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

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

FOR THE THREE MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2016

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT
For The Three Month Period And Year Ended 31 December 2016

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Al-Bassam & Al-Nemer
Allied Accountants
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**LIMITED REVIEW REPORT TO THE SHAREHOLDERS OF
BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Buruj Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 31 December 2016, the related interim statements of insurance and shareholders' comprehensive operations for the three month period and the year then ended, the related interim statements of changes in shareholders' equity, insurance operations' and shareholders' cash flows for the year then ended and the related notes which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard – 34 "Interim Financial Reporting" (IAS 34) and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

CONCLUSION:

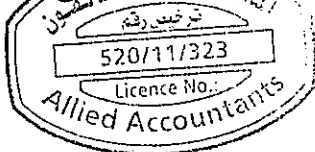
Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

EMPHASIS OF A MATTER:

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

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

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		<i>31 December 2016</i>	<i>31 December 2015</i>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	209,890,732	151,818,340
Time deposits	6	207,468,182	149,199,175
Premiums and reinsurance balances receivable, net	7	38,215,596	46,988,000
Available for sale investments	8(i)(a)	42,692,814	45,180,145
Reinsurers' share of outstanding claims		100,594,541	111,531,028
Prepayments and other assets		16,733,954	10,993,779
Deferred policy acquisition costs		16,113,034	17,775,959
Reinsurers' share of unearned premiums		13,011,258	14,201,309
Property and equipment, net		2,448,458	2,534,400
TOTAL INSURANCE OPERATIONS' ASSETS		647,168,569	550,222,135
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	103,520,629	61,634,436
Time deposits	6	-	60,000,000
Available for sale investments	8(ii)(a)	91,538,840	63,101,149
Due from insurance operations		106,814,050	34,033,715
Prepayments and other assets		1,551,006	690,728
Held to maturity investments	8(ii)(c)	10,000,000	5,000,000
Investment in an associate	8(ii)(d)	441,482	1,200,000
Statutory deposit	10	25,000,000	25,000,000
Statutory deposit investment returns	10	399,070	337,805
TOTAL SHAREHOLDERS' ASSETS		339,265,077	250,997,833
TOTAL ASSETS		986,433,646	801,219,968

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

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

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2016

	<i>Note</i>	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
INSURANCE OPERATIONS' LIABILITIES & SURPLUS			
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims		271,975,776	253,864,386
Reinsurance and insurance balances payable		17,198,491	17,981,967
Accrued expenses and other liabilities		19,017,855	17,630,707
Employees' end of service benefits		5,647,053	3,825,949
Due to shareholders' operations		106,814,050	34,033,715
Unearned reinsurance commission		1,753,681	3,085,518
Gross unearned premiums		204,001,357	215,746,194
Other reserves		8,731,425	3,502,338
TOTAL INSURANCE OPERATIONS' LIABILITIES		635,139,688	549,670,774
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		14,339,519	6,617,215
Changes in fair values of available for sale investments	8(i)(b)	(2,310,638)	(6,065,854)
TOTAL INSURANCE OPERATIONS' LIABILITIES & SURPLUS		647,168,569	550,222,135
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Zakat and income tax payable	12	20,492,110	14,691,356
Accrued expenses and other liabilities		3,308,430	2,930,758
Statutory deposit investment returns	10	399,070	337,805
TOTAL SHAREHOLDERS' LIABILITIES		24,199,610	17,959,919
SHAREHOLDERS' EQUITY			
Share capital		250,000,000	250,000,000
Statutory reserve	11	13,038,466	-
Retained earnings (Accumulated losses)		52,153,862	(17,597,642)
Change in fair values of available for sale investments	8(ii)(b)	(126,861)	635,556
TOTAL SHAREHOLDERS' EQUITY		315,065,467	233,037,914
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		339,265,077	250,997,833
TOTAL LIABILITIES AND EQUITY		986,433,646	801,219,968

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

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

INTERIM STATEMENT OF INSURANCE COMPREHENSIVE OPERATIONS (UNAUDITED)

