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

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

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2016

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT
For The Three and Six Month Periods Ended 30 June 2016

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PKF Al-Bassam & Al-Nemer

Allied Accountants

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

CONCLUSION:

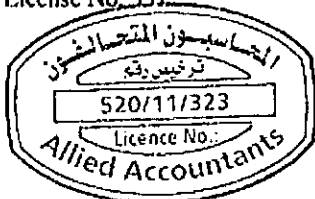
Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

EMPHASIS OF A MATTER:

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

PKF Al-Bassam & Al-Nemer
Allied Accountants
P O Box 28355
Riyadh 11437
Kingdom of Saudi Arabia

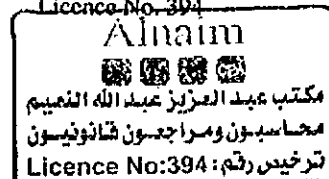
Abdulaziz A. Al Bassam
Certified Public Accountant
Licence No. 337



19 Shawwal 1437
(24 July 2016)

Abdulaziz A. Alnaim
Certified Public Accountants
P O Box 26991
Riyadh 11496
Kingdom of Saudi Arabia

Abdulaziz A. Alnaim
Certified public Accountant
Licence No. 394



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

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	<i>Note</i>	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	5	134,127,108	151,818,340
Time deposits	6	207,448,066	149,199,175
Premiums and reinsurance balances receivable, net	7	69,833,317	46,988,000
Available for sale investments	8(i)(a)	43,415,141	45,180,145
Reinsurers' share of outstanding claims		111,678,627	111,531,028
Prepayments and other assets		14,961,323	10,993,779
Deferred policy acquisition costs		18,635,761	17,775,959
Reinsurers' share of unearned premiums		13,492,785	14,201,309
Property and equipment, net		2,076,638	2,534,400
TOTAL INSURANCE OPERATIONS' ASSETS		615,668,766	550,222,135
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	5	57,382,399	61,634,436
Time deposits	6	60,457,500	60,000,000
Available for sale investments	8(ii)(a)	66,119,245	63,101,149
Due from insurance operations		62,215,007	34,033,715
Prepayments and other assets		1,435,950	690,728
Held to maturity investments	8(ii)(c)	10,000,000	5,000,000
Investment in an associate	8(ii)(d)	851,219	1,200,000
Statutory deposit	10	25,000,000	25,000,000
Statutory deposit investment returns	10	399,070	337,805
TOTAL SHAREHOLDERS' ASSETS		283,860,390	250,997,833
TOTAL ASSETS		899,529,156	801,219,968

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

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

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2016

	Note	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
INSURANCE OPERATIONS' LIABILITIES & SURPLUS			
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims		274,267,536	253,864,386
Reinsurance and insurance balances payable		24,000,376	17,981,967
Accrued expenses and other liabilities		16,920,832	17,630,707
Employees' end of service benefits		4,909,847	3,825,949
Due to shareholders' operations		62,215,007	34,033,715
Unearned reinsurance commission		2,352,629	3,085,518
Gross unearned premiums		218,801,021	215,746,194
Premium deficiency and other reserves		7,181,802	3,502,338
TOTAL INSURANCE OPERATIONS' LIABILITIES		610,649,050	549,670,774
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		10,441,939	6,617,215
Changes in fair values of available for sale investments	8(i)(b)	(5,422,223)	(6,065,854)
TOTAL INSURANCE OPERATIONS' LIABILITIES & SURPLUS		615,668,766	550,222,135
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Zakat payable	11	16,151,053	14,691,356
Accrued expenses and other liabilities		2,646,344	2,930,758
Statutory deposit investment returns	10	399,070	337,805
TOTAL SHAREHOLDERS' LIABILITIES		19,196,467	17,959,919
SHAREHOLDERS' EQUITY			
Share capital		250,000,000	250,000,000
Retained earnings (Accumulated losses)		13,151,308	(17,597,642)
Change in fair values of available for sale investments	8(ii)(b)	1,512,615	635,556
TOTAL SHAREHOLDERS' EQUITY		264,663,923	233,037,914
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		283,860,390	250,997,833
TOTAL LIABILITIES AND EQUITY		899,529,156	801,219,968

