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**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 2015**

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**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 2015**

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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 2015, the related interim statements of insurance and shareholders' comprehensive operations for the three 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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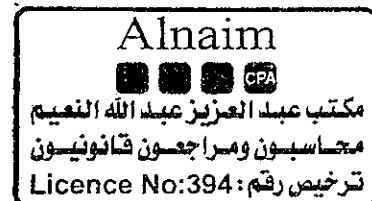


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7 Rabih Al-Thani 1437  
(17 January 2016)



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

**INTERIM STATEMENT OF FINANCIAL POSITION**

As at 31 December 2015

		<i>31 December 2015</i>	<i>31 December 2014</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>INSURANCE OPERATIONS' ASSETS</b>			
Cash and cash equivalents	5	151,818,340	192,137,163
Time deposits		149,199,175	-
Premiums and reinsurance balances receivable, net	6	46,988,000	38,905,474
Available for sale investments	7(i)(a)	45,180,145	29,946,280
Reinsurers' share of outstanding claims		111,531,028	45,789,566
Prepayments and other assets		10,993,779	8,081,955
Deferred policy acquisition costs		17,775,959	14,236,385
Reinsurers' share of unearned premiums		14,201,309	15,449,620
Held to maturity investment	7(i)(c)	-	8,000,000
Property and equipment, net		2,534,400	3,158,856
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>		<b>550,222,135</b>	<b>355,705,299</b>
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents	5	61,634,436	19,293,257
Time deposits		60,000,000	-
Available for sale investments	7(ii)(a)	63,101,149	52,908,862
Due from insurance operations		34,033,715	15,543,197
Prepayments and other assets		690,728	1,493,164
Held to maturity investment	7(ii)(c)	5,000,000	-
Investment in an associate	7(ii)(d)	1,200,000	-
Statutory deposit	9	25,337,805	13,243,810
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>250,997,833</b>	<b>102,482,290</b>
<b>TOTAL ASSETS</b>		<b>801,219,968</b>	<b>458,187,589</b>

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 31 December 2015

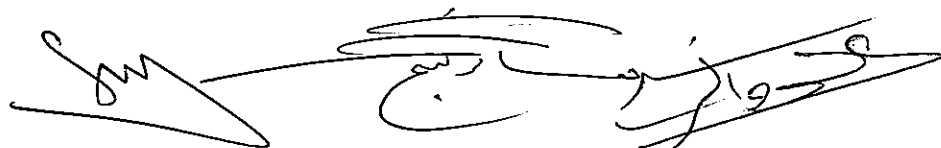
		<i>31 December 2015</i> <i>(Unaudited)</i>	<i>31 December 2014</i> <i>(Audited)</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>INSURANCE OPERATIONS' LIABILITIES &amp; SURPLUS</b>			
<b>INSURANCE OPERATIONS' LIABILITIES</b>			
Gross outstanding claims		253,864,386	123,499,116
Reinsurance and insurance balances payable		17,981,967	19,765,059
Accrued expenses and other liabilities		17,630,707	11,101,617
Employees' end of service benefits		3,825,949	2,914,841
Due to shareholders' operations		34,033,715	15,543,197
Unearned reinsurance commission		3,085,518	3,656,749
Gross unearned premiums		215,746,194	163,402,878
Premium deficiency and other reserves		3,502,338	13,835,299
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b>549,670,774</b>	<b>353,718,756</b>
<b>INSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		6,617,215	2,984,395
Changes in fair values of available for sale investments	7(i)(b)	(6,065,854)	(997,852)
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES &amp; SURPLUS</b>		<b>550,222,135</b>	<b>355,705,299</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Zakat payable	13	14,691,356	9,733,588
Accrued expenses and other liabilities		3,268,563	2,758,611
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>17,959,919</b>	<b>12,492,199</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	250,000,000	130,000,000
Accumulated losses		(17,597,642)	(41,063,537)
Change in fair values of available for sale investments	7(ii)(b)	635,556	1,053,628
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>233,037,914</b>	<b>89,990,091</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>250,997,833</b>	<b>102,482,290</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>801,219,968</b>	<b>458,187,589</b>

