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**SABB TAKAFUL COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS  
ENDED 31 MARCH 2012**

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**Aldar Audit Bureau**  
Abdullah Al Basri & Co.



**KPMG Al Fozan & Al Sadhan**

**INDEPENDENT AUDITORS' REVIEW REPORT OF INTERIM CONDENSED FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF SABB TAKAFUL COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**SCOPE OF REVIEW:**

We have reviewed the accompanying interim statement of financial position of SABB Takaful Company (A Saudi Joint Stock Company) ("the Company") as at 31 March 2012, and the related interim statements of takaful operations, shareholders' operations, shareholders' comprehensive operations for the three-month period ended 31 March 2012, and statements of changes in shareholders' equity and takaful operations' and shareholders' cash flows for the period then ended and the attached 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 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 Generally Accepted Auditing Standards in 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 review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

**EMPHASIS OF A MATTER**

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

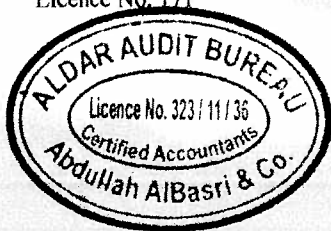
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15 April 2012

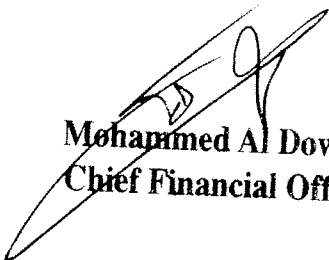


**SABB Takaful Company (A Saudi Joint Stock Company)**

**INTERIM STATEMENT OF FINANCIAL POSITION**

AT 31 March 2012

	Notes	31 March 2012 (Unaudited) SAR'000	31 December 2011 (Audited) SR'000
<b><u>TAKAFUL OPERATIONS' ASSETS</u></b>			
Available-for-sale investments	3	533,771	542,646
Contributions receivable, net	4	9,874	7,519
Retakaful share of outstanding claims	6	33,310	40,326
Retakaful share of unearned contributions	7 (b)	9,472	12,114
Deferred policy acquisition costs		2,226	2,185
Prepayments and other receivables		1,468	432
Cash and cash equivalents	5	47,324	45,240
<b>TOTAL TAKAFUL OPERATIONS' ASSETS</b>		<b>637,445</b>	<b>650,462</b>
<b><u>SHAREHOLDERS' ASSETS</u></b>			
Intangible assets		676	995
Motor vehicles		100	117
Held-to-maturity investments	3	110,000	60,000
Available for sale investments	3	-	50,406
Prepayments and other receivables		2,297	1,453
Statutory deposit		34,000	34,000
Due from takaful operations		12,971	12,272
Cash and cash equivalents	5	175,438	174,927
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>335,482</b>	<b>334,170</b>
<b>TOTAL ASSETS</b>		<b>972,927</b>	<b>984,632</b>

  
**Mohammed Al Dowais**  
 Chief Financial Officer

  
**Adrian Flowers**  
 Chief Executive Officer

  
**Fouad Bahrawi**  
 Chairman

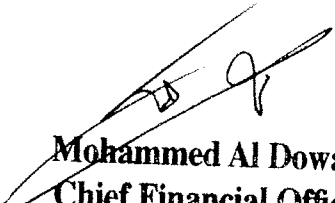
The accompanying notes 1 to 12 form part of these interim condensed financial statements.

SABB Takaful Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

AT 31 March 2012

	Notes	31 March 2012 (Unaudited) SAR'000	31 December 2011 (Audited) SR'000
<b><u>TAKAFUL OPERATIONS' LIABILITIES</u></b>			
Reserve for takaful activities	7 (a)	527,309	534,976
Surplus distribution payable		1,534	79
Unearned contributions	7 (b)	18,904	21,721
Gross outstanding claims	6	48,922	57,587
Unearned commission income		1,813	2,255
Retakaful balances payable, net		9,552	8,185
Payables, accruals and others		16,247	11,932
Due to shareholders		12,971	12,272
<b>TOTAL TAKAFUL OPERATIONS' LIABILITIES</b>		<b>637,252</b>	<b>649,007</b>
<b>TAKAFUL OPERATIONS' SURPLUS</b>		<b>193</b>	<b>1,455</b>
<b>TOTAL TAKAFUL OPERATIONS' LIABILITIES AND SURPLUS</b>		<b>637,445</b>	<b>650,462</b>
<b><u>SHAREHOLDERS' EQUITY AND LIABILITIES</u></b>			
<b>SHAREHOLDERS' EQUITY</b>			
Issued share capital		340,000	340,000
Legal reserve		2,043	2,043
Change in fair value of available for sale investments		-	406
Accumulated losses		(15,546)	(16,246)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>326,497</b>	<b>326,203</b>
<b>SHAREHOLDERS' LIABILITIES</b>			
Payables, accruals and others		3,095	3,234
Provision for zakat and tax		5,890	4,733
		<b>8,985</b>	<b>7,967</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>335,482</b>	<b>334,170</b>
<b>TOTAL TAKAFUL OPERATIONS' LIABILITIES AND SURPLUS, SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>972,927</b>	<b>984,632</b>

