

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

**UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED 30 SEPTEMBER 2015**

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

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2015**

INDEX	PAGE
Independent Auditors' Review Report	1
Interim Statement of Financial Position	2 - 3
Interim Statement of Insurance Operations and Accumulated Surplus	4
Interim Statement of Shareholders' Operations	5
Interim Statement of Comprehensive Income	6
Interim Statement of Changes in Shareholders' Equity	7
Interim Statement of Insurance Operations' Cash flows	8
Interim Statement of Shareholders' Cash flows	9
Notes to the Interim Condensed Financial Statements	10 – 19



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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

THE SHAREHOLDERS SAUDI ENAYA COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY) KINGDOM OF SAUDI ARABIA

Scope of review

We have reviewed the accompanying interim statement of financial position of Saudi Enaya Cooperative Insurance Company - A Saudi Joint Stock Company (the "Company") as at 30 September 2015, and the related interim statements of insurance operations and accumulated surplus, shareholders' operations, and comprehensive income for the three-month and nine-month periods then ended, and the related interim statements of changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for the nine-month period then ended, and related notes from 1 to 15 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") and submitted to us together with all the information and explanations which we required. We conducted our review in accordance with the Standard on Review of Interim Financial Information issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion on the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

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

Emphasis of matter

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

for Ernst & Young

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Jeddah, Kingdom of Saudi Arabia

6 Muharram 1437H
19 October 2015

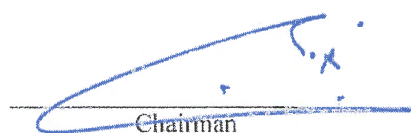


SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

		30 September 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
	Notes		
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	3	4,019	1,198
Premiums receivable, net	4	33,075	6,078
Amount due from shareholders' operations		11,883	-
Reinsurance receivable		3,042	4,167
Reinsurers' share of unearned premiums		17,640	3,280
Reinsurers' share of outstanding claims		6,325	1,827
Deferred policy acquisition costs		2,091	381
Prepayments and other assets		1,724	3,351
Intangible assets		7,686	10,929
Furniture, fittings and office equipment		3,103	5,446
Total insurance operations' assets		90,588	36,657
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	3	25,425	105,138
Murabaha deposits	3(b)	61,400	-
Investments	5	101,822	110,879
Prepayments and other assets		1,072	929
Amounts due from insurance operations		-	3,156
Statutory deposit	10	40,000	40,000
Total shareholders' assets		229,719	260,102
TOTAL ASSETS		320,307	296,759


Chairman


Chief Financial Officer


Chief Executive Officer

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September 2015

		30 September 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
	Notes		
INSURANCE OPERATIONS' LIABILITIES			
Insurance operations' liabilities			
Unearned premiums		44,070	8,180
Provision for premium deficiency		1,432	1,432
Outstanding claims		12,649	3,655
Reinsurance balance payable		17,499	5,078
Amounts due to shareholders' operations		-	3,156
Accrued expenses and other liabilities		14,938	15,156
Total insurance operations' liabilities		90,588	36,657
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Accrued expenses and other liabilities		1,034	1,074
Accrued Zakat	8	8,102	7,508
Amount due to insurance operations		11,883	-
Amounts due to related parties		4	4
Total shareholders' liabilities		21,023	8,586
Shareholders' equity			
Share capital	6	400,000	400,000
Accumulated losses		(191,304)	(148,484)
Total shareholders' equity		208,696	251,516
Total shareholders' liabilities and equity		229,719	260,102
TOTAL INSURANCE OPERATIONS' LIABILITIES, SHAREHOLDERS' LIABILITIES AND SHAREHOLDERS' EQUITY		320,307	296,759


Chairman


Chief Financial Officer


Chief Executive Officer

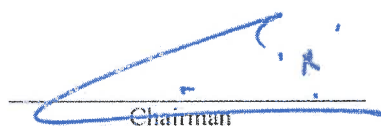
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SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS AND ACCUMULATED SURPLUS