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 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2015 (Unaudited) SR</i>	<i>2014 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2014 (Audited) SR</i>
Gross written premiums	127,057,510	59,644,798	446,992,592	379,301,196
Reinsurance premiums ceded	(6,853,516)	(6,565,493)	(47,801,427)	(47,680,595)
Excess of loss premiums	(4,795,151)	(1,372,276)	(13,683,787)	(6,557,198)
<b>NET PREMIUMS WRITTEN</b>	<b>115,408,843</b>	<b>51,707,029</b>	<b>385,507,378</b>	<b>325,063,403</b>
Movement in unearned premiums, net	(27,361,399)	31,606,042	(53,591,627)	(51,160,306)
<b>NET PREMIUMS EARNED</b>	<b>88,047,444</b>	<b>83,313,071</b>	<b>331,915,751</b>	<b>273,903,097</b>
Reinsurance commission income	14,390,312	2,860,391	24,938,624	13,656,496
Policy fees and other underwriting income	5,423,587	2,755,545	16,247,118	9,617,700
<b>TOTAL REVENUES</b>	<b>107,861,343</b>	<b>88,929,007</b>	<b>373,101,493</b>	<b>297,177,293</b>
Gross claims paid	(62,804,645)	(52,252,210)	(227,633,410)	(174,196,827)
Reinsurance share of claims paid	5,281,589	2,377,467	26,762,431	17,043,409
<b>NET CLAIMS PAID</b>	<b>(57,523,056)</b>	<b>(49,874,743)</b>	<b>(200,870,979)</b>	<b>(157,153,418)</b>
Movement in outstanding claims, net	(25,778,128)	(8,027,608)	(64,623,808)	(31,748,218)
Movement in premium deficiency and other reserves	2,656,049	(4,374,712)	10,332,961	(9,033,153)
<b>NET CLAIMS INCURRED</b>	<b>(80,645,135)</b>	<b>(62,277,063)</b>	<b>(255,161,826)</b>	<b>(197,934,789)</b>
Policy acquisition costs	(9,575,670)	(9,273,807)	(34,650,263)	(31,456,161)
Inspection and supervision fees	(991,508)	(301,422)	(3,095,539)	(2,839,046)
Other underwriting expenses	(1,481,322)	(1,156,554)	(5,841,842)	(6,662,060)
<b>TOTAL UNDERWRITING COSTS</b>	<b>(92,693,635)</b>	<b>(73,008,846)</b>	<b>(298,749,470)</b>	<b>(238,892,056)</b>
<b>NET UNDERWRITING SURPLUS</b>	<b>15,167,708</b>	<b>15,920,161</b>	<b>74,352,023</b>	<b>58,285,237</b>
General and administrative expenses	(10,578,475)	(10,757,127)	(41,315,928)	(40,913,233)
Reversal of (allowance for) doubtful debts	5,958,845	3,488,725	(1,519,979)	(1,090,543)
Special commission income from time deposits	602,132	439,754	2,186,743	1,595,291
Special commission income from investments	404,947	56,868	955,354	217,230
Dividend income	114,514	52,275	776,451	278,538
Realized (loss) gain from available for sale investments	(1,595,464)	(217,302)	554,701	4,122,231
Other income	300	100	338,840	17,801
<b>SURPLUS FROM INSURANCE OPERATIONS</b>	<b>10,074,507</b>	<b>8,983,454</b>	<b>36,328,205</b>	<b>22,512,552</b>
Surplus transferred to shareholders' operations	(9,067,056)	(8,085,109)	(32,695,385)	(20,261,297)
<b>NET RESULT FOR THE PERIOD / YEAR</b>	<b>1,007,451</b>	<b>898,345</b>	<b>3,632,820</b>	<b>2,251,255</b>
Accumulated surplus at beginning of the period / year	-	-	2,984,395	733,140
<b>ACCUMULATED SURPLUS AT END OF THE PERIOD / YEAR</b>	<b>1,007,451</b>	<b>898,345</b>	<b>6,617,215</b>	<b>2,984,395</b>



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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 31 December</i>		<i>For the year ended 31 December</i>	
	<i>2015 (Unaudited) SR</i>	<i>2014 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2014 (Audited) SR</i>
<b>NET RESULT FOR THE PERIOD / YEAR</b>	<b>1,007,451</b>	898,345	<b>3,632,820</b>	2,251,255
<b><i>OTHER COMPREHENSIVE (LOSS) INCOME TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:</i></b>				
Realized loss (gain) from available for sale investments	<b>1,595,464</b>	217,302	<b>(554,701)</b>	(4,122,231)
Change in fair values of available for sale investments	<b>(2,645,431)</b>	(3,145,692)	<b>(4,513,301)</b>	3,124,379
Net change in fair values of available for sale Investments	<b>(1,049,967)</b>	(2,928,390)	<b>(5,068,002)</b>	(997,852)
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD / YEAR</b>	<b>(42,516)</b>	(2,030,045)	<b>(1,435,182)</b>	1,253,403

