
**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITORS' LIMITED REVIEW REPORT**

FOR THE THREE MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2015

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITORS'
LIMITED REVIEW REPORT FOR THE THREE MONTH PERIOD AND YEAR ENDED 31 DECEMBER 2015

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Independent Auditors' review report on interim condensed financial statements to the shareholders of Al Rajhi Company for Cooperative Insurance (A Saudi Joint Stock Company)

Scope of review

We have reviewed the accompanying interim statement of financial position of Al Rajhi Company for Cooperative Insurance - a Saudi Joint Stock Company (the "Company") as at December 31, 2015 and the related interim statements of income and comprehensive income - takaful and shareholders' operations for the three months and year then ended, the related interim statement of changes in shareholders' equity and statements of cash flows - takaful and shareholders' operations for the year then ended and the related notes which form 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 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 the auditing standards generally accepted in the Kingdom of Saudi Arabia, 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 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.

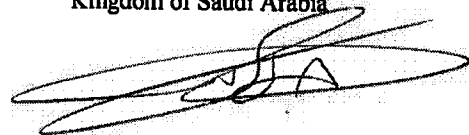
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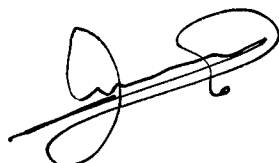


January 14, 2016 (G)
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AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

		31 December 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
	<i>Note</i>		
TAKAFUL OPERATIONS' ASSETS			
Bank balances and cash	5	188,602	330,335
Due from shareholders' operations		203,259	204,561
Contributions receivable, net	6	257,916	102,635
Advances, prepayments and other assets		11,920	2,049
Accrued profits from term deposits		2,849	-
Re-takaful share of outstanding claims		110,414	85,244
Re-takaful share of unearned contributions		71,950	49,660
Re-takaful balances receivable		3,827	20,774
Investments held to maturity	8(i)(a)	330,000	-
Available for sale investments	8(i)(b)	6,578	19,807
Unit Linked Investments		4,978	1,111
Deferred policy acquisition costs		17,080	10,940
TOTAL TAKAFUL OPERATIONS' ASSETS		1,209,373	827,116
SHAREHOLDERS' OPERATIONS' ASSETS			
Bank balances and cash	5	75,707	53,428
Management fees receivable		46,740	41,051
Matured murabaha deposit – receivable		39,038	-
Advances, prepayments and other assets		10,212	8,225
Investments held to maturity	8(ii)(a)	190,000	108,808
Available for sale investments	8(ii)(b)	78,304	19,794
Investments at fair value through income statement	8(ii)(c)	77,314	52,004
Statutory deposit	7	40,000	20,000
Intangible assets, net		15,625	15,072
Property and equipment, net		8,390	11,597
TOTAL SHAREHOLDERS' OPERATIONS' ASSETS		581,330	329,979
TOTAL ASSETS		1,790,703	1,157,095



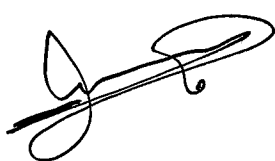


The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31 December 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
TAKAFUL OPERATIONS' LIABILITIES AND SURPLUS		
TAKAFUL OPERATIONS' LIABILITIES		
Gross outstanding claims	360,727	259,636
Management fees payable	46,740	41,051
Payables, accruals and other liabilities	45,265	39,852
Re-takaful balances payable	56,953	29,201
Mathematical reserves	5,712	1,102
Other reserves	801	-
Gross unearned contributions	678,322	447,512
Unearned re-takaful commission income	7,435	6,796
	1,201,955	825,150
TAKAFUL OPERATIONS' SURPLUS		
Surplus distributable to policyholders	7,396	1,933
Fair value reserve for available for sale investments	22	33
	1,209,373	827,116
SHAREHOLDERS' OPERATIONS' LIABILITIES AND EQUITY		
SHAREHOLDERS' OPERATIONS' LIABILITIES		
Provision for zakat	9,368	5,069
Payables, accruals and other liabilities	19,584	11,528
Due to related parties	13	-
Due to takaful operations	203,259	204,561
Employees' end of service benefits	8,611	6,777
	240,835	227,935
SHAREHOLDERS' EQUITY		
Share capital	400,000	200,000
Accumulated losses	(59,766)	(98,007)
Fair value reserve for available for sale investments	261	51
	340,495	102,044
TOTAL SHAREHOLDERS' EQUITY	340,495	102,044
TOTAL SHAREHOLDERS' OPERATIONS' LIABILITIES AND EQUITY	581,330	329,979
TOTAL TAKAFUL OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' OPERATIONS' LIABILITIES AND EQUITY	1,790,703	1,157,095





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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME – TAKAFUL OPERATIONS (UNAUDITED)