For the three-month and nine-month periods ended 30 September 2015

	<i>Notes</i>	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>
REVENUE					
Gross written premiums		25,661	2,976	61,925	28,290
Less: reinsurance ceded		(10,129)	(1,139)	(24,942)	(11,371)
Net written premiums		15,532	1,837	36,983	16,919
Movement in net unearned premiums		(8,033)	3,750	(21,534)	8,067
Net premiums earned		7,499	5,587	15,449	24,986
CLAIMS					
Gross claims paid		6,046	13,464	17,171	43,177
Less: claims recovered		(3,039)	(6,733)	(8,608)	(21,533)
Net claims paid		3,007	6,731	8,563	21,644
Movement in net outstanding claims		3,245	(2,390)	4,498	541
Net claims incurred		6,252	4,341	13,061	22,185
Net underwriting result		1,247	1,246	2,388	2,801
Other income		-	-	-	93
EXPENSES					
Selling and marketing		(2,427)	(1,507)	(7,000)	(7,705)
General and administration	7	(11,280)	(10,892)	(32,672)	(32,346)
DEFICIT FROM INSURANCE OPERATIONS		(12,460)	(11,153)	(37,284)	(37,157)
Shareholders' share of deficit from insurance operations	2(a)	12,460	11,153	37,284	37,157
Policyholders' share of deficit from insurance operations		-	-	-	-


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The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

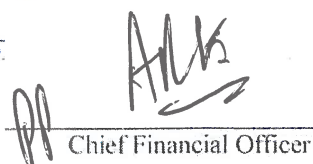
SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS

For the three-month and nine-month periods ended 30 September 2015

		Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
		2015 SR' 000	2014 SR' 000	2015 SR' 000	2014 SR' 000
LOSS					
Shareholders' share of deficit from insurance operations	2(a)	(12,460)	(11,153)	(37,284)	(37,157)
EXPENSES					
General and administration	7	(389)	(301)	(1,226)	(1,189)
		(12,849)	(11,454)	(38,510)	(38,346)
Investment (loss) /income		(7,630)	6,212	(1,819)	10,311
NET LOSS FOR THE PERIOD		<u>(20,479)</u>	<u>(5,242)</u>	<u>(40,329)</u>	<u>(28,035)</u>
Weighted average number of ordinary shares outstanding (in thousands)		<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Loss per share (in Saudi Arabian Riyals)	12	<u>(0.51)</u>	<u>(0.13)</u>	<u>(1.01)</u>	<u>(0.70)</u>


Chairman


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SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2015

	<i>Note</i>	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>
NET LOSS FOR THE PERIOD		(20,479)	(5,242)	(40,329)	(28,035)
Zakat for the period	8	(767)	(946)	(2,491)	(2,883)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(21,246)</u>	<u>(6,188)</u>	<u>(42,820)</u>	<u>(30,918)</u>


Chairman


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SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine-month period ended 30 September 2015

<i>For the nine-month period ended 30 September 2015 (unaudited)</i>			
	<i>Share capital SR'000</i>	<i>Accumulated losses SR'000</i>	<i>Total SR'000</i>
Balance as at 1 January 2015	400,000	(148,484)	251,516
Net loss for the period	-	(40,329)	(40,329)
Zakat for the period (Note 8)	-	(2,491)	(2,491)
Balance at 30 September 2015	<u>400,000</u>	<u>(191,304)</u>	<u>208,696</u>

<i>For the nine-month period ended 30 September 2014 (unaudited)</i>			
	<i>Share capital SR'000</i>	<i>Accumulated losses SR'000</i>	<i>Total SR'000</i>
Balance as at 1 January 2014	400,000	(100,425)	299,575
Net loss for the period	-	(28,035)	(28,035)
Zakat for the period (Note 8)	-	(2,883)	(2,883)
Balance at 30 September 2014	<u>400,000</u>	<u>(131,343)</u>	<u>268,657</u>


Chairman


Chief Financial Officer


Chief Executive Officer

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

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS

For the nine-month period ended 30 September 2015 (unaudited)

