

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
FOR THE THREE MONTH AND SIX MONTH PERIODS
ENDED JUNE 30, 2019**

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REVIEW REPORT (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL STATEMENTS**

To The Shareholders of
CHUBB Arabia Cooperative Insurance Company
(A Saudi Joint Stock Company)
Al Khobar
Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of CHUBB Arabia Cooperative Insurance Company (A Saudi Joint Stock Company) ("the Company") as at June 30, 2019, and the related interim condensed statements of income and comprehensive income for the three and six month periods then ended and the interim condensed statements of changes in equity and cash flows for the six months period then ended, and the related notes which form integral part of these interim condensed financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements 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 that are endorsed in the Kingdom of Saudi Arabia 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 statements of CHUBB Arabia Cooperative Insurance Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia.

Other matter

The financial statements of the Company for the year ended December 31, 2018, were audited by other auditors who expressed an unmodified opinion on those statements on 24 Rajab 1440H, corresponding to March 31, 2019G.

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7 Dhu-al-Hijjah, 1440H
August 8, 2019 G

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Note	June 30, 2019 SR (Unaudited)	December 31, 2018 SR (Audited)
ASSETS			
Cash and cash equivalents	5	49,471,605	141,510,319
Premiums and insurance balances receivable, net	6	97,722,041	71,742,938
Reinsurers' share of unearned premiums	16.2	64,686,842	51,629,690
Reinsurers' share of outstanding claims	16.1	27,030,003	32,402,153
Reinsurers' share claims incurred but not reported	16.1	39,669,607	42,927,788
Deferred policy acquisition costs		6,931,391	4,305,281
Investments held for trading	18	92,743,338	82,766,224
Investments available-for-sale	18	1,932,078	1,932,078
Prepayments and other assets		15,629,308	15,697,435
Term deposits		181,631,147	79,467,701
Property and equipment		315,859	387,427
Right-of-use-assets		2,696,249	-
Intangible assets		795,588	720,395
Goodwill	7	43,774,750	43,774,750
Statutory deposit	10	20,000,000	20,000,000
Accrued income on statutory deposit	10	1,523,408	1,243,271
TOTAL ASSETS		646,553,214	590,507,450

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2019

	Note	June 30, 2019 SR (Unaudited)	December 31, 2018 SR (Audited)
LIABILITIES			
Accounts payable		21,114,605	17,570,524
Accrued expenses and other liabilities		11,637,938	9,360,327
Lease liabilities		2,153,971	-
Reinsurance balances payable	9	48,805,652	37,892,066
Gross unearned premiums	16.2	110,507,547	77,264,897
Unearned reinsurance commission income		10,857,297	7,110,295
Gross outstanding claims	16.1	40,630,819	43,917,326
Claims incurred but not reported	16.1	60,396,672	67,524,759
Additional premium reserves	16.1	1,756,406	338,987
Other technical reserves	16.1	2,779,615	4,042,602
End-of-service indemnities		7,350,058	7,174,176
Statutory deposit commission income payable	10	1,523,408	1,243,271
Provision for zakat and income tax	13	16,391,973	18,134,513
TOTAL LIABILITIES		335,905,961	291,573,743
SHAREHOLDERS' EQUITY			
Share capital	11	200,000,000	200,000,000
Statutory reserve		30,353,079	28,207,777
Retained earnings		73,442,258	64,861,051
TOTAL SHAREHOLDERS' EQUITY		303,795,337	293,068,828
SURPLUS INSURANCE OPERATIONS			
Accumulated Surplus	14	7,751,287	6,764,250
Re-measurement Reserve of Defined benefit Obligations		(899,371)	(899,371)
TOTAL ACCUMULATED SURPLUS INSURANCE OPERATIONS		6,851,916	5,864,879
TOTAL ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY		310,647,253	298,933,707
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY		646,553,214	590,507,450

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

	Note	For the three months period ended June 30,		For the six months period ended June 30,	
		2019 SR	2018 SR (Restated)	2019 SR	2018 SR (Restated)
REVENUE					
Gross written premiums	8	50,863,583	52,720,837	143,904,854	151,588,017
Less: Reinsurance premiums ceded-	8				
Local		(198,039)	(1,956,468)	(3,874,891)	(3,946,671)
Foreign		(32,447,690)	(24,206,960)	(74,425,565)	(68,523,931)
Excess of loss expenses		(934,192)	(1,101,813)	(1,868,380)	(2,203,632)
Net premiums written		17,283,662	25,455,596	63,736,018	76,913,783
Changes in unearned premiums		5,028,078	10,261,383	(33,242,650)	(34,624,319)
Changes in reinsurer share of unearned premiums		(487,148)	(7,605,139)	13,057,152	10,876,758
Net premiums earned		21,824,592	28,111,840	43,550,520	53,166,222
Reinsurance commission income		5,350,610	5,323,338	10,933,696	10,383,545
TOTAL REVENUE		27,175,202	33,435,178	54,484,216	63,549,767
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		(14,300,795)	(11,261,663)	(26,852,442)	(24,959,700)
Expenses incurred related to claims		(672,213)	(605,894)	(1,325,624)	(1,260,901)
Reinsurers' share of gross claims paid		6,939,924	2,452,301	11,641,235	6,794,657
Net claims paid		(8,033,084)	(9,415,256)	(16,536,831)	(19,425,944)
Changes in outstanding claims		3,416,117	(1,184,552)	3,286,507	4,370,673
Changes in reinsurance share of outstanding claims		(4,180,451)	953,946	(5,372,150)	(2,635,029)
Changes in claims incurred but not reported		(167,026)	633,596	7,128,087	(12,254)
Changes in reinsurance share of claims incurred but not reported		(953,742)	1,419,477	(3,258,181)	1,963,410
Net claims incurred		(9,918,186)	(7,592,789)	(14,752,568)	(15,739,144)
Changes in additional premium reserves		82,628	(610,649)	(1,417,419)	(313,892)
Changes in other technical reserves		909,212	69,589	1,262,987	781,854
Policy acquisition costs		(3,412,352)	(4,767,847)	(7,375,638)	(9,365,632)
Other underwriting expenses		(815,785)	(375,602)	(1,659,703)	(1,289,588)
TOTAL UNDERWRITING COSTS AND EXPENSES		(13,154,483)	(13,277,298)	(23,942,341)	(25,926,402)
NET UNDERWRITING INCOME		14,020,719	20,157,880	30,541,875	37,623,365

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED) (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

	Note	For the three months period ended June 30,		For the six months period ended June 30,	
		2019 SR	2018 SR (Restated)	2019 SR	2018 SR (Restated)
OTHER OPERATING (EXPENSES) / INCOME					
Allowance for doubtful debts		(5,495,409)	(3,357,104)	(6,413,330)	(3,164,981)
General and administrative expenses	8	(8,811,510)	(8,083,627)	(17,257,129)	(15,814,697)
Dividend , interest and commission income		2,678,551	1,684,610	4,904,089	2,916,084
Realized gain/(loss) on disposal of investment held for trading		(1,634)	(5,985)	80,126	(59,023)
Unrealised gains/(losses) on investments held at fair value		1,088,037	137,724	1,834,963	284,228
Other income		638,446	857,414	1,047,914	1,412,483
TOTAL OTHER OPERATING EXPENSES		(9,903,519)	(8,766,968)	(15,803,367)	(14,425,906)
Total income for the period before zakat and income tax		4,117,200	11,390,912	14,738,508	23,197,459
Zakat for the period	13	(515,178)	(1,319,786)	(1,807,144)	(2,542,219)
Income tax for the period	13	(267,246)	(660,912)	(924,738)	(1,399,246)
Total income for the period		3,334,776	9,410,214	12,006,626	19,255,994
Total income attributed to insurance operations	20	(293,830)	(1,121,183)	(1,280,117)	(2,288,469)
Net income for the period attributable to shareholders		3,040,946	8,289,031	10,726,509	16,967,525
Earnings per share for the period					
Basic and Diluted EPS in SR	19	0.15	0.41	0.54	0.85
Weighted average number of outstanding shares (adjusted)	11	20,000,000	20,000,000	20,000,000	20,000,000

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

	For the three months		For the six months	
	period ended June 30,		period ended June 30,	
	2019	2018	2019	2018
	SR	SR	SR	SR
		(Restated)		(Restated)
Net income for the period attributable to shareholders	3,040,946	8,289,031	10,726,509	16,967,525
<i>Items that may be reclassified to statement of income in subsequent periods</i>				
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,040,946	8,289,031	10,726,509	16,967,525

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR	Insurance operations Surplus SR	Total Equity and insurance operations Surplus SR
Balance at January 1, 2019 (Audited)	200,000,000	28,207,777	64,861,051	293,068,828	5,864,879	298,933,707
Net income for the period attributable to shareholders	-	-	10,726,509	10,726,509	1,280,117	12,006,626
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	10,726,509	10,726,509	1,280,117	12,006,626
Surplus distributed	-	-	-	-	(293,080)	(293,080)
Transfer to statutory reserve	-	2,145,302	(2,145,302)	-	-	-
Balance at June 30, 2019 (Unaudited)	200,000,000	30,353,079	73,442,258	303,795,337	6,851,916	310,647,253
Balance at January 1, 2018 (Audited)	200,000,000	19,309,215	37,462,871	256,772,086	5,076,596	261,848,682
Net income for the period attributable to shareholders (restated)	-	-	16,967,525	16,967,525	2,288,469	19,255,994
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period (restated)	-	-	16,967,525	16,967,525	2,288,469	19,255,994
Surplus distributed	-	-	-	-	23,229	23,229
Transfer to statutory reserve (restated)	-	3,393,505	(3,393,505)	-	-	-
Balance at June 30, 2018 (Unaudited) (restated)	200,000,000	22,702,720	51,036,891	273,739,611	7,388,294	281,127,905

