

**ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL INFORMATION  
AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

**ALINMA TOKIO MARINE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

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**INDEPENDENT AUDITORS' REVIEW REPORT  
ON THE INTERIM CONDENSED FINANCIAL INFORMATION**

**The Shareholders**  
**Alinma Tokio Marine Company**  
**(A Saudi Joint Stock Company)**  
**Kingdom of Saudi Arabia**

**Introduction:**

We have reviewed the accompanying interim condensed statement of financial position of Alinma Tokio Marine Company – a Saudi Joint Stock Company - ("the Company") as at 31 March 2018 and the related interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of changes in shareholders' equity and interim condensed statement of cash flows for the three months period then ended, and the related notes which form an integral part of this interim condensed financial information. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as modified by Saudi Arabian Monetary Authority (SAMA) for the accounting of zakat and income tax. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of Review:**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), as endorsed in Kingdom of Saudi Arabia and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34 as modified by SAMA for accounting of zakat and income tax.

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**3 May 2018**  
**17 Shaban 1439**

ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2018 (Unaudited)	31 December 2017 (Audited)
SAR' 000			
<b>ASSETS</b>			
Cash and cash equivalents	3	92,954	107,863
Investments	4	77,885	183,497
Premiums and reinsurance receivables, net	5	191,602	126,390
Reinsurers' share of unearned premiums	7.2	27,571	30,297
Reinsurers' share of outstanding claims	7.1	145,208	128,954
Reinsurers' share of claims incurred but not reported	7.1	13,925	18,156
Reinsurers' share of other reserves	7.1	711	905
Deferred policy acquisition costs		11,537	7,529
Prepayments and other assets		15,731	14,746
Due from related parties	12	3,640	8
Due from insurance operations		4,129	14,497
Murabaha deposits	6	93,705	-
Statutory deposit	14	45,000	45,000
Property and equipment		7,632	7,111
Unit linked investments		11,674	8,400
<b>TOTAL ASSETS</b>		<b>742,904</b>	<b>693,353</b>
<b>LIABILITIES</b>			
Outstanding claims	7.1	165,380	142,455
Claims incurred but not reported	7.1	36,576	39,221
Other reserves	7.1	1,619	1,857
Unearned premiums	7.2	134,749	76,138
Reinsurance balances payable		49,382	61,390
Unearned reinsurance commission		6,047	6,661
Accrued expenses and other liabilities		45,752	50,989
Zakat and income tax payable	8	6,374	5,024
Unit linked liabilities		11,674	8,400
Retirement benefit obligation	9	4,752	4,273
Due to shareholders' operations		4,129	14,497
<b>TOTAL LIABILITIES</b>		<b>466,434</b>	<b>410,905</b>
<b>INSURANCE OPERATIONS DEFICIT</b>			
Remeasurement of retirement benefit obligation	9	(601)	(325)
<b>SHAREHOLDERS' EQUITY</b>			
Issued, authorised and paid up share capital	10	300,000	300,000
Accumulated losses		(22,929)	(17,227)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>277,071</b>	<b>282,773</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>742,904</b>	<b>693,353</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		

The accompanying notes 1 to 18 form an integral part of these interim condensed financial information.

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)  
For the three months period ended 31 March

	Note	2018	2017
		SAR' 000	
<b>REVENUES</b>			
Gross premiums written	7.2	142,059	103,768
Fee income from insurance contracts	7.2	35	19
Reinsurance premiums ceded			
- Local		(2,640)	(2,305)
- Foreign		(28,058)	(28,404)
Excess of loss expenses		(2,084)	(1,459)
Net premiums written		109,312	71,619
Changes in unearned premiums, net		(61,337)	(40,353)
Net premiums earned		47,975	31,266
Reinsurance commission earned		5,936	7,112
Other underwriting income		406	955
Total Revenues		54,317	39,333
<b>UNDERWRITING COSTS AND EXPENSES</b>			
Gross claims paid		(35,021)	(89,786)
Surrenders		(286)	(52)
Reinsurers' share of claims paid		6,936	67,609
Net claims and other benefits paid		(28,371)	(22,229)
Changes in outstanding claims, net		(6,671)	6,408
Changes in incurred but not reported claims , net		(1,586)	(2,400)
Changes in other reserves, net		44	-
Net claims and other benefits incurred		(36,584)	(18,221)
Changes in unit linked reserves		(3,274)	(574)
Policy acquisition costs		(7,024)	(5,478)
Other underwriting expenses		(757)	(507)
Total underwriting costs and expenses		(47,639)	(24,780)
NET UNDERWRITING INCOME		6,678	14,553
<b>OPERATING (EXPENSES) / INCOME</b>			
General and administrative expenses		(15,933)	(12,321)
Reversal of/ (Provision for) doubtful receivables		1,256	(1,270)
Unrealized gain/ (loss) on investments		2,227	(67)
Realized gain on investments		1,420	758
Total operating expenses - net		(11,030)	(12,900)
Total (loss)/ income for the period		(4,352)	1,653
Appropriation to insurance operations		-	(200)
Total (loss)/ income for the period attributable to the shareholders		(4,352)	1,453
(Loss) / Income per share (SR) - restated	11	(0.15)	0.05
Number of outstanding shares - restated	11	30,000	30,000

The accompanying notes 1 to 18 form an integral part of these interim condensed financial information.