		<i>For the nine- month period ended 30 September 2015 (Unaudited) SR' 000</i>	<i>For the nine- month period ended 30 September 2014 (Unaudited) SR' 000</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Policyholders' share of deficit from insurance operations		-	-
Adjustments for:			
Depreciation		2,450	2,812
Amortization of intangible assets		3,601	3,364
Reinsurers' share of unearned premiums		(14,360)	7,168
Deferred policy acquisition costs		(1,710)	1,746
Unearned premiums		35,890	(15,235)
Allowance for doubtful premiums receivable	7	1,795	(2,644)
		<u>27,666</u>	<u>(2,789)</u>
Changes in assets and liabilities:			
Premiums receivable		(28,792)	14,970
Reinsurance receivable		1,125	(10,062)
Reinsurer's share of outstanding claims		(4,498)	(541)
Prepayments and other assets		1,627	124
Outstanding claims		8,994	1,082
Reinsurance balance payable		12,421	(1,475)
Amount due from shareholders' operations		(15,039)	(1,587)
Accrued expenses and other liabilities		(218)	2,779
Net cash from operating activities		<u>3,286</u>	<u>2,501</u>
INVESTING ACTIVITIES			
Purchase of furniture, fittings and office equipment		(107)	(315)
Intangible assets acquired		(358)	(918)
Net cash used in investing activities		<u>(465)</u>	<u>(1,233)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>2,821</u>	<u>1,268</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		<u>1,198</u>	<u>1,249</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3	<u><u>4,019</u></u>	<u><u>2,517</u></u>


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

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS

For the nine-month period ended 30 September 2015 (unaudited)

		<i>For the nine-month period ended 30 September 2015 (Unaudited) SR' 000</i>	<i>For the nine-month period ended 30 September 2014 (Unaudited) SR' 000</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Net loss for the period before Zakat		(40,329)	(28,035)
Adjustments for:			
Fair value loss/ (gain) on investments	5	3,316	(8,232)
Amortization of discount – net	5	97	(14)
Profit on Murabaha deposits		-	(1,903)
		(36,916)	(38,184)
Changes in assets and liabilities:			
Prepayments and other assets		(143)	1,098
Amounts due from a related party		-	83
Amount due to insurance operations		15,039	1,587
Accrued expenses and other liabilities		(40)	145
Amounts due to related parties		-	(1,132)
		(22,060)	(36,403)
Zakat paid	8	(1,897)	(1,407)
Net cash used in operating activities		(23,957)	(37,810)
INVESTING ACTIVITIES			
Purchase of Murabaha deposits	3(b)	(61,400)	(60,353)
Proceeds from encashment of Murabaha deposits		-	162,256
Purchase of investments	5	(27,083)	(105,069)
Proceeds from disposal of investments	5	32,727	22,385
Proceeds from maturity of investments	5	-	60,000
Net cash (used in) / from investing activities		(55,756)	79,219
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(79,713)	41,409
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		105,138	38,390
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3	25,425	79,799


Chairman


Chief Financial Officer


Chief Executive Officer

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2015

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Saudi Enaya Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce and Industry’s Resolution number 98/Q dated 16 Rabi Awwal 1433 H (corresponding to 8 February 2012). The Commercial Registration number of the Company is 4030223528 dated 27 Rabi Awwal 1433 H (corresponding to 19 February 2012). The registered office address of the Company is:

Ahmed Ghalib Al-Esayi Building
P.O. Box 3528
Jeddah 21481
Kingdom of Saudi Arabia.

Following is the branch of the Company:

<u>Branch</u>	<u>Commercial Registration Number:</u>
Riyadh	1010421871

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/49 dated 27 Rajab 1432 H (corresponding to 29 June 2011) pursuant to the Council of Ministers’ Resolution No 224 dated 25 Rajab 1432 H (corresponding to 27 June 2011). As of the date of incorporation, the Company is 77% owned by the Saudi shareholders and the general public and 23% owned by non-Saudi shareholders. The Company was listed on the Saudi Stock Exchange (Tadawul) on 27 February 2012.

The objective of the Company is to engage in cooperative insurance operations and related activities, including reinsurance, agencies, representation, correspondence and brokerage, in the Kingdom of Saudi Arabia in accordance with its Articles of Association, and applicable regulations in the Kingdom of Saudi Arabia. The Company is licensed to underwrite medical insurance only. The Company commenced its commercial operations on 7 January 2013.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34).

As required by Saudi Arabian Insurance Regulations, the Company maintains separate books of account for insurance operations and shareholders’ operations. The physical custody of all assets related to the insurance operations and shareholders’ operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective books of account. The basis of allocation of expenses from joint operations is determined by the management and the Board of Directors and allocation is made on consistent basis.