	<i>For the three month period ended 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2016 (Unaudited) SR</i>	<i>2015 (Audited) SR</i>
Gross written premiums	101,859,362	127,057,510	437,565,727	446,992,592
Reinsurance premiums ceded	(4,191,396)	(6,853,516)	(35,033,664)	(47,801,427)
Excess of loss premiums	(4,861,458)	(4,795,151)	(14,330,253)	(13,683,787)
NET PREMIUMS WRITTEN	92,806,508	115,408,843	388,201,810	385,507,378
Movement in unearned premiums, net	6,148,955	(27,361,399)	10,554,786	(53,591,627)
NET PREMIUMS EARNED	98,955,463	88,047,444	398,756,596	331,915,751
Reinsurance commission income	1,941,609	14,390,312	8,386,523	24,938,624
Policy fees and other underwriting income	4,388,175	5,423,587	13,146,682	16,247,118
TOTAL REVENUES	105,285,247	107,861,343	420,289,801	373,101,493
Gross claims paid	(47,026,822)	(62,804,645)	(201,766,880)	(227,633,410)
Reinsurance share of claims paid	3,531,731	5,281,589	21,412,422	26,762,431
NET CLAIMS PAID	(43,495,091)	(57,523,056)	(180,354,458)	(200,870,979)
Movement in outstanding claims, net	15,289,772	(25,778,128)	(29,047,878)	(64,623,808)
Movement in other reserves	(1,218,781)	2,656,049	(5,229,087)	10,332,961
NET CLAIMS INCURRED	(29,424,100)	(80,645,135)	(214,631,423)	(255,161,826)
Policy acquisition costs	(9,035,489)	(9,575,670)	(37,782,860)	(34,650,263)
Inspection and supervision fees	(858,927)	(991,508)	(3,602,166)	(3,095,539)
Other underwriting expenses	(2,142,212)	(1,481,322)	(8,468,828)	(5,841,842)
TOTAL UNDERWRITING COSTS	(41,460,728)	(92,693,635)	(264,485,277)	(298,749,470)
NET UNDERWRITING SURPLUS	63,824,519	15,167,708	155,804,524	74,352,023
General and administrative expenses	(14,071,585)	(10,578,475)	(50,255,025)	(41,315,928)
(Allowance for) reversal of doubtful debts	(162,396)	5,958,845	(6,581,778)	(1,519,979)
Special commission income from time deposits	1,662,396	602,132	5,733,799	2,186,743
Special commission income from investments	454,248	404,947	854,248	955,354
Dividend income	47,244	114,514	697,572	776,451
Realized gain (loss) from available for sale investments	1,498,053	(1,595,464)	(6,755,878)	554,701
Other income	211,300	300	827,110	338,840
SURPLUS FROM INSURANCE OPERATIONS	53,463,779	10,074,507	100,324,572	36,328,205
Surplus transferred to shareholders' operations	(48,117,401)	(9,067,056)	(90,292,115)	(32,695,385)
NET RESULT FOR THE PERIOD / YEAR	5,346,378	1,007,451	10,032,457	3,632,820
Accumulated surplus, at beginning of the period / year	-	-	6,617,215	2,984,395
Distribution of surplus	-	-	(2,310,153)	-
ACCUMULATED SURPLUS AT END OF THE PERIOD / YEAR	5,346,378	1,007,451	14,339,519	6,617,215

.....continued on page 5

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF INSURANCE COMPREHENSIVE OPERATIONS
(UNAUDITED) (continued)

.....continued from page 4

	<i>For the three month period ended 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2016 (Unaudited) SR</i>	<i>2015 (Audited) SR</i>
NET RESULT FOR THE PERIOD / YEAR	5,346,378	1,007,451	10,032,457	3,632,820
<i>OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:</i>				
Realized loss (gain) from available for sale investments	(1,498,053)	1,595,464	6,755,878	(554,701)
Change in fair values of available for sale investments	5,538,956	(2,645,431)	(3,000,662)	(4,513,301)
Net change in fair values of available for sale Investments	4,040,903	(1,049,967)	3,755,216	(5,068,002)
Total comprehensive income (loss) for the period / year	9,387,281	(42,516)	13,787,673	(1,435,182)

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS

	<i>For the three month period ended 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Surplus transferred from insurance operations	48,117,401	9,067,056	90,292,115	32,695,385
EXPENSES				
General and administrative	(798,035)	(635,247)	(2,879,542)	(2,277,857)
INCOME FROM OPERATIONS	47,319,366	8,431,809	87,412,573	30,417,528
Special commission income from time deposits	399,606	247,622	1,407,610	740,220
Special commission income from investments	492,076	303,124	1,675,365	1,066,249
Dividend income	-	-	384,616	339,103
Realized gain from available for sale investments	29,174	-	847,682	629,577
Share of loss of an associate	(409,737)	-	(758,518)	-
INCOME BEFORE ZAKAT & TAX	47,830,485	8,982,555	90,969,328	33,192,677
Zakat and income tax	12 (2,822,850)	(394,426)	(8,179,358)	(4,957,768)
NET INCOME FOR THE PERIOD / YEAR	45,007,635	8,588,129	82,789,970	28,234,909
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Realized gain from available for sale investments transferred to income	(29,174)	-	(847,682)	(629,577)
Change in fair values of available for sale investments	8(ii)(b) 373,532	(1,188,166)	85,265	211,505
Net change in fair values of available for sale investments	344,358	(1,188,166)	(762,417)	(418,072)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	45,351,993	7,399,963	82,027,553	27,816,837
BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD / YEAR – RESTATED	13 1.80	0.34	3.31	1.22
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES - RESTATED	13 25,000,000	25,000,000	25,000,000	23,205,824