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	June 30, 2019 SR	June 30, 2018 SR
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before zakat and income tax	14,738,508	23,197,459
Adjustments for non-cash items:		
Depreciation of property and equipment	109,833	144,272
Amortization of intangible assets	113,868	59,630
Depreciation and amortization right of use assets	539,250	-
Gain on sale of property and equipment	-	(24,161)
Allowance for doubtful debts	6,413,330	3,164,981
Unrealised gains on investments held for trading	(1,834,963)	(284,228)
Realised losses (gains) on investments held for trading	(80,126)	59,023
Interest on finance lease obligations	40,699	-
Provision for end-of-service indemnities	673,794	1,151,382
	20,714,193	27,468,358
Working capital adjustments:		
Premiums and insurance balances receivable	(32,392,433)	(51,359,119)
Reinsurers' share of unearned premiums	(13,057,152)	(10,876,758)
Reinsurers' share of outstanding claims	5,372,150	2,635,029
Reinsurers' share of claims incurred but not reported	3,258,181	(1,963,410)
Deferred policy acquisition costs	(2,626,110)	(3,359,113)
Prepayments and other assets	68,127	(5,385,157)
Accounts payable	3,544,081	9,148,275
Accrued expenses and other liabilities	2,277,612	465,653
Reinsurance balances payable	10,913,586	8,874,130
Gross unearned premiums	33,242,650	34,624,319
Unearned reinsurance commission income	3,747,002	2,336,849
Gross outstanding claims	(3,286,507)	(4,370,673)
Claims incurred but not reported	(7,128,087)	12,254
Additional premium reserves	1,417,419	313,892
Other technical reserves	(1,262,987)	(781,854)
Cash generated from operations	24,801,725	7,782,675
Surplus distribution to policyholders	(293,080)	23,229
Zakat and income tax paid	(4,474,422)	(3,432,721)
End-of-service indemnities paid	(497,913)	(1,028,065)
Net cash generated from operating activities	19,536,310	3,345,118

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (CONTINUED) (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019**

	June 30, 2019 SR	June 30, 2018 SR
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments held for trading	(25,932,839)	=
Proceeds from disposal of investments held for trading	17,870,814	1,067,624
Additions to long term deposits	(102,163,446)	(579,131)
Proceeds from sales of property and equipment	=	47,100
Purchase of property and equipment	(38,265)	(9,500)
Purchase of intangible assets	(189,061)	(132,000)
Net cash (used in) generated from investing activities	(110,452,797)	394,093
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment under finance lease obligations	(1,122,227)	=
Net cash used in financing activities	(1,122,227)	=
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(92,038,714)	3,739,211
Cash and cash equivalents at the beginning of the period	141,510,319	141,924,558
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	49,471,605	145,663,769

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

CHUBB Arabia Cooperative Insurance Company (“the Company”) is a Saudi Joint Stock Company registered on 28 Rajab, 1430H (corresponding to July 21, 2009) under commercial registration number 2050066029 which was later amended to 2051043431 dated 9 Sha’aban 1431H (corresponding to July 21, 2010), issued in Al-Khobar, Kingdom of Saudi Arabia. The Company has been licensed to conduct cooperative insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to October 11, 2006), pursuant to Council of Ministers resolution number 233 dated 16 Ramadan 1427H (corresponding to October 9, 2006).

The activities of the Company are to transact cooperative insurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations in the Kingdom of Saudi Arabia. On 21 Dhul-Hijjah, 1430H (corresponding to December 8, 2009), the Company received the license from Saudi Arabian Monetary Agency (“SAMA”) to transact insurance business in the Kingdom of Saudi Arabia.

Surplus from insurance operations is distributed in accordance with the Implementing Regulations issued by SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full.

2. ASSET PURCHASE AGREEMENT AND TRANSFER OF INSURANCE PORTFOLIO

The Company started its insurance operations on February 1, 2010. The Company acquired the insurance portfolio and the net assets of Ace Arabia Insurance Company BSC and International Insurance Company BSC with effect from January 1, 2009 as set forth in SAMA’s guidelines in this respect, following the approval on the transfer from the respective authorities in 2012.

3. BASIS OF PREPARATION

(a) Basis of presentation

The interim condensed financial statements of the Company as at and for the period ended June 30, 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 March 31 , 2019 and December 31 , 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 Regulations for Companies in the Kingdom of Saudi Arabia.

On July 23, 2019, 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”) as endorsed in the Kingdom of Saudi Arabia..

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019**

3. BASIS OF PREPARATION (CONTINUED)

(a) Basis of presentation (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 and the effects of this change are disclosed in note 13 to the interim condensed financial statements).

The interim condensed financial statements are 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 condensed statement of financial position is not presented using a current/non-current classification. However, the Company's interim condensed statement of financial position is presented in order of liquidity. Except for property and equipment, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit, end-of-service indemnities and accrued commission income payable to SAMA, all other assets and liabilities are of short-term nature, unless, stated otherwise.

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 condensed 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 in note 20 of the financial statements have been provided only as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations require 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 statements 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 interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended December 31, 2018.

Amounts in this interim condensed financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands.

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019**

3. BASIS OF PREPARATION (CONTINUED)

(b) Critical accounting judgments, estimates and assumptions

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2018.

(c) Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2018 except as explained below:

Change in the accounting policy for Zakat and income tax:

As mentioned above, the basis of preparation has been changed for the period ended June 30, 2019 as a result of the issuance of latest instructions from SAMA dated July 23, 2019. Previously, zakat and income tax were recognized in the statement of changes in equity as per the SAMA circular no 381000074519 dated April 11, 2017. With the latest instructions issued by SAMA dated July 23, 2019, 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 and the effects of the above change are disclosed in note 13 to the interim condensed financial statements. The change has resulted in reduction of reported income of the Company for the period ended June 30, 2018 by SR 3.9 million. The change has had no impact on the statement of cash flows for the period ended June 30, 2018.

Income tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for the applicable jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the jurisdiction where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted for the changes in deferred tax assets and liabilities attributable to the temporary differences and to the unused tax losses.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed. The Company's has assessed that the interpretation has not had a significant impact on the interim condense financial statements.

Deferred income tax:

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. The deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Zakat:

The Company is subject to Zakat in accordance with the regulations of the General Authority of Zakat and Income Tax ("GAZT"). Zakat expense is charged to the profit or loss. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat.

Change in the accounting policy in relation to accounting for leases under IFRS 16:

Effective from January 1, 2019 The Company adopted IFRS 16 'Leases' which replaced the existing guidance on leases, including IAS 17 "Leases", IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 changes fundamentally the accounting for leases by lessees. It eliminates the previous IAS 17 dual accounting model, which distinguished between on-balance sheet finance leases and off-balance sheet operating leases and, instead, introduces a single, on-balance sheet accounting model that is similar to current finance lease accounting as follows:

Right of Use Asset / Lease Liabilities

On initial recognition, at inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right of Use Assets

The Company applies the model, and measures the right of use assets at cost;

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any re-measurement of the lease liability for lease modifications

Lease Liabilities

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect interest on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made; and
3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

Impact on transition

The Company has opted for the modified retrospective application permitted by IFRS 16 upon the adoption of the new standard. During the first-time application of IFRS 16 to operating leases, the right of use the leased assets was measured at the amount of the lease liability, using the interest rate at the time of the first-time application. The adjustments as of January 1, 2019 are as follows:

	2019
Right-of-use assets	3,235,499
Lease liabilities	3,235,499

- Below is a reconciliation of the opening and closing balances of lease liabilities.

	2019
Opening balance of lease liabilities recognized upon the initial transition to IFRS 16	3,235,499
Interest charged for the period	40,699
Repayments	(1,122,227)
Closing balance	2,153,971

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted the lease payments using its incremental borrowing rate.

Right of use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used the following practical expedients when applying IFRS16 to leases previously classified as operating leases under IAS17:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease terms or leases with a low value of less than SAR 18,750.
- Excluded initial direct costs from measuring the right of use assets at the date of initial application.
- Used hindsight when determining the lease terms if the contract contains options to extend or terminate the lease.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) effective for accounting periods beginning on or after January 1, 2019.
- Plan Amendments, Curtailment or Settlement (Amendments to IAS 19) effective for accounting periods beginning on or after January 1, 2019.
- Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23) effective for accounting periods beginning on or after January 1, 2019.

Forthcoming requirements

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:

- Amendment to references to conceptual framework in IFRS standards effective for annual periods beginning on or after January 1, 2020.
- Definition of a Business (Amendment to IFRS 3) effective for annual periods beginning on or after January 1, 2020.
- Definition of material (Amendment to IAS 1 and IAS 8) effective for annual periods beginning on or after January 1, 2020.
- IFRS 17 'Insurance contracts' was published on May 18, 2017 with the effective date of January 1, 2022. IFRS 17 provides comprehensive guidance on accounting for insurance contracts and investment contracts with discretionary participation features. For non-life and short-term life insurance contracts IFRS 17 introduces mandatory discounting of loss reserves as well as a risk adjustment for non-financial risk, for which confidence level equivalent disclosure will be required. Further, IFRS 17 will change the presentation of insurance contract revenue, as gross premium written will no longer be presented in profit or loss. At the date of publication of these financial statements, it was not practicable to quantify what the potential impact would be on the financial statements once IFRS 17 will be adopted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) available for optional adoption - effective date deferred indefinitely.
- IFRS 9 "Financial Instruments". The implementation of IFRS 9 is expected to result in a significant portion of financial assets currently classified as available-for-sale being re-classified at fair value through profit or loss or fair value through other comprehensive income (OCI). Credit allowances for financial assets carried at amortized cost and debt securities measured at fair value, with changes in fair value recognized in OCI, are expected to increase due to the introduction of the expected credit loss methodology. The Company will avail of the exemptions available to insurers and has deferred the implementation of IFRS 9 until a later date, but no later than January 1, 2022. The impact of the adoption of IFRS 9 on the Company's financial statements will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. At the date of publication of these financial statements, it was not practicable to quantify what the potential impact would be on the financial statements once IFRS 9 will be adopted.