  
**Mohammed Al Dowais**  
**Chief Financial Officer**

  
**Adrian Flowers**  
**Chief Executive Officer**

  
**Fouad Bahrawi**  
**Chairman**


The accompanying notes 1 to 12 form part of these interim condensed financial statements.

SABB Takaful Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF TAKAFUL OPERATIONS

For the three months ended 31 March 2012

	<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
<b>Gross contributions written</b>		
- Family Takaful	41,785	54,840
- General Takaful	7,095	8,293
<b>Family Takaful - Planholder charges</b>	<b>4,210</b>	<b>5,324</b>
<b>Gross contributions written and Planholder charges</b>	<b>53,090</b>	<b>68,457</b>
Retakaful contribution ceded	(10,868)	(4,498)
<b>Net written contribution</b>	<b>42,222</b>	<b>63,959</b>
Changes in gross unearned contributions	2,817	10,540
Changes in retakaful share of unearned contributions	(2,641)	(6,659)
Changes in reserve for takaful activities	26,665	(19,584)
<b>Net contributions earned</b>	<b>69,063</b>	<b>48,256</b>
Fees and commission income	1,077	1,455
<b>Underwriting revenue</b>	<b>70,140</b>	<b>49,711</b>
Gross claims paid	(6,979)	(5,566)
Retakaful share of claims paid	3,817	3,626
<b>Net claims paid</b>	<b>(3,162)</b>	<b>(1,940)</b>
Changes in gross outstanding claims	8,870	(1,751)
Changes in retakaful share of outstanding claims	(7,096)	886
<b>Net claims incurred</b>	<b>(1,388)</b>	<b>(2,805)</b>
Surrenders	(55,681)	(31,036)
<b>Net claims incurred &amp; surrenders</b>	<b>(57,069)</b>	<b>(33,841)</b>
Policy acquisition costs, net	(2,677)	(4,137)
<b>Total claims, surrenders and other expenses</b>	<b>(59,746)</b>	<b>(37,978)</b>
<b>Underwriting surplus for the period</b>	<b>10,394</b>	<b>11,733</b>
Investment income	398	557
General and administrative expenses	(8,865)	(9,875)
<b>Net surplus for the period from takaful operations</b>	<b>1,927</b>	<b>2,415</b>
<b>Shareholders' appropriation of surplus from takaful operations</b>	<b>(1,734)</b>	<b>(2,174)</b>
<b>Accumulated surplus at the end of period</b>	<b>193</b>	<b>241</b>

  
**Mohammed Al Dowais**  
**Chief Financial Officer**

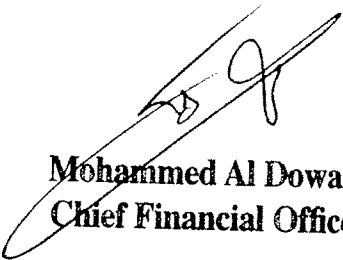
  
**Adrian Flowers**  
**Chief Executive Officer**

  
**Fouad Bahrawi**  
**Chairman**

The accompanying notes 1 to 12 form part of these interim condensed financial statements.