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**

	Note	<i>For the three month period ended 31 December</i>		<i>For the year ended 31 December</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Audited) SR</i>
Surplus transferred from insurance operations		<b>9,067,056</b>	8,085,109	<b>32,695,385</b>	20,261,297
<b>EXPENSES</b>					
General and administrative		<b>(635,247)</b>	(612,204)	<b>(2,277,857)</b>	(2,124,771)
<b>INCOME FROM OPERATIONS</b>		<b>8,431,809</b>	7,472,905	<b>30,417,528</b>	18,136,526
Special commission income from time deposits		<b>247,622</b>	65,800	<b>740,220</b>	288,064
Special commission income from available for sale investments		<b>303,124</b>	278,534	<b>1,066,249</b>	1,046,053
Realized gain from available for sale Investments		-	48,645	<b>629,577</b>	628,857
Dividend income		-	-	<b>339,103</b>	-
<b>INCOME BEFORE ZAKAT</b>		<b>8,982,555</b>	7,865,884	<b>33,192,677</b>	20,099,500
Zakat	13	<b>(394,426)</b>	(583,623)	<b>(4,957,768)</b>	(2,434,063)
<b>NET INCOME FOR THE PERIOD / YEAR</b>		<b>8,588,129</b>	7,282,261	<b>28,234,909</b>	17,665,437
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:</b>					
Realized gain from available for sale investments transferred to income		-	(48,645)	<b>(629,577)</b>	(628,857)
Change in fair values of available for sale investments	7(ii)(b)	<b>(1,188,166)</b>	244,396	<b>211,505</b>	2,472,355
Net change in fair values of available for sale investments		<b>(1,188,166)</b>	195,751	<b>(418,072)</b>	1,843,498
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR</b>		<b>7,399,963</b>	7,478,012	<b>27,816,837</b>	19,508,935
<b>BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD / YEAR - RESTATED</b>	11	<b>0.34</b>	0.38	<b>1.22</b>	0.91
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES - RESTATED</b>	11	<b>25,000,000</b>	19,370,000	<b>23,205,824</b>	19,370,000

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**

For the Year Ended 31 December 2015

	<i>Share Capital SR</i>	<i>Accumulated losses SR</i>	<i>Change in fair values of available for sale investments SR</i>	<i>Total SR</i>
<b>2014 (Audited)</b>				
Balance as at 1 January 2014	130,000,000	(58,728,974)	(789,870)	70,481,156
Net income for the year	-	17,665,437	-	17,665,437
<i>Other comprehensive income:</i>				
Net change in fair values of available for sale investments	-	-	1,843,498	1,843,498
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>17,665,437</b>	<b>1,843,498</b>	<b>19,508,935</b>
Balance as at 31 December 2014	130,000,000	(41,063,537)	1,053,628	89,990,091
<b>2015 (Unaudited)</b>				
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 (note 10)	-	(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)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>23,465,895</b>	<b>(418,072)</b>	<b>23,047,823</b>
Rights issue (note 10)	120,000,000	-	-	120,000,000
Balance as at 31 December 2015	250,000,000	(17,597,642)	635,556	233,037,914

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 year ended 31 December</i>	
	2015	2014
	(Unaudited)	(Audited)
Note	SR	SR
<b>OPERATING ACTIVITIES</b>		
Net result for the year	3,632,820	2,251,255
<i>Adjustments for:</i>		
Surplus transferred to shareholders' operations	32,695,385	20,261,297
Depreciation	1,225,302	1,358,588
Provision for employees' end of service benefits	1,031,339	996,153
Allowance for of doubtful debts	1,519,979	1,044,863
Realized gain from available for sale investments	(554,701)	(4,122,231)
Gain on disposal of property and equipment	(24,273)	(17,801)
<i>Net surplus before changes in operating assets and liabilities</i>	<u>39,525,851</u>	<u>21,772,124</u>
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurance balances receivable	(9,602,505)	(12,200,074)
Reinsurers' share of outstanding claims	(65,741,462)	(7,023,562)
Prepayments and other assets	(2,911,824)	2,189,300
Deferred policy acquisition costs	(3,539,574)	(3,705,040)
Reinsurers' share of unearned premiums	1,248,311	12,587,692
Gross outstanding claims	130,365,270	38,771,780
Reinsurance and insurance balances payable	(1,783,092)	(2,203,922)
Accrued expenses and other liabilities	6,529,090	2,555,910
Unearned reinsurance commission	(571,231)	(149,117)
Gross unearned premiums	52,343,316	38,572,614
Premium deficiency and other reserves	(10,332,961)	9,033,153
<i>Cash from operating activities</i>	<u>135,529,189</u>	<u>100,200,858</u>
Employees' end of service benefits paid	(120,231)	(142,343)
Net cash from operating activities	<u>135,408,958</u>	<u>100,058,515</u>
<b>INVESTING ACTIVITIES</b>		
Time deposits	(149,199,175)	-
Purchase of available for sale investments	7 (i)(b) (77,359,746)	(53,263,093)
Proceeds from sale of available for sale investments	7 (i)(b) 57,612,580	26,441,192
Proceeds from held to maturity investments	8,000,000	-
Purchase of property and equipment	(603,073)	(1,220,726)
Proceeds from disposal of property and equipment	26,500	20,100
Net cash used in investing activities	<u>(161,522,914)</u>	<u>(28,022,527)</u>
<b>FINANCING ACTIVITY</b>		
Due to shareholders' operations	(14,204,867)	(1,429,253)
Net cash used in financing activity	<u>(14,204,867)</u>	<u>(1,429,253)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(40,318,823)</u>	<u>70,606,735</u>
Cash and cash equivalents at beginning of the period	<u>192,137,163</u>	<u>121,530,428</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>5 151,818,340</u>	<u>192,137,163</u>
<i>Non-cash transactions:</i>		
Transfer of surplus to shareholders' comprehensive operations	32,695,385	20,261,297
Net change in fair values of available for sale investments	<u>(5,068,002)</u>	<u>(997,852)</u>

