

ALINMA TOKIO MARINE COMPANY
(A Saudi Joint Stock Company)

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

FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

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**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
TO THE SHAREHOLDERS OF ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

SCOPE OF REVIEW:

We have reviewed the accompanying interim statement of financial position of Alinma Tokio Marine Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2016, and the related interim statements of insurance and shareholders' operations, shareholders' comprehensive income, for the three and nine months period then ended and changes in shareholders' equity, insurance operations' cash flows and shareholders' cash flows for the nine months period then ended, and the related notes 1 to 15 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard 34 - "Interim Financial Reporting" - ("IAS 34") and submitted to us together with all the information and explanations which we required.

We conducted our 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 MATTERS:

We draw attention to the following:

1. 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.
2. Note 2 to the interim condensed financial statements sets out the fact that the Board of Directors of the Company recommended to the shareholders of the Company not to pursue the transfer of insurance portfolios which were disclosed in the prospectus issued for the initial public offering by the Company. After obtaining approval from SAMA, the Company is in the process of seeking necessary approval from shareholders to complete the legal formalities.

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**October 18, 2016 (G)
Muhammam 17, 1438 (H)**



ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	<i>Notes</i>	<i>30 September 2016 (Unaudited) SR'000</i>	<i>31 December 2015 (Audited) SR'000</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	4	4,391	11,852
Premiums and reinsurance receivables, net	6	211,913	105,710
Reinsurers' share of unearned premiums		69,052	52,279
Reinsurers' share of outstanding claims	8	185,929	61,656
Deferred policy acquisition costs		8,044	3,698
Prepayments and other assets		3,170	2,854
Investments	7	5,017	10,124
Fixed assets		6,884	7,804
Unit linked investments		2,551	1,234
Due from shareholders' operations		-	721
TOTAL INSURANCE OPERATIONS' ASSETS		496,951	257,932
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	4	122,693	153,963
Murabaha deposits	5	50,000	-
Investments	7	72,199	117,725
Statutory deposit		45,000	45,000
Prepayments and other assets		1,859	358
Due from a related party	11	13	14
Due from Insurance operations		3,739	-
TOTAL SHAREHOLDERS' ASSETS		295,503	317,060
TOTAL ASSETS		792,454	574,992


Director


Chief Financial Officer


Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	<i>Notes</i>	<i>30 September 2016 (Unaudited) SR'000</i>	<i>31 December 2015 (Audited) SR'000</i>
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims	8	231,660	86,618
Reinsurance balances payable		99,105	59,628
Gross unearned premiums		121,632	75,941
Unearned reinsurance commission		7,693	8,247
Accrued expenses and other liabilities		27,876	24,004
Employees' end of service benefits		2,517	1,987
Unit linked liabilities		2,729	1,507
Due to shareholders' operations		3,739	-
TOTAL INSURANCE OPERATIONS' LIABILITIES		496,951	257,932
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		1,573	2,344
Zakat and income tax payable	9	1,465	1,069
Due to insurance operations		-	721
Total shareholders' liabilities		3,038	4,134
SHAREHOLDERS' EQUITY			
Share capital	10	450,000	450,000
Accumulated losses		(157,535)	(137,074)
Total shareholders' equity		292,465	312,926
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		295,503	317,060
TOTAL INSURANCE OPERATIONS' LIABILITIES, SHAREHOLDERS' LIABILITIES AND EQUITY		792,454	574,992



Director



Chief Financial Officer



Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

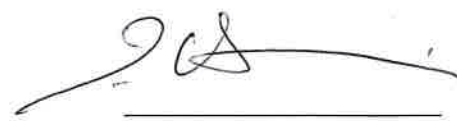
INTERIM STATEMENT OF INSURANCE OPERATIONS

For the three months and nine months period ended 30 September 2016

		<i>Three months period ended 30 September 2016</i>	<i>Three months period ended 30 September 2015</i>	<i>Nine months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2015</i>
	<i>Notes</i>	<i>(Unaudited) SR'000</i>	<i>(Unaudited) SR'000</i>	<i>(Unaudited) SR'000</i>	<i>(Unaudited) SR'000</i>
REVENUES					
Gross written premiums		46,867	40,432	279,918	162,902
Reinsurance premiums ceded		(28,826)	(26,541)	(163,362)	(114,693)
Excess of loss premiums		(783)	(783)	(2,350)	(2,416)
Net written premiums		17,258	13,108	114,206	45,793
Changes in gross unearned premiums		40,364	4,058	(45,691)	(43,387)
Changes in reinsurance share of unearned premiums		(24,166)	(3,898)	16,773	29,502
Net change in unearned premiums		16,198	160	(28,918)	(13,885)
Net earned premiums		33,456	13,268	85,288	31,908
Reinsurance commission earned and other income		5,889	4,835	17,279	13,517
Total insurance revenues		39,345	18,103	102,567	45,425
CLAIMS AND EXPENSES					
Gross claims paid	8	(45,285)	(19,613)	(120,796)	(43,968)
Reinsurers' share of gross claims paid	8	25,174	12,537	75,984	24,041
Net claims paid	8	(20,111)	(7,076)	(44,812)	(19,927)
Changes in gross outstanding claims		(47,316)	(18,526)	(145,042)	(47,296)
Changes in reinsurers' share of outstanding claims		43,949	16,093	124,273	43,688
Net outstanding claims		(3,367)	(2,433)	(20,769)	(3,608)
Net claims incurred		(23,478)	(9,509)	(65,581)	(23,535)
Change in unit linked reserves		(1,114)	(5)	(1,222)	(5)
Surrender charges		(86)	-	(115)	-
Policy acquisition costs		(5,603)	(1,905)	(14,430)	(3,627)
Inspection and supervision fees		(123)	(148)	(963)	(495)
Investment (loss)/ income		(298)	47	(322)	73
Other underwriting income		-	-	601	-
General and administrative expenses		(9,062)	(11,208)	(39,671)	(35,183)
Total claims and expenses, net		(39,764)	(22,728)	(121,703)	(62,772)
Net deficit for the period from insurance operations		(419)	(4,625)	(19,136)	(17,347)
Appropriation of net deficit transferred to shareholders' operations	3	419	4,625	19,136	17,347
Net result for the period from insurance operations		-	-	-	-