**SABB Takaful Company (A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS**  
For the three months ended 31 March 2012

	<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
	<i>Note</i>	
Investment income	<b>178</b>	233
Income from sukuks	<b>544</b>	321
Realized gains on financial assets - available for sale investments	<b>412</b>	-
<b>Total revenue</b>	<b>1,134</b>	554
Shareholders' appropriation of surplus from takaful operations	<b>1,734</b>	2,174
General and administrative expenses	<b>(1,011)</b>	(1,903)
<b>Net profit for the period</b>	<b>1,857</b>	825
<b>Basic and diluted profit per share (SAR)</b>	<b>0.05</b>	0.02
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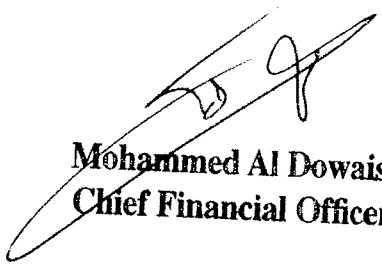
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SABB Takaful Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE OPERATIONS

For the three months ended 31 March 2012

		<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
<b>Net profit for the period</b>		<b>1,857</b>	825
<b>Other comprehensive income:</b>			
Change in fair value of available for sale investments	3 (d)	-	90
<b>Other comprehensive expense:</b>			
Provision for zakat and tax		<b>(1,157)</b>	(1,151)
<b>Total comprehensive profit/ (loss) for the period</b>		<b>700</b>	(236)



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Chairman

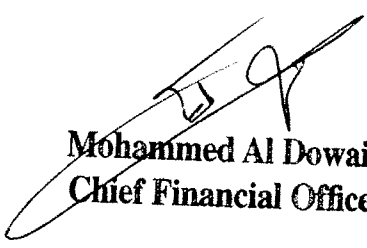
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**SABB Takaful Company (A Saudi Joint Stock Company)**

**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three months ended 31 March 2012

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Change in fair value of available for sale investments</i>	<i>Accumulated losses</i>	<i>Total</i>
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Balance as at 1 January 2012	340,000	2,043	406	(16,246)	326,203
Net profit for the period	-	-	-	1,857	1,857
Realized gains on financial assets - available for sale investments	-	-	(406)	-	(406)
Provision for zakat and tax	-	-	-	(1,157)	(1,157)
Balance as at 31 March 2012	<u>340,000</u>	<u>2,043</u>	<u>-</u>	<u>(15,546)</u>	<u>326,497</u>
Balance as at 1 January 2011	340,000	-	154	(19,684)	320,470
Net profit for the period	-	-	-	825	825
Other comprehensive income	-	-	90	-	90
Provision for zakat and tax	-	-	-	(1,151)	(1,151)
Balance as at 31 March 2011	<u>340,000</u>	<u>-</u>	<u>244</u>	<u>(20,010)</u>	<u>320,234</u>

  
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**SABB Takaful Company (A Saudi Joint Stock Company)**

**INTERIM STATEMENT OF TAKAFUL OPERATIONS' CASH FLOWS**

For the three months ended 31 March 2012

	<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
<b>OPERATING ACTIVITIES</b>		
Surplus from takaful operations after shareholders' appropriation	<b>193</b>	241
Adjustment to reconcile surplus from takaful operations after shareholders' appropriation to net cash from operating activities:		
Shareholders' appropriation from surplus	<b>1,734</b>	2,174
Operating surplus before shareholders' appropriations and before changes in operating assets and liabilities	<b>1,927</b>	2,415
<b>Changes in operating assets and liabilities:</b>		
Available-for-sale investments	<b>8,875</b>	(19,050)
Contributions receivable, net	<b>(2,355)</b>	17,272
Retakaful share of outstanding claims	<b>7,016</b>	(1,085)
Retakaful share of unearned contributions	<b>2,642</b>	6,659
Deferred policy acquisition costs	<b>(41)</b>	215
Prepayments and other receivables	<b>(1,036)</b>	238
Reserve for takaful activities	<b>(7,667)</b>	19,050
Unearned contributions	<b>(2,817)</b>	(10,540)
Gross outstanding claims	<b>(8,665)</b>	2,250
Unearned commission income	<b>(442)</b>	(648)
Retakaful balances payable, net	<b>1367</b>	(9,668)
Payables, accruals and others	<b>4,315</b>	(4,385)
Net cash from operating activities	<b>3,119</b>	2,723
<b>FINANCING ACTIVITY</b>		
Due to shareholders' operations, net	<b>(1,035)</b>	(14,169)
Net cash used in financing activity	<b>(1,035)</b>	(14,169)
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,084</b>	(11,446)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>45,240</b>	60,164
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>47,324</b>	48,718
<b>Non-cash supplemental information:</b>		
Net change in fair value of available for sale investments	<b>23,208</b>	4,790