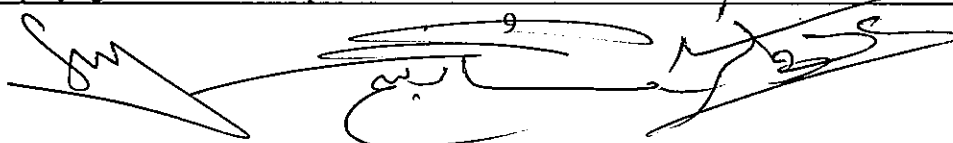
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**BURUJ COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS (UNAUDITED)**

	Note	<i>For the year ended 31 December</i>	
		<i>2015</i> <i>(Unaudited)</i> SR	<i>2014</i> <i>(Audited)</i> SR
<b>OPERATING ACTIVITIES</b>			
Income before zakat		33,192,677	20,099,500
<i>Adjustments for:</i>			
Surplus transferred from insurance operations		(32,695,385)	(20,261,297)
Realised gain from available for sale investments		(629,577)	(628,857)
Net deficit before changes in operating assets and liabilities		(132,285)	(790,654)
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		802,436	(1,232,132)
Statutory deposit		(12,093,995)	(86,709)
Accrued expenses and other liabilities		509,952	569,827
<i>Cash used in operations</i>		(10,913,892)	(1,539,668)
Zakat paid	13	-	(64,738)
Net cash used in operating activities		(10,913,892)	(1,604,406)
<b>INVESTING ACTIVITIES</b>			
Time deposits		(60,000,000)	-
Purchase of available for sale investments	7(ii)(b)	(33,772,937)	(5,460,792)
Proceeds from sale of available for sale investments	7(ii)(b)	23,792,155	11,405,322
Purchase of held to maturity investment	7(ii)(c)	(5,000,000)	-
Investment in associate	7(ii)(d)	(1,200,000)	-
Net cash (used in) from investing activities		(76,180,782)	5,944,530
<b>FINANCING ACTIVITIES</b>			
Proceeds from right issue		120,000,000	-
Payment for right issue transaction costs		(4,769,014)	-
Due from insurance operations		14,204,867	1,429,253
Net cash from financing activities		129,435,853	1,429,253
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		42,341,179	5,769,377
Cash and cash equivalents at the beginning of the period		19,293,257	13,523,880
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<b>61,634,436</b>	<b>19,293,257</b>
<i>Non-cash transactions:</i>			
Transfer of surplus from insurance operations		(32,695,385)	(20,261,297)
Net change in fair values of available for sale investments		(418,072)	1,843,498

The accompanying notes 1 to 16 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 2015

**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 2015 amounting to SR 36.33 million (31 December 2014: SR 22.51 million). Accordingly, 90% of the net surplus amounting to SR 32.69 million (31 December 2014: SR 20.26 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 2015 (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 2014.

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.

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**(UNAUDITED) (continued)**

31 December 2015

**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 2014. In addition, accounting policies applicable to significant transactions and account balances arising during year ended 31 December 2015 is set out below:

***Investment in associates***

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies of an investee entity.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements of the Company include the Company's share of the profit or loss and other comprehensive income, until the date on which significant influence ceases. Unrealised profits and losses resulting from transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. The reporting dates of the associate are identical to the Company's reporting dates and their accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

***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***

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

***Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

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(UNAUDITED) (continued)

31 December 2015

**5 CASH AND CASH EQUIVALENTS**

	<i>31 December 2015 (Unaudited)</i>		<i>31 December 2014 (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	147,818,340	44,908,990	179,909,663	19,293,257
Short term deposits	4,000,000	16,725,446	12,227,500	-
Cash and cash equivalents	<u>151,818,340</u>	<u>61,634,436</u>	<u>192,137,163</u>	<u>19,293,257</u>

**6 PREMIUMS AND REINSURANCE BALANCES RECEIVABLE, NET**

Premiums and reinsurance balances receivable are comprised of the following:

	<i>31 December 2015 (Unaudited)</i>	<i>31 December 2014 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Premiums receivable	51,913,108	46,178,206
Less: Allowance for doubtful debts	(10,268,615)	(8,838,890)
	<u>41,644,493</u>	<u>37,339,316</u>
Reinsurance balances receivable	6,368,547	2,500,944
Less: Allowance for doubtful debts	(1,025,040)	(934,786)
	<u>5,343,507</u>	<u>1,566,158</u>
Total premiums and reinsurance balances receivable, net	<u>46,988,000</u>	<u>38,905,474</u>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