Director


Chief Financial Officer


Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS

For the three months and nine months period ended 30 September 2016

		<i>Three months period ended 30 September 2016</i>	<i>Three months period ended 30 September 2015</i>	<i>Nine months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2015</i>
	<i>Notes</i>	<i>(Unaudited) SR'000</i>	<i>(Unaudited) SR'000</i>	<i>(Unaudited) SR'000</i>	<i>(Unaudited) SR'000</i>
INCOME					
Investment (loss) / income		<u>(40)</u>	<u>(1,575)</u>	<u>1,942</u>	<u>(219)</u>
EXPENSES					
Net deficit transferred from insurance operations	3	(419)	(4,625)	(19,136)	(17,347)
General and administrative expenses		<u>(644)</u>	<u>(1,014)</u>	<u>(2,167)</u>	<u>(2,315)</u>
Total expenses		<u>(1,063)</u>	<u>(5,639)</u>	<u>(21,303)</u>	<u>(19,662)</u>
Net loss for the period		<u><u>(1,103)</u></u>	<u><u>(7,214)</u></u>	<u><u>(19,361)</u></u>	<u><u>(19,881)</u></u>
Basic and diluted loss per share for the period (SR)	12	<u><u>(0.025)</u></u>	<u><u>(0.177)</u></u>	<u><u>(0.430)</u></u>	<u><u>(0.547)</u></u>
Number of outstanding shares		<u><u>45,000</u></u>	<u><u>40,848</u></u>	<u><u>45,000</u></u>	<u><u>36,363</u></u>



Director



Chief Financial Officer



Chief Executive Officer

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ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE INCOME

For the three months and nine months period ended 30 September 2016

		<i>Three months period ended 30 September 2016</i>	<i>Three months period ended 30 September 2015</i>	<i>Nine months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2015</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Net loss for the period		(1,103)	(7,214)	(19,361)	(19,881)
Other comprehensive expense					
<i>Items that may not be reclassified to statement of shareholders' operations in subsequent periods:</i>					
Zakat for the period	9	(1,100)	(712)	(1,100)	(712)
Total comprehensive loss for the period		(2,203)	(7,926)	(20,461)	(20,593)



Director



Chief Financial Officer



Chief Executive Officer

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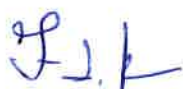
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine months period ended 30 September 2016

	Share capital	Accumulated losses	Total
	SR'000	SR'000	SR'000
2016			
Balance as at 1 January 2016 (audited)	450,000	(137,074)	312,926
Net loss for the period	-	(19,361)	(19,361)
Zakat for the period	-	(1,100)	(1,100)
Balance as at 30 September 2016 (unaudited)	450,000	(157,535)	292,465
2015			
Balance as at 1 January 2015 (audited)	200,000	(111,587)	88,413
Issue of additional share capital	250,000	-	250,000
Transaction cost relating to issue of additional share capital	-	(2,863)	(2,863)
Net loss for the period	-	(19,881)	(19,881)
Zakat for the period	-	(712)	(712)
Balance as at 30 September 2015 (unaudited)	450,000	(135,043)	314,957



Director



Chief Financial Officer





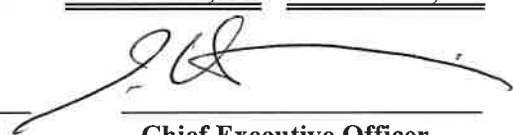
Chief Executive Officer

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ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS

For the nine months period ended 30 September 2016

	Note	Nine months period ended 30 September 2016 (Unaudited) SR'000	Nine months period ended 30 September 2015 (Unaudited) SR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net result for the period from insurance operations		-	-
Adjustments for:			
Unrealized gain on FVTIS investments	7	(9)	(73)
Realized gain on FVTIS investments	7	(87)	-
Allowance for doubtful receivables		4,190	5,426
Depreciation		2,365	1,844
Employees' end of service benefits		541	372
Income before changes in operating assets and liabilities		7,000	7,569
<i>Changes in operating assets and liabilities:</i>			
<i>Operating assets:</i>			
Premiums and reinsurance receivables, net		(110,393)	(59,464)
Reinsurers' share of outstanding claims		(124,273)	(43,688)
Reinsurers' share of unearned premiums		(16,773)	(29,502)
Deferred policy acquisition costs		(4,346)	(2,441)
Due to shareholders' operations		4,460	670
Prepayments and other assets		(316)	(2,621)
<i>Operating liabilities:</i>			
Gross outstanding claims		145,042	47,296
Reinsurance balances payable		39,477	36,172
Gross unearned premiums		45,691	43,388
Unearned reinsurance commission		(554)	4,925
Accrued expenses and other liabilities		3,872	8,805
Unit linked liabilities		1,222	5
Employees' end of service benefits paid		(11)	(137)
Net cash (used in)/ generated from operating activities		(9,902)	10,977
CASH FLOWS FROM INVESTING ACTIVITIES			
Unit linked investments		(1,317)	(5)
Purchase of investments		(35,000)	(10,000)
Proceeds from the sale of investments		40,203	-
Purchase of property and equipment		(1,445)	(3,084)
Net cash generated from / (used in) investing activities		2,441	(13,089)
Net change in cash and cash equivalents		(7,461)	(2,112)
Cash and cash equivalents at the beginning of the period		11,852	19,697
Cash and cash equivalents at the end of the period	4	4,391	17,585
  			
Director		Chief Financial Officer	Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS

For the nine months period ended 30 September 2016

	Notes	Nine months period ended 30 September 2016 Unaudited SR'000	Nine months period ended 30 September 2015 Unaudited SR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		(19,361)	(19,881)
Adjustments for:			
Realized loss / (gain) on FVTIS	7	39	(507)
Unrealized loss / on FVTIS	7	2,279	1,069
Loss before changes in operating assets and liabilities		(17,043)	(19,319)
<i>Changes in operating assets and liabilities:</i>			
<i>Operating assets:</i>			
Due from related parties		1	22
Due from insurance operations		(4,460)	(670)
Prepayments and other assets		(1,501)	(137)
<i>Operating liabilities:</i>			
Accrued expenses and other liabilities		(771)	(345)
Zakat and advance tax paid		(704)	(1,140)
Net cash used in operating activities		(24,478)	(21,589)
CASH FLOWS FROM INVESTING ACTIVITIES			
Murabaha deposit		(50,000)	(25,000)
Purchase of investments		(20,000)	(305,632)
Proceeds from sale of investments		63,208	180,994
Net cash used in investing activities		(6,792)	(149,638)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of additional share capital		-	250,000
Transaction cost on issue of additional share capital		-	(2,863)
Net cash generated from financing activities		-	247,137
Net change in cash and cash equivalents		(31,270)	75,910
Cash and cash equivalents at the beginning of the period		153,963	37,147
Cash and cash equivalents at the end of the period	4	122,693	113,057


Director


Chief Financial Officer


Chief Executive Officer

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months period ended 30 September 2016

1 REPORTING ENTITY AND OPERATIONS

Alinma Tokio Marine Company ("the Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per Ministry of Commerce and Industry's Resolution number 309/Q dated 19 Rajab 1433H (corresponding to 9 June 2012G). The Commercial Registration number of the Company is 1010342527, dated 28 Rajab 1433H (corresponding to 18 June 2012G). The Company is listed on the Saudi Arabian Stock Exchange ("Tadawul") since 24 June 2012. The Registered Office of the Company is situated at Al-Anoud Tower 2, P.O. Box 643, Riyadh 11421, Kingdom of Saudi Arabia.

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. 25/M, dated 3 Jumada-Al Thani 1430H (corresponding to 27 June 2009G), pursuant to the Council of Ministers' Resolution No. 140 dated 2 Jumada-Al Thani 1430H (corresponding to 26 June 2009G).

The objective of the Company is to engage in cooperative insurance operations and related activities, including reinsurance, agencies, representation, correspondence and intermediary activities in the Kingdom of Saudi Arabia in accordance with its Articles of Association and applicable regulations in the Kingdom of Saudi Arabia.

2 INSURANCE PORTFOLIOS TRANSFER AGREEMENTS

In connection with the Board of Directors' recommendation to the Shareholders' of the Company on non transfer of the insurance portfolio transfer of Arab Eastern Insurance Company (AEIC) and Tokio Marine & Nichido Fire Insurance Co. Limited – branch operations (TMNF) which is collectively referred as " Old Operations". The Company got regulatory approval to administer an outstanding claim pertaining to the "Old Operations". These transfers were initially planned and disclosed in the prospectus issued for the initial public offering of the Company. There is no financial impact on the Company as the liability arising from the said claim is guaranteed by Tokio Marine & Nichido Fire Insurance Company Limited, Japan being the major shareholder of the "Old Operations." Consequent to the regulatory approval, the Company is in process of seeking shareholders' approval in the General Assembly on non pursuance of insurance portfolio transfer from the "Old Operations".

3 BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Accordingly, these interim condensed financial statements are not intended to be a presentation in conformity with generally accepted accounting principles in the Kingdom of Saudi Arabia i.e. in accordance with the standard of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants.

As required by the Saudi Arabian Insurance Regulations issued by SAMA, the Company maintains separate books of accounts for the Insurance Operations and Shareholders' Operations and presents the financial statements accordingly. The physical custody of all assets related to the Insurance Operations and Shareholders' Operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective books of accounts. The basis of allocation of expenses from joint operations is determined by management and the Board of Directors.