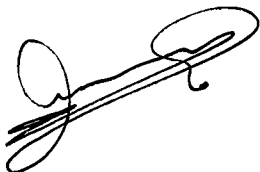
	<i>For the three month period ended</i>		<i>For the year ended</i>	
	<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Gross contributions written	368,178	217,574	1,361,890	944,859
Re-takaful contributions ceded	(26,048)	(11,799)	(111,445)	(80,279)
Excess of loss	(15,961)	(3,950)	(22,362)	(8,842)
NET CONTRIBUTIONS WRITTEN	326,169	201,825	1,228,083	855,738
Change in unearned contributions, net	(44,307)	2,117	(208,689)	(144,168)
NET CONTRIBUTIONS EARNED	281,862	203,942	1,019,394	711,570
Policy fees and other income	584	198	1,131	827
Re-takaful commission income	5,015	4,500	15,409	12,757
TOTAL UNDERWRITING REVENUE	287,461	208,640	1,035,934	725,154
Gross claims paid	(236,163)	(172,920)	(746,905)	(586,080)
Re-takaful share of claims paid	19,119	12,545	31,351	58,342
NET CLAIMS PAID	(217,044)	(160,375)	(715,554)	(527,738)
Movement in outstanding claims, net	(7,881)	6,464	(75,921)	(34,985)
NET CLAIMS INCURRED	(224,925)	(153,911)	(791,475)	(562,723)
Inspection and supervision fees	(2,073)	(1,298)	(8,767)	(6,445)
Policy acquisition costs	(9,031)	(9,205)	(31,410)	(26,620)
Other expenses	(8,499)	(1,937)	(20,211)	(3,051)
Other income	3,270	-	3,270	605
TOTAL CLAIMS AND OTHER EXPENSES	(241,258)	(166,351)	(848,593)	(598,234)
NET UNDERWRITING SURPLUS	46,203	42,289	187,341	126,920
Investment income	1,709	695	4,737	2,366
Management fee for administration of takaful operations	(36,182)	(23,654)	(137,450)	(109,956)
Net surplus for the period	11,730	19,330	54,628	19,330
Management fee attributable to shareholders' operations	(10,557)	(17,397)	(49,165)	(17,397)
NET SURPLUS DISTRIBUTABLE TO POLICYHOLDERS	1,173	1,933	5,463	1,933

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME – TAKAFUL OPERATIONS
(UNAUDITED)

	<i>For the three month period ended</i>		<i>For the year ended</i>	
	<i>31 December 2015 SR'000</i>	<i>31 December 2014 SR'000</i>	<i>31 December 2015 SR'000</i>	<i>31 December 2014 SR'000</i>
Net surplus distributable to policyholders	1,173	1,933	5,463	1,933
<i>Other comprehensive income to be reclassified subsequently to the statement of income:</i>				
Net change in fair value of available for sale investments {note 8(i)}	(53)	(42)	(11)	(18)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,120	1,891	5,452	1,915





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AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME – SHAREHOLDERS’ OPERATIONS (UNAUDITED)

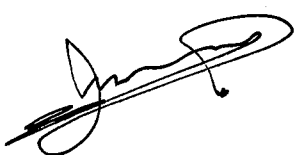
	<i>For the three month period ended</i>		<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
<i>Note</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
REVENUE				
Management fee for administration of takaful operations	36,182	23,654	137,450	109,956
Management fee attributable to shareholders’ operations	10,557	17,397	49,165	17,397
Dividend income	515	681	2,430	2,942
Net change in fair value of investments held as fair value through income statement	(6,153)	(14,819)	(12,690)	(5,103)
Special commission income on held to maturity investments	702	460	2,332	2,114
Realised gain on sale of available for sale investments	154	179	1,305	928
TOTAL REVENUE	41,957	27,552	179,992	128,234
General and administrative expenses	(36,182)	(29,763)	(137,450)	(109,956)
INCOME / (LOSS) BEFORE ZAKAT	5,775	(2,211)	42,542	18,278
Provision for zakat	(1,176)	(900)	(4,301)	(2,700)
NET INCOME / (LOSS) FOR THE PERIOD	4,599	(3,111)	38,241	15,578
BASIC AND DILUTED EARNINGS PER SHARE (SAUDI RIYALS) - RESTATED	11	0.11	(0.11)	1.04
			1.04	0.54

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AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME – SHAREHOLDERS’
OPERATIONS (UNAUDITED)

	<i>For the three month period ended</i>		<i>For the year ended</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Net income / (loss) for the period	4,599	(3,111)	38,241	15,578
<i><u>Other comprehensive income to be reclassified subsequently to the statement of income:</u></i>				
Net change in fair value of available for sale investments {note 8 (ii) (b)}	187	(23)	210	2
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	4,786	(3,134)	38,451	15,580