  
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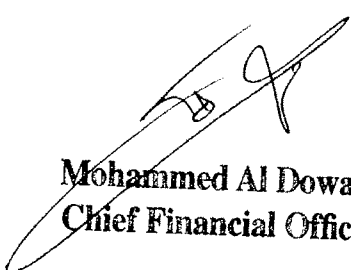
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**SABB Takaful Company (A Saudi Joint Stock Company)**

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

For the three months ended 31 March 2012

	<i>Notes</i>	<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
<b>OPERATING ACTIVITIES</b>			
Net profit for the period		1,857	825
Adjustment to reconcile net loss to net cash provided by operating activities:			
Appropriation of surplus from takaful operations		(1,734)	(2,174)
Amortisation		478	353
Depreciation		17	17
		<u>618</u>	<u>(979)</u>
<b>Changes in operating assets and liabilities:</b>			
Prepayments and other receivables		(844)	(626)
Payables, accruals and others		(139)	273
		<u>(365)</u>	<u>(1,332)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of intangible assets		(159)	(22)
Due from takaful operations, net		1,035	14,169
Purchase of held to maturity investments		(50,000)	(20,000)
Disposal of available for sale investments		50,000	-
		<u>876</u>	<u>(5,853)</u>
Net cash from/ (used in) investing activities			
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		511	(7,185)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		174,927	169,262
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>			
	5	<u>175,438</u>	<u>162,077</u>
<b>Non-cash supplemental information:</b>			
Net change in fair value of available for sale investments	3 (d)	<u>-</u>	<u>90</u>

  
**Mohammed Al Dowais**  
 Chief Financial Officer

  
**Adrian Flowers**  
 Chief Executive Officer

  
**Fouad Bahrawi**  
 Chairman

The accompanying notes 1 to 12 form part of these interim condensed financial statements.

# SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

### 1. ORGANISATION AND PRINCIPAL ACTIVITIES

SABB Takaful Company (the Company) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 1010234032 dated 20 Jumad Awal 1428H (corresponding to 6 June 2007). The registered address of the Company is P. O. Box 9086, Riyadh 11413, Kingdom of Saudi Arabia.

The purpose of the Company is to transact takaful operations and all related activities. Its principal lines of business include Individual Family, Group Family and General Takaful products. The Company operates only in the Kingdom of Saudi Arabia.

### 2. BASIS OF PREPARATION, BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT POLICIES

#### a) Basis of preparation

These interim condensed financial statements for the three months ended 31 March 2012 have been prepared in accordance with IAS 34 - Interim Financial Reporting.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2011.

In management's opinion, these interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. The Company's interim results may not be indicative of its annual results.

#### b) Basis of presentation

The Company's by-laws require that separate accounts to be maintained for takaful and shareholders' operations. Income and expenses directly attributable to either activity are recorded in the respective accounts.

#### c) Significant accounting policies and risk management policies

The accounting and risk management policies adopted in the preparation of these interim condensed financial statements are consistent with the Company's audited financial statements for the year ended 31 December 2011, except for the adoption of following amendments and revisions to existing standards mentioned below which has had no financial impact on these interim condensed financial statements of the Company:

Improvements to IFRSs 2011 (effective date 1 January 2012):

- IAS 1 - Presentation of Financial Statements
- IAS 24 - Related Party Disclosures (revised 2009)
- IAS 34 - Interim Financial Reporting
- IFRS 7 - Financial Instruments: Disclosures

#### d) Functional and presentation currency

The functional and presentational currency of the Company is Saudi Riyals. The financial statements values are presented in Saudi Riyals rounded to the nearest thousand (SAR'000), unless otherwise indicated.



## SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

#### 3. INVESTMENTS (continued)

c) The movements in the available for sale investments held to cover unit-linked liabilities were as follows:

	<i>31 March 2012 (Unaudited) SAR'000</i>	<i>31 December 2011 (Audited) SAR'000</i>
Opening balance	542,646	485,155
Purchased during the period/ year	39,164	147,627
Sold during the year	<u>(71,247)</u>	<u>(83,549)</u>
	510,563	549,233
Net change in fair values of investments	<u>23,208</u>	<u>(6,587)</u>
Closing balance	<u><u>533,771</u></u>	<u><u>542,646</u></u>

d) The movements in the available for sale investments for the shareholders were as follows:

	<i>31 March 2012 (Unaudited) SAR'000</i>	<i>31 December 2011 (Audited) SAR'000</i>
Opening balance	50,406	50,154
Disposal during the period/ year	<u>(50,406)</u>	<u>-</u>
	-	50,154
Net change in fair values of investments	<u>-</u>	<u>252</u>
Closing balance	<u><u>-</u></u>	<u><u>50,406</u></u>

#### 4. CONTRIBUTIONS RECEIVABLE, NET

	<i>31 March 2012 (Unaudited) SAR'000</i>	<i>31 December 2011 (Audited) SAR'000</i>
Due from planholders	9,411	5,478
Due from a shareholder	<u>2,062</u>	<u>3,270</u>
	11,473	8,748
Provision for impairment	<u>(1,599)</u>	<u>(1,229)</u>
	<u><u>9,874</u></u>	<u><u>7,519</u></u>

#### 5. CASH AND CASH EQUIVALENTS

	<i>31 March 2012 (Unaudited) SAR'000</i>	
	<i>Takaful Operations</i>	<i>Shareholders</i>
Bank balances	31,251	78,288
Murabaha deposits	<u>16,073</u>	<u>97,150</u>
	<u><u>47,324</u></u>	<u><u>175,438</u></u>

## SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

#### 5. CASH AND CASH EQUIVALENTS (continued)

	<i>31 December 2011 (Audited)</i>	
	<i>SAR'000</i>	
	<i>Takaful Operations</i>	<i>Shareholders</i>
Bank balances	29,207	2,920
Murabaha deposits	16,033	172,007
	<u>45,240</u>	<u>174,927</u>

#### 6. OUTSTANDING CLAIMS

	<i>31 March 2012 (Unaudited)</i>		
	<i>Gross SAR'000</i>	<i>Retakaful share SAR'000</i>	<i>Net SAR'000</i>
Family Takaful outstanding claims	11,061	(7,745)	3,316
General Takaful outstanding claims	37,861	(25,565)	12,296
Total outstanding claims	<u>48,922</u>	<u>(33,310)</u>	<u>15,612</u>

	<i>31 December 2011 (Audited)</i>		
	<i>Gross SAR'000</i>	<i>Retakaful share SAR'000</i>	<i>Net SAR'000</i>
Family Takaful outstanding claims	13,232	(8,862)	4,370
General Takaful outstanding claims	44,355	(31,464)	12,891
Total outstanding claims	<u>57,587</u>	<u>(40,326)</u>	<u>17,261</u>

#### 7. MOVEMENT IN RESERVE FOR TAKAFUL ACTIVITIES AND UNEARNED CONTRIBUTION INCOME

##### a) Movement in reserve for takaful activities

	<i>Three months ended 31 March 2012 (Unaudited) SAR'000</i>	<i>Year ended 31 December 2011 (Audited) SAR'000</i>
Balance as at the beginning of the period/ year	534,976	485,155
Changes in reserve during the period/ year	(26,665)	78,668
Planholder charges	(4,210)	(22,260)
Net change in fair value of investments	23,208	(6,587)
Balance as at the end of the period/ year	<u>527,309</u>	<u>534,976</u>

The reserve for takaful activities represents the unit linked takaful plan reserve.

## SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

#### 7. MOVEMENT IN RESERVE FOR TAKAFUL ACTIVITIES AND UNEARNED CONTRIBUTION INCOME (continued)

##### b) Movement in unearned contribution income

	<i>Three months ended 31 March 2012</i>		
	<i>(Unaudited)</i>		
	<i>Gross</i>	<i>Retakaful</i>	<i>Net</i>
	<i>SAR'000</i>	<i>share</i>	<i>SAR'000</i>
		<i>SAR'000</i>	<i>SAR'000</i>
Balance as at the beginning of the period	21,721	(12,114)	9,607
Contribution written during the period	21,072	(10,545)	10,527
Contribution earned during the period	(23,889)	13,187	(10,702)
Balance as at the end of the period	<u>18,904</u>	<u>(9,472)</u>	<u>9,432</u>

	<i>Year ended 31 December 2011 (Audited)</i>		
	<i>Gross</i>	<i>Retakaful</i>	<i>Net</i>
	<i>SAR'000</i>	<i>share</i>	<i>SAR'000</i>
		<i>SAR'000</i>	<i>SAR'000</i>
Balance as at the beginning of the year	44,491	(25,960)	18,531
Contribution written during the year	65,071	(30,885)	34,186
Contribution earned during the year	(87,841)	44,731	(43,110)
Balance as at the end of the year	<u>21,721</u>	<u>(12,114)</u>	<u>9,607</u>

