance operations		2,239,233	(23,527)
<i>Net cash from (used in) financing activity</i>		<u>2,239,233</u>	<u>(23,527)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,244,151	(494,657)
Cash and cash equivalents at the beginning of the period		33,870,831	33,379,381
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	<u><u>35,114,982</u></u>	<u><u>32,884,724</u></u>
<i>Non-cash transactions:</i>			
Transfer of (surplus) deficit from insurance operations		(3,844,348)	1,497,362
<i>Net change in fair values of available for sale investments</i>	8 (ii)	<u>(2,423,039)</u>	<u>764,925</u>

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

30 June 2013

1 ORGANISATION AND PRINCIPAL ACTIVITIES

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

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

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

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

2 SURPLUS / DEFICIT TRANSFERRED TO SHAREHOLDERS' OPERATIONS

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by the Saudi Arabian Monetary Agency ("SAMA"). Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

The insurance operations resulted in a surplus for the six month period ended 30 June 2013 (deficit for the period ended 30 June 2012). Accordingly, 90% of the net surplus amounting to SR 3.8 million (30 June 2012: entire deficit of SR 1.5 million) has been transferred to the shareholders' operations.

3 BASIS OF MEASUREMENT

Basis of measurement

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

Statement of compliance

The accompanying interim condensed financial statements for the three and six month periods ended 30 June 2013 (the "period") are prepared in accordance with IAS 34 – Interim Financial Reporting, do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2012.

In management's opinion, the interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented.

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

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

Significant accounting policies

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

Held to maturity investments ("HTM")

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

New standards, amendments to standards and interpretations

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

IFRS 13 Fair Value Measurement

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

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

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

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

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

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

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

30 June 2013

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

New standards, amendments to standards and interpretations (continued)

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

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

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

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

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

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

Standards issued but not yet effective

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

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the Board will address impairment and hedge accounting. The Company will quantify the effect of the adoption of the first phase of IFRS 9 in conjunction with the other phases, when issued, to present a comprehensive picture.

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

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

30 June 2013

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

Standards issued but not yet effective

The Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance for the Company with effect from future dates.

5 CASH AND CASH EQUIVALENTS

	30 June 2013 (Unaudited)		31 December 2012 (Audited)	
	Insurance operations SR	Shareholders' operations SR	Insurance operations SR	Shareholders' operations SR
Cash on hand and at banks	48,597,977	30,614,862	42,279,100	5,770,831
Short term time deposits	18,023,256	4,500,120	41,562,489	28,100,000
Cash and cash equivalents	<u>66,621,233</u>	<u>35,114,982</u>	<u>83,841,589</u>	<u>33,870,831</u>

Short term time deposits placed with local banks have an original maturity of less than three months from the date of acquisition and earned special commission income at an average rate of 0.42% per annum (2012: 0.78%). The carrying amounts disclosed above reasonably approximate their fair values at the reporting date.

6 TIME DEPOSITS

Time deposits amounting to SR 20,445,068 (31 December 2012: SR nil) are placed with counterparties which have investment grade credit ratings, as rated by international rating agencies.

Time deposits are placed with local with a maturity of more than three months from the date of original acquisition and earned special commission income at an average rate of 2.04% per annum (31 December 2012: nil). The carrying amounts of the time deposits reasonably approximate their fair values at the reporting date.

7 PREMIUMS AND REINSURANCE BALANCES RECEIVABLE, NET

Premiums and reinsurance balances receivable are comprised of the following:

	30 June 2013 (Unaudited) SR	31 December 2012 (Audited) SR
Premiums receivable	54,465,848	39,041,173
Less: Allowance for doubtful debts	(9,537,377)	(7,747,446)
	<u>44,928,471</u>	<u>31,293,727</u>
Reinsurance balances receivable	1,534,329	1,381,541
Less: Allowance for doubtful debts	(874,876)	(931,775)
	<u>659,453</u>	<u>449,766</u>
Total premiums and reinsurance balances receivable, net	<u>45,587,924</u>	<u>31,743,493</u>

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

8 AVAILABLE FOR SALE INVESTMENTS (“AFS”)

(i) *Insurance operations*

(a) AFS investments comprise of a portfolio of quoted debt securities (Sharia’a compliant instruments) issued by sovereign, quasi sovereign, and corporates based in the Gulf Cooperative Council (the “GCC”) countries amounting to SR 7,709,990 (31 December 2012: SR 8,050,824). This portfolio is managed at the discretion of a locally regulated financial institution.