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year Ended 31 December 2016

	<i>Share Capital SR</i>	<i>Statutory Reserve SR</i>	<i>Retained earnings (Accumulated losses) SR</i>	<i>Change in fair values of available for sale investments SR</i>	<i>Total SR</i>
<i>2015 (Audited)</i>					
Balance as at 1 January 2015	130,000,000	-	(41,063,537)	1,053,628	89,990,091
Net income for the year	-	-	28,234,909	-	28,234,909
Rights issue transaction costs	-	-	(4,769,014)	-	(4,769,014)
<i>Other comprehensive income:</i>					
Net change in fair values of available for sale investments	-	-	-	(418,072)	(418,072)
<i>Total comprehensive income for the year</i>	-	-	23,465,895	(418,072)	23,047,823
Rights issue	120,000,000	-	-	-	120,000,000
Balance as at 31 December 2015	250,000,000	-	(17,597,642)	635,556	233,037,914
<i>2016 (Unaudited)</i>					
Balance as at 1 January 2016	250,000,000	-	(17,597,642)	635,556	233,037,914
Net income for the year	-	-	82,789,970	-	82,789,970
<i>Other comprehensive income:</i>					
Net change in fair values of available for sale investments	-	-	-	(762,417)	(762,417)
<i>Total comprehensive income for the year</i>	-	-	82,789,970	(762,417)	82,027,553
Transfer to statutory reserve	-	13,038,466	(13,038,466)	-	-
Balance as at 31 December 2016	250,000,000	13,038,466	52,153,862	(126,861)	315,065,467

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS (UNAUDITED)

	<i>For the year ended 31 December</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net result for the year	10,032,457	3,632,820
<i>Adjustments for:</i>		
Surplus transferred to shareholders' operations	90,292,115	32,695,385
Depreciation	1,037,753	1,225,302
Provision for employees' end of service benefits	1,949,643	1,031,339
Allowance for of doubtful debts	6,568,298	1,519,979
Realized loss (gain) from available for sale investments	6,755,878	(554,701)
Gain on disposal of property and equipment	(33,229)	(24,273)
<i>Net surplus before changes in operating assets and liabilities</i>	<u>116,602,915</u>	<u>39,525,851</u>
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurance balances receivable	2,204,106	(9,602,505)
Reinsurers' share of outstanding claims	10,936,487	(65,741,462)
Prepayments and other assets	(5,740,175)	(2,911,824)
Deferred policy acquisition costs	1,662,925	(3,539,574)
Reinsurers' share of unearned premiums	1,190,051	1,248,311
Gross outstanding claims	18,111,390	130,365,270
Reinsurance and insurance balances payable	(783,476)	(1,783,092)
Accrued expenses and other liabilities	1,387,148	6,529,090
Unearned reinsurance commission	(1,331,837)	(571,231)
Gross unearned premiums	(11,744,837)	52,343,316
Other reserves	5,229,087	(10,332,961)
<i>Cash from operating activities</i>	<u>137,723,784</u>	<u>135,529,189</u>
Employees' end of service benefits paid	(128,539)	(120,231)
Insurance surplus paid	(2,310,153)	-
<i>Net cash from operating activities</i>	<u>135,285,092</u>	<u>135,408,958</u>
INVESTING ACTIVITIES		
Time deposits	(58,269,007)	(149,199,175)
Purchase of available for sale investments	8 (i)(b) (37,918,858)	(77,359,746)
Proceeds from available for sale investments	8 (i)(b) 37,405,527	57,612,580
Proceeds of held to maturity investments	-	8,000,000
Purchase of property and equipment	(953,632)	(603,073)
Proceeds from disposal of property and equipment	35,050	26,500
<i>Net cash used in investing activities</i>	<u>(59,700,920)</u>	<u>(161,522,914)</u>
FINANCING ACTIVITY		
Due to shareholders' operations	(17,511,780)	(14,204,867)
<i>Net cash used in financing activity</i>	<u>(17,511,780)</u>	<u>(14,204,867)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	58,072,392	(40,318,823)
Cash and cash equivalents at beginning of year	151,818,340	192,137,163
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>5 209,890,732</u>	<u>151,818,340</u>
<i>Non-cash transactions:</i>		
Transfer of surplus to shareholders' comprehensive operations	90,292,115	32,695,385
Net change in fair values of available for sale investments	<u>3,755,216</u>	<u>(5,068,002)</u>

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

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)

	Note	For the year ended 31 December	
		2016 (Unaudited) SR	2015 (Audited) SR
OPERATING ACTIVITIES			
Income before zakat and tax		90,969,328	33,192,677
<i>Adjustments for:</i>			
Surplus transferred from insurance operations		(90,292,115)	(32,695,385)
Realised gain from available for sale investments		(847,682)	(629,577)
Share of loss from investment in associate		758,518	-
Net surplus (deficit) before changes in operating assets and liabilities		588,049	(132,285)
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		(860,278)	802,436
Statutory deposit		-	(12,093,995)
Accrued expenses and other liabilities		377,672	509,952
Cash from/ (used in) operations		105,443	(10,913,892)
Zakat paid		(2,378,604)	-
Net cash used in operating activities		(2,273,161)	(10,913,892)
INVESTING ACTIVITIES			
Time deposits		60,000,000	(60,000,000)
Purchase of available for sale investments	8(ii)(b)	(49,900,195)	(33,772,937)
Sale of available for sale investments	8(ii)(b)	21,547,769	23,792,155
Purchase of held to maturity investments		(5,000,000)	(5,000,000)
Investment in associate		-	(1,200,000)
Net cash from (used in) investing activities		26,647,574	(76,180,782)
FINANCING ACTIVITIES			
Proceeds from right issue		-	120,000,000
Payment for right issue transaction costs		-	(4,769,014)
Due from insurance operations		17,511,780	14,204,867
Net cash from financing activities		17,511,780	129,435,853
INCREASE IN CASH AND CASH EQUIVALENTS		41,886,193	42,341,179
Cash and cash equivalents at the beginning of the year		61,634,436	19,293,257
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	103,520,629	61,634,436
<i>Non-cash transactions:</i>			
Transfer of surplus from insurance operations		(90,292,115)	(32,695,385)
Net change in fair values of available for sale investments		(762,417)	(418,072)

The accompanying notes 1 to 7 form part of these interim condensed financial statements.