#### 8. SEGMENTAL INFORMATION

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the Company's activities. The Company's gross written contribution, net contributions earned, fees and commission income, net claims incurred, surrenders, policy acquisition costs - net, underwriting surplus, investment income, general and administrative expenses, net surplus, surplus from takaful operations after shareholders' appropriation, net profit, amortisation, depreciation, purchase of intangible assets, intangible assets, motor vehicles, available for sale investments, retakaful share of outstanding claims and unearned contributions, deferred policy acquisition costs, total assets, reserve for takaful activities, unearned contributions, gross outstanding claims, unearned commission income, and total liabilities, by business segment, are stated below.

Segment assets do not include contributions receivable, prepayments and other receivables and cash and cash equivalents. Accordingly they are included in unallocated assets.

Segment liabilities do not include retakaful balances payable, due to shareholders and payables, accrued expenses and others. Accordingly they are included in unallocated liabilities.

# SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

### 8. SEGMENTAL INFORMATION (continued)

The unallocated assets and unallocated liabilities are not reported to chief operating decision maker under the related segments and are monitored on centralised basis.

	<i>Shareholders' Fund SAR'000</i>	<i>Individual Family SAR'000</i>	<i>Group Family SAR'000</i>	<i>General Takaful SAR'000</i>	<i>Total SAR'000</i>
<b>For the three months ended</b>					
<b>31 March 2012 (Unaudited)</b>					
Gross written contribution	-	27,808	13,977	7,095	48,880
Net written contribution	-	31,696	7,003	3,523	42,222
Net contributions earned	-	58,359	7,077	3,627	69,063
Fees and commission income	-	(17)	(22)	1,116	1,077
Net claims incurred	-	25	(278)	(1,135)	(1,388)
Surrenders	-	(55,681)	-	-	(55,681)
Policy acquisition costs, net	-	(1,379)	(762)	(536)	(2,677)
<b>Underwriting surplus for the period</b>	-	1,307	6,015	3,072	10,394
Investment income	1,134	344	37	17	1,532
General and administrative expenses	(1,011)	(2,846)	(1,815)	(4,204)	(9,876)
<b>Net surplus/ (deficit) for the period</b>	<b>123</b>	<b>(1,195)</b>	<b>4,237</b>	<b>(1,115)</b>	<b>2,050</b>
Surplus from takaful operations after shareholders' appropriation					(193)
<b>Net profit for the period</b>					<b>1,857</b>
Purchase of intangible assets	(159)	-	-	-	(159)
Amortisation	478	-	-	-	478
Depreciation	17	-	-	-	17
<b>31 March 2012 (Unaudited)</b>					
Intangible assets	676	-	-	-	676
Motor vehicles	100	-	-	-	100
<b>Takaful operations' assets</b>					
Available for sale investments	-	533,771	-	-	533,771
Retakaful share of outstanding claims	-	1,592	6,153	25,565	33,310
Retakaful share of unearned contributions	-	-	1,319	8,153	9,472
Deferred policy acquisition costs	-	-	473	1,753	2,226
Unallocated assets	-	-	-	-	58,666
<b>Total takaful operations' assets</b>					<b>637,445</b>
<b>Total shareholders' assets</b>	<b>335,482</b>	-	-	-	<b>335,482</b>
<b>Total assets</b>					<b>972,927</b>
<b>Takaful operations' liabilities</b>					
Reserve for takaful activities	-	527,309	-	-	527,309
Unearned contributions	-	-	3,439	15,465	18,904
Gross outstanding claims	-	2,171	8,887	37,864	48,922
Unearned commission income	-	-	-	1,813	1,813
Unallocated liabilities	-	-	-	-	40,304
<b>Total takaful operations' liabilities</b>					<b>637,252</b>
<b>Total shareholders' liabilities</b>	<b>8,985</b>	-	-	-	<b>8,985</b>
<b>Total liabilities</b>					<b>646,237</b>



# SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

### 8. SEGMENTAL INFORMATION (continued)

	<i>Shareholders' Fund SAR'000</i>	<i>Individual Family SAR'000</i>	<i>Group Family SAR'000</i>	<i>General Takaful SAR'000</i>	<i>Total SAR'000</i>
For the three months ended 31 March 2011 (Unaudited)					
Gross written contribution	-	50,620	4,220	8,293	63,133
Net written contribution	-	55,661	3,472	4,826	63,959
Net contributions earned	-	36,078	6,329	5,849	48,256
Fees and commission income	-	-	-	1,455	1,455
Net claims incurred	-	(1,243)	(418)	(1,144)	(2,805)
Surrenders	-	(31,036)	-	-	(31,036)
Policy acquisition costs, net	-	(1,969)	(1,300)	(868)	(4,137)
	<u>-</u>	<u>1,830</u>	<u>4,611</u>	<u>5,292</u>	<u>11,733</u>
Underwriting surplus for the period	-	1,830	4,611	5,292	11,733
Investment income	554	473	53	31	1,111
General and administrative expenses	(1,903)	(2,939)	(3,388)	(3,548)	(11,778)
	<u>(1,349)</u>	<u>(636)</u>	<u>1,276</u>	<u>1,775</u>	<u>1,066</u>
Net (deficit)/ surplus for the period	<u>(1,349)</u>	<u>(636)</u>	<u>1,276</u>	<u>1,775</u>	<u>1,066</u>
Surplus from takaful operations after shareholders' appropriation					<u>(241)</u>
Net profit for the period					<u>825</u>
Purchase of intangible assets	(22)	-	-	-	(22)
Amortisation	353	-	-	-	353
Depreciation	17	-	-	-	17
	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
31 December 2011 (Audited)	995	-	-	-	995
Intangible assets	117	-	-	-	117
Motor vehicles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Takaful operations' assets	-	542,646	-	-	542,646
Available for sale investments	-	1,692	7,170	31,464	40,326
Retakaful share of outstanding claims	-	-	1,717	10,397	12,114
Retakaful share of unearned contributions	-	-	523	1,662	2,185
Deferred policy acquisition costs	-	-	-	-	53,191
Unallocated assets					<u>650,462</u>
Total takaful operations' assets	334,170	-	-	-	<u>334,170</u>
Total shareholders' assets					<u>984,632</u>
Total assets					<u>984,632</u>
Takaful operations' liabilities	-	534,976	-	-	534,976
Reserve for takaful activities	-	-	3,909	17,812	21,721
Unearned contributions	-	2,171	11,060	44,356	57,587
Gross outstanding claims	-	-	-	2,255	2,255
Unearned commission income	-	-	-	-	32,468
Unallocated liabilities					<u>649,007</u>
Total takaful operations' liabilities	7,967	-	-	-	<u>7,967</u>
Total shareholders' liabilities					<u>656,974</u>
Total liabilities					<u>656,974</u>

All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

# SABB Takaful Company (A Saudi Joint Stock Company)

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

31 March 2012

### 9. BASIC AND DILUTED PROFIT PER SHARE

Basic profit per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the balance sheet date as follows:

	<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
Net profit for the period (SAR'000)	<u>1,857</u>	<u>825</u>
Weighted average number of ordinary share (Number in thousands)	<u>34,000</u>	<u>34,000</u>
<b>Profit per share (SAR)</b>	<u><b>0.05</b></u>	<u><b>0.02</b></u>

### 10. RELATED PARTY TRANSACTIONS

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

The summary of major related party transactions are as follow:

	<i>Three months ended 31 March 2012 SR'000 (Unaudited)</i>	<i>Three months ended 31 March 2011 SR'000 (Unaudited)</i>
<b>Contributions</b>		
Shareholders, directors and key management personnel	<u>3,573</u>	<u>2,917</u>
<b>Claims</b>		
Entities controlled, jointly controlled or significantly influenced by related parties	<u>4,282</u>	<u>5,184</u>
<b>Commission and other expenses</b>		
Entities controlled, jointly controlled or significantly influenced by related parties	<u>1,837</u>	<u>7,316</u>
<b>Available for sale investments pertaining to Shareholders</b>		
Entities controlled, jointly controlled or significantly influenced by related parties	<u>-</u>	<u>50,244</u>

**SABB Takaful Company (A Saudi Joint Stock Company)**

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

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31 March 2012

**11. COMPARATIVE FIGURES**

Certain of the prior period amounts have been reclassified to confirm with the presentation in the current period.

**12. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements have been approved by the Board of Directors on 23 Jumada Al-Awwal 1433H, corresponding to 15 April 2012.