In accordance with Article 70 of the SAMA Implementing Regulations, the Company must distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors and as stipulated by SAMA circular, provided the customer contract (policy) is active and paid-up to date at the time of settlement of the cooperative distribution amount. Losses incurred by Insurance Operations are absorbed by Shareholders'

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months period ended 30 September 2016

3 BASIS OF PREPARATION (continued)

The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are in accordance with International Financial Reporting Standards ("IFRS").

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

These interim condensed financial statements for the three months and nine months period ended 30 September 2016 do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS. These interim condensed financial statements should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2015.

Certain comparative amounts have been rearranged / reclassified to conform to the current period's presentation. The Company presents its interim statements of financial position broadly in order of liquidity.

The interim condensed financial statements are expressed in Saudi Arabian Riyals, being the functional and presentation currency of the Company and have been rounded off to the nearest thousand, unless otherwise specified. The Company's interim results may not be indicative of its annual results.

The accounting and risk management policies adopted in the preparation of these condensed interim financial statements are consistent with the Company's audited financial statements for the year ended 31 December 2015, except for the adoption of the following relevant amendments to existing standards mentioned below which had no significant financial impact on the interim condensed financial statements of the Company:

Standards issued but not yet effective

The following new or amended standards are not expected to have significant impact on the financial statements and the Company has chosen not to early adopt the following standards:

- IFRS 9 – Financial instruments (effective on or after January 1, 2018)
- IFRS 15 – Revenue from contracts with customers (effective on or after January 1, 2018)
- IFRS 16 – Leases (effective on or after January 1, 2019)

New and amended standards issued and adopted

- IFRS 14 – "Regulatory Deferral Accounts", applicable for the annual periods beginning on or after 1 January 2016, allows an entity, whose activities are subject to rate regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first time adoption of IFRS. The standard does not apply to existing IFRS preparers. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first-time application of IFRS.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months period ended 30 September 2016

3 BASIS OF PREPARATION (continued)

Amendments to existing standards

-Amendments to IFRS 10 – “Consolidated Financial Statements”, IFRS 12 – “Disclosure of Interests in Other Entities” and IAS 28 – “Investments in Associates”, applicable for the annual periods beginning on or after 1 January 2016, address three issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value. Furthermore, only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

-Amendments to IFRS 11 – “Joint Arrangements”, applicable for the annual periods beginning on or after 1 January 2016, require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in IFRS 3 – “Business Combinations” and other IFRSs that do not conflict with the requirements of IFRS 11 Joint Arrangements. Furthermore, entities are required to disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by one of the parties to the joint operation on its formation. Furthermore, the amendments clarify that, for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

Amendments in IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgments in presenting the financial reports. It is effective for annual periods beginning on or after 1 January 2016.

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and other comprehensive income (“OCI”) and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. The amendments further clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

- Amendments to IAS 16 – “Property, Plant and Equipment” and IAS 38 – “Intangible Assets”, applicable for the annual periods beginning on or after 1 January 2016, restricts the use of ratio of revenue generated to total revenue expected to be generated to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

- Amendments to IAS 16 – “Property, Plant and Equipment” and IAS 41 – “Agriculture”, applicable for the annual periods beginning on or after 1 January 2016, change the scope of IAS 16 to include biological assets that meet the definition of bearer plants. Agricultural produce growing on bearer plants will remain within the scope of IAS 41. In addition, government grants relating to bearer plants will be accounted for in accordance with IAS 20 – “Accounting for Government Grants and Disclosure of Government Assistance”, instead of IAS 41.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

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3 BASIS OF PREPARATION (continued)

- Amendments to IAS 27 – “Separate Financial Statements”, applicable for the annual periods beginning on or after 1 January 2016, allows an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

Annual improvements to IFRS 2012-2014 cycle applicable for annual periods beginning on or after 1 January 2016. A summary of the amendments is as follows:

IFRS 5 – “Non-current Assets Held for Sale and Discontinued Operations”: amended to clarify that changing from one disposal method to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5.

IFRS 7 - "Financial Instruments: Disclosures", has been amended to clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. The nature of the fee and the arrangement should be assessed in order to consider whether the disclosures are required under IFRS 7 and the assessment must be done retrospectively. IFRS 7 has been further amended to clarify that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

IAS 19 – “Employee Benefits”– amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

-IAS 34 – “Interim Financial Reporting” – amendment clarifies that the required interim disclosures must be either in the interim financial statements or incorporated by cross-referencing to the interim financial report (e.g., in the management commentary or risk report). However, the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

4 CASH AND CASH EQUIVALENTS

	<i>30 September 2016 (Unaudited) SR' 000</i>	<i>31 December 2015 (Audited) SR'000</i>
<i>Insurance operations</i>		
Cash in hand	67	40
Cash at bank – current accounts	4,324	11,812
	<u>4,391</u>	<u>11,852</u>

Cash at bank – Insurance Operations includes an amount of SR 4.32 million (2015: SR 11.81 million) held with Alinma Bank, a related party.