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

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

31 December 2016

1 ORGANISATION AND PRINCIPAL ACTIVITIES

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

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

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

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

2 SURPLUS TRANSFERRED TO SHAREHOLDERS' OPERATIONS

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

The insurance operations resulted in a surplus for the year ended 31 December 2016 amounting to SR 100.32 million (31 December 2015: SR 36.33 million). Accordingly, 90% of the net surplus amounting to SR 90.29 million (31 December 2015: SR 32.69 million) has been transferred to the shareholders' operations.

3 BASIS OF MEASUREMENT

Basis of measurement

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

Statement of compliance

The accompanying interim condensed financial statements for the three month and year ended 31 December 2016 (the "period" or "year") are prepared in accordance with IAS 34 – Interim Financial Reporting, do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2015.

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 December 2016

4 SIGNIFICANT ACCOUNTING POLICIES AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE

Significant accounting policies

The significant accounting and risk management policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2015.

New standards issued but not yet effective

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

IFRS 9 Financial Instruments

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

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

5 CASH AND CASH EQUIVALENTS

	<i>31 December 2016 (Unaudited)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Insurance operations</i>	<i>Shareholders' operations</i>	<i>Insurance operations</i>	<i>Shareholders' operations</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cash in hand and at banks	184,661,982	25,014,413	147,818,340	44,908,990
Short term deposits	25,228,750	78,506,216	4,000,000	16,725,446
Cash and cash equivalents	209,890,732	103,520,629	151,818,340	61,634,436

Short term time deposits placed with local banks and financial institutions have an original maturity of less than three months from the date of acquisition and earned special commission income at an average rate of 2.60% per annum (2015: 1.80%).

The carrying amounts disclosed above reasonably approximate their fair values at the reporting date.

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(UNAUDITED) (continued)

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6 TIME DEPOSITS

Time deposits are placed with local and international banks with an original maturity of more than three months from the date of acquisition and earned special commission income at an average rate of 3.02% per annum (31 December 2015: 1.50%).

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

7 PREMIUMS AND REINSURANCE BALANCES RECEIVABLE, NET

Premiums and reinsurance balances receivable are comprised of the following:

	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Premiums receivable	50,285,767	51,913,108
Less: Allowance for doubtful debts	(17,100,342)	(10,268,615)
	<u>33,185,425</u>	<u>41,644,493</u>
Reinsurance balances receivable	5,791,782	6,368,547
Less: Allowance for doubtful debts	(761,611)	(1,025,040)
	<u>5,030,171</u>	<u>5,343,507</u>
Total premiums and reinsurance balances receivable, net	<u><u>38,215,596</u></u>	<u><u>46,988,000</u></u>

The movement in provision for doubtful policyholders' and reinsurance balances for the year is set out below:

	<i>Policyholders SR</i>	<i>Reinsurers SR</i>	<i>Total SR</i>
<i>31 December 2016 (Unaudited)</i>			
Beginning balance	10,268,615	1,025,040	11,293,655
Charge (reversal) for the year	6,831,727	(249,949)	6,581,778
Written-off	-	(13,480)	(13,480)
<i>Closing balance</i>	<u>17,100,342</u>	<u>761,611</u>	<u>17,861,953</u>
<i>31 December 2015 (Audited)</i>			
Beginning balance	8,838,890	934,786	9,773,676
Charge for the year	1,429,725	90,254	1,519,979
<i>Closing balance</i>	<u>10,268,615</u>	<u>1,025,040</u>	<u>11,293,655</u>

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(UNAUDITED) (continued)

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8 INVESTMENTS

(i) Insurance operations (Available for sale)

(a) Available for sale investments of insurance operations comprise the following:

	<i>Source of fair value</i>	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Local "DPM" equity securities	Quoted	21,382,559	22,506,571
Units in local investment funds	NAV*	11,310,255	12,673,574
Units in local real estate fund	NAV*	10,000,000	10,000,000
		<u>42,692,814</u>	<u>45,180,145</u>

* NAV: Net Asset Value as announced by asset manager.

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

	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
At the beginning of the year	45,180,145	29,946,280
Purchased during the year	37,918,858	77,359,746
Sold during the year	(37,405,527)	(57,612,580)
	<u>45,693,476</u>	<u>49,693,446</u>
Changes in fair value, net	(3,000,662)	(4,513,301)
At the end of the year	<u>42,692,814</u>	<u>45,180,145</u>

The change in fair value of available for sale investments of insurance operations amounting to SR (2,310,638) (31 December 2015: SR (6,065,854)) is presented within 'insurance operations surplus' in the statement of financial position and the current year change in fair value amounting has been reported in the statement of insurance comprehensive operations under 'other comprehensive income (loss) to be reclassified subsequently to the income statement'.