The cumulative change in fair value of this portfolio amounting to SR (249,652) (31 December 2012: SR 9,252) is presented within ‘insurance operations surplus’ in the interim statement of financial position and the current period change in fair value has been reported in the interim statement of insurance comprehensive operations’ under ‘other comprehensive loss’.

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

	<i>30 June 2013</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2012</i> <i>(Audited)</i> <i>SR</i>
At the beginning of the period / year	8,050,824	-
Purchased during the period / year	2,370,000	8,041,572
Sold during the period / year	(2,451,930)	-
	<u>7,968,894</u>	<u>8,041,572</u>
Change in fair values	(258,904)	9,252
At the end of the period / year	<u><u>7,709,990</u></u>	<u><u>8,050,824</u></u>

(ii) *Shareholders operations*

(a) AFS investments of shareholders operations comprise of various quoted bonds and sukuks issued by governments, quasi governments, banks and corporates in the Kingdom of Saudi Arabia and other GCC countries amounting to SR 28,065,930 (31 December 2012: SR 32,617,300). The custody of these investments is with a local regulated unrated financial institution.

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

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

8 AVAILABLE FOR SALE INVESTMENTS ("AFS")

(ii) Shareholders operations (continued)

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

	30 June 2013 (Unaudited) SR	31 December 2012 (Audited) SR
At the beginning of the period / year	34,540,378	34,170,224
Purchased during the period / year	23,595,153	19,025,330
Sold during the period / year	(23,723,484)	(19,746,085)
	<u>34,412,047</u>	<u>33,449,469</u>
Change in fair values	(2,423,039)	1,090,909
At the end of the period / year	<u>31,989,008</u>	<u>34,540,378</u>

The cumulative change in fair values of available for sale investments of shareholders' operations amounting to SR (1,437,027) (31 December 2012: SR 986,012) is presented within shareholders' equity in the interim statement of financial position.

9 HELD TO MATURITY INVESTMENTS

During the three month period ended 30 June 2013, the Company invested SR 8,000,000 in secured Sukuk issued by an unquoted Company, registered in the Kingdom of Saudi Arabia and maturing on 7 April 2015. The rate of return on the Sukuk is calculated based on 3-month SIBOR plus a margin of 170 bps per annum and paid quarterly.

10 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

The fair values of recognised financial instruments are not significantly different from the carrying values included in the financial statements. Equity investment in an unquoted company categorised under AFS is carried at cost.

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repacking):

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data: and

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

10 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Available for sale investments - <i>Insurance operations</i>	7,709,990	-	-	7,709,990
Available for sale investments - <i>Shareholders operations</i>	28,065,930	-	3,923,078	31,989,008

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

During the three and six month periods ended 30 June 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

11 STATUTORY DEPOSIT

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

12 ZAKAT

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

	30 June 2013 (Unaudited) SR	31 December 2012 (Audited) SR
At the beginning of the period / year	7,069,613	5,852,347
Provided for the period / year	1,017,888	1,217,266
Adjustments on prior years	489,667	-
Payments during the period / year	(2,111,164)	-
At the end of the period / year	6,466,004	7,069,613

Status of assessments

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

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

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

30 June 2013

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>		<i>Balance as at</i>	
		<i>For the period ended 30 June 2013 (Unaudited) SR</i>	<i>For the period ended 30 June 2012 (Unaudited) SR</i>	<i>30 June 2013 (Unaudited) SR</i>	<i>31 December 2012 (Audited) SR</i>
Shareholders	Gross written premiums	15,563,390	13,663,633		
	Reinsurance premium ceded	828,528	1,165,371		
	Claims incurred	1,456,286	8,331,317		
	General and administrative expenses	14,000	-	(22,207)	(8,207)
Board of directors and committees' members	Board of directors and committees' meeting fees and expenses	598,000	667,324		
	Gross written premiums	13,830,014	8,203,959		
	Insurance brokerage contract	2,752,206	2,234,754		

b) *Compensation of key management personnel*

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

	<i>For the six months period ended 30 June</i>	
	<i>2013 (Unaudited) SR</i>	<i>2012 (Unaudited) SR</i>
Short-term benefits	1,527,953	1,538,670
End of service benefits	64,872	65,846
	<u>1,592,825</u>	<u>1,604,516</u>

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

14 SEGMENT INFORMATION

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

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

Segment assets do not include insurance operations' property and equipment, prepayments and other assets, premiums and reinsurance balances receivable, time deposit, investments and cash and cash equivalents. Accordingly they are included in unallocated assets and are managed and reported to the chief operating decision maker on a centralised basis. Segment liabilities do not include insurance operations' due to shareholders operations, employees' end of service benefits, insurance and reinsurance balances payable, accrued expenses and other liabilities. Accordingly they are included in unallocated liabilities.