31 December 2015

**7 INVESTMENTS**

**(i) Insurance operations (Available for sale)**

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

	<i>Source of fair value</i>	<b>31 December 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
Local "DPM" equity securities	Quoted	22,506,571	14,946,280
Units in local investment funds	NAV**	12,673,574	-
Units in local real estate fund	NAV**	10,000,000	15,000,000
		<b>45,180,145</b>	<b>29,946,280</b>

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

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

	<b>31 December 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
At the beginning of the year	29,946,280	-
Purchased during the year	77,359,746	53,263,093
Sold during the year	(57,612,580)	(26,441,192)
	<b>49,693,446</b>	26,821,901
Change in fair values	(4,513,301)	3,124,379
At the end of the year	<b>45,180,145</b>	<b>29,946,280</b>

The change in fair value of available for sale investments of insurance operations amounting to SR (6,065,854) (31 December 2014: SR (997,852)) 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'.

**(i) Insurance operations (Held to maturity)**

(c) Held to Maturity ("HTM") investment amounting to SR Nil (31 December 2014 : SR 8,000,000) comprised of secured unquoted Sukuk issued by an unquoted company registered in the Kingdom of Saudi Arabia and matured on 7 October 2015. The rate of return on the Sukuk was calculated based on 3-month Saudi Inter-Bank Offered Rate ("SIBOR") plus a margin of 170 basis points per annum and paid quarterly.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

31 December 2015

**7 INVESTMENTS (continued)**

**(ii) Shareholders' operations (Available for sale)**

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

	<i>Source of fair value</i>	<b>31 December 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
GCC bonds and sukuk	Quoted	23,828,379	23,803,130
Units in local investment funds	NAV**	31,309,702	21,898,163
Units in local real estate funds	NAV**	6,039,990	5,284,491
Unquoted local equity investment	Unquoted	1,923,078	1,923,078
		<b>63,101,149</b>	<b>52,908,862</b>

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

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

	<b>31 December 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
At the beginning of the year	52,908,862	56,381,037
Purchased during the year	33,772,937	5,460,792
Sold during the year	(23,792,155)	(11,405,322)
	<b>62,889,644</b>	<b>50,436,507</b>
Change in fair values	211,505	2,472,355
At the end of the year	<b>63,101,149</b>	<b>52,908,862</b>

The cumulative change in fair values of available for sale investments of shareholders' operations amounting to SR 635,556 (31 December 2014: SR 1,053,628) is presented within shareholders' equity in the statement of financial position.

**(ii) Shareholders' operations (Held to maturity)**

(c) Held to Maturity ("HTM") investment amounting to SR 5,000,000 (31 December 2014 : Nil) is comprised of senior unsecured quoted Sukuk issued by a quoted company registered in the Kingdom of Saudi Arabia and maturing on 16 September 2022. The rate of return on the Sukuk is calculated based on 6-month Saudi Arabian Inter-Bank Offered Rate ("SIBOR") plus a margin of 115 basis points per annum and paid semi-annually. The fair value of the HTM investment as at 31 December 2015 was not different from its carrying value.

**(ii) Shareholders' operations (Investment in associate)**

(d) The Company together with an investor from a member nation of the Gulf Cooperative Council ("GCC member nation") established a new limited liability company (the "associate") in the Kingdom of Saudi Arabia. The GCC member owns 60% in the capital of the associate and the Company owns 40%. Additional legal formalities in respect of the operations of the associate are expected to be completed during 2016. The Company, although has significant influence, has accounted this investment as an associate as it does not control or jointly control the financial and operating policies of the associate.



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**(UNAUDITED) (continued)**

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**8 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>
<b><i>2015 (Unaudited)</i></b>				
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>
<b><i>2014 (Audited)</i></b>				
Bonds and sukuk	18,303,130	5,500,000	-	23,803,130
Investment and real estate funds	-	42,182,654	-	42,182,654
Equities	14,946,280	-	1,923,078	16,869,358
	<u>33,249,410</u>	<u>47,682,654</u>	<u>1,923,078</u>	<u>82,855,142</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 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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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

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**9 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.

As a result of increase in share capital, the Company's statutory deposit during the period increased to SR 25 million. The initial statutory deposit continues to be invested with a local bank as approved by SAMA. The Company has deposited the additional SR 12 million in the same bank account as instructed by SAMA.

Accrued interest on the initial statutory deposit amounting to SR 337,805 (31 December 2014: SR 243,810) has been included under statutory deposit and accrued expenses and other liabilities.

**10 SHARE CAPITAL**

The authorized, issued and paid up share capital of the Company is SR 250 Million divided into 25 million shares of SR 10 each (31 December 2014: SR 130 million divided into 13 million shares of SR 10 each).

The Company held an extraordinary general assembly of its shareholders on 1 April 2015 to approve the increase in the share capital through rights issue. Based on the approval received from shareholders at the extraordinary general assembly, the Company proceeded successfully in April 2015 to raise SAR 120 million through a rights issue. Under the terms of the rights issue, the Company offered 12,000,000 ordinary new shares by way of rights to qualifying shareholders at an offer price of SAR 10 per share at close of trading on the date of 1 April 2015 (the "Eligibility Date"). The rights were made on the ratio of one right for every 1.083 share held by shareholders as of the Eligibility Date. Right issue transaction costs incurred amounting to SR 4,769,014 was charged to the statement of changes in shareholders' equity.