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

**ALINMA TOKIO MARINE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**

For the three months period ended 31 March

	Note	2018	2017
		SAR' 000	
Net (loss)/ income for the period		(4,352)	1,453
<b>Other comprehensive loss:</b>			
Items that will not be reclassified to statement of income in subsequent periods			
- Actuarial loss on retirement benefit obligation	9	(276)	-
<b>Total comprehensive (loss)/ income for the period</b>		<b>(4,628)</b>	<b>1,453</b>

The accompanying notes 1 to 18 form an integral part of these interim condensed financial information.

  
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Director

  
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Chief Financial Officer


  
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Chief Executive Officer

**ALINMA TOKIO MARINE COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)**  
For the three months period ended 31 March

	Note	Share capital	Accumulated losses SAR'000	Total
<b>2018</b>				
Balance as at 31 December 2017	10	300,000	(17,227)	282,773
Total comprehensive loss for the period		-	(4,352)	(4,352)
Zakat charge for the period	8	-	(1,350)	(1,350)
<b>Balance as at 31 March 2018</b>		<b>300,000</b>	<b>(22,929)</b>	<b>277,071</b>
<b>2017</b>				
Balance as at 31 December 2016	10	450,000	(158,346)	291,654
Total comprehensive loss for the period		-	1,453	1,453
Zakat charge for the period		-	(952)	(952)
<b>Balance as at 31 March 2017</b>		<b>450,000</b>	<b>(157,845)</b>	<b>292,155</b>

The accompanying notes 1 to 18 form an integral part of these interim condensed financial information.

  
Director

  
Chief Financial Officer


  
Chief Executive Officer

ALINMA TOKIO MARINE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)  
For the three months period ended 31 March

	Note	2018	2017
		SAR' 000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) / profit for the period		(4,352)	1,653
Adjustments for non cash items:			
Shareholders' operations appropriations		-	-
Depreciation of property and equipment		632	702
(Reversal of) / Provision for doubtful receivables		(1,256)	1,270
Realized gain on FVTIS	4	(398)	(82)
Unrealized (gain) / loss on FVTIS	4	(2,057)	244
Provision for retirement benefit obligation	9	333	305
		(7,098)	4,092
Changes in operating assets and liabilities:			
Premiums and reinsurance receivables		(63,956)	(52,514)
Reinsurers' share of unearned premiums		2,726	11,817
Reinsurers' share of outstanding claims		(16,254)	53,305
Reinsurers' share of claims incurred but not reported		4,231	(1,342)
Reinsurers' share of other reserves		194	-
Deferred policy acquisition costs		(4,008)	(3,793)
Prepayments and other assets		(985)	(4,556)
Due from related parties		(3,632)	(105)
Due from insurance operations		10,368	(19,606)
Unit linked investments		(3,274)	(574)
Outstanding claims		22,925	(59,713)
Claims incurred but not reported		(2,645)	3,742
Other reserves		(238)	-
Unearned premiums		58,611	28,536
Reinsurance balances payable		(12,008)	4,245
Unearned reinsurance commission		(614)	(1,109)
Accrued expenses and other liabilities		(5,237)	5,246
Unit linked liabilities		3,274	574
Due to shareholders' operations		(10,368)	19,606
Cash used in operations		(27,988)	(12,149)
Retirement benefit obligation paid	9	(130)	(56)
Net cash used in operating activities		(28,118)	(12,205)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of murabaha deposits	6	(93,705)	(91,705)
Purchase of investments	4	(7,000)	(35,155)
Proceeds from disposal of investments		115,067	61,185
Purchase of property and equipment		(1,153)	(485)
Net cash generated from / (used in) investing activities		13,209	(66,160)
Net change in cash and cash equivalents		(14,909)	(78,365)
Cash and cash equivalents at the beginning of the period		107,863	140,310
Cash and cash equivalents at the end of the period	3	92,954	61,945
<b>Non cash transactions</b>			
Actuarial loss on retirement benefit obligations	9	276	-

The accompanying notes 1 to 18 form an integral part of these interim condensed financial information.

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

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**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 2012). The Commercial Registration number of the Company is 1010342527, dated 28 Rajab 1433H (corresponding to 18 June 2012). The Company is listed on the Saudi Arabian Stock Exchange ("Tadawul") since 24 June 2012. The Registered Office of the Company's head office is as follows:

Alinma Tokio Marine  
Head office  
King Fahad Road  
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 2009), pursuant to the Council of Ministers' Resolution No. 140 dated 2 Jumada-Al Thani 1430H (corresponding to 26 June 2009).

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 BASIS OF PREPARATION**

**2.1 Basis of presentation**

The interim condensed financial information of the Company for the three months ended 31 March 2018 have been prepared using the International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as modified by SAMA for the accounting of zakat and income tax', which requires, adoption of all IFRSs as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax. As per the SAMA Circular no. 381000074519 dated 14 Rajab 1438H (corresponding to 11 April 2017) and subsequent amendments through certain clarifications relating to the accounting for zakat and income tax ("SAMA Circular"), the Zakat and Income tax are to be accrued on a quarterly basis through shareholders equity under retained earnings. This change in framework resulted in a change in accounting policy for zakat and income tax.