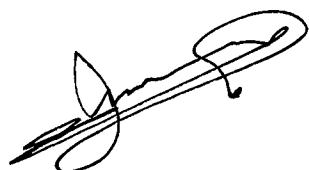


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AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	<i>Share capital</i> SR'000	<i>Accumulated losses</i> SR'000	<i>Fair value reserve for AFS investments</i> SR'000	<i>Total</i> SR'000
Balance as at 1 January 2014	200,000	(113,585)	49	86,464
Net income for the year	-	15,578	-	15,578
Other comprehensive income	-	-	2	2
Total comprehensive income for the year	-	15,578	2	15,580
Balance as at 31 December 2014	200,000	(98,007)	51	102,044
Balance as at 1 January 2015	200,000	(98,007)	51	102,044
Issue of additional share capital	200,000	-	-	200,000
Net income for the year	-	38,241	-	38,241
Other comprehensive income	-	-	210	210
Total comprehensive income for the year	200,000	38,241	210	238,451
Balance as at 31 December 2015	400,000	(59,766)	261	340,495





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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CASH FLOWS – TAKAFUL OPERATIONS (UNAUDITED)

	<i>For the year ended</i>	
	<i>31 December 2015</i>	<i>31 December 2014</i>
<i>Note</i>	<i>SR'000</i>	<i>SR'000</i>
OPERATING ACTIVITIES		
Net surplus distributable to policyholders	5,463	1,933
<i>Adjustment for:</i>		
Management fee for administration of takaful operations	137,450	109,956
Management fee attributable to shareholders' operations	49,165	17,397
Allowance for doubtful receivables	12,964	420
Net surplus before changes in operating assets and liabilities	205,042	129,706
Changes in operating assets and liabilities:		
Due from shareholders' operations	1,302	(1,760)
Contributions receivable, net	(168,245)	(52,448)
Advances, prepayments and other assets	(9,871)	(1,585)
Accrued profit from term deposit	(2,849)	-
Amount due from related parties	-	400
Re-takaful share of outstanding claims	(25,170)	(21,075)
Re-takaful share of unearned contributions	(22,290)	39,769
Deferred policy acquisition costs	(6,140)	(2,109)
Gross outstanding claims	101,091	56,060
Payables, accruals and other liabilities	5,413	7,931
Mathematical reserves	4,610	-
Other reserves	801	-
Re-takaful balances receivable	16,947	-
Re-takaful balances payable	27,752	(9,243)
Gross unearned contributions	230,810	104,391
Unearned re-takaful commission income	639	2,532
Deposit against letters of guarantee	(2,742)	1,296
Management fee paid	(180,926)	(97,975)
Net cash provided by operating activities	176,174	155,890
INVESTING ACTIVITIES		
Purchase of available for sale investments	8(i) (1,702,000)	(1,144,000)
Sale of available for sale investments	8(i) 1,715,218	1,140,120
Purchase of held to maturity investments	(330,000)	-
Purchase of Unit Linked Investments	(3,867)	-
Net cash used in investing activities	(320,649)	(3,880)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(144,475)	152,010
Cash and cash equivalents at the beginning of the period	318,530	166,520
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5 174,055	318,530
<i>Non - cash supplemental information:</i>		
Changes in fair value of AFS investments	(11)	(18)

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CASH FLOWS – SHAREHOLDERS’ OPERATIONS
(UNAUDITED)

	For the year ended	
	31 December 2015 SR'000	31 December 2014 SR'000
OPERATING ACTIVITIES		
Income for the year before zakat	42,542	18,278
<i>Adjustments for:</i>		
Depreciation and amortisation	8,714	7,114
Management fee for administration of takaful operations	(137,450)	(109,956)
Management fee attributable to shareholders’ operations	(49,165)	(17,397)
Employees’ end of service benefits	4,616	2,623
Net loss / (gain) on investments at fair value through income statement	12,690	5,103
Net deficit before changes in operating assets and liabilities	(118,053)	(94,235)
Changes in operating assets and liabilities:		
Advances, prepayments and other assets	(1,987)	-
Payables, accruals and others liabilities	8,056	4,429
Due to takaful operations	(1,302)	2,785
Due to related parties	13	1,760
	(113,273)	(85,261)
Management fee received	180,926	97,975
Zakat paid	(2)	-
Employees’ end of service benefits paid	(2,782)	(714)
Net cash provided by operating activities	64,869	12,000
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(5,165)	(4,914)
Purchase of intangible assets, net	(895)	(11,352)
Purchase of held to maturity investment	8(ii)(a) (250,000)	(108,808)
Maturities of held to maturity investments	8(ii)(a) 168,808	76,800
Matured Murabaha Deposit-Receivable	(39,038)	-
Purchase of available for sale investments	8(ii)(b) (713,000)	(329,000)
Sale of available for sale investments	8(ii)(b) 654,700	326,572
Purchase of investments at fair value through income statement	8(ii)(c) (83,555)	(35,964)
Sale of investments at fair value through income statement	8(ii)(c) 45,555	20,964
Investment in statutory deposit	(20,000)	-
Net cash used in investing activities	(242,590)	(65,702)
FINANCING ACTIVITIES		
Increase in share capital	200,000	-
Net cash provided by financing activities	200,000	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	22,279	(53,702)
Cash and cash equivalents at the beginning of the year	53,428	107,130
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	75,707	53,428
<i>Non cash supplemental information:</i>		
Changes in fair value of available for sale investments	210	2