The accompanying notes 1 to 16 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 30 June</i>		<i>For the six month period ended 30 June</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>
Gross written premiums	100,886,426	109,954,086	227,150,318	213,673,138
Reinsurance premiums ceded	(11,274,723)	(14,261,323)	(19,190,422)	(29,901,370)
Excess of loss premiums	(2,605,352)	(4,056,719)	(4,628,264)	(6,853,923)
NET PREMIUMS WRITTEN	87,006,351	91,636,044	203,331,632	176,917,845
Movement in unearned premiums, net	13,969,236	(8,771,980)	(3,763,351)	(13,097,052)
NET PREMIUMS EARNED	100,975,587	82,864,064	199,568,281	163,820,793
Reinsurance commission income	1,975,706	3,772,091	3,908,054	6,742,806
Policy fees and other underwriting income	2,790,233	3,822,058	5,208,328	7,610,260
TOTAL REVENUES	105,741,526	90,458,213	208,684,663	178,173,859
Gross claims paid	(56,049,615)	(51,442,051)	(113,169,366)	(107,678,660)
Reinsurance share of claims paid	6,389,676	3,988,596	16,610,835	5,877,124
NET CLAIMS PAID	(49,659,939)	(47,453,455)	(96,558,531)	(101,801,536)
Movement in outstanding claims, net	(2,768,550)	(4,843,035)	(20,255,552)	(15,517,445)
Movement in premium deficiency and other reserves	(3,679,464)	-	(3,679,464)	1,063,772
NET CLAIMS INCURRED	(56,107,953)	(52,296,490)	(120,493,547)	(116,255,209)
Policy acquisition costs	(9,576,909)	(8,426,632)	(18,675,750)	(16,963,280)
Inspection and supervision fees	(854,464)	(740,485)	(1,944,933)	(1,263,008)
Other underwriting expenses	(2,249,102)	(1,522,561)	(4,102,298)	(3,187,859)
TOTAL UNDERWRITING COSTS	(68,788,428)	(62,986,168)	(145,216,528)	(137,669,356)
NET UNDERWRITING SURPLUS	36,953,098	27,472,045	63,468,135	40,504,503
General and administrative expenses	(12,430,916)	(11,102,853)	(23,307,982)	(20,195,493)
Allowance for doubtful debts	(1,873,143)	(4,419,035)	(3,002,248)	(4,673,444)
Special commission income from time deposits	1,344,374	561,838	2,562,247	1,040,079
Special commission income from investments	400,000	452,437	400,000	503,405
Dividend income	364,729	367,524	545,773	492,715
Realized gain (loss) from available for sale investments	125,329	2,116,997	(2,868,690)	3,639,212
Other income	185,364	23,528	450,005	338,096
SURPLUS FROM INSURANCE OPERATIONS	25,068,835	15,472,481	38,247,240	21,649,073
Surplus transferred to shareholders' operations	(22,561,952)	(13,925,233)	(34,422,516)	(19,484,166)
NET RESULT FOR THE PERIOD	2,506,883	1,547,248	3,824,724	2,164,907
Accumulated surplus at beginning of the period	-	-	6,617,215	2,984,395
ACCUMULATED SURPLUS AT END OF THE PERIOD	2,506,883	1,547,248	10,441,939	5,149,302

.....continued on page 5

The accompanying notes 1 to 16 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 30 June</i>		<i>For the six month period ended 30 June</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>
NET RESULT FOR THE PERIOD	2,506,883	1,547,248	3,824,724	2,164,907
<i>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:</i>				
Realized (gain) loss from available for sale investments	(125,329)	(2,116,997)	2,868,690	(3,639,212)
Change in fair values of available for sale investments	717,204	3,285,992	(2,225,059)	5,402,044
Net change in fair values of available for sale investments	591,875	1,168,995	643,631	1,762,832
Total comprehensive income for the period	<u>3,098,758</u>	<u>2,716,243</u>	<u>4,468,355</u>	<u>3,927,739</u>