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(UNAUDITED) (continued)

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8 INVESTMENTS (continued)

(ii) Shareholders' operations

(a) Available for sale investments of shareholders operations comprise the following:

	<i>Source of fair value</i>	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
GCC bonds and sukuks	Quoted	39,323,518	23,828,379
Units in local investment funds	NAV*	18,980,090	31,309,702
Units in local real estate funds	NAV*	31,312,154	6,039,990
Unquoted local equity investment	Unquoted	1,923,078	1,923,078
		<u>91,538,840</u>	<u>63,101,149</u>

* NAV: Net Asset Value as announced by asset manager.

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

	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
At the beginning of the year	63,101,149	52,908,862
Purchased during the year	49,900,195	33,772,937
Sold during the year	(21,547,769)	(23,792,155)
	<u>91,453,575</u>	<u>62,889,644</u>
Changes in fair value, net	85,265	211,505
At the end of the year	<u>91,538,840</u>	<u>63,101,149</u>

The cumulative change in fair values of available for sale investments of shareholders' operations amounting to SR (126,861) (31 December 2015: SR 635,556) is presented within shareholders' equity in the interim statement of financial position.

(ii) Shareholders' operations (Held to maturity)

(c) Held to Maturity ("HTM") investments amounting to SR 10,000,000 (31 December 2015: SR 5,000,000) are comprised of quoted Sukuk issued by listed companies registered in the Kingdom of Saudi Arabia. The rate of return on the Sukuk are calculated based on 6-month Saudi Arabian Inter-Bank Offered Rate ("SIBOR") plus a specified margin basis points per annum for each Sukuk and paid semi-annually. The fair value of the HTM investment as at 31 December 2016 was not different from its carrying value.

(ii) Shareholders' operations (Investment in associate)

(d) The Company has a 40% interest in Gulf Warranties Insurance Services Company (the "associate"), which is involved in the administration of insurance claims. The associate is a limited liability company in the Kingdom of Saudi Arabia and is not listed on any public exchange. The associate received its operating license from Saudi Arabian Monetary Agency ("SAMA") on 21 March 2016. The Company although has significant influence, yet this investment has been accounted as an associate as it does not control or jointly control the financial and operating policies of the associate. This investment has decreased by SR 758,518 which represents the Company's share of Gulf Warranties losses.

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9 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

Determination of fair value and fair value hierarchy

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

<i>31 December 2016 (Unaudited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Bonds and sukuk	39,323,518	-	-	39,323,518
Investment and real estate funds	30,290,345	41,312,154	-	71,602,499
Equities	21,382,559	-	1,923,078	23,305,637
	<u>90,996,422</u>	<u>41,312,154</u>	<u>1,923,078</u>	<u>134,231,654</u>
<i>31 December 2015 (Audited)</i>				
Bonds and sukuk	18,328,379	5,500,000	-	23,828,379
Investment and real estate funds	31,776,906	28,246,360	-	60,023,266
Equities	22,506,571	-	1,923,078	24,429,649
	<u>72,611,856</u>	<u>33,746,360</u>	<u>1,923,078</u>	<u>108,281,294</u>

Transfers between levels

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

During the three month period and year ended 31 December 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

There was no recurring fair value measurements categorised within Level 3 of the fair value hierarchy as set out in the table above.

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10 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company which is maintained with a bank designated by SAMA in accordance with the Cooperative Insurance Companies Control Law for insurance companies. This statutory deposit cannot be withdrawn without the consent of SAMA.

Accrued interest on the statutory deposit amounting to SR 399,070 (31 December 2015: SR 337,805) has been presented in the statement of financial position.

11 STATUTORY RESERVE

In accordance with the Company's By-laws and in compliance with Article 70 (2) of the Insurance Implementing Regulations of SAMA, the Company allocates 20% of net shareholders' income each year to the statutory reserve until this reserve equals to 100% of the paid capital. The statutory reserve is not available for distribution to shareholders until liquidation of the Company.

12 ZAKAT AND INCOME TAX

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

	<i>31 December 2016</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2015</i> <i>(Audited)</i> <i>SR</i>
At the beginning of the year	14,691,356	9,733,588
Provided for the year	8,179,358	4,957,768
Payments during the year	(2,378,604)	-
At the end of the year	<u>20,492,110</u>	<u>14,691,356</u>

Status of assessments

The Company has filed its zakat returns for all the years ended up to 31 December 2015.

On review of the zakat return by the Department of Zakat and Income tax ("DZIT") for the long period ended 31 December 2010, a demand of SR 2,256,659 was raised by the DZIT. The Company paid this demand and filed an appeal with DZIT. During 2014, DZIT revised its assessment of the zakat return for the long period ended 31 December 2010 after taking into consideration the effect of portfolio transfer and raised an additional demand of SR 64,738. The Company paid this demand. The final assessment has not yet been carried out by the DZIT.

On review of the zakat return by the DZIT for the year 2011, a demand of SR 2,378,604 has been raised by the DZIT. The Company paid this demand and filed an appeal with DZIT. The final assessments have not yet been carried out by the DZIT.

On review of the zakat return by the DZIT for the years 2012, 2013 and 2014 a demand of SR 544,407, SR 2,885,577 and SR 2,885,577 respectively, have been raised by the DZIT. However, the Company has filed appeals with the DZIT. These appeals are in progress. The final assessments have not yet been carried out by the DZIT.