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

Operating segments

<i>For the three month period ended 30 June 2013 (Unaudited)</i>	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	4,427,814	30,959,456	4,479,847	28,490,182	1,319,373	69,676,672
Reinsurance premiums ceded	(4,092,272)	(986)	(3,323,884)	(11,186,898)	(1,047,430)	(19,651,470)
Excess of loss premiums	(27,320)	(618,750)	(183,141)	-	(19,885)	(849,096)
Net premiums written	308,222	30,339,720	972,822	17,303,284	252,058	49,176,106
Movement in unearned premiums, net	(23,112)	2,826,978	813,567	(8,387,602)	236,025	(4,534,144)
Net premiums earned	285,110	33,166,698	1,786,389	8,915,682	488,083	44,641,962
Reinsurance commission income	953,557	21,040	1,886,286	-	728,516	3,589,399
Policy fees	2,700	1,038,235	47,720	-	2,060	1,090,715
Total revenues	1,241,367	34,225,973	3,720,395	8,915,682	1,218,659	49,322,076
Net claims paid	(368,074)	(25,781,331)	(569,311)	(270,845)	(163,972)	(27,153,533)
Movement in outstanding claims, net	(248,007)	(1,101,794)	1,780,908	(2,040,622)	(120,982)	(1,730,497)
Movement in other reserves	617,913	(281,842)	-	-	(64,951)	271,120
Net claims incurred	1,832	(27,164,967)	1,211,597	(2,311,467)	(349,905)	(28,612,910)
Policy acquisition costs	(423,198)	(2,861,668)	(584,827)	(1,442,730)	(315,879)	(5,628,302)
Inspection and supervision fees	(12,007)	(154,484)	(20,828)	(427,353)	(5,556)	(620,228)
Other underwriting expenses	(43,900)	(174,170)	-	(1,040,232)	-	(1,258,302)
Total underwriting costs	(477,273)	(30,355,289)	605,942	(5,221,782)	(671,340)	(36,119,742)
Net underwriting surplus	764,094	3,870,684	4,326,337	3,693,900	547,319	13,202,334
Unallocated expenses						(11,624,001)
Unallocated income						309,226
Surplus from insurance operations						1,887,559

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
30 June 2013

14 SEGMENT INFORMATION (continued)

Operating segments

<i>For the three month period ended 30 June 2012 (Unaudited)</i>	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	2,432,609	53,414,961	5,671,602	973,981	1,782,925	64,276,078
Reinsurance premiums ceded	(2,270,657)	(6,535)	(3,912,762)	(518,514)	(1,485,263)	(8,193,731)
Excess of loss premiums	(53,995)	(327,375)	(176,866)	-	(22,390)	(580,626)
Net premiums written	107,957	53,081,051	1,581,974	455,467	275,272	55,501,721
		(20,162,507)		(365,694)		
Movement in unearned premiums, net	68,496		298,284		216,345	(19,945,076)
Net premiums earned	176,453	32,918,544	1,880,258	89,773	491,617	35,556,645
Reinsurance commission income	592,853	23,679	2,207,368	-	600,513	3,424,413
Policy fees	1,905	1,041,470	67,889	-	3,290	1,114,554
Total revenues	771,211	33,983,693	4,155,515	89,773	1,095,420	40,095,612
Net claims paid	(3,212)	(23,256,554)	(314,617)	(1,064)	(317,060)	(23,892,507)
Movement in outstanding claims, net	244,188	(114,944)	381,480	(91,731)	(313,981)	105,012
Movement in other reserves	-	(186,856)	-	(385,991)	-	(572,847)
Net claims incurred	240,976	(23,558,354)	66,863	(478,786)	(631,041)	(24,360,342)
Policy acquisition costs	(313,657)	(4,126,770)	(568,277)	(13,559)	(206,481)	(5,228,744)
Inspection and supervision fees	(5,670)	(266,962)	(26,195)	(14,610)	(8,417)	(321,854)
Other underwriting expenses	-	(18,183)	-	(12,690)	-	(30,873)
Total underwriting costs	(78,351)	(27,970,269)	(527,609)	(519,645)	(845,939)	(29,941,813)
Net underwriting surplus (deficit)	692,860	6,013,424	3,627,906	(429,872)	249,481	10,153,799
Unallocated expenses						(8,143,643)
Unallocated income						103,351
Surplus from insurance operations						2,113,507