Shareholders' operations

Cash at bank – current accounts	1,692	3,963
Short-term Murabaha deposits	121,001	150,000
	<u>122,693</u>	<u>153,963</u>

Cash at banks – Shareholders' Operations includes an amount of SR 1.683 Million (2015: SR 3.95 million) held with Alinma Bank, a related party.

Short term Murabaha deposits are placed with local banks denominated in Saudi Riyals and have original maturity not exceeding three months yielding an average profit rate of 3.24% (2015: 2.33%) per annum.

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For the three months and nine months period ended 30 September 2016

5 MURABAHA DEPOSITS

Murabaha deposits represent deposits with local banks that have investment grade credit ratings and have an original maturity of more than three months from the date of acquisition, yielding an average profit rate of 3.25% (2015: Nil) per annum.

6 PREMIUMS AND REINSURANCE RECEIVABLES, NET

	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
Premiums receivable – other customers	110,302	53,271
Premiums receivable – related party (note 11)	6,245	4,456
Reinsurance receivables	101,559	49,986
	<u>218,106</u>	<u>107,713</u>
Less: provision for doubtful receivables	(6,193)	(2,003)
	<u>211,913</u>	<u>105,710</u>

7 INVESTMENTS

(i) Shareholders' Operations

	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
Investments		
Available for sale investment	1,923	1,923
Investments at fair value through income statement (FVTIS)	55,644	115,802
Investments held to maturity	14,632	-
	<u>72,199</u>	<u>117,725</u>

This represents investment in Najam for Insurance Services Company (classified as available for sale), equity shares, Shari'ah compliant mutual funds, discretionary portfolios and real estate fund (classified as investment at fair value through income statement "FVTIS") and sukuk (classified as held to maturity investments).

The movement during the period is as follows:

	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
Available for sale investment		
Balance at the beginning and end of the period	<u>1,923</u>	<u>1,923</u>
	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
Investments at fair value through income statement		
Balance at the beginning of the period	115,802	32,287
Purchased during the period	5,000	433,631
Sold during the period	(62,840)	(348,998)
Realised (loss) / gain during the period	(39)	625
Unrealised loss during the period	(2,279)	(1,743)
Balance at the end of the period	<u>55,644</u>	<u>115,802</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months period ended 30 September 2016

7 INVESTMENTS (continued)

(i) Shareholders' Operations (continued)

	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
<i>Investments held to maturity</i>		
Balance at the beginning of the period	-	-
Purchased during the period	15,000	-
Redeemed during the period	(368)	-
Balance at the end of the period	14,632	-

Investments held to maturity have a tenure of ten years with quarterly partial redemptions, yielding an average profit rate of SIBOR+ 2.125% (2015: 0%) per annum.

(ii) Insurance Operations

The Insurance Operations' FVTIS investments have been invested inside the Kingdom of Saudi Arabia in a Trading Finance Fund:

	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
<i>Investments at fair value through income statement</i>		
Balance at the beginning of the period	10,124	-
Purchased during the period	35,000	10,000
Sold during the period	(40,203)	-
Realised gain during the period	87	-
Unrealised gain during the period	9	124
Balance at the end of the period	5,017	10,124

DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

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. Underlying the definition of fair value there is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of operations or undertake a transaction on adverse terms. The Company's financial assets consist of cash and cash equivalents, premiums and reinsurance receivables, Murabaha deposit, reinsurance share of outstanding claims, investments and accrued income, and its financial liabilities consist of reinsurance balance payables, accrued expenses and gross outstanding claims. The fair values of financial assets and liabilities are not materially different from their carrying values at the statement of financial position date.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months period ended 30 September 2016

7 INVESTMENTS (continued)

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below presents the financial instruments at their fair values based on their fair value hierarchy.

Shareholders' Operations

As at 30 September 2016 (Unaudited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Available for sale investment*				
- Investment in unquoted equity	-	-	1,923	1,923
Fair value through income statement				
- Investment in multi assets mutual funds, equity shares, discretionary portfolios and real estate fund	55,644	-	-	55,644
Investments held to maturity				
- Sukuk		14,632	-	14,632
Total	55,644	14,632	1,923	72,199

Insurance Operations

As at 30 September 2016 (Unaudited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Fair value through income statement				
- Investment in commodity fund	5,017	-	-	5,017

Shareholders' Operations

As at 31 December 2015 (Audited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Fair value through income statement				
- Investment in multi assets mutual funds, equity shares and discretionary portfolios	115,802	-	-	115,802
Available for sale investment*				
- Investment in unquoted equity	-	-	1,923	1,923
Total	115,802	-	1,923	117,725

*As the fair value of the available for sale unquoted investment is not readily available, this investment is carried at cost and reviewed annually by the management for impairment.

There were no transfers between the levels of fair value hierarchies during the period.