The accompanying notes 1 to 16 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 30 June</i>		<i>For the six month period ended 30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Surplus transferred from insurance operations	22,561,952	13,925,233	34,422,516	19,484,166
EXPENSES				
General and administrative	(1,098,173)	(467,657)	(1,617,329)	(1,057,806)
INCOME FROM OPERATIONS	21,463,779	13,457,576	32,805,187	18,426,360
Special commission income from time deposits	306,734	153,902	553,112	252,516
Special commission income from investments	376,679	231,012	759,225	513,002
Dividend income	-	339,103	-	339,103
Realized gain from available for sale investments	818,508	187,052	818,508	629,577
Share of loss of an associate	(348,781)	-	(348,781)	-
INCOME BEFORE ZAKAT	22,616,919	14,368,645	34,587,251	20,160,558
Zakat	(2,068,548)	(2,342,723)	(3,838,301)	(3,076,174)
NET INCOME FOR THE PERIOD	20,548,371	12,025,922	30,748,950	17,084,384
OTHER COMPREHENSIVE (LOSS) INCOME TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Realized gain from available for sale investments transferred to income	(818,508)	(187,052)	(818,508)	(629,577)
Change in fair values of available for sale investments	8(ii)(b) 672,567	1,440,728	1,695,567	1,898,135
Net change in fair values of available for sale investments	(145,941)	1,253,676	877,059	1,268,558
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20,402,430	13,279,598	31,626,009	18,352,942
BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD - RESTATED	13 0.82	0.51	1.23	0.80
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES - RESTATED	13 25,000,000	23,373,556	25,000,000	21,371,778

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

For the six month period ended 30 June 2016

	<i>Share Capital 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>
Balance as at 1 January 2015	130,000,000	(41,063,537)	1,053,628	89,990,091
Net income for the period	-	17,084,384	-	17,084,384
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	-	-	1,268,558	1,268,558
<i>Total comprehensive income for the period</i>	-	12,315,370	1,268,558	13,583,928
Rights issue	120,000,000	-	-	120,000,000
Balance as at 30 June 2015	250,000,000	(28,748,167)	2,322,186	223,574,019
Balance as at 1 January 2016	250,000,000	(17,597,642)	635,556	233,037,914
Net income for the period	-	30,748,950	-	30,748,950
<i>Other comprehensive income:</i>				
Net change in fair values of available for sale investments	-	-	877,059	877,059
<i>Total comprehensive income for the period</i>	-	30,748,950	877,059	31,626,009
Balance as at 30 June 2016	250,000,000	13,151,308	1,512,615	264,663,923

The accompanying notes 1 to 16 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 six month period ended</i>	
	<i>30 June 2016</i>	<i>30 June 2015</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net result for the period	3,824,724	2,164,907
<i>Adjustments for:</i>		
Surplus transferred to shareholders' operations	34,422,516	19,484,166
Depreciation	556,909	599,919
Provision for employees' end of service benefits	1,166,195	446,595
Allowance for of doubtful debts	2,988,768	4,673,444
Realized loss (gain) from available for sale investments	2,868,690	(3,639,212)
Loss (gain) on disposal of property and equipment	504	(23,528)
<i>Net surplus before changes in operating assets and liabilities</i>	<u>45,828,306</u>	<u>23,706,291</u>
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurance balances receivable	(25,834,085)	(36,117,459)
Reinsurers' share of outstanding claims	(147,599)	(68,834,706)
Prepayments and other assets	(3,967,544)	410,158
Deferred policy acquisition costs	(859,802)	(1,512,668)
Reinsurers' share of unearned premiums	708,524	(6,203,580)
Gross outstanding claims	20,403,150	84,352,151
Reinsurance and insurance balances payable	6,018,409	1,338,822
Accrued expenses and other liabilities	(709,875)	6,005,782
Unearned reinsurance commission	(732,889)	1,271,806
Gross unearned premiums	3,054,827	19,300,632
Premium deficiency and other reserves	3,679,464	(1,063,772)
<i>Cash from operating activities</i>	<u>47,440,886</u>	<u>22,653,457</u>
Employees' end of service benefits paid	(82,297)	(68,342)
Net cash from operating activities	<u>47,358,589</u>	<u>22,585,115</u>
INVESTING ACTIVITIES		
Time deposits	(58,248,891)	(92,575,001)
Purchase of available for sale investments	8 (i)(b) (18,544,839)	(58,328,867)
Proceeds from available for sale investments	8 (i)(b) 18,084,784	38,718,957
Purchase of property and equipment	(99,701)	(285,396)
Proceeds from disposal of property and equipment	50	25,501
Net cash used in investing activities	<u>(58,808,597)</u>	<u>(112,444,806)</u>
FINANCING ACTIVITY		
Due to shareholders' operations	(6,241,224)	(22,176,308)
Net cash used in financing activity	<u>(6,241,224)</u>	<u>(22,176,308)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(17,691,232)</u>	<u>(112,035,999)</u>
Cash and cash equivalents at beginning of the period	151,818,340	192,137,163
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5 134,127,108	80,101,164
<i>Non-cash transactions:</i>		
Transfer of surplus to shareholders' comprehensive operations	34,422,516	19,484,166
Net change in fair values of available for sale investments	<u>643,631</u>	<u>1,762,832</u>