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
30 June 2013

14 SEGMENT INFORMATION (continued)

Operating segments

For the six month period ended
30 June 2013
(Unaudited)

	Property SR	Motor SR	Marine SR	Medical SR	Others SR	Total SR
Gross written premiums	12,623,065	65,051,166	10,594,895	55,828,278	6,003,078	150,100,482
Reinsurance premiums ceded	(11,662,459)	(62,705)	(7,469,404)	(21,689,773)	(5,190,102)	(46,074,443)
Excess of loss premiums	(54,640)	(1,237,500)	(366,282)	-	(39,770)	(1,698,192)
Net premiums written	905,966	63,750,961	2,759,209	34,138,505	773,206	102,327,847
Movement in unearned premiums, net	(380,069)	6,278,465	29,178	(21,441,906)	189,915	(15,324,417)
Net premiums earned	525,897	70,029,426	2,788,387	12,696,599	963,121	87,003,430
Reinsurance commission income	1,920,038	44,111	2,790,675	-	1,419,300	6,174,124
Policy fees	8,605	2,091,519	108,350	-	5,970	2,214,444
Total revenues	2,454,540	72,165,056	5,687,412	12,696,599	2,388,391	95,391,998
Net claims paid	(410,993)	(55,477,189)	(629,624)	(727,407)	(278,535)	(57,523,748)
Movement in outstanding claims, net	(945,243)	3,183,942	1,692,646	(2,279,423)	(186,560)	1,465,362
Movement in other reserves	(736,777)	(281,842)	-	-	(64,951)	(1,083,570)
Net claims incurred	(2,093,013)	(52,575,089)	1,063,022	(3,006,830)	(530,046)	(57,141,956)
Policy acquisition costs	(852,265)	(6,469,249)	(808,117)	(2,060,356)	(615,179)	(10,805,166)
Inspection and supervision fees	(35,999)	(324,633)	(49,254)	(837,424)	(27,114)	(1,274,424)
Other underwriting expenses	(51,500)	(342,774)	-	(1,539,454)	-	(1,933,728)
Total underwriting costs	(3,032,777)	(59,711,745)	205,651	(7,444,064)	(1,172,339)	(71,155,274)
Net underwriting surplus (deficit)	(578,237)	12,453,311	5,893,063	5,252,535	1,216,052	24,236,724
Unallocated expenses						(20,572,086)
Unallocated income						606,860
Surplus from insurance operations						4,271,498

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

14 SEGMENT INFORMATION (continued)

Operating segments

For the six month period ended
30 June 2012
(Unaudited)

	Property SR	Motor SR	Marine SR	Medical SR	Others SR	Total SR
Gross written premiums	7,543,164	109,844,727	11,743,442	1,583,986	5,300,511	136,015,830
Reinsurance premiums ceded	(6,862,400)	(9,130)	(7,928,176)	(822,901)	(4,435,192)	(20,057,799)
Excess of loss premiums	(107,990)	(3,907,866)	(353,733)	-	(44,778)	(4,414,367)
Net premiums written	572,774	105,927,731	3,461,533	761,085	820,541	111,543,664
Movement in unearned premiums, net	(225,934)	(56,862,348)	(261,404)	(648,212)	73,990	(57,923,908)
Net premiums earned	346,840	49,065,383	3,200,129	112,873	894,531	53,619,756
Reinsurance commission income	1,169,637	(66,591)	3,446,901	-	989,138	5,539,085
Policy fees	7,140	1,067,365	122,902	-	8,065	1,205,472
Total revenues	1,523,617	50,066,157	6,769,932	112,873	1,891,734	60,364,313
Net claims paid	(97,836)	(36,894,602)	(425,699)	(2,351)	(484,607)	(37,905,095)
Movement in outstanding claims, net	185,515	1,793,850	(832,482)	(137,489)	228,492	1,237,886
Movement in other reserves	-	(186,856)	-	(385,991)	-	(572,847)
Net claims incurred	87,679	(35,287,608)	(1,258,181)	(525,831)	(256,115)	(37,240,056)
Policy acquisition costs	(609,465)	(7,553,975)	(931,772)	(17,472)	(393,894)	(9,506,578)
Inspection and supervision fees	(24,867)	(549,017)	(54,859)	(23,760)	(25,047)	(677,550)
Other underwriting expenses	-	(91,512)	-	(15,914)	-	(107,426)
Total underwriting costs	(546,653)	(43,482,112)	(2,244,812)	(582,977)	(675,056)	(47,531,610)
Net underwriting surplus (deficit)	976,964	6,584,045	4,525,120	(470,104)	1,216,678	12,832,703
Unallocated expenses						(14,992,233)
Unallocated income						662,168
Deficit from insurance operations						(1,497,362)