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' operations. As per the by-laws of the Company, surplus arising from insurance operations is distributed between shareholders and policyholders at 90 % and 10 % respectively while any deficit pertaining to insurance operations will be borne by the shareholders in full.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

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**2 BASIS OF PREPARATION (Continued)**

**2.1 Basis of presentation (Continued)**

As required by the law, the Company maintains separate accounts for insurance operations and shareholders' operations and presents the financial information accordingly. The physical custody and title 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 accounts. The basis of allocation of expenses from joint operations is determined by Management and the Board of Directors of the Company

**2.2 Basis of measurement**

These interim condensed financial information have been prepared under the going concern basis and historical cost convention except for investments classified as 'available for sale' and 'held for trading' which are being carried at fair value, and retirement benefit obligations that are measured at present value.

**2.3 Functional and presentation currency**

The interim condensed financial information are expressed in Saudi Arabian Riyals (SR), which is the functional and presentation currency of the Company. All financial information presented in SR has been rounded off to the nearest thousand, unless otherwise stated.

**2.4 Critical accounting estimates and judgments**

*Estimation uncertainty*

The preparation of the interim condensed financial information requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and 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 assets or liabilities affected in the future.

**2.5 New standards and amendments to existing standards**

The significant accounting policies adopted in the preparation of these interim condensed financial information are consistent with those followed in the preparation of the previous financial year, except for the following new and amended IFRSs and IFRIC interpretations. The Company has applied number of amendments to IFRSs and new interpretations issued by International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 1 January 2017. The adoption of new standards, amendments and revisions to existing standards, as mentioned below, had no significant financial impact on the financial information of the Company

In addition to the above mentioned standards, the following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed financial information are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance for the Company with effect from future dates.

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

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**2 BASIS OF PREPARATION (Continued)**

**2.5 New standards and amendments to existing standards (Continued)**

**IFRS 2 Share-based payment**

Amendments to IFRS 2 – “Share-based Payment”, applicable for the period beginning on or after 1 January 2018. The amendments cover classification and measurement of three accounting areas, first, measurement of cash-settled share-based payments, second, classification of share-based payments settled net of tax withholdings, and third, accounting for a modification of a share-based payment from cash-settled to equity-settled. The impact is not material for the Company.

**IFRS 9 Financial Instruments**

The implementation of IFRS 9 is expected to result in a significant portion of financial assets currently classified as available-for-sale being re-classified as at fair value through profit or loss or fair value through other comprehensive income (OCI). Credit allowances for financial assets carried at amortized cost and debt securities measured at fair value, with changes in fair value recognized in OCI, are expected to increase due to the introduction of the expected credit loss methodology. The Company will avail of the exemptions available to insurers and is considering deferring the implementation of IFRS 9 until a later date, but no later than January 1, 2021.

**IFRS 15 Revenue from contracts with customers**

IFRS 15 – “Revenue from Contracts with Customers” applicable from 1 January 2018 presents a five-step model to determine when to recognize revenue, and at what amount. The application of this standard could have a significant impact on how and when revenue is recognized (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), with new estimates and judgments, and the possibility of revenue recognition being accelerated or deferred. The Company is currently assessing the implication and effects of adopting IFRS 15 and the management believe that adoption of IFRS 15 will not have a material impact on the Company’s financial information.

**IFRS 16 Leases**

IFRS 16 – “Leases”, applicable for the period beginning on or after 1 January 2019. The new standard eliminates the current dual accounting model for lessees under IAS 17, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 proposes on-balance sheet accounting model. The impact is not material for the Company.

**IFRS 17 - Insurance Contracts**

IFRS 17 applies to virtually all insurance contracts (including reinsurance contracts) that an entity issues, reinsurance contracts that it holds and investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

3 CASH AND CASH EQUIVALENTS

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Cash in hand	35	-	35	45	1,474	1,519
Cash at banks – current accounts	9,835	83,084	92,919	14,639	-	14,639
Short term murabah deposits	-	-	-	-	91,705	91,705
Total	9,870	83,084	92,954	14,684	93,179	107,863

Cash at bank includes an amount of SR 92.55 million (2017: SR 14.79 million) held with Alinma Bank, a related party.

Short-term Murabaha deposits represent deposits with local and foreign financial institutions that have investment grade credit ratings and have an original maturity of less than three months from the date of acquisition, yielding an average profit rate of Nil (2017: 2.2%) per annum.

4 INVESTMENTS

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Available for sale investments	-	1,923	1,923	-	1,923	1,923
Investments at fair value through statement of income (FVTSL)	20,180	42,256	62,436	46,436	121,427	167,863
Investments at held to maturity	-	13,526	13,526	-	13,711	13,711
Total	20,180	57,705	77,885	46,436	137,061	183,497

The movement during the period is as follows:

Available for sale investments

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning and end	-	1,923	1,923	-	1,923	1,923

Investments at fair value through statement of income (FVTSL)

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	46,436	121,427	167,863	-	83,379	83,379
Purchases	7,000	-	7,000	114,000	227,295	341,295
Disposals	(33,433)	(81,449)	(114,882)	(68,000)	(191,000)	(259,000)
Realised gain	28	370	398	39	214	253
Unrealised gain	149	1,908	2,057	397	1,539	1,936
Balance at the end	20,180	42,256	62,436	46,436	121,427	167,863

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

4 INVESTMENTS (continued)

Investments at held to maturity

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	13,711	13,711	-	14,448	14,448
Redemptions	-	(185)	(185)	-	(737)	(737)
Balance at the end	-	13,526	13,526	-	13,711	13,711

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 deposits, reinsurance share of outstanding claims, investments and its financial liabilities consist of reinsurance balance payables and gross outstanding claims. The fair values of financial assets and liabilities are not materially different from their carrying values at the interim condensed 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).