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

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

1 ORGANISATION AND PRINCIPAL ACTIVITIES

Al Rajhi Company for Cooperative Insurance (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010270371 dated 5 Rajab 1430 corresponding to 28 June 2009. The address of the registered office of the Company is as follows:

Al Rajhi Company for Cooperative Insurance
P.O. Box 67791
Riyadh 11517
Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative insurance business and carry out related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations in the Kingdom of Saudi Arabia. On 29 Dhul-Qi'dah 1430H (corresponding to 17 November 2009), the Company received its license from the Saudi Arabian Monetary Agency (SAMA) to transact cooperative insurance business in the Kingdom of Saudi Arabia. The Company was listed on the Saudi Arabian Stock Exchange ("Tadawul") on 13 July 2009. The Company received product approvals from SAMA on 17 January 2010.

2 BASIS OF PREPARATION

a) Basis of measurement

These interim condensed financial statements are prepared under the historical cost convention except for the measurement at fair value of investments held as Available for Sale ("AFS") and at Fair Value through Income Statement ("FVIS").

b) Statement of compliance

The Company has prepared these interim condensed financial statements in accordance with International Financial Reporting Standards (IFRS).

As required by Saudi Arabian insurance regulations, the Company maintains separate books of accounts for Takaful Operations and Shareholders' Operations. The physical custody of all assets related to the Takaful Operations and Shareholders' Operations are held by the Company. Assets, liabilities, revenues and expenses clearly attributable to each operation are recorded in their respective books. As per the Company's policy, all general and administrative expenses of Takaful operations are charged to Shareholders' operations. The basis of allocation of other revenue and expenses from joint operations is as determined by the management and Board of Directors.

c) Functional and presentation currency

The functional and presentation currency of the Company is Saudi Riyals. The financial statement values are presented in Saudi Arabian Riyals rounded off to the nearest thousand (SR'000), unless otherwise indicated.

3 BASIS OF PRESENTATION

The Company's by-laws require separate books to be maintained for Takaful and Shareholders' operations. As per the Company's policy, all general and administrative expenses of Takaful operations are charged to Shareholders' operations. The company in accordance with the Islamic sharia provisions managing the co-operative insurance operations calculates the management fee in the below manner and pays it in full at the end of the fiscal year.

- The first component of the management fee is calculated based on the net contributions written for the period after adjusting commission income and cost of production for motor and general at 40% and for health at 30% and is limited to the extent of general and administrative expenses charged in the statement of income – shareholders' operations; and
- The other component of the management fee is determined upto 90% of the net surplus if any for the period from takaful operations remaining after computing the first component of management fee. The Company is required to distribute the remaining 10% of the net surplus from Takaful operations to policyholders in accordance with the Insurance Law and Implementation Regulations issued by the Saudi Arabian Monetary Agency ("SAMA").

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments made in the following standards which have been revised during the year 2014 and new standards effective from 1 January 2015.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Company, since the Company has no defined benefit plans with contributions from employees or third parties.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- ▶ An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar';
- ▶ The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

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.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

New amendments and standards issued but not yet effective:

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

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 to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Significant Accounting Estimates And Assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and contingent liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Impairment of investments

The Company treats available for sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgement. In addition, the Company evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities (if any).