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5. CASH AND CASH EQUIVALENTS

	Insurance operations	
	June 30, 2019 SR (Unaudited)	December 31, 2018 SR (Audited)
Cash in hand	20,000	-
Cash at banks		
- Current accounts	8,251,424	8,298,585
- Time deposits	38,666,203	64,744,141
	<u>46,937,627</u>	<u>73,042,726</u>
	Shareholders' operations	
	June 30, 2019 SR (Unaudited)	December 31, 2018 SR (Audited)
Cash in hand	-	-
Cash at banks		
- Current accounts	2,533,978	1,523,906
- Time deposits	-	66,943,687
Total	<u>2,533,978</u>	<u>68,467,593</u>
Total cash and cash equivalents	<u>49,471,605</u>	<u>141,510,319</u>

Deposits are placed with local banks with maturities of less than three-months and earn financial income at an average rate of 2.45% to 4.1% (December 31, 2018: 2.0% to 2.8%).

6. PREMIUMS AND INSURANCE BALANCES RECEIVABLE, NET

	Insurance operations	
	June 30, 2019 SR (Unaudited)	December 31, 2018 SR (Audited)
Premiums receivable	110,827,909	80,386,603
Receivables from insurance and reinsurance companies	1,745,339	598,390
Premiums and reinsurance receivables from related parties	810,690	6,512
	<u>113,383,938</u>	<u>80,991,505</u>
Less: allowance for doubtful debts, net	<u>(15,661,897)</u>	<u>(9,248,567)</u>
Premium and reinsurance receivable, net	<u>97,722,041</u>	<u>71,742,938</u>

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7. GOODWILL

The Company entered into a purchase agreement whereby it has purchased the insurance business operations in the Kingdom of Saudi Arabia of Ace Arabia Insurance Company BSC and International Insurance Company BSC. The purchase price was based on a valuation study conducted in accordance with the due diligence and valuation guidelines issued by SAMA and the value of goodwill was estimated at SR 43.77 million.

8. TRANSACTIONS WITH RELATED PARTIES

Related parties represent shareholders, companies related to shareholders (“affiliates”) and key management personnel and the entities controlled, jointly controlled or significantly influenced by such parties. The following are the details of major related parties’ transactions during the period and the related balances at the end of the period:

<i>Related parties</i>	<i>Nature of transactions</i>	For the six-months period ended June 30	
		2019	2018
		SR	SR
(Unaudited)			
Affiliates	Gross written premiums	533,287	930,434
	Rent	643,750	704,530
	Claim expenses	1,652,928	979,743
	Expenses	9,000	-
Board of Directors	Remuneration	712,500	712,500
	Meeting fee and expenses	1,063,136	524,898
Shareholders	Reinsurance premiums ceded	27,104,879	31,401,144
	Reinsurers’ share of gross claims	1,537,322	1,688,951
	Reinsurance commission income	4,356,335	3,798,715

- Amounts due from/ due to related parties, pertain to transactions conducted with affiliates.
- Prices and terms of payment for these transactions are approved by the management.

Remuneration and compensation of BOD Members and Executives

Key management personnel of the Company includes all directors, executive and non-executive, and senior management. The following table shows the salaries, remuneration and allowances obtained by the Board members and key management personnel for the period ended June 30, 2019 and 2018:

Period-ended June 30, 2019	BOD	BOD	Key
	members	members	management
	(Non-)	(Non-)	
	Executive)	Executive)	
	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and compensation	-	-	2,079,736
End of service indemnities	-	-	141,576
Travel expenses	25,107	311,529	-
Annual remuneration and meeting fees	163,500	1,275,500	-
Total	188,607	1,587,029	2,221,312

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8. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Period-ended June 30, 2018	BOD members (Executives) (Unaudited)	BOD members (Non- Executive) (Unaudited)	Key management (Unaudited)
Salaries and compensation	-	-	1,842,293
End of service indemnities	-	-	123,644
Travel expenses	3,428	109,470	-
Annual remuneration and meeting fees	130,000	994,500	-
Total	133,428	1,103,970	1,965,937

9. REINSURANCE BALANCES PAYABLE

	June 30, 2019 SR (Unaudited)	December 31, 2018 SR (Audited)
Related parties	19,016,264	10,432,831
Others	29,789,388	27,459,235
	48,805,652	37,892,066

10. STATUTORY DEPOSIT

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

In accordance with the instruction received from the Saudi Arabian Monetary Agency (SAMA) vide their circular dated March 1, 2016, the Company has disclosed the commission due on statutory deposit as at June 30, 2019 as an asset and a liability in these interim condensed financial statements.

11. SHARE CAPITAL

The authorised, issued and paid-up share capital is SR 200 million at June 30, 2019 consisting of 20 million shares (December 31, 2018: SR 200 million consisting of 20 million shares) of SR 10 each.

Shareholding structure of the Company is as below:

	June 30, 2019 (Unaudited) / December 31, 2018 (Audited)		
	Authorized and issued No. of Shares "000"	Paid up SAR "000"	
International Corporation For Trade and Contract Services	1,000	10,000	10,000
Elkhereiji Construction Company	1,000	10,000	10,000
Elkhereiji Trading & Electronics Company	1,000	10,000	10,000
Elkhereiji Investment Company	1,000	10,000	10,000
Elkehreiji Real Estate	2,000	20,000	20,000
Chubb Ina International Holding Co	6,000	60,000	60,000
General Public	8,000	80,000	80,000
Total	20,000	200,000	200,000

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12. CONTINGENCIES

Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business relating to policyholders insurance claims. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material impact on the Company's results or financial position.

13. ZAKAT AND INCOME TAX

(a) Income tax has been provided for based on the estimated taxable profit at the rate of 20% per annum.

The differences between the financial results and taxable income are mainly due to adjustments for certain costs/claims based on the relevant fiscal regulations.

Movement in the provision for zakat and income tax during the period/year

The movement in zakat and income tax provision is as follows:

	June 30, 2019 SR	December 31, 2018 SR
	(Unaudited)	(Audited)
At the beginning of the period/year	18,134,513	13,371,168
Provision for the period/year	2,731,882	8,196,066
Paid during the period/year	(4,474,422)	(3,432,721)
At the end of the period/year	<u>16,391,973</u>	<u>18,134,513</u>

(b) Shareholding subject to zakat and income tax

The following is the shareholding percentage for computation as at the end of the period/year:

	June 30, 2019 %	December 31, 2018 %
Shareholding subject to zakat	70	70
Shareholding subject to income tax	30	30

(c) Zakat and income tax assessments

In 2015, the General Authority of Zakat and Tax ("the GAZT") raised final assessments for the years ended December 31, 2009 to 2012 and claimed additional zakat and income tax liability including withholding tax amounting to SR 13.79 million. The management has filed an appeal against these assessments and believes that the outcome of this appeal will be in the favor of the Company. However, the Company has paid SR 14.9 million (including delay penalties and withholding tax) and also furnished a bank guarantee of SR 3.3 million in favor of GAZT to avoid any further delay penalties until the appeal against the assessments is finalised.

The Company has also received a provisional assessment for the years 2013 to 2015 where GAZT had requested for an additional zakat and income tax liability of SR 6.2 million. The management has also filed an appeal against this assessment. However the Company has submitted an additional bank guarantee amounting to SR 6.2 million to cover the full additional liability and to avoid delay penalties.

Zakat and income tax assessments have not been raised by the GAZT for the year 2016 or 2018.

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13. ZAKAT AND INCOME TAX (CONTINUED)

(d) The change in the accounting treatment for zakat and income tax (as explained in note 3) has the following impact on the line items of the statements of income, statement of financial position and changes in shareholders' equity:

As at and for the six month period ended 30 June 2018:

Financial statement impacted	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	Provision for zakat (retained earnings)	(2,542,219)	2,542,219	-
	Provision for income tax (retained earnings)	(1,399,246)	1,399,246	-
Statement of income	Zakat for the period	-	(2,542,219)	(2,542,219)
	Income tax for the period	-	(1,399,246)	(1,399,246)
	Earnings per share (expressed in SAR per share)	1.05	(0.20)	0.85

As at and for the three month period ended 30 June 2018:

Financial statement impacted	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	Provision for zakat (retained earnings)	(1,319,786)	1,319,786	-
	Provision for income tax (retained earnings)	(660,912)	660,912	-
Statement of income	Zakat for the period	-	(1,319,786)	(1,319,786)
	Income tax for the period	-	(660,912)	(660,912)
	Earnings per share (expressed in SAR per share)	0.51	(0.10)	0.41

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14. SURPLUS DISTRIBUTION PAYABLE

	June 30	December 31
	2019	2018
	SR	SR
	(Unaudited)	(Audited)
Opening surplus distribution payable	6,764,250	5,234,380
Total income attributed to the insurance operations	1,280,117	5,003,795
Surplus paid to policy holders	(293,080)	(3,473,925)
Closing surplus distribution payable	7,751,287	6,764,250

15. GROSS WRITTEN PREMIUM

Gross Written Premium - For the six months period June 30, 2019 (Unaudited)

Class	Individual	Very small	Small	Medium	Corporate	Total
Motor	5,475,505	684,751	2,225,202	6,946,663	33,357,164	48,689,285
Property and Casualty	363,790	1,591,133	5,013,088	7,723,555	80,524,003	95,215,569
Total	5,839,295	2,275,884	7,238,290	14,670,218	113,881,167	143,904,854

Gross Written Premium - For the six months period June 30, 2018 (Unaudited)

Class	Individual	Very small	Small	Medium	Corporate	Total
Motor	6,616,038	430,745	1,922,319	4,218,333	48,809,480	61,996,915
Property and Casualty	1,038,849	354,621	4,842,241	5,990,065	77,365,326	89,591,102
Total	7,654,887	785,366	6,764,560	10,208,398	126,174,806	151,588,017

Gross Written Premium - For the three months period June 30, 2019 (Unaudited)