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

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

	<i>For the six month period ended</i>	
	<i>30 June 2016</i>	<i>30 June 2015</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Income before zakat	34,587,251	20,160,558
<i>Adjustments for:</i>		
Surplus transferred from insurance operations	(34,422,516)	(19,484,166)
Realised gain from available for sale investments	(818,508)	(629,577)
Share of loss of an associate	348,781	-
Net (deficit) surplus before changes in operating assets and liabilities	(304,992)	46,815
<i>Changes in operating assets and liabilities:</i>		
Prepayments and other assets	(745,222)	1,019,864
Statutory deposit investment returns	-	(12,093,995)
Accrued expenses and other liabilities	(284,414)	(193,591)
<i>Cash used in operations</i>	(1,334,628)	(11,220,907)
Zakat paid	(2,378,604)	-
Net cash used in operating activities	(3,713,232)	(11,220,907)
INVESTING ACTIVITIES		
Time deposits	(457,500)	(60,000,000)
Purchase of available for sale investments	8(ii)(b) (19,125,261)	(20,846,857)
Sale of available for sale investments	8(ii)(b) 17,802,732	23,792,155
Investment in associate	-	(1,200,000)
Purchase of held to maturity investments	(5,000,000)	-
Net cash used in investing activities	(6,780,029)	(58,254,702)
FINANCING ACTIVITIES		
Proceeds from right issue	-	120,000,000
Payment for right issue transaction costs	-	(4,769,014)
Due from insurance operations	6,241,224	22,176,308
Net cash from financing activities	6,241,224	137,407,294
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,252,037)	67,931,685
Cash and cash equivalents at the beginning of the period	61,634,436	19,293,257
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5 57,382,399	87,224,942
<i>Non-cash transactions:</i>		
Transfer of surplus from insurance operations	(34,422,516)	(19,484,166)
Net change in fair values of available for sale investments	877,059	1,268,558

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

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

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

30 June 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 six month period ended 30 June 2016 amounting to SR 38.2 million (30 June 2015: SR 21.6 million). Accordingly, 90% of the net surplus amounting to SR 34.4 million (30 June 2015: SR 19.5 million) has been transferred to the shareholders' operations.

3 BASIS OF MEASUREMENT

Basis of measurement

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

Statement of compliance

The accompanying interim condensed financial statements for the six month period ended 30 June 2016 (the "period") are prepared in accordance with IAS 34 – Interim Financial Reporting, do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 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. The interim results may not be indicative of the Company's annual results.

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

30 June 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>30 June 2016 (Unaudited)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Insurance operations SR</i>	<i>Shareholders' operations SR</i>	<i>Insurance operations SR</i>	<i>Shareholders' operations SR</i>
Cash in hand and at banks	112,877,108	40,281,943	147,818,340	44,908,990
Short term deposits	21,250,000	17,100,456	4,000,000	16,725,446
Cash and cash equivalents	<u>134,127,108</u>	<u>57,382,399</u>	<u>151,818,340</u>	<u>61,634,436</u>

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 1.79% per annum (2015: 1.80%).