The interim condensed financial statements do not contain all information and disclosures required in the full financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). Accordingly, these interim condensed financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2014.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued) At 30 September 2015

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. BASIS OF PREPARATION (continued)

In accordance with the by-laws of the Company, the surplus arising from the insurance operations is distributed as follows:

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

In case of deficit arising from the insurance operations, the entire deficit is borne by the shareholders' operations.

The interim condensed financial statements are presented in Saudi Arabian Riyals ("SR"), being the functional currency of the Company, and have been rounded off to the nearest thousand, unless otherwise specified.

The Company presents its interim statement of financial position broadly in order of liquidity. All financial assets and liabilities except for investments held to maturity and statutory deposit are expected to be recovered and settled respectively, within twelve months after the interim reporting date.

b. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used by the Company for the preparation of these interim condensed financial statements are in accordance with IFRS and are consistent with those used for the preparation of financial statements for the year ended 31 December 2014. The adoption of new IFRS, International Financial Reporting Interpretations Committee Interpretations (IFRIC) and amendments thereof as mentioned in note 2(d) did not have any material impact on these interim condensed financial statements.

c. USE OF ESTIMATES AND JUDGEMENTS

The preparation of interim condensed financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the interim condensed financial statements and the reported amounts of revenues and expenses during the interim reported period. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. In the opinion of the management, the interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented.

The estimate and judgments used by management in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2014.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

**2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

d. NEW IFRS, IFRIC AND AMENDMENTS THEREOF, ADOPTED BY THE COMPANY

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

<i>Standard</i>	<i>Description</i>
IFRS 1	First time adoption of IFRS
IAS 19	Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IFRS 2	Share based payment
IFRS 3	Business combination
IFRS 8	Operating segments
IFRS 13	Fair value measurement
IAS 16 & 38	Property, plant and equipment and intangible assets
IAS 24	Related party disclosures
IAS 40	Investment property

The above mentioned amendments and revisions do not have an impact on the interim condensed financial statements of the Company.

e. NEW IFRS AND AMENDMENTS THEREOF, ISSUED BUT NOT YET EFFECTIVE

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

<i>Standard/ Interpretation</i>	<i>Description</i>	<i>Effective from years beginning on or after the following date</i>
IFRS 9	Financial Instruments	1 January 2018
IFRS 11	Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IAS 16 and IAS 38	Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 27	Amendments to IAS 27 Equity Method in Separate Financial Statements	1 January 2016
IFRS 10 and IAS 28	Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IAS 1	Amendments to IAS 1 Disclosure initiative	1 January 2016
IAS 16 and IAS 41	Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants.	1 January 2016
IFRS 10, IFRS 12 and IAS 28	Amendments to IFRS 10, IFRS 12 and IAS 28 Applying the Consolidation Exception	1 January 2016
IFRS 5, IFRS 7, IAS 19 and IAS 34	Annual Improvements to IFRS 2012-2014 cycle	1 January 2016

The Management is currently assessing the implications of adopting the above mentioned standards, amendments or interpretations on the Company's financial statements.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

3. CASH AND CASH EQUIVALENTS

	<i>30 September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
<i>Insurance operations</i>		
Cash in banks	4,007	1,187
Cash in hand	12	11
	<u>4,019</u>	<u>1,198</u>
<i>Shareholders' operations</i>		
Cash in banks	37	54
Murabaha deposits (see note (a) below)	25,388	105,084
	<u>25,425</u>	<u>105,138</u>

- a) The Murabaha deposits are held with commercial banks in the Kingdom of Saudi Arabia. These Murabaha deposits are denominated in Saudi Arabian Riyals and have an original maturity not exceeding three months.
- b) Murabaha deposits having original maturity of more than three months, amounting to SR 61.4 million (31 December 2014: SR Nil), which are held in Saudi Arabian Riyals in the Kingdom of Saudi Arabia, are presented in the interim statement of financial position of the shareholders separately.