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

Shareholders' operations

	SAR'000			
	Level 1	Level 2	Level 3	Total
As at 31 March 2018 (unaudited)				
Available for sale investments				
- Investments in unquoted equity	-	-	1,923	1,923
Investments at fair value through statement of income				
- Investments in equity shares, discretionary portfolios and real estate fund	42,256	-	-	42,256
Investments at held to maturity				
- Sukuks	-	13,526	-	13,526
Total	42,256	13,526	1,923	57,705
SAR'000				
As at 31 December 2017 (Audited)				
Available for sale investments				
- Investments in unquoted equity	-	-	1,923	1,923
Investments at fair value through statement of income				
- Investments in equity shares, discretionary portfolios and real estate fund	121,427	-	-	121,427
Investments at held to maturity				
- Sukuks	-	13,711	-	13,711
Total	121,427	13,711	1,923	137,061

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

4 INVESTMENTS (continued)

Insurance operations

As at 31 March 2018 (unaudited)	SAR'000			
	Level 1	Level 2	Level 3	Total
Investments at fair value through statement of income				
- Investments in mutual funds	20,180	-	-	20,180
<b>Total</b>	<b>20,180</b>	<b>-</b>	<b>-</b>	<b>20,180</b>

As at 31 December 2017 (Audited)	SAR'000			
	Level 1	Level 2	Level 3	Total
Investments at fair value through statement of income				
- Investments in mutual funds	46,436	-	-	46,436
<b>Total</b>	<b>46,436</b>	<b>-</b>	<b>-</b>	<b>46,436</b>

5 PREMIUMS AND REINSURANCE RECEIVABLES - NET

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Policyholders	168,840	-	168,840	77,485	-	77,485
Related parties (note 14)	2,136	-	2,136	6,567	-	6,567
Reinsurance receivables	36,633	-	36,633	59,601	-	59,601
	207,609	-	207,609	143,653	-	143,653
Provision for doubtful receivables	(16,007)	-	(16,007)	(17,263)	-	(17,263)
	191,602	-	191,602	126,390	-	126,390

6 MURABAHA DEPOSITS

Murabaha deposits represents deposits with foreign 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 rat of 3.2% (2017: 2.20%) per annum.

7 TECHNICAL RESERVES

7.1 NET OUTSTANDING CLAIMS AND RESERVES

	As at 31 March 2018	As at 31 December 2017
	Unaudited	Audited
	SAR'000	
Outstanding claims	172,486	151,170
Less: Realizable value of salvage and subrogation	(7,106)	(8,715)
	165,380	142,455
Claims incurred but not reported	36,576	39,221
Other technical reserves	1,619	1,857
	203,575	183,533
Less:		
Reinsurers' share of outstanding claims	(145,208)	(128,954)
Reinsurers' share of claims Incurred but not reported	(13,925)	(18,156)
Reinsurers' share of other technical reserves	(711)	(905)
	(159,844)	(148,015)
<b>Net Outstanding claims and reserves</b>	<b>43,731</b>	<b>35,518</b>

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

7 TECHNICAL RESERVES (Continued)

7.2 MOVEMENT IN UNEARNED PREMIUMS

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	SAR'000			SAR'000		
Balance at the beginning	76,138	(30,297)	45,841	75,403	(40,429)	34,974
Premium written	142,059	(32,782)	109,277	296,723	(149,732)	146,991
Policy fee	35	-	35	98	-	98
Premium earned	(83,483)	35,508	(47,975)	(296,086)	159,864	(136,222)
Balance at the end	134,749	(27,571)	107,178	76,138	(30,297)	45,841

8 ZAKAT AND INCOME TAX

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Zakat payable	-	5,748	5,748	-	4,398	4,398
Income tax payable	-	626	626	-	626	626
Zakat and Income tax payable	-	6,374	6,374	-	5,024	5,024

Zakat:

The difference between the accounting income and the adjusted net loss is mainly due to provisions which are not allowed in the calculation of adjustable net income. Local shareholding used for the Zakat calculation is 71.25%

The movement in Zakat provision is as follows:

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	4,398	4,398	-	4,217	4,217
Zakat charge	-	1,350	1,350	-	4,516	4,516
Zakat payment made	-	-	-	-	(4,335)	(4,335)
Balance at the end	-	5,748	5,748	-	4,398	4,398

Status of Assessments

During 2017, the General Authority for Zakat and Tax (GAZT) has issued assessments for the years from 2012 to 2015, requiring an additional zakat and WHT liability amounting to SR 5.5 million and SR 2.9 million respectively. The Company has filed an appeal against the assessment of GAZT for the additional liability arising out of various disallowances for years from 2012 to 2015 with Preliminary Appeal Committee (PAC). The Company has obtained limited certificates for the year from 2012 to 2016. Zakat and income tax assessment for the year 2016 is currently under review by the GAZT.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

8 ZAKAT AND INCOME TAX (continued)

Income tax:

Provision for income tax has been made at 20% of the adjusted net income attributable to the foreign shareholder of the Company. Foreign shareholder subject to income tax is 28.75%.