Class	Individual	Very small	Small	Medium	Corporate	Total
Motor	1,508,123	229,873	726,461	2,344,391	5,315,395	10,124,243
Property and Casualty	76,422	962,631	3,146,583	1,295,952	35,257,752	40,739,340
Total	1,584,545	1,192,504	3,873,044	3,640,343	40,573,147	50,863,583

Gross Written Premium - For the three months period June 30, 2018 (Unaudited)

Class	Individual	Very small	Small	Medium	Corporate	Total
Motor	2,360,323	236,664	976,085	1,780,320	14,047,770	19,401,162
Property and Casualty	77,511	137,448	2,811,575	1,018,026	29,275,115	33,319,675
Total	2,437,834	374,112	3,787,660	2,798,346	43,322,885	52,720,837

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16. TECHNICAL RESERVES

16.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

	June 30, 2019 SR	December 31, 2018 SR
	(Unaudited)	(Audited)
Outstanding claims	43,291,641	46,098,352
Less: Realizable value of salvage and subrogation	(2,660,822)	(2,181,026)
	40,630,819	43,917,326
Claims incurred but not reported	60,396,672	67,524,759
Additional premium reserve	1,756,406	338,987
Other technical reserve	2,779,615	4,042,602
	105,563,512	115,823,674
Less:		
- Reinsurers' share of outstanding claims	(27,030,003)	(32,402,153)
- Reinsurers' share of claims incurred but not reported	(39,669,607)	(42,927,788)
Net outstanding claims and reserves	38,863,902	40,493,733

16.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

	Six-months ended June 30, 2019(Unaudited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the period	77,264,897	(51,629,690)	25,635,207
Premium written during the period	143,904,854	(80,168,836)	63,736,018
Premium earned during the period	(110,662,204)	67,111,684	(43,550,520)
Balance as at the end of the period	110,507,547	(64,686,842)	45,820,705
	Year-ended December 31, 2018 (Audited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the year	74,285,096	(44,255,912)	30,029,184
Premium written during the year	233,972,759	(137,034,260)	96,938,499
Premium earned during the year	(230,992,958)	129,660,482	(101,332,476)
Balance as at the end of the year	77,264,897	(51,629,690)	25,635,207

16.3 Movement in deferred policy acquisition costs

	June 30, 2019 SR	December 31, 2018 SR
	(Unaudited)	(Audited)
Balance as at the beginning of the period/year	4,305,281	4,912,113
Incurred during the period/year	10,001,748	17,641,071
Amortised during the period/year	(7,375,638)	(18,247,903)
Balance at the end of the period/year	6,931,391	4,305,281

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17. OPERATING SEGMENTS

For management purposes, the Company is organized into business segments classified as: Property, Engineering, Motor, Casualty and Others. Others include marine and other general insurance. These segments are the basis on which the Company reports its primary 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.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2018.

Segment results do not include allowance for doubtful debts, general and administrative expenses, dividend, interest and commission income, realized gain/(loss) on disposal of investment held for trading , unrealised gains/(losses) on investments held at fair value and other income.

Segment assets do not include cash and cash equivalents, premiums and insurance balances receivable, investments held for trading, investments available for sale, prepayments and other assets, term deposits, property and equipment, right to use assets, intangible assets, goodwill, statutory deposits and accrued income on statutory deposits. Accordingly, they are included in unallocated assets.

Segment liabilities and accumulated surplus do not include accounts payable, accrued expenses and other liabilities, lease liabilities, reinsurance balances payable, end-of-service indemnities, statutory deposit commission income payable and provision for zakat and income tax. Accordingly, they are included in unallocated liabilities.

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17. OPERATING SEGMENTS (CONTINUED)

For the six months period ended
June 30, 2019

	Property SR	Engineering SR	Motor SR	Casualty SR	Others SR	Total SR
	(Unaudited)					
REVENUE						
Gross written premiums	48,194,842	10,225,234	48,689,285	23,758,321	13,037,172	143,904,854
Less: Reinsurance premiums ceded						
Local	(2,877,638)	(779,144)	-	-	(218,109)	(3,874,891)
Foreign	(41,121,588)	(7,965,295)	(7,308,067)	(11,091,636)	(6,938,979)	(74,425,565)
Excess of loss expenses	(713,698)	(167,552)	(414,140)	(238,360)	(334,630)	(1,868,380)
Net premiums written	3,481,918	1,313,243	40,967,078	12,428,325	5,545,454	63,736,018
Change in unearned premiums, net	(8,843,412)	(1,533,820)	(16,482,031)	(4,806,846)	(1,576,541)	(33,242,650)
Changes in reinsurer share of unearned						
Premiums	8,180,923	1,311,533	2,244,796	738,903	580,997	13,057,152
Net premiums earned	2,819,429	1,090,956	26,729,843	8,360,382	4,549,910	43,550,520
Reinsurance commission income	5,020,947	1,790,839	1,423,152	1,414,501	1,284,257	10,933,696
TOTAL REVENUE	7,840,376	2,881,795	28,152,995	9,774,883	5,834,167	54,484,216
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid and other expenses	(1,951,578)	(7,055,834)	(15,308,118)	(1,351,175)	(1,185,737)	(26,852,442)
Expenses incurred related to claims	(189,356)	(61,215)	(912,452)	(90,515)	(72,086)	(1,325,624)
Reinsurers' share of gross claims paid	2,098,575	6,507,759	2,182,276	120,204	732,421	11,641,235
Net claims paid	(42,359)	(609,290)	(14,038,294)	(1,321,486)	(525,402)	(16,536,831)
Changes in outstanding claims	2,389,015	5,739,584	(1,393,942)	(3,405,313)	(42,837)	3,286,507
Changes in reinsurers' share of outstanding						
Claims	(2,407,804)	(5,853,541)	364,667	2,655,832	(131,304)	(5,372,150)
Changes in claims incurred but not reported,	5,683,283	979,765	2,809,506	(1,671,712)	(672,755)	7,128,087
Changes in reinsurance share of claims						
incurred but not reported	(5,644,318)	(121,197)	(907,126)	2,693,022	721,438	(3,258,181)
Net claims incurred	(22,183)	135,321	(13,165,189)	(1,049,657)	(650,860)	(14,752,568)
Changes in additional premium reserve	(813,234)	111,661	-	-	(715,846)	(1,417,419)
Changes in other technical reserves	951,162	283,183	(20,137)	(15,887)	64,666	1,262,987
Policy acquisition costs	(2,222,248)	(559,657)	(2,488,621)	(1,417,816)	(687,296)	(7,375,638)
Other underwriting expenses	(442,099)	(223,258)	(426,886)	(327,338)	(240,122)	(1,659,703)
TOTAL UNDERWRITING COSTS AND EXPENSES	(2,548,602)	(252,750)	(16,100,833)	(2,810,698)	(2,229,458)	(23,942,341)
NET UNDERWRITING INCOME	5,291,774	2,629,045	12,052,162	6,964,185	3,604,709	30,541,875
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts						(6,413,330)
General and administrative expenses						(17,257,129)
Dividend , interest and commission Income						4,904,089
Realized gain/(loss) on disposal of investment held for trading						80,126
Unrealised gains/(losses) on investments held at fair value						1,834,963
Other income						1,047,914
TOTAL OTHER OPERATING EXPENSES						(15,803,367)
Total income for the period before zakat and income tax						14,738,508
Zakat and income tax for the period						(2,731,882)
NET INCOME FOR THE PERIOD						12,006,626
Total income for the period attributable to insurance operations						(1,280,117)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS						10,726,509

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

17. OPERATING SEGMENTS (CONTINUED)

For the three months period ended June 30, 2019	Property SR	Engineering SR	Motor SR	Casualty SR	Others SR	Total SR
	(Unaudited)					
REVENUE						
Gross written premiums	19,959,823	5,260,597	10,124,243	11,331,391	4,187,529	50,863,583
Less: Reinsurance premiums ceded						
Local	(135,838)	(372,685)	-	-	310,484	(198,039)
Foreign	(18,253,666)	(4,306,066)	(1,521,752)	(5,978,316)	(2,387,890)	(32,447,690)
Excess of loss expenses	(356,848)	(83,777)	(207,071)	(119,179)	(167,317)	(934,192)
Net premiums written	1,213,471	498,069	8,395,420	5,233,896	1,942,806	17,283,662
Change in unearned premiums	(524,659)	(1,207,731)	5,767,768	(2,634,429)	3,627,129	5,028,078
Changes in reinsurer share of unearned premiums	523,180	1,105,598	(468,616)	997,981	(2,645,291)	(487,148)
Net premiums earned	1,211,992	395,936	13,694,572	3,597,448	2,924,644	21,824,592
Reinsurance commission income	2,563,593	828,294	586,443	618,820	753,460	5,350,610
TOTAL REVENUE	3,775,585	1,224,230	14,281,015	4,216,268	3,678,104	27,175,202
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(1,801,566)	(3,514,878)	(7,511,669)	(636,019)	(836,663)	(14,300,795)
Expenses incurred related to claims	(150,641)	21,715	(471,625)	(31,365)	(40,297)	(672,213)
Reinsurers' share of gross claims paid	1,914,380	3,339,304	1,191,774	55,643	438,823	6,939,924
Net claims paid	(37,827)	(153,859)	(6,791,520)	(611,741)	(438,137)	(8,033,084)
Changes in outstanding claims	3,457,492	2,013,771	988,777	(3,556,172)	512,249	3,416,117
Changes in reinsurers' share of outstanding claims	(3,528,567)	(2,590,751)	(40,006)	2,367,641	(388,768)	(4,180,451)
Changes in claims incurred but not reported,	-	-	(167,026)	-	-	(167,026)
Changes in reinsurance share of claims incurred but not reported	-	-	(953,742)	-	-	(953,742)
Net claims incurred	(108,902)	(730,839)	(6,963,517)	(1,800,272)	(314,656)	(9,918,186)
Changes in additional premium reserve	-	82,628	-	-	-	82,628
Changes in other technical reserves	735,135	151,365	(125,534)	53,686	94,560	909,212
Policy acquisition costs	(1,116,668)	(258,358)	(1,025,192)	(625,609)	(386,525)	(3,412,352)
Other underwriting expenses	(258,822)	(132,072)	(173,710)	(164,288)	(86,893)	(815,785)
TOTAL UNDERWRITING COSTS AND EXPENSES	(749,257)	(887,276)	(8,287,953)	(2,536,483)	(693,514)	(13,154,483)
NET UNDERWRITING INCOME	3,026,328	336,954	5,993,062	1,679,785	2,984,590	14,020,719
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts						(5,495,409)
General and administrative expenses						(8,811,510)
Dividend, interest and commission Income						2,678,551
Realized gain/(loss) on disposal of investment held for trading						(1,634)
Unrealised gains/(losses) on investments held at fair value						1,088,037
Other income						638,446
TOTAL OTHER OPERATING EXPENSES						(9,903,519)
Total income for the period before zakat and income tax						4,117,200
Zakat and income tax for the period						(782,424)
TOTAL INCOME FOR THE PERIOD						3,334,776
Total income for the period attributable to insurance operations						(293,830)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS						3,040,946