**11 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>2015 (Unaudited) SR</i>	<i>2014 (Unaudited) SR</i>	<i>2015 (Unaudited) SR</i>	<i>2014 (Audited) SR</i>
Issued ordinary shares as at 1 January	13,000,000	13,000,000	13,000,000	13,000,000
Adjusted rights issue	12,000,000	-	10,205,824	-
Effects of rights issue of shares	-	6,370,000	-	6,370,000
Weighted average number of ordinary shares	<u>25,000,000</u>	<u>19,370,000</u>	<u>23,205,824</u>	<u>19,370,000</u>

The weighted average number of ordinary shares for prior period / year is computed using an adjustment factor of 1.49, which is a ratio of the theoretical ex-rights of SR 21.33 and the closing price per share of 31.79 on 6 April 2015, the last day on which the shares were traded before the rights issue.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

31 December 2015

**11 BASIC AND DILUTED EARNINGS PER SHARE – Restated (continued)**

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>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Audited) SR</i>
Net income for the period / year	<b>8,588,129</b>	7,282,261	<b>28,234,909</b>	17,665,437
Weighted average number of ordinary shares	<b>25,000,000</b>	19,370,000	<b>23,205,824</b>	19,370,000
Basic and diluted earnings per share – restated	<b>0.34</b>	0.38	<b>1.22</b>	0.91

**12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

a) *The following are the details of major related party transactions during the year:*

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions</i>	
		<i>31 December 2015 (Unaudited) SR</i>	<i>31 December 2014 (Audited) SR</i>
Shareholders	Gross written premiums	<b>25,803,749</b>	26,387,985
	Reinsurance premium ceded	<b>(431,716)</b>	(615,410)
	Gross claims incurred	<b>(15,225,157)</b>	(14,748,938)
Board of directors and committees' members	Remuneration fees, allowances and other expenses	<b>(1,615,500)</b>	(1,570,000)
	Gross written premiums	<b>20,117,528</b>	16,531,079
	Insurance brokerage contracts	<b>(4,822,854)</b>	(5,236,637)

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.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

31 December 2015

**12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)**

*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>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
Short-term benefits	<b>2,897,400</b>	2,845,560
End of service benefits	<b>209,229</b>	263,538
	<b><u>3,106,629</u></b>	<b><u>3,109,098</u></b>

**13 ZAKAT**

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

	<i>31 December 2015</i>	<i>31 December 2014</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
At the beginning of the year	<b>9,733,588</b>	7,364,263
Provided for the year	<b>4,957,768</b>	2,434,063
Payments during the year	-	(64,738)
At the end of the year	<b><u>14,691,356</u></b>	<b><u>9,733,588</u></b>

***Status of assessments***

The Company has filed its zakat returns for all the years ended up to 31 December 2014.

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 years 2011, 2012, 2013 and 2014 a demand of SR 2,378,604, 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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31 December 2015

**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 assets.

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 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)
<b>Net premiums written</b>	<b>77,130,957</b>	<b>36,234,665</b>	<b>566,377</b>	<b>424,750</b>	<b>1,052,094</b>	<b>115,408,843</b>
Movement in unearned premiums, net	(10,222,682)	(17,052,409)	177,952	51,749	(316,009)	(27,361,399)
<b>Net premiums earned</b>	<b>66,908,275</b>	<b>19,182,256</b>	<b>744,329</b>	<b>476,499</b>	<b>736,085</b>	<b>88,047,444</b>
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
<b>Total revenues</b>	<b>72,265,297</b>	<b>30,445,210</b>	<b>1,093,907</b>	<b>2,057,644</b>	<b>1,999,285</b>	<b>107,861,343</b>
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 premium deficiency and other reserves	2,421,470	-	277,971	-	(43,392)	2,656,049
<b>Net claims incurred</b>	<b>(74,550,006)</b>	<b>(4,260,334)</b>	<b>328,315</b>	<b>(1,399,037)</b>	<b>(764,073)</b>	<b>(80,645,135)</b>
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)
<b>Total underwriting costs</b>	<b>(81,007,512)</b>	<b>(8,360,950)</b>	<b>(507,575)</b>	<b>(1,610,241)</b>	<b>(1,207,357)</b>	<b>(92,693,635)</b>
<b>Net underwriting (deficit) surplus</b>	<b>(8,742,215)</b>	<b>22,084,260</b>	<b>586,332</b>	<b>447,403</b>	<b>791,928</b>	<b>15,167,708</b>
Unallocated expenses						(4,619,630)
Unallocated income						(473,571)
<b>Surplus from insurance operations</b>						<b>10,074,507</b>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**(UNAUDITED) (continued)**  
31 December 2015