Technical reserves for insurance activities

The estimation of the ultimate liability arising from claims made under general and protection and saving insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in estimating the liability that the Company will ultimately pay for such claims. The provision for claims incurred but not reported (IBNR) is an estimation of claims net of reinsurance share which are expected to be reported subsequent to the statement of financial position date, for which the insured event has occurred prior to that date. The primary technique adopted by the management in estimating the cost of notified and IBNR claims, is that of using the past claims paid trends to predict future claims settlement trends. The mathematical reserve for protection and saving insurance contracts is calculated on the basis of management assumptions that include prudent prospective external actuarial valuation method and current unit fund prices.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property, engineering and large claims. Management reviews its provisions for claims incurred, and claims incurred but not reported, on a quarterly basis.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Estimates And Assumptions (continued)

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 between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

For assets and liabilities that are recognised in the financial statements 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted available for sale financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

Impairment losses on receivables

The Company assesses receivables that are individually significant and receivables included in a group of financial assets with similar credit risk characteristics for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. This assessment of impairment requires judgment. In making this judgment, the Company evaluates credit risk characteristics that consider past-due status being indicative of the ability to pay all amounts due as per contractual terms.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

5 BANK BALANCES AND CASH

	31 December 2015 (Unaudited)		31 December 2014 (Audited)	
	Takaful operations (SR'000)	Shareholders' operations (SR'000)	Takaful operations (SR'000)	Shareholders' operations (SR'000)
Cash in hand and at banks	74,055	25,707	318,530	53,428
Murabaha deposits with original maturities of three months or less	100,000	50,000	-	-
Cash and cash equivalents in the statements of cash flows	174,055	75,707	318,530	53,428
Deposits against letters of guarantee (a)	14,547	-	11,805	-
	<u>188,602</u>	<u>75,707</u>	<u>330,335</u>	<u>53,428</u>

(a) Deposits against letters of guarantee comprise amounts placed with a local bank against issuance of payment guarantees in favour of the Company's service providers (note 12). As these cannot be withdrawn before the end of the guarantee period, these are restricted in nature.

6 CONTRIBUTIONS RECEIVABLE, NET

	31 December 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
Due from policyholders		
- External policyholders	91,347	65,474
- Related parties (note 9(a))	194,901	52,529
Gross contributions receivable	286,248	118,003
Allowance for doubtful receivables	(28,332)	(15,368)
	<u>257,916</u>	<u>102,635</u>

Allowance for doubtful receivables includes provision of SR 1,708 thousand (31 December 2014: SR 1,708 thousand) against receivable from related parties.

7 STATUTORY DEPOSIT

Statutory deposit amounting to SR 40 million (31 December 2014: SR 20 million) represents 10% of the paid up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Agency ("SAMA"). This statutory deposit cannot be withdrawn without the consent of SAMA.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

8 INVESTMENTS

Investments are classified as set out below:

(i) TAKAFUL OPERATIONS

(a) Investments Held to Maturity (“HTM”)

HTM amounting to SR 330 million (31 December 2014: Nil) comprise Murabaha deposits with original maturities of more than three months. For fair value hierarchy, for disclosure purposes, all investments held to maturity are classified as level 3. The fair value of these investments are not materially different from their carrying values.

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

	<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
At the beginning of the year	-	-
Purchased during the year	330,000	-
Maturities during the year	-	-
At the end of the year	<u>330,000</u>	<u>-</u>

(b) Available for Sale Investments (“AFS”)

AFS at the year end comprises an investment in a commodity fund. The movement in the AFS investments is set out below:

	<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
At the beginning of the year	19,807	15,945
Purchased during the year	1,702,000	1,144,000
Sold during the year	(1,715,218)	(1,140,120)
	<u>6,589</u>	<u>19,825</u>
Net unrealised loss for the year	(11)	(18)
At the end of the year	<u>6,578</u>	<u>19,807</u>

The net accumulated unrealised gain amounting to SR 22 thousand (31 December 2014: SR 33 thousand) is presented within Takaful operations' surplus.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

8 INVESTMENTS (continued)

(ii) SHAREHOLDERS' OPERATIONS

(a) Investments Held to Maturity ("HTM")

HTM amounting to SR 190 million (31 December 2014: SR 108.8 million) comprise Murabaha deposits with original maturities of more than three months. For fair value hierarchy, for disclosure purposes, all investments held to maturity are classified as level 3. The fair value of these investments are not materially different from their carrying values.

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

	<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
At the beginning of the year	108,808	76,800
Purchased during the year	250,000	108,808
Maturities during the year	(168,808)	(76,800)
	<u>190,000</u>	<u>108,808</u>

(b) Available for sale investments ("AFS")

AFS investments comprise investments in a commodity fund and an equity investment in an unquoted company.