The movement in income tax provision is as follows:

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	626	626	-	(17)	(17)
Income tax charge	-	-	-	-	643	643
Balance at the end	-	626	626	-	626	626

9 RETIREMENT BENEFIT OBLIGATION

The Company operates an end of service benefit plan for its employee based on the prevailing Saudi Labour Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method, while the benefits payments obligation is discharged as and when it falls due.

The following tables summarise the components of retirement benefit obligation recognised in the interim condensed statement of financial position and movement in the obligation during the period based on its present value are as follows:

Principal actuarial assumption at:	31 March 2018	31 December 2017
Discount rate	4%	4%
Expected rate of salary increase	3%	3%

Amount recognised in the interim condensed statement of financial position

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Present value of retirement benefits obligation	4,752	-	4,752	4,273	-	4,273
Fair value of retirement benefit obligation	4,752	-	4,752	4,273	-	4,273
Net liability at the end	4,752	-	4,752	4,273	-	4,273

Amount recognised in the interim condensed Statement of Income

	For the three months period ended 31 March 2018 (unaudited)			For the three months period ended 31 March 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Current service cost	290	-	290	305	-	305
Commission rate cost	43	-	43	-	-	-
Benefit expense	130	-	130	56	-	56

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
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9 RETIREMENT BENEFIT OBLIGATION (continued)

Amount recognised in the interim condensed statement of financial position

	For the three months period ended 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Present value of retirement benefit obligation						
at the beginning	4,273	-	4,273	2,783	-	2,783
Current service cost	290	-	290	1,280	-	1,280
Commission rate cost	43	-	43	118	-	118
Actuarial loss on end of service benefits	276	-	276	325	-	325
Benefits paid	(130)	-	(130)	(233)	-	(233)
Present value of retirement benefits obligation						
AT the end	4,752	-	4,752	4,273	-	4,273

Movement in net liability recognised in interim condensed statement of financial position:

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Net liability at the beginning	4,273	-	4,273	2,783	-	2,783
Charge recognised in interim condensed statement of income	333	-	333	1,398	-	1,398
Actuarial loss recognised in other comprehensive income	276	-	276	325	-	325
End of service benefits paid	(130)	-	(130)	(233)	-	(233)
Net liability at the end	4,752	-	4,752	4,273	-	4,273

10 ISSUED, AUTHORISED AND PAID UP SHARE CAPITAL

The issued, authorised and paid up share capital of the Company was SAR 300 Million as at 31 March 2018 (31 December 2017: SAR 300 Million) consisting of 30 Million shares (31 December 2017: 30 Million) of SAR 10 each.

Shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax.

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	No. of shares	Value per share	Share Capital SAR	No. of shares	Value per share	Share Capital SAR
Alinma Bank	8,625,000	10	86,250,000	8,625,000	10	86,250,000
Tokio Marine & Nichido Fire Insurance	8,625,000	10	86,250,000	8,625,000	10	86,250,000
Others	12,750,000	10	127,500,000	12,750,000	10	127,500,000
	30,000,000	10	#####	30,000,000	10	300,000,000

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

10 ISSUED, AUTHORISED AND PAID UP SHARE CAPITAL (Continued)

On 15th February 2017, the board of directors recommended to the shareholders to reduce the Company's share capital from SR 450,000,000 to SR 300,000,000 through writing off accumulated losses of SR 150,000,000. Due to the capital reduction there is no effect on the Company's financial obligations. The proposed capital reduction was approved by the regulatory bodies and by its shareholders in the General Assembly held on 10 May, 2017. During the year ended 31 December, 2017 the Company incurred transaction costs of SR 403 thousands in respect of reduction in share capital, which was charged directly to Statement of changes in shareholde's equity.

11 BASIC AND DILUTED LOSS PER SHARE

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

The weighted average number of shares have been retrospectively adjusted for all prior periods to reflect the reduction in share capital in line with the requirements of IAS 33, "Earnings per share".

	For the three months period ended 31 March 2018 Unaudited	For the three months period ended 31 March 2017 Unaudited Restated
Net (loss) / profit (SR "000")	(4,352)	1,453
Weighted average number of ordinary shares ("000")	30,000	30,000
(Loss) / income per share (restated) SR	(0.15)	0.05

12 TRANSACTIONS WITH RELATED PARTIES

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.

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 and Board of Directors. In addition to the notes 3 and 5, following are the details of major related party transactions during and the related balances at the end of the period:

Nature of transactions	For the three months period ended 31 March 2018 (unaudited)			For the three months period ended 31 March 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Gross written premiums	8,890	-	8,890	5,836	-	5,836
Reinsurance premiums ceded	2,248	-	2,248	569	-	569
Claims paid - net of recoveries	3,521	-	3,521	6,424	-	6,424
Reinsurance commission	362	-	362	135	-	135
Reinsurance share of claims	1,031	-	1,031	22,962	-	22,962
General and administrative expenses	820	3,933	4,753	223	303	526
<u>Other Related parties:</u>						
Investments	3,014	14,615	17,629	636	-	636
Agency commission	357	-	357	71	-	71