**14 SEGMENT INFORMATION (continued)**

Operating segments

<i>For the three month period ended 31 December 2014 (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	49,685,030	1,524,281	2,813,713	3,617,618	2,004,156	59,644,798
Reinsurance premiums ceded	(2,784)	-	(2,616,819)	(2,443,630)	(1,502,260)	(6,565,493)
Excess of loss premiums	(792,501)	(300,000)	(63,487)	(188,501)	(27,787)	(1,372,276)
Net premiums written	48,889,745	1,224,281	133,407	985,487	474,109	51,707,029
Movement in unearned premiums, net	5,102,415	26,035,729	205,539	35,523	226,836	31,606,042
Net premiums earned	53,992,160	27,260,010	338,946	1,021,010	700,945	83,313,071
Reinsurance commission income	28,595	-	1,169,221	766,627	895,948	2,860,391
Policy fees	2,690,555	-	7,025	50,835	7,130	2,755,545
Total revenues	56,711,310	27,260,010	1,515,192	1,838,472	1,604,023	88,929,007
Net claims paid	(46,031,568)	(3,718,896)	(2,622)	(81,696)	(39,961)	(49,874,743)
Movement in outstanding claims, net	(4,748,309)	(874,067)	(622,343)	(1,348,311)	(434,578)	(8,027,608)
Movement in premium deficiency and other reserves	(4,374,712)	-	-	-	-	(4,374,712)
Net claims incurred	(55,154,589)	(4,592,963)	(624,965)	(1,430,007)	(474,539)	(62,277,063)
Policy acquisition costs	(4,903,258)	(2,985,660)	(721,800)	(258,978)	(404,111)	(9,273,807)
Inspection and supervision fees	(247,971)	(22,988)	(6,833)	(16,374)	(7,256)	(301,422)
Other underwriting expenses	(282,372)	(847,282)	(26,900)	-	-	(1,156,554)
Total underwriting costs	(60,588,190)	(8,448,893)	(1,380,498)	(1,705,359)	(885,906)	(73,008,846)
Net underwriting (deficit) surplus	(3,876,880)	18,811,117	134,694	133,113	718,117	15,920,161
Unallocated expenses						(7,268,402)
Unallocated income						331,695
Surplus from insurance operations						8,983,454

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

31 December 2015

**14 SEGMENT INFORMATION (continued)**

**Operating segments**

<i>For the year 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	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)
<b>Net premiums written</b>	<b>277,706,259</b>	<b>95,833,774</b>	<b>2,751,977</b>	<b>3,735,903</b>	<b>5,479,465</b>	<b>385,507,378</b>
Movement in unearned premiums, net	(35,667,183)	(14,650,990)	(758,331)	174,519	(2,689,642)	(53,591,627)
<b>Net premiums earned</b>	<b>242,039,076</b>	<b>81,182,784</b>	<b>1,993,646</b>	<b>3,910,422</b>	<b>2,789,823</b>	<b>331,915,751</b>
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
<b>Total revenues</b>	<b>258,045,592</b>	<b>92,658,426</b>	<b>5,646,838</b>	<b>10,313,063</b>	<b>6,437,574</b>	<b>373,101,493</b>
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 premium deficiency and other reserves	10,398,382	-	(22,029)	-	(43,392)	10,332,961
<b>Net claims incurred</b>	<b>(235,987,364)</b>	<b>(13,145,211)</b>	<b>(1,710,407)</b>	<b>(2,556,977)</b>	<b>(1,761,867)</b>	<b>(255,161,826)</b>
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)
Other underwriting expenses	(1,123,983)	(4,674,706)	(43,153)	-	-	(5,841,842)
<b>Total underwriting costs</b>	<b>(259,232,520)</b>	<b>(28,032,406)</b>	<b>(4,371,161)</b>	<b>(3,656,432)</b>	<b>(3,456,951)</b>	<b>(298,749,470)</b>
<b>Net underwriting (deficit) surplus</b>	<b>(1,186,928)</b>	<b>64,626,020</b>	<b>1,275,677</b>	<b>6,656,631</b>	<b>2,980,623</b>	<b>74,352,023</b>
Unallocated expenses						(42,835,907)
Unallocated income						4,812,089
<b>Surplus from insurance operations</b>						<b>36,328,205</b>

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(UNAUDITED) (continued)