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

	<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
At the beginning of the year	19,794	17,364
Purchased during the year	713,000	329,000
Sold during the year	(654,700)	(326,572)
	<u>78,094</u>	<u>19,792</u>
Net change in fair values during the year	210	2
	<u>78,304</u>	<u>19,794</u>

AFS investments as at 31 December 2015 includes an investment amounting to SR 1.9 million (31 December 2014: SR 1.9 million) in an unquoted company, registered in the Kingdom of Saudi Arabia. As there is no quoted price available, this investment has been valued at cost. Management is of the opinion that the fair value of this investment is not materially different from its carrying value.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

8 INVESTMENTS (continued)

(ii) SHAREHOLDERS' OPERATIONS (continued)

(c) Investments at fair value through income statement ("FVIS") - Trading

FVIS investments comprise a portfolio of equities listed on the Saudi Arabian Stock Exchange ("Tadawul"). The movement during the year in investments at FVIS is set out below:

	<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
At the beginning of the year	52,004	42,107
Purchased during the year	83,555	35,964
Sold during the year	(45,555)	(20,964)
	<u>90,004</u>	<u>57,107</u>
Net change in fair values during the year	(12,690)	(5,103)
At the end of the year	<u><u>77,314</u></u>	<u><u>52,004</u></u>

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

9 RELATED PARTY TRANSACTIONS AND BALANCES

a) *Transactions and balances with related parties:*

Related parties represent major shareholders, directors and key management personnel of the Company, and companies which are principally owned by the shareholders and any other entities controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management.

Following are the details of significant related party transactions during the year ended 31 December 2015 and 2014 and balances as at 31 December 2015 and 31 December 2014:

<i>Related party</i>	<i>Nature of transaction</i>	<i>Amount of transactions for the year ended</i>		<i>Balance as at</i>	
		<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>	<i>31 December 2015</i> <i>(Unaudited)</i> <i>SR'000</i>	<i>31 December 2014</i> <i>(Audited)</i> <i>SR'000</i>
Al Rajhi Insurance Company B.S.C.(c) <i>(shareholder)</i>	Reimbursement from related party				
	a) takaful operations	156	400	(156)	-
	b) shareholders' operations	13	-	(13)	-
Al Rajhi Bank <i>(shareholder)</i>	Contribution - policies written	801,108	618,820	160,041	30,120
Affiliate companies	Contribution - policies written	58,462	53,529	34,860	22,409
	Contributions receivable (note 6)			194,901	52,529
Al Rajhi Bank <i>(shareholder)</i>	Claims incurred and notified during the period	729,892	466,456	242,721	138,777
Al Rajhi Bank <i>(shareholder)</i>	Bank balance <i>(Takaful operations)</i>			71,504	318,124
	Bank balance <i>(Shareholders' operations)</i>			24,673	52,156
	Bank balances			96,177	370,280

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party	Nature of transaction	Amount of transactions for the year ended		Balance as at	
		31 December 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000	31 December 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
Al Rajhi Capital (Affiliate)	Available for sale investments managed by the affiliate				
	a) Takaful operations			6,578	19,807
	b) Shareholders' operations			76,381	17,871
				<u>82,959</u>	<u>37,678</u>
Al Rajhi Capital (Affiliate)	Income received from sale of investment in Al Rajhi Capital commodity fund				
	a) Takaful operations	3,296	2,366		
	b) Shareholders' operations	1,300	928		
		<u>4,596</u>	<u>3,294</u>		
Al Rajhi Bank (shareholder)	Investment in shares of Al Rajhi Bank			10,039	4,240
Al Rajhi Takaful Agency (ARTA) (Affiliate)	Commissions	4,072	1,911	14	(107)

b) Compensation of key management personnel:

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

	For the year ended	
	31 December 2015 (Unaudited) SR'000	31 December 2014 (Audited) SR'000
Salaries and benefits of key management personnel	6,120	6,732
Shariah committee remuneration	249	190
	<u>6,369</u>	<u>6,922</u>

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

10 SEGMENTAL 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. Information disclosed below is based on current reporting to the Chief Operating Decision Maker, the CEO. Operating segments do not include shareholders' operations of the Company.

Segment assets do not include takaful operations' bank balances and cash, due from shareholders' operations, net contributions receivable and available for sale investments. Accordingly, they are included in unallocated assets.

Segment liabilities do not include takaful operations' payables, accruals and other liabilities, amounts due to related parties, management fee payable and re-takaful balances payable. Accordingly, they are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to the CEO under the related segments and are monitored on a centralised basis.

For the three month period ended 31 December 2015
(Unaudited)

<i>Operating segments</i>	<i>General</i>	<i>Motor</i>	<i>Health</i>	<i>Protection & Saving</i>	<i>Total</i>
	<i>SR'000</i>				
Gross contributions written	34,116	292,607	35,012	6,443	368,178
Net contributions written	8,772	281,121	29,791	6,485	326,169
Net contributions earned	4,388	222,751	48,848	5,875	281,862
Policy fee and other income	23	526	-	35	584
Re-takaful commission income	4,573	442	-	-	5,015
Total underwriting revenue	8,984	223,719	48,848	5,910	287,461
Net claims incurred	(202)	(194,186)	(28,969)	(1,568)	(224,925)
Inspection and supervision fees	(65)	(1,451)	(525)	(32)	(2,073)
Policy acquisition costs	(1,074)	(3,985)	(3,705)	(267)	(9,031)
Other expenses	(4,068)	-	(2,282)	(2,149)	(8,499)
Other income	-	2,893	377	-	3,270
Total claims and other expenses	(5,409)	(196,729)	(35,104)	(4,016)	(241,258)
Net underwriting surplus	3,575	26,990	13,744	1,894	46,203
Investment income					1,709
Management fee					(36,182)
Net result for the period					11,730