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

17. OPERATING SEGMENTS (CONTINUED)

For the six months period ended
June 30, 2018

	Property SR	Engineering SR	Motor SR	Casualty SR	Others SR	Total SR
	(Unaudited)					
REVENUE						
Gross written premiums	45,824,192	7,961,279	61,996,915	19,488,352	16,317,279	151,588,017
Less: Reinsurance premiums ceded						
Local	(3,071,307)	(555,236)		(83,938)	(236,190)	(3,946,671)
Foreign	(37,185,998)	(5,926,388)	(9,807,333)	(7,129,278)	(8,474,934)	(68,523,931)
Excess of loss expenses	(748,235)	(290,980)	(477,841)	(246,161)	(440,415)	(2,203,632)
Net premiums written	4,818,652	1,188,675	51,711,741	12,028,975	7,165,740	76,913,783
Change in unearned premiums,	(8,884,853)	1,015,928	(24,155,545)	(1,745,410)	(854,439)	(34,624,319)
Changes in reinsurer share of unearned premiums	6,855,349	(750,572)	6,100,187	(1,544,890)	216,684	10,876,758
Net premiums earned	2,789,148	1,454,031	33,656,383	8,738,675	6,527,985	53,166,222
Reinsurance commission income	4,738,733	1,828,938	969,528	1,360,458	1,485,888	10,383,545
TOTAL REVENUE	7,527,881	3,282,969	34,625,911	10,099,133	8,013,873	63,549,767
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(5,658,280)	(822,876)	(15,845,108)	(631,844)	(2,001,592)	(24,959,700)
Expenses incurred related to claims	(247,779)	(54,209)	(803,350)	(18,044)	(137,519)	(1,260,901)
Reinsurers' share of gross claims paid	3,657,723	779,907	871,569	27,416	1,458,042	6,794,657
Net claims paid	(2,248,336)	(97,178)	(15,776,889)	(622,472)	(681,069)	(19,425,944)
Changes in outstanding claims	5,293,718	57,111	(1,546,698)	(274,991)	841,533	4,370,673
Changes in reinsurers' share of outstanding claims	(2,620,929)	(74,952)	707,045	83,956	(730,149)	(2,635,029)
Changes in claims incurred but not reported,	(1,430,807)	(1,118,979)	(318,244)	5,237,813	(2,382,037)	(12,254)
Changes in reinsurance share of claims incurred but not reported	1,900,936	2,303,335	755,851	(4,606,705)	1,609,993	1,963,410
Net claims incurred	894,582	1,069,337	(16,178,935)	(182,399)	(1,341,729)	(15,739,144)
Changes in additional premium reserve	664,273	(1,010,027)			31,862	(313,892)
Changes in other technical reserves	828,232	(10,905)	(66,864)	51,003	(19,612)	781,854
Policy acquisition costs	(2,134,249)	(681,175)	(3,734,395)	(1,540,896)	(1,274,917)	(9,365,632)
Other underwriting expenses	(299,159)	(122,426)	(457,323)	(174,773)	(235,907)	(1,289,588)
TOTAL UNDERWRITING COSTS AND EXPENSES	(46,321)	(755,196)	(20,437,517)	(1,847,065)	(2,840,303)	(25,926,402)
NET UNDERWRITING INCOME	7,481,560	2,527,773	14,188,394	8,252,068	5,173,570	37,623,365
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts						(3,164,981)
General and administrative expenses						(15,814,697)
Dividend, interest and commission income						2,916,084
Realized gain/(loss) on disposal of investment held for trading						(59,023)
Unrealised gains/(losses) on investments held at fair value						284,228
Other income						1,412,483
TOTAL OTHER OPERATING EXPENSES						(14,425,906)
Total income for the period before zakat and income tax						23,197,459
Zakat and income tax for the period						(3,941,465)
Total income for the period						19,255,994
Total income for the period attributable to insurance operations						(2,288,469)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS						16,967,525

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

17. SEGMENTAL STATMENTS (CONTINUED)

For the three months period ended June 30, 2018

	Property SR	Engineering SR	Motor SR	Casualty SR	Others SR	Total SR
	(Unaudited) Restated					
REVENUE						
Gross written premiums	17,836,327	3,963,752	19,401,162	7,663,570	3,856,026	52,720,837
Less: Reinsurance premiums ceded						
Local	(1,600,507)	(276,357)			(79,604)	(1,956,468)
Foreign	(13,422,326)	(3,004,046)	(3,435,943)	(2,776,958)	(1,567,687)	(24,206,960)
Excess of loss expenses	(374,117)	(145,489)	(238,921)	(123,080)	(220,206)	(1,101,813)
Net premiums written	2,439,377	537,860	15,726,298	4,763,532	1,988,529	25,455,596
Change in unearned premiums	1,333,187	675,956	366,284	883,875	7,002,081	10,261,383
Changes in reinsurer share of unearned premiums	(2,314,615)	(479,910)	1,117,955	(1,086,780)	(4,841,789)	(7,605,139)
Net premiums earned	1,457,949	733,906	17,210,537	4,560,627	4,148,821	28,111,840
Reinsurance commission income	2,288,150	914,027	615,112	578,844	927,205	5,323,338
TOTAL REVENUE	3,746,099	1,647,933	17,825,649	5,139,471	5,076,026	33,435,178
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(458,301)	(402,880)	(8,869,439)	(528,248)	(1,002,795)	(11,261,663)
Expenses incurred related to claims	(42,574)	(28,511)	(421,416)	(11,287)	(102,106)	(605,894)
Reinsurers' share of gross claims paid	497,641	404,138	649,136	12,146	889,240	2,452,301
Net claims paid	(3,234)	(27,253)	(8,641,719)	(527,389)	(215,661)	(9,415,256)
Changes in outstanding claims	(34,539)	621,186	(239,266)	(611,051)	(920,882)	(1,184,552)
Changes in reinsurers' share of outstanding claims	114,953	(653,911)	477,030	385,369	630,505	953,946
Changes in claims incurred but not reported	589,470	(245,551)	2,545,115	(1,543,237)	(712,201)	633,596
Changes in reinsurance share of claims incurred but not reported	(948,209)	380,983	(30,717)	2,269,708	(252,288)	1,419,477
Net claims incurred	(281,559)	75,454	(5,889,557)	(26,600)	(1,470,527)	(7,592,789)
Changes in additional premium reserve	-	(610,649)				(610,649)
Changes in other technical reserves	5,722	650	93,430	(18,487)	(11,726)	69,589
Policy acquisition costs	(1,075,455)	(322,219)	(1,931,854)	(708,225)	(730,094)	(4,767,847)
Other underwriting expenses	(105,100)	(42,360)	(115,489)	(56,802)	(55,851)	(375,602)
TOTAL UNDERWRITING COSTS AND EXPENSES	(1,456,392)	(899,124)	(7,843,470)	(810,114)	(2,268,198)	(13,277,298)
NET UNDERWRITING INCOME	2,289,707	748,809	9,982,179	4,329,357	2,807,828	20,157,880
OTHER OPERATING (EXPENSES)/INCOME						
Allowance for doubtful debts						(3,357,104)
General and administrative expenses						(8,083,627)
Dividend, interest and commission income						1,684,610
Realized gain/(loss) on disposal of investment held for trading						(5,985)
Unrealised gains/(losses) on investments held at fair value						137,724
Other income						857,414
TOTAL OTHER OPERATING EXPENSES						(8,766,968)
Total income for the period before zakat and income tax						11,390,912
Zakat and income tax for the period						(1,980,698)
Total income for the period						9,410,214
Total income for the period attributable to insurance operations						(1,121,183)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS						8,289,031