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2013

14 SEGMENT INFORMATION (continued)

Operating segments

<i>As at 30 June 2013 (Unaudited)</i>	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
ASSETS						
Reinsurers' share of unearned premiums	8,129,264	1,211	3,323,884	19,391,042	6,099,066	36,944,467
Reinsurers' share of outstanding claims	16,381,439	3,493,784	5,880,190	5,630,544	6,370,340	37,756,297
Deferred policy acquisition costs	980,267	4,673,343	295,833	4,632,964	832,657	11,415,064
SEGMENT ASSETS	25,490,970	8,168,338	9,499,907	29,654,550	13,302,063	86,115,828
Unallocated assets						165,245,090
TOTAL ASSETS						251,360,918
LIABILITIES						
Gross unearned premiums	8,843,785	54,182,381	4,479,846	48,031,522	7,047,003	122,584,537
Gross outstanding claims	18,309,397	30,615,705	8,943,511	8,662,861	7,429,068	73,960,542
Unearned reinsurance commission	1,958,138	101	1,238,853	-	1,703,391	4,900,483
Other reserves	836,777	2,834,001	-	-	64,951	3,735,729
SEGMENT LIABILITIES	29,948,097	87,632,188	14,662,210	56,694,383	16,244,413	205,181,291
Unallocated liabilities and surplus						46,179,627
TOTAL LIABILITIES						251,360,918
Operating segments						
<i>As at 31 December 2012 (Audited)</i>	<i>Property SR</i>	<i>Motor SR</i>	<i>Marine SR</i>	<i>Medical SR</i>	<i>Others SR</i>	<i>Total SR</i>
ASSETS						
Reinsurers' share of unearned premiums	4,265,932	523,650	2,424,444	8,120,441	6,302,231	21,636,698
Reinsurers' share of outstanding claims	9,903,179	3,256,534	7,699,615	1,770,492	5,160,098	27,789,918
Deferred policy acquisition costs	473,208	5,549,561	223,290	1,193,456	732,766	8,172,281
SEGMENT ASSETS	14,642,319	9,329,745	10,347,349	11,084,389	12,195,095	57,598,897
Unallocated assets						139,260,748
TOTAL ASSETS						196,859,645
LIABILITIES						
Gross unearned premiums	4,600,384	60,983,285	3,609,584	15,319,015	7,440,083	91,952,351
Gross outstanding claims	10,885,894	33,562,397	12,455,582	2,523,385	6,032,266	65,459,524
Unearned reinsurance commission	1,056,962	39,510	904,390	-	1,620,211	3,621,073
Other reserves	100,000	2,552,159	-	-	-	2,652,159
SEGMENT LIABILITIES	16,643,240	97,137,351	16,969,556	17,842,400	15,092,560	163,685,107
Unallocated liabilities and surplus						33,174,538
TOTAL LIABILITIES						196,859,645

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30June 2013

15 CONTINGENT LIABILITIES

As at 30June 2013, the Company's bankers have issued letters of guarantee of SR 0.35 million (2012: SR 0.35 million) issued to various health service providers as per the terms of the agreements with them.

16 BASIC AND DILUTED EARNINGS / LOSS PER SHARE

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

17 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 8 Ramadan 1434H, (corresponding to 16July 2013).