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(UNAUDITED) (continued)

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13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>		<i>Balance as at</i>	
		<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Shareholders	Gross written premiums	12,652,911	25,803,749	9,716,767	8,917,928
	Reinsurance premium ceded	(1,859,842)	(431,716)	(222,805)	(325,252)
	Gross claims incurred	(1,376,559)	(15,225,157)	-	-
Board of Directors and committees' members	Remuneration fees, allowances and other expense	(1,776,000)	(1,615,500)	(2,918,350)	(1,599,260)
	Gross written premiums	13,466,282	20,117,528	3,114,451	2,917,717
	Insurance brokerage contracts	(3,375,914)	(4,822,854)	(1,740,780)	(1,506,061)
Associate	General and administrative expenses paid on behalf of the associate	-	-	851,788	-

Balances in respect of the above transactions with related parties are included in the relevant accounts in the statements of financial position and comprehensive income.

- b) Compensation of key management personnel

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

	<i>For the year ended 31 December</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Audited) SR</i>
Short-term benefits	4,780,100	2,897,400
End of service benefits	462,271	209,229
	<u>5,242,371</u>	<u>3,106,629</u>

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(UNAUDITED) (continued)

31 December 2016

14 BASIC AND DILUTED EARNINGS PER SHARE - Restated

Basic and diluted earnings per share for the period/year have been calculated by dividing the net income for the period/year by the weighted average number of outstanding shares at the period/year end.

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

	<i>For the three month period ended 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Audited) SR</i>
Issued ordinary shares as at 1 January	25,000,000	13,000,000	25,000,000	13,000,000
Adjusted rights issue	-	12,000,000	-	10,205,824
Weighted average number of ordinary shares	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>23,205,824</u>

The basic and diluted earnings per share are as follows:

	<i>For the three month period ended 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Audited) SR</i>
Net income for the period / year	45,007,635	8,588,129	82,789,970	28,234,909
Weighted average number of ordinary shares	25,000,000	25,000,000	25,000,000	23,205,824
Basic and diluted earnings per share – restated	<u>1.80</u>	<u>0.34</u>	<u>3.31</u>	<u>1.22</u>

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15 SEGMENT INFORMATION

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

Segment results do not include general and administrative expenses, allowance for doubtful debts, income on term deposits and investments, gain or loss on property, plant and equipment and investments. Accordingly, they are included in unallocated expenses or income.

Segment assets do not include insurance operations' property and equipment, investments, prepayments and other assets, premiums and reinsurance balances receivable, cash and cash equivalents and time deposits. Accordingly they are included in unallocated assets. Segment liabilities do not include insurance operations' due to shareholders operations, employees' end-of-service benefits, and reinsurance and insurance balances payable, accrued expenses and other liabilities and insurance operations' surplus. Accordingly they are included in unallocated liabilities.

Operating segments

<i>For the three month period ended 31 December 2016 (Unaudited)</i>	<i>Motor SR</i>	<i>Medical SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	58,358,886	35,756,870	1,582,530	1,570,311	4,590,765	101,859,362
Reinsurance premiums ceded	12	-	(1,233,563)	(901,796)	(2,056,049)	(4,191,396)
Excess of loss premiums	(2,296,683)	(1,751,635)	(200,665)	(414,862)	(197,613)	(4,861,458)
Net premiums written	56,062,215	34,005,235	148,302	253,653	2,337,103	92,806,508
Movement in unearned premiums, net	4,117,514	1,990,237	376,990	175,789	(511,575)	6,148,955
Net premiums earned	60,179,729	35,995,472	525,292	429,442	1,825,528	98,955,463
Reinsurance commission income	-	-	598,359	888,422	454,828	1,941,609
Policy fees and other underwriting income	4,309,000	-	5,685	52,055	21,435	4,388,175
Total revenues	64,488,729	35,995,472	1,129,336	1,369,919	2,301,791	105,285,247
Net claims paid	(37,998,005)	(4,711,776)	(31,728)	(463,050)	(290,532)	(43,495,091)
Movement in outstanding claims, net	4,048,373	8,825,106	1,093,515	1,069,400	253,378	15,289,772
Movement in other reserves	860,745	428,483	(2,428,660)	-	(79,349)	(1,218,781)
Net claims incurred	(33,088,887)	4,541,813	(1,366,873)	606,350	(116,503)	(29,424,100)
Policy acquisition costs	(4,571,974)	(3,671,922)	(313,945)	(154,665)	(322,983)	(9,035,489)
Inspection and supervision fees	(290,133)	(536,352)	(5,352)	(7,066)	(20,024)	(858,927)
Other underwriting expenses	(117,901)	(2,024,311)	-	-	-	(2,142,212)
Total underwriting costs	(38,068,895)	(1,690,772)	(1,686,170)	444,619	(459,510)	(41,460,728)
Net underwriting surplus (deficit)	26,419,834	34,304,700	(556,834)	1,814,538	1,842,281	63,824,519
Unallocated expenses						(14,233,981)
Unallocated income						3,873,241
Surplus from insurance operations						53,463,779

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15 SEGMENT INFORMATION (continued)