4. PREMIUMS RECEIVABLE, NET

	<i>30 September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Gross premiums receivable	36,649	7,857
Allowance for doubtful premiums receivable	(3,574)	(1,779)
Premiums receivable, net	<u>33,075</u>	<u>6,078</u>

Movement in the allowance for doubtful premiums receivable during the period was as follows:

	<i>For the nine - month</i> <i>period ended 30</i> <i>September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>For the year ended</i> <i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Balance at beginning of the period / year	1,779	4,966
Provision / (reversal) made during the period / year (note 7)	1,795	(3,187)
Balance at end of the period / year	<u>3,574</u>	<u>1,779</u>

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

5. INVESTMENTS

	<i>30 September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Investments held to maturity	39,648	39,745
Fair Value through Income Statement ("FVIS") investments	62,174	71,134
	101,822	110,879

Investments held to maturity

These represents investments in fixed rate and floating rate bonds. Movement in investments classified as held to maturity (HTM) is as follows:

	<i>For the nine - month</i> <i>period ended 30</i> <i>September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>For the year ended</i> <i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Balance at beginning of the period / year	39,745	74,699
Purchases during the period / year	-	25,071
Matured during the period / year	-	(60,000)
Amortization during the period / year- net	(97)	(25)
Balance at end of the period / year	39,648	39,745

FVIS investments

Movement in investments classified as fair value through income statement ("FVIS") is as follows:

	<i>For the nine - month</i> <i>period ended 30</i> <i>September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>For the year ended</i> <i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Balance at beginning of the period / year	71,134	13,643
Purchases during the period / year	27,083	96,269
Disposals during the period / year	(32,727)	(38,657)
Changes in fair value during the period / year	(3,316)	(121)
Balance at end of the period / year	62,174	71,134

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

5. INVESTMENTS (continued)

	<i>30 September 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Discretionary Portfolio Management	24,260	27,950
Al Badr Murabaha Fund	8,053	14,994
BlackRock Global Allocation Fund	9,526	10,074
BlackRock Global Equity Income Fund	7,196	7,602
BlackRock Global Multi Asset Fund	4,705	4,884
Saudi Istithmar Equity Fund	2,461	5,630
Saudi Fransi GCC IPO Fund	5,973	-
	62,174	71,134

6. SHARE CAPITAL

The authorised, subscribed and paid up share capital of the Company is SR 400 million, divided into 40 million shares of SR 10 each, and subscribed by the following:

	<i>Percentage holding</i>	<i>SR'000</i>
Founding shareholders	60%	240,000
General public	40%	160,000
	100%	400,000

7. GENERAL AND ADMINISTRATION EXPENSES

	<i>Three-month period ended</i> <i>30 September</i>		<i>Nine-month period ended</i> <i>30 September</i>	
	<i>2015</i> <i>(Unaudited)</i> <i>SR' 000</i>	<i>2014</i> <i>(Unaudited)</i> <i>SR' 000</i>	<i>2015</i> <i>(Unaudited)</i> <i>SR' 000</i>	<i>2014</i> <i>(Unaudited)</i> <i>SR' 000</i>
<i>Insurance operations</i>				
Employee costs	6,455	7,314	19,315	21,905
Allowance / (reversal) for doubtful premiums receivable (note 4)	980	(676)	1,795	(2,644)
Depreciation and amortization	1,896	2,089	6,051	6,176
Rent expenses	522	532	1,578	1,553
Legal and professional fees	242	536	557	1,040
Repair and maintenance	560	598	2,085	2,210
Other expenses	625	499	1,291	2,106
	11,280	10,892	32,672	32,346

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2015

7. GENERAL AND ADMINISTRATION EXPENSES (continued)

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>
<i>Shareholders' operations</i>				
Statutory expenses	-	-	96	-
Legal and professional fees	161	36	317	124
Investment related expenses	151	190	571	711
Travelling	2	-	5	105
Subscriptions	75	75	225	225
Others	-	-	12	24
	<u>389</u>	<u>301</u>	<u>1,226</u>	<u>1,189</u>

8. ZAKAT AND INCOME TAX

The Zakat payable by the Company has been calculated based on the best estimate of the management.