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

10 SEGMENTAL INFORMATION (continued)

For the three month period ended 31 December 2014
(Unaudited)

<i>Operating segments</i>	<i>General</i>	<i>Motor</i>	<i>Health</i>	<i>Protection & Saving</i>	<i>Total</i>
	<i>SR'000</i>				
Gross contributions written	12,958	177,875	25,370	1,371	217,574
Net contributions written	1,067	175,823	23,782	1,153	201,825
Net contributions earned	333	156,729	45,670	1,210	203,942
Policy fee and other income	32	116	-	50	198
Re-takaful commission income	4,500	-	-	-	4,500
Total underwriting revenue	4,865	156,845	45,670	1,260	208,640
Net claims incurred	(1,243)	(121,027)	(31,692)	51	(153,911)
Inspection and supervision fees	(30)	(881)	(380)	(7)	(1,298)
Policy acquisition costs	(2,375)	(2,501)	(4,035)	(294)	(9,205)
Other expenses	(525)	(23)	(824)	(565)	(1,937)
Total claims and other expenses	(4,173)	(124,432)	(36,931)	(815)	(166,351)
Net underwriting surplus	692	32,413	8,739	445	42,289
Investment income					695
Management fee					(23,654)
Net result for the period					19,330

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

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

10 SEGMENTAL INFORMATION (continued)

<i>Operating segments</i>	<i>For the year ended 31 December 2015 (Unaudited)</i>				
	<i>General</i>	<i>Motor</i>	<i>Health</i>	<i>Protection & Saving</i>	<i>Total</i>
	<i>SR'000</i>				
Gross contributions written	146,209	986,920	216,156	12,605	1,361,890
Net contributions written	37,538	968,949	210,010	11,586	1,228,083
Net contributions earned	20,743	791,003	196,901	10,747	1,019,394
Policy fee and other income	134	938	-	59	1,131
Re-takaful commission income	13,839	1,390	-	180	15,409
Total underwriting revenue	34,716	793,331	196,901	10,986	1,035,934
Net claims incurred	(3,948)	(643,412)	(142,292)	(1,823)	(791,475)
Inspection and supervision fees	(550)	(4,912)	(3,242)	(63)	(8,767)
Policy acquisition costs	(9,053)	(10,599)	(10,814)	(944)	(31,410)
Other expenses	(4,980)	(3,190)	(7,295)	(4,746)	(20,211)
Other income	-	2,893	377	-	3,270
Total claims and other expenses	(18,531)	(659,220)	(163,266)	(7,576)	(848,593)
Net underwriting surplus	16,185	134,111	33,635	3,410	187,341
Investment income					4,737
Management fee					(137,450)
Net result for the year					54,628

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

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

10 SEGMENTAL INFORMATION (continued)

<i>Operating segments</i>	<i>For the year ended 31 December 2014</i>				<i>Total</i>
	<i>General</i>	<i>Motor</i>	<i>Health</i>	<i>Protection & Saving</i>	
	<i>SR'000</i>				
Gross contributions written	94,816	658,381	188,023	3,639	944,859
Net contributions written	16,948	652,772	183,321	2,697	855,738
Net contributions earned	14,583	530,733	163,607	2,647	711,570
Policy fee and other income	173	600	-	54	827
Re-takaful commission income	12,312	445	-	-	12,757
Total underwriting revenue	27,068	531,778	163,607	2,701	725,154
Net claims incurred	(5,748)	(445,801)	(110,957)	(217)	(562,723)
Inspection and supervision fees	(331)	(3,276)	(2,820)	(18)	(6,445)
Policy acquisition costs	(8,795)	(5,927)	(11,442)	(456)	(26,620)
Other expenses	(525)	(53)	(1,391)	(1,082)	(3,051)
Other income	-	-	605	-	605
Total claims and other expenses	(15,399)	(455,057)	(126,005)	(1,773)	(598,234)
Net underwriting surplus	11,669	76,721	37,602	928	126,920
Investment income					2,366
Management fee					(109,956)
Net result for the year					19,330