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

12 TRANSACTIONS WITH RELATED PARTIES (Continued)

Closing Balances

	As at 31 March 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Premium Receivable	2,136	-	2,136	6,567	-	6,567
Reinsurance premiums payable	5,672	-	5,672	3,897	-	3,897
Claims (recoverable) / payable	(65)	-	(65)	339	-	339
Bank Balance	9,480	83,075	92,555	13,328	1,464	14,792
General and administrative expenses	241	3,640	3,881	306	8	314
<u>Other related parties</u>						
Investments	11,674	42,254	53,928	8,400	54,894	63,294
Agency commission	284	-	284	465	-	465

Information relating to key management personnel:

	For the three months period ended 31 March 2018 (unaudited)			For the three months period ended 31 March 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Short term benefits	1,059	-	1,059	1,196	-	1,196
Long term benefits	107	-	107	127	-	127

Board and sub committees related expenses:

	For the three months period ended 31 March 2018 (unaudited)			For the three months period ended 31 March 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Directors' remuneration	-	480	480	-	255	255
Attendance fees	-	150	150	-	123	123

13 CONTINGENCIES AND COMMITMENT

As at 31 March 2018 the Company's banker has issued letters of guarantee of SR 1.18 million (2017: SR 1.18 million) to various customers, motor agencies, workshops and health service providers as per the terms of their respective agreements which have been classified under prepayments and other assets in the statement of financial position. The Company has no capital commitments as at 31 March 2018 and 31 December 2017.

14 STATUTORY DEPOSIT

In accordance with the Saudi Arabian Implementing Regulations issued by SAMA, the Company has deposited an amount equivalent to 15% (2017: 15%) of its paid up share capital in a bank account designated by SAMA. This is a restricted deposit and cannot be utilized in the operations of the Company.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

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15      SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed income statement. Segment assets and liabilities comprise operating assets and liabilities.

Segment information is presented in respect of the Company's business segments which are fire, marine, general accident, engineering, motor and protection and savings 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, investments, 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 retirement benefit obligation.

Segment results do not include general and administrative expenses.

The unallocated assets and liabilities are reported to the Chief Executive Officer on a cumulative basis and not reported under the related segment.

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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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

15 SEGMENT REPORTING (Continued)

	For the period ended 31 March 2018 (unaudited)									
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total Insurance	Shareholders ' operations	Total
	Operations									
	SAR'000									
REVENUES										
Gross premiums written	13,794	6,875	5,401	5,999	94,258	9,749	5,983	142,059	-	142,059
Fee income from Insurance contracts	2	1	4	1	27	-	-	35	-	35
Reinsurance premiums ceded - Local	(695)	(1,116)	(516)	(313)	-	-	-	(2,640)	-	(2,640)
Reinsurance premiums ceded - Foreign	(12,373)	(4,499)	(3,072)	(5,330)	-	(2,784)	-	(28,058)	-	(28,058)
Excess of loss expenses	(284)	(216)	(479)	(79)	(1,026)	-	-	(2,084)	-	(2,084)
Net premiums written	444	1,045	1,338	278	93,259	6,965	5,983	109,312	-	109,312
Net change in unearned premiums	(10)	(508)	(320)	(122)	(58,512)	507	(2,372)	(61,337)	-	(61,337)
Net premiums earned	434	537	1,018	156	34,747	7,472	3,611	47,975	-	47,975
Reinsurance commission earned	2,578	1,715	962	680	1	-	-	5,936	-	5,936
Other underwriting income	-	-	-	-	406	-	-	406	-	406
Total insurance revenues	3,012	2,252	1,980	836	35,154	7,472	3,611	54,317	-	54,317
UNDERWRITING COSTS AND EXPENSES										
Net claims incurred	(28)	(168)	(524)	(206)	(29,486)	(3,166)	(3,006)	(36,584)	-	(36,584)
Changes in unit linked reserves	-	-	-	-	-	(3,274)	-	(3,274)	-	(3,274)
Policy acquisition costs	(1,444)	(829)	(544)	(203)	(3,199)	(639)	(166)	(7,024)	-	(7,024)
Other underwriting expenses	(7)	(8)	(16)	(3)	(548)	(118)	(57)	(757)	-	(757)
Total underwriting costs and expenses	(1,479)	(1,005)	(1,084)	(412)	(33,233)	(7,197)	(3,229)	(47,639)	-	(47,639)
NET UNDERWRITING INCOME								6,678	-	6,678
OTHER OPERATING (EXPENSES)/ INCOME										
General and administrative expenses								(14,782)	(1,151)	(15,933)
Reversal of doubtful receivables								1,256	-	1,256
Unrealized gain on investments								28	2,199	2,227
Realized gain on investments								571	849	1,420
Total other operating expenses								(12,927)	1,897	(11,030)
Net (deficit) / surplus								(6,249)	1,897	(4,352)
Appropriation to shareholders' operations								5,194	(5,194)	-
Net deficit after appropriations to shareholders' operations										(4,352)

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FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