Operating segments

<i>For the three month period ended 31 December 2015 (Unaudited)</i>	<i>Motor SR</i>	<i>Medical SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	80,086,528	37,027,834	4,660,932	2,691,438	2,590,778	127,057,510
Reinsurance premiums ceded	-	-	(3,917,992)	(1,753,872)	(1,181,652)	(6,853,516)
Excess of loss premiums	(2,955,571)	(793,169)	(176,563)	(512,816)	(357,032)	(4,795,151)
Net premiums written	77,130,957	36,234,665	566,377	424,750	1,052,094	115,408,843
Movement in unearned premiums, net	(10,222,682)	(17,052,409)	177,952	51,749	(316,009)	(27,361,399)
Net premiums earned	66,908,275	19,182,256	744,329	476,499	736,085	88,047,444
Reinsurance commission income	24,659	11,262,954	339,528	1,516,740	1,246,431	14,390,312
Policy fees and other underwriting income	5,332,363	-	10,050	64,405	16,769	5,423,587
Total revenues	72,265,297	30,445,210	1,093,907	2,057,644	1,999,285	107,861,343
Net claims paid	(53,152,844)	(2,343,388)	(74,682)	(1,915,504)	(36,638)	(57,523,056)
Movement in outstanding claims, net	(23,818,632)	(1,916,946)	125,026	516,467	(684,043)	(25,778,128)
Movement in other reserves	2,421,470	-	277,971	-	(43,392)	2,656,049
Net claims incurred	(74,550,006)	(4,260,334)	328,315	(1,399,037)	(764,073)	(80,645,135)
Policy acquisition costs	(5,771,932)	(2,386,241)	(785,825)	(199,524)	(432,148)	(9,575,670)
Inspection and supervision fees	(399,845)	(555,435)	(13,412)	(11,680)	(11,136)	(991,508)
Other underwriting expenses	(285,729)	(1,158,940)	(36,653)	-	-	(1,481,322)
Total underwriting costs	(81,007,512)	(8,360,950)	(507,575)	(1,610,241)	(1,207,357)	(92,693,635)
Net underwriting (deficit) surplus	(8,742,215)	22,084,260	586,332	447,403	791,928	15,167,708
Unallocated expenses						(4,619,630)
Unallocated losses						(473,571)
Surplus from insurance operations						10,074,507

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15 SEGMENT INFORMATION (continued)

Operating segments

<i>For the year ended 31 December 2016 (Unaudited)</i>	<i>Motor SR</i>	<i>Medical SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	238,501,613	147,366,420	16,203,134	8,677,028	26,817,532	437,565,727
Reinsurance premiums ceded	(74,765)	-	(13,214,332)	(5,152,811)	(16,591,756)	(35,033,664)
Excess of loss premiums	(8,086,828)	(2,866,657)	(925,973)	(1,659,450)	(791,345)	(14,330,253)
Net premiums written	230,340,020	144,499,763	2,062,829	1,864,767	9,434,431	388,201,810
Movement in unearned premiums, net	17,167,522	(4,452,686)	473,853	342,441	(2,976,344)	10,554,786
Net premiums earned	247,507,542	140,047,077	2,536,682	2,207,208	6,458,087	398,756,596
Reinsurance commission income	54,303	-	3,016,511	3,326,155	1,989,554	8,386,523
Policy fees and other underwriting income	12,821,117	-	32,145	224,950	68,470	13,146,682
Total revenues	260,382,962	140,047,077	5,585,338	5,758,313	8,516,111	420,289,801
Net claims paid	(152,226,353)	(26,879,470)	(113,196)	(600,002)	(535,437)	(180,354,458)
Movement in outstanding claims, net	(13,926,684)	(12,862,154)	(1,116,212)	772,045	(1,914,873)	(29,047,878)
Movement in other reserves	(1,280,922)	(117,311)	(3,653,584)	-	(177,270)	(5,229,087)
Net claims incurred	(167,433,959)	(39,858,935)	(4,882,992)	172,043	(2,627,580)	(214,631,423)
Policy acquisition costs	(19,499,171)	(14,389,768)	(1,729,722)	(783,616)	(1,380,583)	(37,782,860)
Inspection and supervision fees	(1,186,202)	(2,210,499)	(44,150)	(39,169)	(122,146)	(3,602,166)
Other underwriting expenses	(600,246)	(7,828,131)	(40,451)	-	-	(8,468,828)
Total underwriting costs	(188,719,578)	(64,287,333)	(6,697,315)	(650,742)	(4,130,309)	(264,485,277)
Net underwriting surplus (deficit)	71,663,384	75,759,744	(1,111,977)	5,107,571	4,385,802	155,804,524
Unallocated expenses						(56,836,803)
Unallocated income						1,356,851
Surplus from insurance operations						100,324,572