31 December 2015

**14 SEGMENT INFORMATION (continued)**

Operating segments

<i>For the year ended 31 December 2014 (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	218,273,810	104,372,765	24,739,457	17,038,507	14,876,657	379,301,196
Reinsurance premiums ceded	(1,551,493)	(340)	(22,903,298)	(11,533,389)	(11,692,075)	(47,680,595)
Excess of loss premiums	(4,214,105)	(1,040,000)	(213,100)	(819,652)	(270,341)	(6,557,198)
Net premiums written	212,508,212	103,332,425	1,623,059	4,685,466	2,914,241	325,063,403
Movement in unearned premiums, net	(29,196,328)	(20,927,319)	(167,650)	(155,537)	(713,472)	(51,160,306)
Net premiums earned	183,311,884	82,405,106	1,455,409	4,529,929	2,200,769	273,903,097
Reinsurance commission income	98,620	-	4,345,093	5,850,844	3,361,939	13,656,496
Policy fees	9,323,645	-	33,525	233,475	27,055	9,617,700
Total revenues	192,734,149	82,405,106	5,834,027	10,614,248	5,589,763	297,177,293
Net claims paid	(147,458,355)	(8,397,318)	(560,066)	(456,330)	(281,349)	(157,153,418)
Movement in outstanding claims, net	(19,373,352)	(8,953,700)	(459,363)	(2,320,201)	(641,602)	(31,748,218)
Movement in premium deficiency and other reserves	(9,033,153)	-	-	-	-	(9,033,153)
Net claims incurred	(175,864,860)	(17,351,018)	(1,019,429)	(2,776,531)	(922,951)	(197,934,789)
Policy acquisition costs	(16,513,427)	(10,169,711)	(2,297,024)	(1,111,898)	(1,364,101)	(31,456,161)
Inspection and supervision fees	(1,080,155)	(1,565,712)	(58,666)	(76,471)	(58,042)	(2,839,046)
Other underwriting expenses	(1,187,046)	(5,363,145)	(111,870)	-	-	(6,662,060)
Total underwriting costs	(194,645,487)	(34,449,586)	(3,486,989)	(3,964,900)	(2,345,094)	(238,892,056)
Net underwriting (deficit) surplus	(1,911,338)	47,955,520	2,347,038	6,649,348	3,244,669	58,285,237
Unallocated expenses						(42,003,776)
Unallocated income						6,231,091
Surplus from insurance operations						22,512,552



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

**(UNAUDITED) (continued)**

31 December 2015

**14 SEGMENT INFORMATION (continued)**

**Operating segments**

*As at 31 December 2015 (Unaudited)*

	<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>
<b>ASSETS</b>						
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	111,531,029
Deferred policy acquisition costs	9,766,162	6,135,266	696,742	212,286	965,503	17,775,959
<b>SEGMENT ASSETS</b>	<b>22,556,244</b>	<b>6,673,483</b>	<b>76,512,175</b>	<b>14,064,236</b>	<b>23,702,158</b>	<b>143,508,296</b>
Unallocated assets						406,713,839
<b>TOTAL ASSETS</b>						<b>550,222,135</b>
<b>LIABILITIES</b>						
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
<b>SEGMENT LIABILITIES</b>	<b>266,532,174</b>	<b>77,834,011</b>	<b>82,433,872</b>	<b>21,462,926</b>	<b>31,614,917</b>	<b>479,877,900</b>
Unallocated liabilities						70,344,235
<b>TOTAL LIABILITIES</b>						<b>550,222,135</b>

**Operating segments**

*As at 31 December 2014 (Audited)*

	<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>
<b>ASSETS</b>						
Reinsurers' share of unearned premiums	765,039	-	7,183,872	2,436,998	5,063,711	15,449,620
Reinsurers' share of outstanding claims	6,342,893	1,089,788	14,275,261	11,689,226	12,392,398	45,789,566
Deferred policy acquisition costs	7,840,264	4,792,476	670,927	229,594	703,124	14,236,385
<b>SEGMENT ASSETS</b>	<b>14,948,196</b>	<b>5,882,264</b>	<b>22,130,060</b>	<b>14,355,818</b>	<b>18,159,233</b>	<b>75,475,571</b>
Unallocated assets						280,229,728
<b>TOTAL ASSETS</b>						<b>355,705,299</b>
<b>LIABILITIES</b>						
Gross unearned premiums	96,964,620	48,629,249	7,752,556	3,609,617	6,446,836	163,402,878
Gross outstanding claims	59,816,777	15,750,997	16,296,954	17,119,412	14,514,976	123,499,116
Unearned reinsurance commission	57,381	-	1,443,298	835,824	1,320,246	3,656,749
Premium deficiency and other reserves	13,735,299	-	100,000	-	-	13,835,299
<b>SEGMENT LIABILITIES</b>	<b>170,574,077</b>	<b>64,380,246</b>	<b>25,592,808</b>	<b>21,564,853</b>	<b>22,282,058</b>	<b>304,394,042</b>
Unallocated liabilities						51,311,257
<b>TOTAL LIABILITIES</b>						<b>355,705,299</b>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**(UNAUDITED) (continued)**

**31 December 2015**

**15 COMPARATIVE FIGURES**

Captions and amounts under 'interim statements of insurance operations and shareholders' operations cash flows' for prior year have been amended and reclassified to conform to the presentation in the current year. The aggregate amounts under cash and cash equivalents remain unchanged.

**16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been approved by the Board of Directors on 7 Rabi Al-Akhar 1437H, (corresponding to 17 January 2016).