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

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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 1.94% 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>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Premiums receivable	73,770,841	51,913,108
<i>Less: Allowance for doubtful debts</i>	<i>(13,467,111)</i>	<i>(10,268,615)</i>
	<u>60,303,730</u>	<u>41,644,493</u>
Reinsurance balances receivable	10,344,899	6,368,547
<i>Less: Allowance for doubtful debts</i>	<i>(815,312)</i>	<i>(1,025,040)</i>
	<u>9,529,587</u>	<u>5,343,507</u>
Total premiums and reinsurance balances receivable, net	<u>69,833,317</u>	<u>46,988,000</u>

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

	<i>Policyholders SR</i>	<i>Reinsurers SR</i>	<i>Total SR</i>
<i>30 June 2016 (Unaudited)</i>			
Beginning balance	10,268,615	1,025,040	11,293,655
Charge (reversal) for the period	3,198,496	(196,248)	3,002,248
Written-off	-	(13,480)	(13,480)
<i>Closing balance</i>	<u>13,467,111</u>	<u>815,312</u>	<u>14,282,423</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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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>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Local "DPM" equity securities	Quoted	21,236,742	22,506,571
Units in local investment funds	NAV*	12,178,399	12,673,574
Units in local real estate fund	NAV*	10,000,000	10,000,000
		<u>43,415,141</u>	<u>45,180,145</u>

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

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

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
At the beginning of the period / year	45,180,145	29,946,280
Purchased during the period / year	18,544,839	77,359,746
Sold during the period / year	(18,084,784)	(57,612,580)
	<u>45,640,200</u>	<u>49,693,446</u>
Change in fair values	(2,225,059)	(4,513,301)
At the end of the period / year	<u>43,415,141</u>	<u>45,180,145</u>

The change in fair value of available for sale investments of insurance operations amounting to SR (5,422,223) (31 December 2015: SR (6,065,854)) is presented within 'insurance operations surplus' in the statement of financial position and the current period / 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>	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
GCC bonds and sukuku	Quoted	23,076,843	23,828,379
Units in local investment funds	NAV*	19,641,710	31,309,702
Units in local real estate funds	NAV*	21,477,614	6,039,990
Unquoted local equity investment	Unquoted	1,923,078	1,923,078
		66,119,245	63,101,149

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

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

	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
At the beginning of the period / year	63,101,149	52,908,862
Purchased during the period / year	19,125,261	33,772,937
Sold during the period / year	(17,802,732)	(23,792,155)
	64,423,678	62,889,644
Change in fair values	1,695,567	211,505
At the end of the period / year	66,119,245	63,101,149

The cumulative change in fair values of available for sale investments of shareholders' operations amounting to SR 1,512,615 (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 30 June 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 and will launch its operations during third quarter of 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 348,781 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>Level 1</i> <i>SR</i>	<i>Level 2</i> <i>SR</i>	<i>Level 3</i> <i>SR</i>	<i>Total</i> <i>SR</i>
<i>30 June 2016 (Unaudited)</i>				
Bonds and sukuk	23,076,843	-	-	23,076,843
Investment and real estate funds	31,820,109	31,477,614	-	63,297,723
Equities	21,236,742	-	1,923,078	23,159,820
	<u>76,133,694</u>	<u>31,477,614</u>	<u>1,923,078</u>	<u>109,534,386</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 six-month period ended 30 June 2016 and for the year ended 31 December 2015, 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 and its obligation amounting to SR 399,070 (31 December 2015: SR 337,805) has been presented in the statement of financial position.

11 ZAKAT

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

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
At the beginning of the period / year	14,691,356	9,733,588
Provided for the period / year	3,838,301	4,957,768
Payments during the period / year	(2,378,604)	-
At the end of the period / year	16,151,053	14,691,356

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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12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>		<i>Balance as at</i>	
		<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Shareholders	Gross written premiums	9,645,367	19,960,475	14,039,688	8,917,928
	Reinsurance premium ceded	(889,608)	(27,384)	(384,990)	(325,252)
	Gross claims incurred	(3,584,942)	(10,360,189)	-	-
Board of Directors and committees' members	Remuneration fees, allowances and other expense	(722,000)	(732,000)	(1,944,760)	(1,599,260)
	Gross written premiums	13,446,950	19,817,029	9,398,251	2,917,717
	Insurance brokerage contracts	(2,769,572)	(4,307,228)	(2,673,343)	(1,506,061)
Associate	General and administrative expenses	774,982	25,010	774,982	-

Balances in respect of the above transactions with related parties are included in the relevant accounts in the interim 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 period is as follows:

	<i>For the six month period ended 30 June</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>
Short-term benefits	1,561,600	1,448,700
End of service benefits	302,809	71,511
	<u>1,864,409</u>	<u>1,520,211</u>

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13 BASIC AND DILUTED EARNINGS PER SHARE - Restated

Basic and diluted earnings per share for the period have been calculated by dividing the net income for the period by the weighted average number of outstanding shares at the period 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 30 June</i>		<i>For the six month period ended 30 June</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>
Issued ordinary shares as at 1 January	25,000,000	13,000,000	25,000,000	13,000,000
Adjusted rights issue	-	10,373,556	-	8,371,778
Effects of rights issue of shares	-	-	-	-
Weighted average number of ordinary shares	25,000,000	23,373,556	25,000,000	21,371,778

The basic and diluted earnings per share are as follows:

	<i>For the three month period ended 30 June</i>		<i>For the six month period ended 30 June</i>	
	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2016 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>
Net income for the period	20,548,371	12,025,922	30,748,950	17,084,384
Weighted average number of ordinary shares	25,000,000	23,373,556	25,000,000	21,371,778
Basic and diluted earnings per share – restated	0.82	0.51	1.23	0.80

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14 SEGMENT INFORMATION

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

Segment results 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

*For the three month period
ended 30 June 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>
Gross written premiums	49,681,201	36,669,124	5,086,209	2,199,337	7,250,555	100,886,426
Reinsurance premiums ceded	(13,797)	-	(4,461,741)	(1,326,858)	(5,472,327)	(11,274,723)
Excess of loss premiums	(1,328,281)	(407,795)	(256,786)	(414,863)	(197,627)	(2,605,352)
Net premiums written	48,339,123	36,261,329	367,682	457,616	1,580,601	87,006,351
Movement in unearned premiums, net	12,308,529	976,015	390,754	284,792	9,146	13,969,236
Net premiums earned	60,647,652	37,237,344	758,436	742,408	1,589,747	100,975,587
Reinsurance commission income	26,911	-	818,332	652,292	478,171	1,975,706
Policy fees and other underwriting income	2,709,248	-	6,630	58,320	16,035	2,790,233
Total revenues	63,383,811	37,237,344	1,583,398	1,453,020	2,083,953	105,741,526
Net claims paid	(41,230,849)	(7,784,722)	(11,552)	(456,627)	(176,189)	(49,659,939)
Movement in outstanding claims, net	752,911	(2,346,648)	(1,380,782)	482,989	(277,020)	(2,768,550)
Movement in premium deficiency and other reserves, net	(2,141,667)	(545,794)	(980,866)	-	(11,137)	(3,679,464)
Net claims incurred	(42,619,605)	(10,677,164)	(2,373,200)	26,362	(464,346)	(56,107,953)
Policy acquisition costs	(4,863,253)	(3,644,317)	(479,527)	(246,956)	(342,856)	(9,576,909)
Inspection and supervision fees	(247,339)	(550,040)	(11,264)	(10,147)	(35,674)	(854,464)
Other underwriting expenses	(171,176)	(2,077,926)	-	-	-	(2,249,102)
Total underwriting costs	(47,901,373)	(16,949,447)	(2,863,991)	(230,741)	(842,876)	(68,788,428)
Net underwriting surplus (deficit)	15,482,438	20,287,897	(1,280,593)	1,222,279	1,241,077	36,953,098
Unallocated expenses						(14,304,059)
Unallocated income						2,419,796
Surplus from insurance operations						25,068,835

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14 SEGMENT INFORMATION (continued)