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

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

10 SEGMENTAL INFORMATION (continued)

<i>Takaful operations' assets</i>	<i>As at 31 December 2015 (Unaudited)</i>				<i>Total</i>
	<i>General</i>	<i>Motor</i>	<i>Health</i>	<i>Protection & Saving</i>	
	<i>SR'000</i>				
Re-takaful share of outstanding claims	99,417	10,497	500	-	110,414
Re-takaful share of unearned contributions	70,273	1,433	-	244	71,950
Deferred policy acquisition costs	5,892	6,964	4,147	77	17,080
Deposit against letters of guarantee (note 5)	-	14,168	379	-	14,547
					213,991
Unallocated assets					995,382
Total assets					1,209,373
Takaful operations' liabilities					
Gross outstanding claims	103,825	209,891	45,243	1,768	360,727
Gross unearned contributions	94,726	505,165	77,419	1,012	678,322
Unearned re-takaful commission income	7,435	-	-	-	7,435
					1,046,484
Unallocated liabilities and surplus					162,889
Total liabilities					1,209,373

<i>Takaful operations' assets</i>	<i>As at 31 December 2014 (Audited)</i>				<i>Total</i>
	<i>General</i>	<i>Motor</i>	<i>Health</i>	<i>Protection & Saving</i>	
	<i>SR'000</i>				
Re-takaful share of outstanding claims	76,494	4,533	4,074	143	85,244
Re-takaful share of unearned contributions	48,593	927	-	140	49,660
Deferred policy acquisition cost	3,307	4,047	3,556	30	10,940
Deposit against letters of guarantee (note 5)	325	11,480	-	-	11,805
	128,719	20,987	7,630	313	157,649
Unallocated assets					669,467
Total assets					827,116
Takaful operations' liabilities					
Gross outstanding claims	83,037	144,970	31,286	343	259,636
Gross unearned contributions	56,251	326,713	64,310	238	447,512
Unearned re-takaful commission income	6,796	-	-	-	6,796
	146,084	471,683	95,596	581	713,944
Unallocated liabilities and surplus					113,172
Total liabilities					827,116

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

11 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted loss per share for the period has been calculated by dividing the net profit for the period by the weighted average number of outstanding shares at the period end.

The weighted average number of shares have 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</i>		<i>For the year ended</i>	
	<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Issues ordinary shares as at 1 January	40,000	20,000	20,000	20,000
Adjusted rights issue	-	-	-	-
Effect of rights issue of shares	-	8,800	16,625	8,800
Weighted average number of shares	40,000	28,800	36,625	28,800

The weighted average number of ordinary shares for prior year is computed using an adjustment factor of 1.44, which is a ratio of the theoretical ex-right price of SR17.97 and the closing price per share of SR 26 per share on 11th April, 2015, the last day on which the shares were traded before the rights issue.

12 CONTINGENT LIABILITIES

As at 31 December 2015, the Company's bankers have issued letters of guarantee of SR 14.5 million (2014: SR 11.8 million) to various motor agencies, workshops and health service providers as per the terms of the agreements with them {note 4(a)}.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair values of recognised financial instruments are not significantly different from the carrying values included in the interim condensed financial statements.

Investments held-to-maturity which comprise of Murabaha deposits amounting to SR 190 million (2014: SR 108.8 million) of Shareholders operations and SR 330 million (2014: Nil) of Takaful operations, earn fixed rates of income and are invested for a period exceeding 3 months. Fair value of murabaha deposits is not significantly different from the carrying values as on 31 December 2015.

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

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
31 December 2015

13 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

<i>As at 31 December 2015</i>	<i>Level 1 SR' 000</i>	<i>Level 2 SR' 000</i>	<i>Level 3 SR' 000</i>	<i>Total SR' 000</i>
Financial investments available for sale (Takaful operations)	-	6,578	-	6,578
Financial investments available for sale (Shareholders' operations)	-	76,381	1,923	78,304
Financial assets held as FVIS (Shareholders' operations)	77,314	-	-	77,314
Total	77,314	82,959	1,923	162,196

<i>As at 31 December 2014</i>	<i>Level 1 SR' 000</i>	<i>Level 2 SR' 000</i>	<i>Level 3 SR' 000</i>	<i>Total SR' 000</i>
Financial investments available for sale (Takaful operations)	-	19,807	-	19,807
Financial investments available for sale (Shareholders' operations)	-	17,871	1,923	19,794
Financial assets held as FVIS (Shareholders' operations)	52,004	-	-	52,004
Total	52,004	37,678	1,923	91,605

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 ended 31 December 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

The fair value decrease of SR 12,690 thousand (31 December 2014: SR 9,716 thousand) in respect of FVIS investments was recorded in the interim statement of income – shareholders' operations.

14 COMPARATIVE FIGURES

Certain of the prior period figures have been reclassified to conform with the current year presentation.

15 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 4 Raby' al-thaany 1437H, corresponding to 14 January 2016.

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