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

17. OPERATING SEGMENTS (CONTINUED)

As at June 30, 2019

	Property Engineering		Motor	Casualty		Others	Insurance operations		Shareholders' operations	Total	
	SR	SR		SR	SR		SR	SR		SR	SR
(Unaudited)											
Assets											
Reinsurers' share of unearned premiums	35,753,652	10,428,146	5,073,207	11,050,694	2,381,143	64,686,842	-	-	-	-	64,686,842
Reinsurers' share of outstanding claims	16,877,955	4,263,939	1,239,556	3,133,376	1,515,177	27,030,003	-	-	-	-	27,030,003
Reinsurers' share of claims incurred but not reported	26,690,147	4,302,986	574,819	4,658,979	3,442,676	39,669,607	-	-	-	-	39,669,607
Deferred policy acquisition costs	2,062,122	877,155	2,386,230	1,182,374	423,510	6,931,391	-	-	-	-	6,931,391
Unallocated assets	-	-	-	-	-	196,941,914	311,293,457	508,235,371	-	-	-
TOTAL ASSETS	81,383,876	19,872,226	9,273,812	20,025,423	7,762,506	335,259,757	311,293,457	646,553,214	-	-	-
Liabilities											
Gross unearned premiums	38,741,703	11,860,948	33,978,044	20,851,802	5,075,050	110,507,547	-	-	-	-	110,507,547
Unearned reinsurance commission income	5,203,141	2,416,603	1,546,472	1,110,357	580,724	10,857,297	-	-	-	-	10,857,297
Gross outstanding claims	18,061,776	5,475,543	5,344,444	8,444,393	3,304,663	40,630,819	-	-	-	-	40,630,819
Claims incurred but not reported	29,836,510	5,493,392	8,722,684	9,306,963	7,037,123	60,396,672	-	-	-	-	60,396,672
Additional premium reserve	1,038,904	-	-	-	717,502	1,756,406	-	-	-	-	1,756,406
Other technical reserves	724,524	319,704	1,021,678	390,927	322,782	2,779,615	-	-	-	-	2,779,615
Unallocated liabilities	-	-	-	-	-	88,377,391	20,600,214	108,977,605	-	-	-
TOTAL LIABILITIES	93,606,558	25,566,190	50,613,322	40,104,442	17,037,844	315,305,747	20,600,214	335,905,961	-	-	-

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

17. OPERATING SEGMENTS (CONTINUED)

As at December 31, 2018

	Property		Engineering		Motor		Casualty		Others		Total - Insurance operations		Shareholders' operations		Total	
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
(Unaudited)																
Assets																
Reinsurers' share of unearned premiums	27,572,729	9,116,613	2,828,411	10,311,791	1,800,146	51,629,690	-	-	-	-	51,629,690	-	-	-	-	51,629,690
Reinsurers' share of outstanding claims	19,285,759	10,117,480	874,889	477,544	1,646,481	32,402,153	-	-	-	-	32,402,153	-	-	-	-	32,402,153
Reinsurers' share of claims incurred but not reported	32,334,465	4,424,183	1,481,945	1,965,957	2,721,238	42,927,788	-	-	-	-	42,927,788	-	-	-	-	42,927,788
Deferred policy acquisition costs	960,091	474,423	1,391,635	1,168,997	310,135	4,305,281	-	-	-	-	4,305,281	-	-	-	-	4,305,281
Unallocated assets	-	-	-	-	-	185,745,255	-	-	-	-	185,745,255	-	-	-	-	185,745,255
TOTAL ASSETS	80,153,044	24,132,699	6,576,880	13,924,289	6,478,000	317,010,167	273,497,283	273,497,283	273,497,283	273,497,283	590,507,450	22,041,283	22,041,283	22,041,283	22,041,283	590,507,450
Liabilities																
Gross unearned premiums	29,898,291	10,327,128	17,496,013	16,044,956	3,498,509	77,264,897	-	-	-	-	77,264,897	-	-	-	-	77,264,897
Unearned reinsurance commission income	2,614,584	1,892,200	724,932	1,347,781	530,798	7,110,295	-	-	-	-	7,110,295	-	-	-	-	7,110,295
Gross outstanding claims	20,450,791	11,215,127	3,950,502	5,039,080	3,261,826	43,917,326	-	-	-	-	43,917,326	-	-	-	-	43,917,326
Claims incurred but not reported	35,519,793	6,473,157	11,532,190	7,635,251	6,364,368	67,524,759	-	-	-	-	67,524,759	-	-	-	-	67,524,759
Additional premium reserve	225,670	111,661	-	-	1,656	338,987	-	-	-	-	338,987	-	-	-	-	338,987
Other technical reserves	1,675,686	602,887	1,001,541	375,040	387,448	4,042,602	-	-	-	-	4,042,602	-	-	-	-	4,042,602
Unallocated liabilities	-	-	-	-	-	69,333,594	-	-	-	-	69,333,594	-	-	-	-	69,333,594
TOTAL LIABILITIES	90,384,815	30,622,160	34,705,178	30,442,108	14,044,605	269,532,460	22,041,283	22,041,283	22,041,283	22,041,283	291,573,743	22,041,283	22,041,283	22,041,283	22,041,283	291,573,743

Geographical segments

All the assets and liabilities of the Company are located in the Kingdom of Saudi Arabia except for certain investments held in countries domiciled in the Gulf Cooperation Council ("GCC").

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019**

18. FAIR VALUE 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 between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability

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 or identical instrument that an entity can access at the measurement date;

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.

The fair values of financial assets and liabilities are not materially different from their carrying values at the interim statement of financial position date.

a) Investment securities are classified as follows:

	Insurance operations		Shareholders' operations	
	June 30, 2019 SR	December 31, 2018 SR	June 30, 2019 SR	December 31, 2018 SRs
	Unaudited	Audited	Unaudited	Audited
Investments held for trading	37,087,490	36,028,138	55,655,848	46,738,086
Investments available for sale	-	-	1,932,078	1,932,078
	37,087,490	36,028,138	57,587,926	48,670,164

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

18. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Investment securities are classified as follows:

i) Investments held for trading:

a) Category wise analysis is as follows:

<u>Insurance Operations</u>	Domestic		International		Total	
	June 30, 2019 SR Unaudited	December 31, 2018 SR Audited	June 30, 2019 SR Unaudited	December 31, 2018 SR Audited	June 30, 2019 SR Unaudited	December 31, 2018 SR Audited
Sukuks and bonds	11,424,235	8,455,503	14,704,757	16,930,277	26,128,992	25,385,780
Equity securities	10,958,498	10,642,358	-	-	10,958,498	10,642,358
	22,382,733	19,097,861	14,704,757	16,930,277	37,087,490	36,028,138
<u>Shareholders' Operations</u>	Domestic		International		Total	
	June 30, 2019 SR Unaudited	December 31, 2018 SR Audited	June 30, 2019 SR Unaudited	December 31, 2018 SR Audited	June 30, 2019 SR Unaudited	December 31, 2018 SR Audited
Sukuks and bonds	22,363,775	10,969,039	19,075,983	21,963,077	41,439,758	32,932,116
Equity securities	14,216,090	13,805,970	-	-	14,216,090	13,805,970
	36,579,865	24,775,009	19,075,983	21,963,077	55,655,848	46,738,086

Movement in the investment held for trading balance is as follows:

	Insurance operations		Shareholders' operations	
	30 June 2019 SR (Unaudited)	31 December 2018 SR (Audited)	30 June 2019 SR (Unaudited)	31 December 2018 SR (Audited)
At the beginning of the period/year	36,028,138	29,108,064	46,738,086	46,320,848
Acquisitions during the period/year	8,023,814	8,986,905	17,909,025	11,658,409
Disposals during the period/year	(7,779,165)	(1,280,925)	(10,091,649)	(11,674,100)
Unrealised (losses)/gains on investments held for trading	779,824	(746,220)	1,055,139	(968,046)
Realised losses	34,879	(39,686)	45,247	1,400,975
At the end of the period/year	37,087,490	36,028,138	55,655,848	46,738,086

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18. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<i>June 30, 2019 (Unaudited)</i>					
	Carrying value SR	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Investments held for trading	92,743,338	92,743,338	-	-	92,743,338
	<u>92,743,338</u>	<u>92,743,338</u>	<u>-</u>	<u>-</u>	<u>92,743,338</u>
<i>December 31, 2018 (Audited)</i>					
	Carrying value SR	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Investments held for trading	82,766,224	82,766,224	-	-	82,766,224
	<u>82,766,224</u>	<u>82,766,224</u>	<u>-</u>	<u>-</u>	<u>82,766,224</u>

During the year, there has been no transfer between level 1, level 2 and level 3.

19. EARNINGS PER SHARE FOR THE PERIOD

Earnings per share for the period has been calculated by dividing the net income for the period by the weighted average number of outstanding shares during the period. The earning per share for the comparative period has been adjusted retrospectively to reflect the increase in share capital as required by the relevant accounting standard.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

20. SUPPLEMENTARY STATEMENTS

As required by the Implementing Regulations, the interim statement of financial position, interim statement of income and interim statement of cash flows are separately disclosed for both insurance operations and shareholders operations are as follows:

a) Interim statement of financial position

	Note	June 30, 2019			December 31, 2018		
		Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SR	SR	SR	SR	SR	SR
		(Unaudited)			(Audited)		
Cash and cash equivalents	5	46,937,627	2,533,978	49,471,605	73,042,726	68,467,593	141,510,319
Premiums and insurance balances receivable	6	97,722,041	-	97,722,041	71,742,938	-	71,742,938
Reinsurers' share of unearned premiums	14.2	64,686,842	-	64,686,842	51,629,690	-	51,629,690
Reinsurers' share of outstanding claims	14.1	27,030,003	-	27,030,003	32,402,153	-	32,402,153
Reinsurers' share of claims incurred but not reported	14.1	39,669,607	-	39,669,607	42,927,788	-	42,927,788
Deferred policy acquisition costs		6,931,391	-	6,931,391	4,305,281	-	4,305,281
Investments held for trading	16	37,087,490	55,655,848	92,743,338	36,028,138	46,738,086	82,766,224
Investments available for sale	16	-	1,932,078	1,932,078	-	1,932,078	1,932,078
Prepayments and other assets		3,325,767	12,303,541	15,629,308	3,823,631	11,873,804	15,697,435
Term deposits		8,061,293	173,569,854	181,631,147	-	79,467,701	79,467,701
Property and equipment		315,859	-	315,859	387,427	-	387,427
Right of use assets		2,696,249	-	2,696,249	-	-	-
Intangible assets		795,588	-	795,588	720,395	-	720,395
Goodwill	7	-	43,774,750	43,774,750	-	43,774,750	43,774,750
Statutory deposit	10	-	20,000,000	20,000,000	-	20,000,000	20,000,000
Statutory deposit commission income	10	-	1,523,408	1,523,408	-	1,243,271	1,243,271
Amounts due from insurance operations		1,040,031	14,142,125	15,182,156	3,421,327	45,034,155	48,455,482
TOTAL ASSETS		336,299,788	325,435,582	661,735,370	320,431,494	318,531,438	638,962,932
Less: inter-operations elimination		(1,040,031)	(14,142,125)	(15,182,156)	(3,421,327)	(45,034,155)	(48,455,482)
TOTAL ASSETS AS PER INTERIM STATEMENT OF FINANCIAL POSITION		335,259,757	311,293,457	646,553,214	317,010,167	273,497,283	590,507,450