Operating segments

<i>For the three month period ended 30 June 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	68,974,499	22,772,542	9,095,509	4,166,630	4,944,906	109,954,086
Reinsurance premiums ceded	(361)	-	(8,203,885)	(2,669,139)	(3,387,938)	(14,261,323)
Excess of loss premiums	(3,505,234)	(247,375)	(54,072)	(188,501)	(61,537)	(4,056,719)
Net premiums written	65,468,904	22,525,167	837,552	1,308,990	1,495,431	91,636,044
Movement in unearned premiums, net	(7,284,796)	(788,264)	(78,608)	21,142	(641,454)	(8,771,980)
Net premiums earned	58,184,108	21,736,903	758,944	1,330,132	853,977	82,864,064
Reinsurance commission income	29,097	-	1,119,743	1,853,693	769,558	3,772,091
Policy fees and other underwriting income	3,736,123	-	10,440	62,285	13,210	3,822,058
Total revenues	61,949,328	21,736,903	1,889,127	3,246,110	1,636,745	90,458,213
Net claims paid	(43,502,243)	(3,654,803)	(29,968)	(177,093)	(89,348)	(47,453,455)
Movement in outstanding claims, net	(4,337,719)	1,207,492	(936,188)	(430,302)	(346,318)	(4,843,035)
Net claims incurred	(47,839,962)	(2,447,311)	(966,156)	(607,395)	(435,666)	(52,296,490)
Policy acquisition costs	(4,963,951)	(2,172,411)	(621,368)	(281,075)	(387,827)	(8,426,632)
Inspection and supervision fees	(342,554)	(340,609)	(16,842)	(19,182)	(21,298)	(740,485)
Other underwriting expenses	(285,534)	(1,237,027)	-	-	-	(1,522,561)
Total underwriting costs	(53,432,001)	(6,197,358)	(1,604,366)	(907,652)	(844,791)	(62,986,168)
Net underwriting surplus	8,517,327	15,539,545	284,761	2,338,458	791,954	27,472,045
Unallocated expenses						(15,521,888)
Unallocated income						3,522,324
Surplus from insurance operations						15,472,481

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14 SEGMENT INFORMATION (continued)

Operating segments

<i>For the six month period ended 30 June 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	114,312,098	84,024,413	9,536,732	5,108,492	14,168,583	227,150,318
Reinsurance premiums ceded	(74,765)	-	(7,418,515)	(3,083,579)	(8,613,563)	(19,190,422)
Excess of loss premiums	(2,243,731)	(634,909)	(524,646)	(829,725)	(395,253)	(4,628,264)
Net premiums written	111,993,602	83,389,504	1,593,571	1,195,188	5,159,767	203,331,632
Movement in unearned premiums, net	15,154,262	(16,584,150)	(173,949)	130,459	(2,289,973)	(3,763,351)
Net premiums earned	127,147,864	66,805,354	1,419,622	1,325,647	2,869,794	199,568,281
Reinsurance commission income	54,303	-	1,748,220	1,049,424	1,056,107	3,908,054
Policy fees and other underwriting income	5,026,633	-	22,330	125,530	33,835	5,208,328
Total revenues	132,228,800	66,805,354	3,190,172	2,500,601	3,959,736	208,684,663
Net claims paid	(83,912,908)	(11,794,400)	(58,825)	(561,266)	(231,132)	(96,558,531)
Movement in outstanding claims, net	(12,369,679)	(4,842,750)	(1,947,317)	79,188	(1,174,994)	(20,255,552)
Movement in premium deficiency and other reserves, net	(2,141,667)	(545,794)	(980,866)	-	(11,137)	(3,679,464)
Net claims incurred	(98,424,254)	(17,182,944)	(2,987,008)	(482,078)	(1,417,263)	(120,493,547)
Policy acquisition costs	(9,922,642)	(6,536,906)	(1,043,045)	(459,242)	(713,915)	(18,675,750)
Inspection and supervision fees	(569,525)	(1,260,369)	(25,879)	(23,072)	(66,088)	(1,944,933)
Other underwriting expenses	(314,338)	(3,768,960)	(19,000)	-	-	(4,102,298)
Total underwriting costs	(109,230,759)	(28,749,179)	(4,074,932)	(964,392)	(2,197,266)	(145,216,528)
Net underwriting surplus (deficit)	22,998,041	38,056,175	(884,760)	1,536,209	1,762,470	63,468,135
Unallocated expenses						(26,310,230)
Unallocated income						1,089,335
Surplus from insurance operations						38,247,240