Insurance Operations

As at 31 December 2015 (Audited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Fair value through income statement				
- Investment in trading finance and liquidity fund	10,124	-	-	10,124

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8 CLAIMS	Gross SR'000	Reinsurers' share SR'000	Net SR'000
As at 30 September 2016 (Unaudited)			
Claims reported	135,777	(114,476)	21,301
IBNR and other reserves	95,883	(71,453)	24,430
	<u>231,660</u>	<u>(185,929)</u>	<u>45,731</u>
Claims paid during the nine months period ended 30 September 2016	120,796	(75,984)	44,812
As at 31 December 2015 (Audited)			
Claims reported	43,734	(35,117)	8,617
IBNR and other reserves	42,884	(26,539)	16,345
	<u>86,618</u>	<u>(61,656)</u>	<u>24,962</u>
Claims incurred during the nine months period ended 30 September 2016	<u><u>265,838</u></u>	<u><u>(200,257)</u></u>	<u><u>65,581</u></u>
As at 30 September 2015 (Unaudited)			
Claims reported	36,723	(28,367)	8,356
IBNR and other reserves	46,662	(32,905)	13,757
	<u>83,385</u>	<u>(61,272)</u>	<u>22,113</u>
Claims paid during the nine months period ended 30 September 2015	43,968	(24,041)	19,927
As at 31 December 2014 (Audited)			
Claims reported	15,730	(7,806)	7,924
IBNR and other reserves	20,359	(9,778)	10,581
	<u>36,089</u>	<u>(17,584)</u>	<u>18,505</u>
Claims incurred during the nine months period ended 30 September 2015	<u><u>91,264</u></u>	<u><u>(67,729)</u></u>	<u><u>23,535</u></u>

The Company has maintained a provision in respect of premium deficiency amounting to SR 3.2 million (2015: SR 3.1 million) for Motor businesses. The Company created this provision based on the assumption that the unearned premiums for motor business will not be sufficient to provide for the expected claims and other attributable expenses related to the unexpired periods of the policies in force at the statement of financial position date.

9 ZAKAT AND INCOME TAX

Zakat

The Company's zakat liability is calculated in accordance with the provisions of Zakat regulations applicable in the Kingdom of Saudi Arabia.

The movement in the Zakat provision for the period is as follows:

	30 September 2016 (Unaudited) SR' 000	31 December 2015 (Audited) SR'000
Balance at the beginning of the period	1,069	1,497
Zakat charge for the period	1,100	712
Zakat paid during the period	(687)	(1,140)
Advance tax paid during the period	(17)	-
Balance at the end of the period	<u><u>1,465</u></u>	<u><u>1,069</u></u>

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For the three months and nine months period ended 30 September 2016

9 ZAKAT AND INCOME TAX (continued)

The Company has filed its Zakat returns with the Department of Zakat and Income Tax ("DZIT") for the period from 9 June 2012 to 31 December 2013 and for the year 2014 and 2015, and has obtained limited certificates for the years 2013, 2014 and 2015. However, final assessments have not yet been made by

Income tax

The Company has incurred a net loss during the period and therefore no income tax is due or charged to the unaudited interim statement of Shareholders' comprehensive income.

10 SHARE CAPITAL

- 10.1 The authorised, issued and paid-up share capital of the Company is SR 450 million as at 30 September 2016 (2015: SR 450 million) consisting of 45 million shares (2015: 45 million shares) of SR 10 each.

11 RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of business, the Company transacts with related parties. Transactions with related parties are carried out on an arm's length basis.

- 11.1 In addition to the disclosure in note 4, the following are the details of major related party transactions during the period and the related balances at the end of the period:

		<i>Three months period ended 30 September SR'000</i>	<i>Three months period ended 30 September SR'000</i>	<i>Nine months period ended 30 September SR'000</i>	<i>Nine months period ended 30 September SR'000</i>
		<i>Unaudited</i>			
Nature of transaction	<u>Related party</u>	<u>Amount of transactions</u>			
Gross written premiums	Shareholder	<u>5,979</u>	<u>6,737</u>	<u>26,302</u>	<u>17,501</u>
Reinsurance premiums ceded	Shareholder	<u>1,883</u>	<u>818</u>	<u>4,211</u>	<u>4,765</u>
Claims paid	Shareholder	<u>2,859</u>	<u>2,692</u>	<u>8,632</u>	<u>8,126</u>
Reinsurance commission	Shareholder	<u>490</u>	<u>213</u>	<u>1,077</u>	<u>992</u>
Investments	Other related party	<u>22,840</u>	<u>-</u>	<u>62,840</u>	<u>-</u>
General and administrative expenses	Other related party	<u>168</u>	<u>473</u>	<u>1,107</u>	<u>2,055</u>

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11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

11.2 Following are the details of major related party balances at the end of the period/ year:

Nature of balance	Related party	<i>As at September 30, 2016 SR'000</i>	<i>As at December 31, 2015 SR'000</i>
Premiums receivable	Shareholder	6,245	4,456
Reinsurer share of claims receivable	Shareholder	2,993	4,118
Claims payable	Shareholder	(105)	14
Investments	Other related party	50,366	115,805
General and administrative expenses	Other related party	13	14
Bank balances	Shareholder	6,005	15,766

11.3 Information relating to key management personnel:

	<i>Three months period ended 30 September 2016 SR'000</i>	<i>Three months period ended 30 September 2015 SR'000</i>	<i>Nine months period ended 30 September 2016 SR'000</i>	<i>Nine months period ended 30 September 2015 SR'000</i>
	<i>Unaudited</i>			
Short-term benefits	1,607	1,128	4,645	3,017
Long-term benefits	88	53	228	120