15 SEGMENT REPORTING (Continued)

	For the period ended 31 March 2017 (unaudited)									
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total Insurance Operations	Shareholders' operations	Total
	SAR'000									
REVENUES										
Gross premiums written	11,584	12,011	4,438	1,770	67,573	6,392	-	103,768	-	103,768
Fee income from Insurance contracts	2	1	3	-	13	-	-	19	-	19
Reinsurance premiums ceded - Local	(969)	(815)	(274)	(247)	-	-	-	(2,305)	-	(2,305)
Reinsurance premiums ceded - Foreign	(9,709)	(10,277)	(2,251)	(1,390)	(1,630)	(3,147)	-	(28,404)	-	(28,404)
Excess of loss expenses	(145)	(253)	(301)	(85)	(675)	-	-	(1,459)	-	(1,459)
Net premiums written	763	667	1,615	48	65,281	3,245	-	71,619	-	71,619
Net change in unearned premiums	(444)	(58)	(850)	(125)	(40,572)	(66)	1,762	(40,353)	-	(40,353)
Net premiums earned	319	609	765	(77)	24,709	3,179	1,762	31,266	-	31,266
Reinsurance commission earned	2,286	3,622	820	348	36	-	-	7,112	-	7,112
Other underwriting income					955			955	-	955
Total insurance revenues	2,605	4,231	1,585	271	25,700	3,179	1,762	39,333	-	39,333
UNDERWRITING COSTS AND EXPENSES										
Net claims incurred	299	(1,470)	(4)	9	(15,589)	(110)	(1,356)	(18,221)	-	(18,221)
Changes in unit linked reserves	-	-	-	-	-	(574)	-	(574)	-	(574)
Policy acquisition costs	(1,032)	(651)	(339)	(147)	(3,070)	(165)	(74)	(5,478)	-	(5,478)
Other underwriting expenses	(5)	(10)	(13)	(1)	(406)	(43)	(29)	(507)	-	(507)
Total underwriting costs and expenses	(738)	(2,131)	(356)	(139)	(19,065)	(892)	(1,459)	(24,780)	-	(24,780)
NET UNDERWRITING INCOME								14,553	-	14,553
OTHER OPERATING (EXPENSES)/ INCOME									-	
General and administrative expenses								(11,300)	(1,021)	(12,321)
Provision for doubtful receivables								(1,270)	-	(1,270)
Unrealized gain / (loss) on investments								15	(82)	(67)
Realized gain on investments								-	758	758
Total other operating expenses								(12,555)	(345)	(12,900)
Net surplus								1,998	(345)	1,653
Appropriation to shareholders' operations								(1,798)	1,798	-
Appropriation to insurance operations								(200)	-	(200)
Net surplus after appropriations to shareholders' operations										1,453

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15 SEGMENT REPORTING (Continued)

As at 31 March 2018 (unaudited)									
Fire	Marine	General	Engineering	Motor	Protection	Medical	Total	Shareholders	Total
		accident			and savings		Insurance	operations	
SAR'000									
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	-	-	-	9,870	83,084	92,954
Investments	-	-	-	-	-	-	20,180	57,705	77,885
Reinsurers' share of outstanding claims	85,605	37,336	6,785	5,010	1,280	9,192	145,208	-	145,208
Reinsurers' share of claims IBNR	4,199	5,490	1,941	1,338	(12)	969	13,925	-	13,925
Reinsurers' share of other reserves	-	-	-	711	-	-	711	-	711
Reinsurers' share of unearned premiums	14,058	5,544	3,465	4,323	22	159	27,571	-	27,571
Deferred policy acquisition costs	1,590	701	748	477	7,627	-	11,537	-	11,537
Unit linked investments	-	-	-	-	-	11,674	11,674	-	11,674
Unallocated assets	-	-	-	-	-	-	214,448	146,991	361,439
Total assets	-	-	-	-	-	-	455,124	287,780	742,904
<b>LIABILITIES</b>									
Outstanding claims	86,725	38,518	7,845	5,330	12,072	12,045	2,845	165,380	165,380
Claims incurred but not reported	4,478	6,000	2,511	1,439	13,244	2,389	6,515	36,576	36,576
Other reserves	57	318	43	839	362	-	-	1,619	1,619
Unearned premiums	15,018	6,906	6,189	4,915	91,738	2,149	7,834	134,749	134,749
Unearned reinsurance commission	2,757	1,209	1,082	995	4	-	-	6,047	6,047
Unit linked liabilities	-	-	-	-	-	11,674	-	11,674	11,674
Unallocated liabilities	-	-	-	-	-	-	99,079	287,780	386,859
Total liabilities	-	-	-	-	-	-	455,124	287,780	742,904
As at 31 March 2018 (unaudited)									
Fire	Marine	General	Engineering	Motor	Protection	Medical	Total	Shareholders	Total
		accident			and savings		Insurance	operations	
SAR'000									
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	-	-	-	14,684	93,179	107,863
Investments	-	-	-	-	-	-	46,436	137,061	183,497
Reinsurers' share of outstanding claims	86,751	28,197	4,444	1,771	2,963	4,828	128,954	-	128,954
Reinsurers' share of claims IBNR	5,229	5,892	2,009	1,857	-	3,169	18,156	-	18,156
Reinsurers' share of other reserves	-	-	-	905	-	-	905	-	905
Reinsurers' share of unearned premiums	14,444	10,260	3,063	2,450	32	48	30,297	-	30,297
Deferred policy acquisition costs	1,763	802	722	459	3,152	253	378	-	7,529
Unit linked investments	-	-	-	-	-	8,400	8,400	-	8,400
Unallocated assets	-	-	-	-	-	-	146,554	61,198	207,752
Total assets	-	-	-	-	-	-	401,915	291,438	693,353
<b>LIABILITIES</b>									
Outstanding claims	87,896	29,247	4,935	1,865	11,567	6,151	794	142,455	142,455
Claims incurred but not reported	5,561	6,440	2,640	1,985	11,271	4,347	6,977	39,221	39,221
Other reserves	57	318	43	1,078	361	-	-	1,857	1,857
Unearned premiums	15,395	11,113	5,467	2,919	33,237	2,545	5,462	76,138	76,138
Unearned reinsurance commission	3,181	1,820	853	801	6	-	-	6,661	6,661
Unit linked liabilities	-	-	-	-	-	8,400	8,400	-	8,400
Unallocated liabilities	-	-	-	-	-	-	127,183	291,438	418,621
Total liabilities	-	-	-	-	-	-	401,915	291,438	693,353
As at 31 December 2017 (audited)									
Fire	Marine	General	Engineering	Motor	Protection	Medical	Total	Shareholders'	Total
		accident			and savings		Insurance	operations	
SAR'000									
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	-	-	-	14,684	93,179	107,863
Investments	-	-	-	-	-	-	46,436	137,061	183,497
Reinsurers' share of outstanding claims	86,751	28,197	4,444	1,771	2,963	4,828	128,954	-	128,954
Reinsurers' share of claims IBNR	5,229	5,892	2,009	1,857	-	3,169	18,156	-	18,156
Reinsurers' share of other reserves	-	-	-	905	-	-	905	-	905
Reinsurers' share of unearned premiums	14,444	10,260	3,063	2,450	32	48	30,297	-	30,297
Deferred policy acquisition costs	1,763	802	722	459	3,152	253	378	-	7,529
Unit linked investments	-	-	-	-	-	8,400	8,400	-	8,400
Unallocated assets	-	-	-	-	-	-	146,554	61,198	207,752
Total assets	-	-	-	-	-	-	401,915	291,438	693,353
<b>LIABILITIES</b>									
Outstanding claims	87,896	29,247	4,935	1,865	11,567	6,151	794	142,455	142,455
Claims incurred but not reported	5,561	6,440	2,640	1,985	11,271	4,347	6,977	39,221	39,221
Other reserves	57	318	43	1,078	361	-	-	1,857	1,857
Unearned premiums	15,395	11,113	5,467	2,919	33,237	2,545	5,462	76,138	76,138
Unearned reinsurance commission	3,181	1,820	853	801	6	-	-	6,661	6,661
Unit linked liabilities	-	-	-	-	-	8,400	8,400	-	8,400
Unallocated liabilities	-	-	-	-	-	-	127,183	291,438	418,621
Total liabilities	-	-	-	-	-	-	401,915	291,438	693,353