BURUJ COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
30 June 2016

14 SEGMENT INFORMATION (continued)

Operating segments

<i>For the six month period ended 30 June 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	149,899,860	25,849,159	16,919,695	8,812,225	12,192,199	213,673,138
Reinsurance premiums ceded	(5,720)	-	(15,138,165)	(5,815,091)	(8,942,394)	(29,901,370)
Excess of loss premiums	(5,482,853)	(762,850)	(108,144)	(377,002)	(123,074)	(6,853,923)
Net premiums written	144,411,287	25,086,309	1,673,386	2,620,132	3,126,731	176,917,845
Movement in unearned premiums, net	(31,810,853)	21,319,366	(625,406)	(305,882)	(1,674,277)	(13,097,052)
Net premiums earned	112,600,434	46,405,675	1,047,980	2,314,250	1,452,454	163,820,793
Reinsurance commission income	57,707	212,688	2,201,391	2,680,785	1,590,235	6,742,806
Policy fees and other underwriting income	7,435,495	-	23,240	126,060	25,465	7,610,260
Total revenues	120,093,636	46,618,363	3,272,611	5,121,095	3,068,154	178,173,859
Net claims paid	(93,117,568)	(8,142,773)	(34,247)	(334,605)	(172,343)	(101,801,536)
Movement in outstanding claims, net	(13,141,009)	(500,622)	(1,452,493)	(327,249)	(96,072)	(15,517,445)
Movement in premium deficiency and other reserves, net	1,563,772	-	(500,000)	-	-	1,063,772
Net claims incurred	(104,694,805)	(8,643,395)	(1,986,740)	(661,854)	(268,415)	(116,255,209)
Policy acquisition costs	(9,865,546)	(4,652,955)	(1,156,486)	(510,869)	(777,424)	(16,963,280)
Inspection and supervision fees	(745,672)	(386,758)	(39,298)	(40,359)	(50,921)	(1,263,008)
Other underwriting expenses	(639,255)	(2,542,104)	(6,500)	-	-	(3,187,859)
Total underwriting costs	(115,945,278)	(16,225,212)	(3,189,024)	(1,213,082)	(1,096,760)	(137,669,356)
Net underwriting surplus	4,148,358	30,393,151	83,587	3,908,013	1,971,394	40,504,503
Unallocated expenses						(24,868,937)
Unallocated income						6,013,507
Surplus from insurance operations						21,649,073

BURUJ COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
30 June 2016

14 SEGMENT INFORMATION (continued)

Operating segments

<i>As at 30 June 2016 (Unaudited)</i>	<i>Motor</i>	<i>Medical</i>	<i>Property</i>	<i>Marine</i>	<i>Others</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
ASSETS						
Reinsurers' share of unearned premiums	-	-	5,295,224	1,307,046	6,890,515	13,492,785
Reinsurers' share of outstanding claims	13,054,332	1,459,345	63,200,884	12,769,398	21,194,668	111,678,627
Deferred policy acquisition costs	8,844,689	7,749,817	711,971	169,120	1,160,164	18,635,761
SEGMENT ASSETS	21,899,021	9,209,162	69,208,079	14,245,564	29,245,347	143,807,173
Unallocated assets						471,861,593
TOTAL ASSETS						615,668,766
LIABILITIES						
Gross unearned premiums	116,712,510	79,864,389	6,796,188	2,174,687	13,253,247	218,801,021
Gross outstanding claims	141,772,060	19,771,855	68,014,852	18,710,586	25,998,183	274,267,536
Unearned reinsurance commission	-	-	1,043,560	496,988	812,081	2,352,629
Premium deficiency and other reserves	5,478,584	545,794	1,102,895	-	54,529	7,181,802
SEGMENT LIABILITIES	263,963,154	100,182,038	76,957,495	21,382,261	40,118,040	502,602,988
Unallocated liabilities						113,065,778
TOTAL LIABILITIES						615,668,766

Operating segments

<i>As at 31 December 2015 (Audited)</i>	<i>Motor</i>	<i>Medical</i>	<i>Property</i>	<i>Marine</i>	<i>Others</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>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
Premium deficiency and other reserves	3,336,917	-	122,029	-	43,392	3,502,338
Accrued expenses and other liabilities	2,141,667	545,794	980,866	-	11,137	3,679,464
SEGMENT LIABILITIES	266,532,174	77,834,011	82,433,872	21,462,926	31,614,917	479,877,900
Unallocated liabilities						70,344,235
TOTAL LIABILITIES						550,222,135

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 June 2016

15 COMPARATIVE FIGURES

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

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 19 Shawwal 1437H, (corresponding to 24 July 2016).