11.4 Board and sub-committee related expenses:

	<i>Three months period ended 30 September 2016 SR'000</i>	<i>Three months period ended 30 September 2015 SR'000</i>	<i>Nine months period ended 30 September 2016 SR'000</i>	<i>Nine months period ended 30 September 2015 SR'000</i>
	<i>Unaudited</i>			
Board of Directors' remuneration	255	255	765	721
Board and sub-committees attendance fees	(46)	149	200	448

12 BASIC AND DILUTED LOSS PER SHARE FOR THE PERIOD

Basic and diluted loss per share for the period has been calculated by dividing the net loss 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:

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12 BASIC AND DILUTED LOSS PER SHARE FOR THE PERIOD (Continued)

	<i>Three months period ended 30 September 2016</i>	<i>Three months period ended 30 September 2015</i>	<i>Nine months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2015</i>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
Issues ordinary shares as at 1 January	45,000	20,000	45,000	20,000
Effect of rights issue of shares	-	20,848	-	16,363
Weighted average number of shares	45,000	40,848	45,000	36,363

The weighted average number of ordinary shares for prior year is computed using an adjustment factor of 1.70, which is a ratio of the theoretical ex-right price of SR. 22.9 and the closing price per share of SR 39.03 per share on 4th of August, 2015, the last day on which the shares were traded before the rights

The basic and diluted loss per share are as follows:

	<i>Three months period ended 30 September 2016</i>	<i>Three months period ended 30 September 2015</i>	<i>Nine months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2015</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Unaudited				
Net loss for the period	(1,103)	(7,214)	(19,361)	(19,881)
Weighted average number of ordinary shares	45,000	40,848	45,000	36,363
Basic and diluted loss per share (restated)	(0.025)	(0.177)	(0.430)	(0.547)

13 CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 September 2016 and 31 December 2015, the Company had no contingent liabilities and

14 SEGMENT REPORTING

Segment information is presented in respect of the Company's business segments, which are fire, marine, general accident, engineering, motor, protection and savings and medical based on the Company's management and internal reporting structure.

Operating segments do not include Shareholders' operations of the Company.

Segment assets do not include cash and bank balances, premiums and reinsurance receivables, due from shareholders' operations, prepayments and other assets and fixed assets.

Segment liabilities do not include reinsurance balance payable, accrued expenses and other liabilities and employees' end of service benefits.

Segment results do not include general and administrative expenses.

These unallocated assets and liabilities (including the related charges for provision for doubtful debts on premium receivable and depreciation on the property and equipment) are monitored on a centralized basis.

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 in the note is based on current reporting to the chief executive officer.

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14 SEGMENT REPORTING (continued)

For the three months period ended 30 September 2016 (Unaudited)

	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	10,303	10,995	2,997	416	15,471	6,685	-	46,867
Reinsurance premiums ceded	(9,854)	(10,344)	(2,046)	(386)	(3,008)	(3,188)	-	(28,826)
Excess of loss premiums	(11)	(194)	(116)	(28)	(434)	-	-	(783)
Net written premiums	438	457	835	2	12,029	3,497	-	17,258
Net change in unearned premiums	(187)	17	114	84	14,113	238	1,819	16,198
Net earned premiums	251	474	949	86	26,142	3,735	1,819	33,456
Reinsurance commission earned and other income	2,204	2,336	849	347	153	-	-	5,889
Total insurance revenues	2,455	2,810	1,798	433	26,295	3,735	1,819	39,345
CLAIMS AND EXPENSES								
Net claims incurred	(356)	(584)	(105)	(90)	(19,789)	(1,406)	(1,148)	(23,478)
Policy acquisition costs	(1,033)	(726)	(343)	(146)	(3,108)	(171)	(76)	(5,603)
Inspection and supervision fees	(12)	(17)	(9)	(1)	(50)	(34)	-	(123)
Change in unit linked reserves	-	-	-	-	-	(1,114)	-	(1,114)
Surrender	-	-	-	-	-	(86)	-	(86)
Net underwriting results	1,054	1,483	1,341	196	3,348	924	595	8,941
Investment income								(298)
General and administrative expenses								(9,062)
Net deficit from insurance operations								(419)

For the three months period ended 30 September 2015 (Unaudited)

	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	9,991	11,034	2,910	153	11,057	5,287	-	40,432
Reinsurance premiums ceded	(9,976)	(9,406)	(2,263)	(129)	(1,354)	(3,413)	-	(26,541)
Excess of loss premiums	(11)	(194)	(116)	(27)	(435)	-	-	(783)
Net written premiums	4	1,434	531	(3)	9,268	1,874	-	13,108
Net change in unearned premiums	148	(578)	488	31	23	48	-	160
Net earned premiums	152	856	1,019	28	9,291	1,922	-	13,268
Reinsurance commission earned and other income	2,008	1,416	564	159	688	-	-	4,835
Total insurance revenues	2,160	2,272	1,583	187	9,979	1,922	-	18,103
CLAIMS AND EXPENSES								
Net claims incurred	(458)	(1,330)	(801)	(23)	(6,243)	(654)	-	(9,509)
Policy acquisition costs	(504)	(135)	(128)	(66)	(1,018)	(54)	-	(1,905)
Inspection and supervision fees	(36)	(30)	(6)	(1)	(48)	(27)	-	(148)
Net underwriting results	1,162	777	648	97	2,670	1,187	-	6,541
Investment income								47
General and administrative expenses								(11,213)
Net deficit from insurance operations								(4,625)