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

20. SUPPLEMENTARY STATEMENTS (CONTINUED)

a) Interim statement of financial position (Continued)

	June 30, 2019			December 31, 2018			
	Note	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SR	SR	SR	SR	SR	SR
		(Unaudited)		(Audited)			
Accounts payable		21,114,605		21,114,605	17,570,524	-	17,570,524
Accrued expenses and other liabilities		8,953,106	2,684,833	11,637,939	6,696,828	2,663,499	9,360,327
Lease liabilities		2,153,971	-	2,153,971	-	-	-
Reinsurance balances payable	9	48,805,652	-	48,805,652	37,892,066	-	37,892,066
Gross unearned premiums	14.2	110,507,547	-	110,507,547	77,264,897	-	77,264,897
Unearned reinsurance commission income		10,857,297	-	10,857,297	7,110,295	-	7,110,295
Gross outstanding claims	14.1	40,630,819	-	40,630,819	43,917,326	-	43,917,326
Claims incurred but not reported	14.1	60,396,672	-	60,396,672	67,524,759	-	67,524,759
Additional premium reserves	14.1	1,756,406	-	1,756,406	338,987	-	338,987
Other technical reserves	14.1	2,779,615	-	2,779,615	4,042,602	-	4,042,602
End-of-service indemnities		7,350,057	-	7,350,057	7,174,176	-	7,174,176
Statutory deposit commission income payable	10	-	1,523,408	1,523,408	-	1,243,271	1,243,271
Provision for zakat and income tax	13	-	16,391,973	16,391,973	-	18,134,513	18,134,513
Amounts due to shareholders' operations		14,142,125	1,040,031	15,182,156	45,034,155	3,421,327	48,455,482
TOTAL LIABILITIES		329,447,872	21,640,245	351,088,117	314,566,615	25,462,610	340,029,225
Less: inter-operations elimination		(14,142,125)	(1,040,031)	(15,182,156)	(45,034,155)	(3,421,327)	(48,455,482)
TOTAL LIABILITIES AS PER INTERIM STATEMENT OF FINANCIAL POSITION		315,305,747	20,600,214	335,905,961	269,532,460	22,041,283	291,573,743
SHAREHOLDERS' EQUITY							
Share capital	11	-	200,000,000	200,000,000	-	200,000,000	200,000,000
Statutory reserve		-	30,353,079	30,353,079	-	28,207,777	28,207,777
Retained earnings		-	73,442,258	73,442,258	-	64,861,051	64,861,051
TOTAL EQUITY		-	303,795,337	303,795,337	-	293,068,828	293,068,828
SURPLUS INSURANCE OPERATIONS							
Accumulated surplus payable		7,751,287	-	7,751,287	6,764,250	-	6,764,250
Reserve for re-measurement of actuarial loss on obligations		(899,371)	-	(899,371)	(899,371)	-	(899,371)
		6,851,916	-	6,851,916	5,864,879	-	5,864,879
TOTAL ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY		6,851,916	303,795,337	310,647,253	5,864,879	293,068,828	298,933,707
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY		322,157,663	324,395,551	646,553,214	275,397,339	315,110,111	590,507,450

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019

20. SUPPLEMENTARY STATEMENTS (CONTINUED)

b) Interim statement of income	Note	Six months period ended June 30, 2019			Six months period ended June 30, 2018		
		Insurance operations SR	Shareholders' operations SR	Total SR	Insurance operations SR	Shareholders' operations SR	Total SR
		(Unaudited)			(Unaudited) Restated		
REVENUE							
Gross written premiums	8	143,904,854	-	143,904,854	151,588,017	-	151,588,017
Less: Reinsurance premiums ceded	8						
Local		(3,874,891)	-	(3,874,891)	(3,946,671)	-	(3,946,671)
Foreign		(74,425,565)	-	(74,425,565)	(68,523,931)	-	(68,523,931)
Excess of loss premiums		(1,868,380)	-	(1,868,380)	(2,203,632)	-	(2,203,632)
Net premiums written		63,736,018	-	63,736,018	76,913,783	-	76,913,783
Changes in unearned premiums		(33,242,650)	-	(33,242,650)	(34,624,319)	-	(34,624,319)
Changes in reinsurer share of unearned premiums		13,057,152	-	13,057,152	10,876,758	-	10,876,758
Net premiums earned		43,550,520	-	43,550,520	53,166,222	-	53,166,222
Reinsurance commissions		10,933,696	-	10,933,696	10,383,545	-	10,383,545
TOTAL REVENUE		54,484,216	-	54,484,216	63,549,767	-	63,549,767
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid and other expenses		(26,852,442)	-	(26,852,442)	(24,959,700)	-	(24,959,700)
Expenses incurred related to claims		(1,325,624)	-	(1,325,624)	(1,260,901)	-	(1,260,901)
Reinsurers' share of gross claims paid		11,641,235	-	11,641,235	6,794,657	-	6,794,657
NET CLAIMS AND OTHER BENEFITS PAID		(16,536,831)	-	(16,536,831)	(19,425,944)	-	(19,425,944)
Changes in outstanding claims		3,286,507	-	3,286,507	4,370,673	-	4,370,673
Changes in reinsurer outstanding claims		(5,372,150)	-	(5,372,150)	(2,635,029)	-	(2,635,029)
Changes in claims incurred but not reported		7,128,087	-	7,128,087	(12,254)	-	(12,254)
Changes in reinsurer share of IBNR		(3,258,181)	-	(3,258,181)	1,963,410	-	1,963,410
Net claims incurred		(14,752,568)	-	(14,752,568)	(15,739,144)	-	(15,739,144)
Changes in additional premium reserve		(1,417,419)	-	(1,417,419)	(313,892)	-	(313,892)
Changes in other technical reserves		1,262,987	-	1,262,987	781,854	-	781,854
Policy acquisition costs		(7,375,638)	-	(7,375,638)	(9,365,632)	-	(9,365,632)
Other underwriting expenses		(1,659,703)	-	(1,659,703)	(1,289,588)	-	(1,289,588)
TOTAL UNDERWRITING COSTS AND		(23,942,341)	-	(23,942,341)	(25,926,402)	-	(25,926,402)
NET UNDERWRITING INCOME		30,541,875	-	30,541,875	37,623,365	-	37,623,365
OTHER OPERATING (EXPENSES) / INCOME							
Allowance for doubtful debts		(6,413,330)	-	(6,413,330)	(3,164,981)	-	(3,164,981)
General and administrative expenses	8	(14,477,207)	(2,779,922)	(17,257,129)	(13,624,287)	(2,190,410)	(15,814,697)
Dividend, interest and Commission Income		1,287,218	3,616,871	4,904,089	1,176,474	1,739,610	2,916,084
Realized gain/(loss) on disposal of investment held		34,879	45,247	80,126	(25,693)	(33,330)	(59,023)
Unrealised gains/(losses) on investments held at fair		779,824	1,055,139	1,834,963	(512,671)	796,899	284,228
Others income		1,047,914	-	1,047,914	1,412,483	-	1,412,483
TOTAL OTHER OPERATING EXPENSES		(17,740,702)	1,937,335	(15,803,367)	(14,738,675)	312,769	(14,425,906)
Total income for the period before zakat and		12,801,173	1,937,335	14,738,508	22,884,690	312,769	23,197,459
Zakat and income tax for the period		-	(2,731,882)	(2,731,882)	-	(3,941,465)	(3,941,465)
NET INCOME FOR THE PERIOD		12,801,173	(794,547)	12,006,626	22,884,690	(3,628,696)	19,255,994
Surplus transferred to Shareholders		(11,521,056)	11,521,056	-	(20,596,221)	20,596,221	-
Net result from insurance operations after							
shareholders' transfer of surplus to Shareholders		1,280,117	10,726,509	12,006,626	2,288,469	16,967,525	19,255,994

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019**

20. SUPPLEMENTARY STATEMENTS (CONTINUED)

c) Interim statement of comprehensive income

	Six months ended June 30, 2019			Six months ended June 30, 2018		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR	SR	SR	SR	SR	SR
Note	(Unaudited)			(Unaudited)		
Total income from the period	1,280,117	10,726,509	12,006,626	2,288,469	16,967,525	19,255,994
Items that will not be reclassified to statement of income						
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,280,117	10,726,509	12,006,626	2,288,469	16,967,525	19,255,994
Weighted average number of outstanding shares (adjusted)	11	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Earnings per share for the period (adjusted)	17	0.54		0.85		