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 December 2016

15 SEGMENT INFORMATION (continued)

Operating segments

<i>For the year ended 31 December 2015 (Audited)</i>	<i>Motor SR</i>	<i>Medical SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
Gross written premiums	288,372,505	97,637,168	27,439,475	14,207,682	19,335,762	446,992,592
Reinsurance premiums ceded	(1,312,372)	-	(24,273,675)	(9,172,489)	(13,042,891)	(47,801,427)
Excess of loss premiums	(9,353,874)	(1,803,394)	(413,823)	(1,299,290)	(813,406)	(13,683,787)
Net premiums written	277,706,259	95,833,774	2,751,977	3,735,903	5,479,465	385,507,378
Movement in unearned premiums, net	(35,667,183)	(14,650,990)	(758,331)	174,519	(2,689,642)	(53,591,627)
Net premiums earned	242,039,076	81,182,784	1,993,646	3,910,422	2,789,823	331,915,751
Reinsurance commission income	107,117	11,475,642	3,611,062	6,152,566	3,592,237	24,938,624
Policy fees and other underwriting income	15,899,399	-	42,130	250,075	55,514	16,247,118
Total revenues	258,045,592	92,658,426	5,646,838	10,313,063	6,437,574	373,101,493
Net claims paid	(183,511,582)	(14,336,659)	(843,419)	(1,966,783)	(212,536)	(200,870,979)
Movement in outstanding claims, net	(62,874,164)	1,191,448	(844,959)	(590,194)	(1,505,939)	(64,623,808)
Movement in other reserves	10,398,382	-	(22,029)	-	(43,392)	10,332,961
Net claims incurred	(235,987,364)	(13,145,211)	(1,710,407)	(2,556,977)	(1,761,867)	(255,161,826)
Policy acquisition costs	(20,690,922)	(8,746,418)	(2,557,834)	(1,035,227)	(1,619,862)	(34,650,263)
Inspection and supervision fees	(1,430,251)	(1,466,071)	(59,767)	(64,228)	(75,222)	(3,095,539)
TPA fees and other underwriting expenses	(1,123,983)	(4,674,706)	(43,153)	-	-	(5,841,842)
Total underwriting costs	(259,232,520)	(28,032,406)	(4,371,161)	(3,656,432)	(3,456,951)	(298,749,470)
Net underwriting (deficit) surplus	(1,186,928)	64,626,020	1,275,677	6,656,631	2,980,623	74,352,023
Unallocated expenses						(42,835,907)
Unallocated income						4,812,089
Surplus from insurance operations						36,328,205

**BURUJ COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 December 2016

15 SEGMENT INFORMATION (continued)

Operating segments

As at 31 December 2016 (Unaudited)

	<i>Motor SR</i>	<i>Medical SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
ASSETS						
Reinsurers' share of unearned premiums	-	-	4,468,829	887,499	7,654,930	13,011,258
Reinsurers' share of outstanding claims	14,460,770	1,538,613	59,598,285	8,741,312	16,255,561	100,594,541
Deferred policy acquisition costs	8,080,291	6,610,015	374,001	121,509	927,218	16,113,034
SEGMENT ASSETS	22,541,061	8,148,628	64,441,115	9,750,320	24,837,709	129,718,833
Unallocated assets						517,449,736
TOTAL ASSETS						647,168,569
LIABILITIES						
Gross unearned premiums	114,699,242	67,732,925	5,321,991	1,543,158	14,704,041	204,001,357
Gross outstanding claims	144,735,502	27,870,528	63,581,149	13,989,647	21,798,950	271,975,776
Unearned reinsurance commission	-	-	813,904	341,274	598,503	1,753,681
Other reserves	4,617,839	117,311	3,775,613	-	220,662	8,731,425
SEGMENT LIABILITIES	264,052,583	95,720,764	73,492,657	15,874,079	37,322,156	486,462,239
Unallocated liabilities						160,706,330
TOTAL LIABILITIES						647,168,569

Operating segments

As at 31 December 2015 (Audited)

	<i>Motor SR</i>	<i>Medical SR</i>	<i>Property SR</i>	<i>Marine SR</i>	<i>Others SR</i>	<i>Total SR</i>
ASSETS						
Reinsurers' share of unearned premiums	649,063	-	7,658,935	1,640,413	4,252,898	14,201,309
Reinsurers' share of outstanding claims	12,141,019	538,217	68,156,498	12,211,537	18,483,757	111,531,028
Deferred policy acquisition costs	9,766,162	6,135,266	696,742	212,286	965,503	17,775,959
SEGMENT ASSETS	22,556,244	6,673,483	76,512,175	14,064,236	23,702,158	143,508,296
Unallocated assets						406,713,839
TOTAL ASSETS						550,222,135
LIABILITIES						
Gross unearned premiums	132,515,827	63,280,239	8,985,950	2,638,513	8,325,665	215,746,194
Gross outstanding claims	128,489,067	14,007,978	71,023,150	18,231,917	22,112,274	253,864,386
Unearned reinsurance commission	48,696	-	1,321,877	592,496	1,122,449	3,085,518
Other reserves	3,336,917	-	122,029	-	43,392	3,502,338
SEGMENT LIABILITIES	264,390,507	77,288,217	81,453,006	21,462,926	31,603,780	476,198,436
Unallocated liabilities						74,023,699
TOTAL LIABILITIES						550,222,135

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

31 December 2016

16 COMPARATIVE FIGURES

Certain figures for the prior period have been reclassified to conform to the presentation made in the current year; however there is no impact of such reclassifications to the overall presentation of the interim condensed financial statements.

17 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 17 Rabi Al-Akhar 1438H, (corresponding to 15 January 2017).