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14 SEGMENT REPORTING (continued)

For the nine months period ended 30 September 2016 (Unaudited)

	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	49,138	26,023	15,117	3,410	158,484	20,601	7,145	279,918
Reinsurance premiums ceded	(48,325)	(24,758)	(11,953)	(3,087)	(63,721)	(11,518)	-	(163,362)
Excess of loss premiums	(34)	(582)	(347)	(84)	(1,303)	-	-	(2,350)
Net written premiums	779	683	2,817	239	93,460	9,083	7,145	114,206
Net change in unearned premiums	(285)	469	238	(29)	(25,210)	30	(4,131)	(28,918)
Net earned premiums	494	1,152	3,055	210	68,250	9,113	3,014	85,288
Reinsurance commission earned and other income	7,150	6,399	2,247	898	585	-	-	17,279
Total insurance revenues	7,644	7,551	5,302	1,108	68,835	9,113	3,014	102,567
CLAIMS AND EXPENSES								
Net claims incurred	(1,136)	(2,491)	365	(554)	(56,802)	(2,776)	(2,187)	(65,581)
Policy acquisition costs	(2,798)	(1,612)	(852)	(379)	(8,283)	(380)	(126)	(14,430)
Inspection and supervision fees	(51)	(40)	(36)	(10)	(616)	(103)	(107)	(963)
Change in unit linked reserves						(191)		(1,222)
Surrender						(1,146)		(115)
Other underwriting income					601			601
Net underwriting results	3,659	3,408	4,779	165	3,735	4,517	594	20,857
Investment Income								(322)
General and administrative expenses								(39,671)
Net deficit from insurance operations								(19,136)

For the nine months period ended 30 September 2015 (Unaudited)

	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	37,761	24,762	11,637	4,882	68,493	15,367	-	162,902
Reinsurance premiums ceded	(37,665)	(21,778)	(7,665)	(4,679)	(33,791)	(9,115)	-	(114,693)
Excess of loss premiums	(61)	(486)	(441)	(33)	(1,395)	-	-	(2,416)
Net written premiums	35	2,498	3,531	170	33,307	6,252	-	45,793
Net change in unearned premiums	304	(909)	(1,111)	(61)	(11,986)	(122)	-	(13,885)
Net earned premiums	339	1,589	2,420	109	21,321	6,130	-	31,908
Reinsurance commission earned and other income	4,912	4,803	1,467	379	1,956	-	-	13,517
Total insurance revenues	5,251	6,392	3,887	488	23,277	6,130	-	45,425
CLAIMS AND EXPENSES								
Net claims incurred	(212)	(3,242)	143	(49)	(18,619)	(1,556)	-	(23,535)
Policy acquisition costs	(998)	(384)	(261)	(136)	(1,773)	(75)	-	(3,627)
Inspection and supervision fees	(103)	(60)	(39)	(18)	(198)	(77)	-	(495)
Net underwriting results	3,938	2,706	3,730	285	2,687	4,422	-	17,768
Investment income								73
General and administrative expenses								(35,188)
Net deficit from insurance operations								(17,347)

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months period ended 30 September 2016

14 SEGMENT REPORTING (continued)

	As at 30 September 2016 (Unaudited)							
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
ASSETS								
Reinsurers' share of outstanding claims	94,596	29,200	17,810	6,559	26,327	11,437	-	185,929
Reinsurers' share of unearned premiums	25,678	6,559	5,173	5,390	25,721	531	-	69,052
Deferred policy acquisition costs	2,135	240	615	359	4,501	21	173	8,044
Unit linked investments	-	-	-	-	-	2,551	-	2,551
Unallocated assets								231,375
Total assets								496,951
LIABILITIES								
Gross outstanding claims	97,652	31,262	19,914	7,218	59,375	14,052	2,187	231,660
Gross unearned premiums	26,235	7,283	6,971	5,666	70,587	760	4,130	121,632
Unearned insurance commission	3,872	1,365	1,300	979	177	-	-	7,693
Unit linked liabilities	-	-	-	-	-	2,729	-	2,729
Unallocated liabilities								133,237
Total liabilities								496,951

	As at 31 December 2015 (Audited)							
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
ASSETS								
Reinsurers' share of outstanding claims	27,607	10,113	6,520	1805	8,910	6,701	-	61,656
Reinsurers' share of unearned premiums	27,967	8,885	2,714	7,196	5253	264	-	52,279
Deferred policy acquisition costs	969	568	322	392	1383	64	-	3,698
Unit linked investments	-	-	-	-	-	1,234	-	1,234
Unallocated assets								139,065
Total assets								257,932
LIABILITIES								
Gross outstanding claims	29,871	11,421	9,589	1912	25,502	8,323	-	86,618
Gross unearned premiums	28,239	10,078	4,750	7,443	24,909	522	-	75,941
Unearned Reinsurance commission	3,636	2,225	760	1181	445	-	-	8,247
Unit linked liabilities	-	-	-	-	-	1,507	-	1,507
Unallocated liabilities								85,619
Total liabilities								257,932

15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 18 October, 2016G corresponding to 17 Muharram, 1438H.