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20. SUPPLEMENTARY STATEMENTS (CONTINUED)

d) Interim statement of income	Three months ended June 30, 2019			Three months ended June 30, 2018			
	Note	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SR	SR	SR	SR	SR	SR
		(Unaudited)		(Unaudited) Restated			
REVENUE							
Gross written premiums	8	50,863,583	-	50,863,583	52,720,837	-	52,720,837
Less: Reinsurance premiums ceded	(8)						
Local		(198,039)	-	(198,039)	(1,956,468)	-	(1,956,468)
Foreign		(32,447,690)	-	(32,447,690)	(24,206,960)	-	(24,206,960)
Excess of loss premiums		(934,192)	-	(934,192)	(1,101,813)	-	(1,101,813)
Net premiums written		17,283,662	-	17,283,662	25,455,596	-	25,455,596
Changes in unearned premiums		5,028,078	-	5,028,078	10,261,383	-	10,261,383
Changes in reinsurer share of unearned premiums		(487,148)	-	(487,148)	(7,605,139)	-	(7,605,139)
Net premiums earned		21,824,592	-	21,824,592	28,111,840	-	28,111,840
Reinsurance commissions		5,350,610	-	5,350,610	5,323,338	-	5,323,338
TOTAL REVENUE		27,175,202	-	27,175,202	33,435,178	-	33,435,178
UNDERWRITING COSTS AND EXPENSES							
Gross claims paid and other expenses		(14,300,795)	-	(14,300,795)	(11,261,663)	-	(11,261,663)
Expenses incurred related to claims		(672,213)	-	(672,213)	(605,894)	-	(605,894)
Reinsurers' share of gross claims paid		6,939,924	-	6,939,924	2,452,301	-	2,452,301
NET CLAIMS AND OTHER BENEFITS PAID		(8,033,084)	-	(8,033,084)	(9,415,256)	-	(9,415,256)
Changes in outstanding claims		3,416,117	-	3,416,117	(1,184,552)	-	(1,184,552)
Changes in reinsurer share of outstanding claims		(4,180,451)	-	(4,180,451)	953,946	-	953,946
Changes in claims incurred but not reported		(167,026)	-	(167,026)	633,596	-	633,596
Changes in reinsurer share of incurred but not reported		(953,742)	-	(953,742)	1,419,477	-	1,419,477
Net claims incurred		(9,918,186)	-	(9,918,186)	(7,592,789)	-	(7,592,789)
Changes in additional premium reserve		82,628	-	82,628	(610,649)	-	(610,649)
Changes in other technical reserves		909,212	-	909,212	69,589	-	69,589
Policy acquisition costs		(3,412,352)	-	(3,412,352)	(4,767,847)	-	(4,767,847)
Other underwriting expenses		(815,785)	-	(815,785)	(375,602)	-	(375,602)
TOTAL UNDERWRITING COSTS AND EXPENSES		(13,154,483)	-	(13,154,483)	(13,277,298)	-	(13,277,298)
NET UNDERWRITING INCOME		14,020,719	-	14,020,719	20,157,880	-	20,157,880
OTHER OPERATING (EXPENSES) / INCOME							
Reversal of allowance for doubtful debts		(5,495,409)	-	(5,495,409)	(3,357,104)	-	(3,357,104)
General and administrative expenses		(7,346,112)	(1,465,398)	(8,811,510)	(6,916,446)	(1,167,181)	(8,083,627)
Dividend, interest and commission Income		666,679	2,011,872	2,678,551	671,553	1,013,057	1,684,610
Realized gain/(loss) on disposal of investment held for trading		(711)	(923)	(1,634)	(2,605)	(3,380)	(5,985)
Unrealised gains/(losses) on investments held at fair value		454,687	633,350	1,088,037	(198,857)	336,581	137,724
Other income		638,446	-	638,446	857,414	-	857,414
TOTAL OTHER OPERATING EXPENSES		(11,082,420)	1,178,901	(9,903,519)	(8,946,045)	179,077	(8,766,968)
Total income for the period before zakat and income		2,938,299	1,178,901	4,117,200	11,211,835	179,077	11,390,912
Zakat and income tax for the period		-	(782,424)	(782,424)	-	(1,980,698)	(1,980,698)
NET INCOME FOR THE PERIOD		2,938,299	396,477	3,334,776	11,211,835	(1,801,621)	9,410,214
Surplus transferred to Shareholders		(2,644,469)	2,644,469	-	(10,090,652)	10,090,652	-
Net result from insurance operations after shareholders' transfer of surplus to Shareholders		293,830	3,040,946	3,334,776	1,121,183	8,289,031	9,410,214

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20. SUPPLEMENTARY STATEMENTS (CONTINUED)

e) Interim statement of comprehensive income

	<u>Three months ended June 30, 2019</u>			<u>Three months ended June 30, 2018</u>		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR	SR	SR	SR	SR	SR
Note	(Unaudited)			(Unaudited)		
Total income	293,830	3,040,946	3,334,776	1,121,183	8,289,031	9,410,214
Items that will not be reclassified to statement of income						
Other comprehensive income						
TOTAL COMPREHENSIVE INCOME FOR THE	293,830	3,040,946	3,334,776	1,121,183	8,289,031	9,410,214
Weighted average number of outstanding shares (adjusted)	11	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Earnings per share for the period (adjusted)	17		0.15		0.41	

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019**

20. SUPPLEMENTARY STATEMENTS (CONTINUED)

f) Interim statement of cash flows

	June 30, 2019			June 30, 2018		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SR	SR	SR	SR	SR	SR
	(Unaudited)			(Unaudited)		
OPERATING ACTIVITIES						
Total income for the period	1,280,117	13,458,391	14,738,508	2,288,469	20,908,990	23,197,459
Adjustments for:						
Depreciation of property and equipment	109,833	-	109,833	144,272	-	144,272
Amortisation of intangible assets	113,868	-	113,868	59,630	-	59,630
Gain on sale of property and equipment	-	-	-	(24,161)	-	(24,161)
Depreciation and amortization right of use Assets	539,250	-	539,250	-	-	-
Allowance for/(Reversal of) doubtful debts	6,413,330	-	6,413,330	3,164,981	-	3,164,981
Unrealized (gain)/loss on investments	(34,879)	(45,247)	(80,126)	512,671	(796,899)	(284,228)
Realized (gain) /loss on Investment	(779,824)	(1,055,139)	(1,834,963)	25,693	33,330	59,023
Interest on finance lease obligations	40,699	-	40,699	-	-	-
Commission income	-	-	-	-	203,932	203,932
Provision for end-of-service indemnities	673,794	-	673,794	1,151,382	-	1,151,382
	8,356,188	12,358,005	20,714,193	7,322,937	20,349,353	27,672,290
Working capital adjustments:						
Premiums and insurance balances receivable	(32,392,433)	-	(32,392,433)	(51,359,119)	-	(51,359,119)
Reinsurers' share of unearned premiums	(13,057,152)	-	(13,057,152)	(10,876,758)	-	(10,876,758)
Reinsurers' share of outstanding claims	5,372,150	-	5,372,150	2,635,029	-	2,635,029
Reinsurers' share of claims Incurred but not reported	3,258,181	-	3,258,181	(1,963,410)	-	(1,963,410)
Deferred policy acquisition costs	(2,626,110)	-	(2,626,110)	(3,359,113)	-	(3,359,113)
Prepayments and other assets	497,864	(429,737)	68,127	(188,338)	(5,196,819)	(5,385,157)
Accounts payable	3,544,081	-	3,544,081	9,148,275	-	9,148,275
Accrued expenses and other liabilities	2,256,278	21,334	2,277,612	(727,428)	1,193,081	465,653
Reinsurance balances payable	10,913,586	-	10,913,586	8,874,130	-	8,874,130
Gross unearned premiums	33,242,650	-	33,242,650	34,624,319	-	34,624,319
Unearned reinsurance commission income	3,747,002	-	3,747,002	2,336,849	-	2,336,849
Gross outstanding claims	(3,286,507)	-	(3,286,507)	(4,370,673)	-	(4,370,673)
Claims incurred but not reported	(7,128,087)	-	(7,128,087)	12,254	-	12,254
Additional premium reserves	1,417,419	-	1,417,419	313,892	-	313,892
Other technical reserves	(1,262,987)	-	(1,262,987)	(781,854)	-	(781,854)
Cash from operations	12,852,123	11,949,602	24,801,725	(8,359,008)	16,345,615	7,986,607
Surplus distribution payable to policyholders	(293,080)	-	(293,080)	23,229	-	23,229
Zakat and income tax paid	-	(4,474,422)	(4,474,422)	-	(3,432,721)	(3,432,721)
End-of-service indemnities paid	(497,913)	-	(497,913)	(1,028,065)	-	(1,028,065)
Net cash from/(used in) operating activities	12,061,130	7,475,180	19,536,310	(9,363,844)	12,912,894	3,549,050

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2019**

20. SUPPLEMENTARY STATEMENTS (CONTINUED)

f) Interim statement of cash flows (Continued)

	June 30, 2019			June 30, 2018		
	Insurance operations SR	Shareholders' operations SR	Total SR	Insurance operations SR	Shareholders' operations SR	Total SR
	(Unaudited)			(Unaudited)		
INVESTING ACTIVITIES						
Proceeds from sale of property and equipment	-	-	-	47,100	-	47,100
Purchase of Investment Held for trading investment	(8,023,814)	(17,909,025)	(25,932,839)	-	-	-
Purchase of property and equipment	(38,265)	-	(38,265)	(9,500)	-	(9,500)
Additions/disposals in long term/ fixed income deposits	(8,061,293)	(94,102,153)	(102,163,446)	-	(579,131)	(579,131)
Proceeds from disposal of investments held for trading	7,779,165	10,091,649	17,870,814	464,737	602,887	1,067,624
Commission income paid	-	-	-	-	(203,932)	(203,932)
Purchase of intangible assets	(189,061)	-	(189,061)	(132,000)	-	(132,000)
Net cash used in investing activities	(8,533,268)	(101,919,529)	(110,452,797)	370,337	(180,176)	190,161
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment under finance lease obligations	(1,122,227)	-	(1,122,227)	-	-	-
Interoperation balances	(30,892,030)	30,892,030	-	(13,593)	13,593	-
Due to (from) shareholders/insurance operations	2,381,296	(2,381,296)	-	-	-	-
Net cash generated from/(used in financing activities)	(29,632,961)	28,510,734	(1,122,227)	(13,593)	13,593	-
DECREASE IN CASH AND CASH EQUIVALENTS						
Cash and cash equivalents at the beginning of the period	73,042,726	68,467,593	141,510,319	86,494,129	55,430,429	141,924,558
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	46,937,627	2,533,978	49,471,605	77,487,029	68,176,740	145,663,769

21. COMPARATIVE BALANCES

Certain prior period figures have been reclassified to conform to current period presentation.

22. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on July 31, 2019 corresponding to 28 Dhu al-Qa'dah 1440H.