Charge for the period

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>
Current period	<u>767</u>	<u>946</u>	<u>2,491</u>	<u>2,883</u>

Movement in the Zakat payable is as follows:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>	<i>SR' 000</i>
Balance at beginning of the period	7,335	6,562	7,508	6,032
Charge for the period	767	946	2,491	2,883
Payments made during the period	--	--	(1,897)	(1,407)
Balance at end of the period	<u>8,102</u>	<u>7,508</u>	<u>8,102</u>	<u>7,508</u>

Income tax

As the Company has incurred a loss during the three month and nine-month period ended 30 September 2015, and in previous periods, no provision has been established in respect of income tax in these interim condensed financial statements.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

8. ZAKAT AND INCOME TAX (continued)

Status of assessments

The Company has filed its Zakat and tax return for the first twelve month period ended 30 June 2012 with the Department of Zakat and Income Tax ("DZIT"). Assessment for the twelve month period has not yet been raised by the DZIT. The Company has also filed its Zakat and tax return for the long period from 8 February 2012 to 31 December 2013 and year ended 31 December 2014. The DZIT review is awaited.

During 2012, the Company received a letter from the DZIT, claiming additional Zakat amount of SR 9.72 million for the period from 6 September 2010 to 5 September 2012. Furthermore the DZIT issued another letter dated 23 July 2013 indicating additional Zakat liability of SR 0.5 million. The Company submitted an appeal against the DZIT treatment and is confident of a favourable outcome. Accordingly, no additional provision has been established in this regard in these interim condensed financial statements.

During the period, the DZIT issued initial assessment for the year 2014 with an additional Zakat liability of SR 2.6 million. The Company has filed an appeal against assessment. However, the DZIT has not raised final assessment for the year 2014.

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

9. TRANSACTIONS WITH RELATED PARTIES

- a) The related parties comprise companies in which directors are interested, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.
- b) Following are the details of related party transactions during the nine-month period ended 30 September 2015:

		<i>For the nine-month period then ended 30 September 2015 (Unaudited) SR'000</i>	<i>For the nine-month period then ended 30 September 2014 (Unaudited) SR'000</i>
<u>Related party</u>	<u>Nature of transactions</u>		
<i>Founding shareholders</i>	Office rent	10	20
	Premiums written	634	359
	Claims paid	252	98
	Reinsurance ceded	24,942	11,371
	Claims recovered	8,608	21,533
<i>Others</i>	Premiums written	5,300	6,962
	Claims paid	2,465	3,896
	Commission paid	176	452
	Purchase / Maintenance of computer software	1,061	1,991
<i>Key management personnel</i>			
	Short-term benefits	1,819	3,204
	Long-term benefits	68	115

- c) Amounts due from / to related parties are disclosed in the interim statement of financial position.
- d) Amounts relating to reinsurance receivable and reinsurance balance payable are disclosed in the interim statement of financial position.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued) At 30 September 2015

10. STATUTORY DEPOSIT

As required by the Saudi Arabian Insurance Regulations, the Company deposited an amount equivalent to 10% of its paid up share capital, amounting to SR 40 million, in a bank designated by the Saudi Arabian Monetary Agency ("SAMA"). This statutory deposit cannot be withdrawn without the consent of SAMA, and commission accruing on this deposit is payable to SAMA.

11. SEGMENT INFORMATION

The Company only issues insurance contracts for providing health care services ('medical insurance'). All the insurance operations of the Company are carried out in the Kingdom of Saudi Arabia. As the commercial operations of the Company are at the initial stage, the operations are not yet monitored in different categories. Accordingly, no segment information is provided.

12. LOSS PER SHARE

The loss per share has been calculated by dividing the net loss for the period by the weighted average number of ordinary shares issued and outstanding at the period end. Diluted loss per share is not applicable for the Company.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

a) 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 to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The Company's financial assets include cash and cash equivalents, Murabaha deposits, premiums receivable, reinsurance receivable, other receivables, investments, amounts due from a related party and amount due from insurance operations. The Company's financial liabilities consist of outstanding claims, reinsurance balance payable, amount due to shareholders' operations, amounts due to related parties and certain other liabilities. The fair values of financial instruments are not materially different from their carrying values.

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

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

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.

As at 30 September 2015, all financial instruments, which are fair valued, are Level 2 instruments. There were no transfers between levels during the nine-month period ended 30 September 2015.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

14. COMPARATIVE FIGURES

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

15. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements were approved and authorized for issue by the Board of Directors on 15 October 2015 (corresponding to 2 Muharram 1437H).