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

16 SUPPLEMENTARY INFORMATION

16.1 Interim condensed statement of financial position

		As at 31 March 2018 (Unaudited)			As at 31 December 2017 (Audited)		
	Note	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR'000			SAR'000		
<b>ASSETS</b>							
Cash and cash equivalents	3	9,870	83,084	92,954	14,684	93,179	107,863
Investments	4	20,180	57,705	77,885	46,436	137,061	183,497
Premiums and reinsurance receivables, net	5	191,602	-	191,602	126,390	-	126,390
Reinsurers' share of unearned premiums	7.2	27,571	-	27,571	30,297	-	30,297
Reinsurers' share of outstanding claims	7.1	145,208	-	145,208	128,954	-	128,954
Reinsurers' share of claims incurred but not reported	7.1	13,925	-	13,925	18,156	-	18,156
Reinsurers' share of other reserves	7.1	711	-	711	905	-	905
Deferred policy acquisition costs		11,537	-	11,537	7,529	-	7,529
Prepayments and other assets		15,214	517	15,731	13,053	1,693	14,746
Due from related parties	12	-	3,640	3,640	-	8	8
Due from insurance operations		-	4,129	4,129	-	14,497	14,497
Murabaha deposits	6	-	93,705	93,705	-	-	-
Statutory deposit	14	-	45,000	45,000	-	45,000	45,000
Property and equipment		7,632	-	7,632	7,111	-	7,111
Unit linked investments		11,674	-	11,674	8,400	-	8,400
<b>TOTAL ASSETS</b>		<b>455,124</b>	<b>287,780</b>	<b>742,904</b>	<b>401,915</b>	<b>291,438</b>	<b>693,353</b>
<b>LIABILITIES</b>							
Outstanding claims	7.1	165,380	-	165,380	142,455	-	142,455
Claims incurred but not reported	7.1	36,576	-	36,576	39,221	-	39,221
Other reserves	7.1	1,619	-	1,619	1,857	-	1,857
Unearned premiums	7.2	134,749	-	134,749	76,138	-	76,138
Reinsurance balances payable		49,382	-	49,382	61,390	-	61,390
Unearned reinsurance commission		6,047	-	6,047	6,661	-	6,661
Accrued expenses and other liabilities		41,417	4,335	45,752	47,348	3,641	50,989
Zakat and income tax payable	8	-	6,374	6,374	-	5,024	5,024
Unit linked liabilities		11,674	-	11,674	8,400	-	8,400
Retirement benefit obligation	9	4,752	-	4,752	4,273	-	4,273
Due to shareholders' operations		4,129	-	4,129	14,497	-	14,497
<b>TOTAL LIABILITIES</b>		<b>455,725</b>	<b>10,709</b>	<b>466,434</b>	<b>402,240</b>	<b>8,665</b>	<b>410,905</b>
<b>INSURANCE OPERATIONS DEFICIT</b>							
Remeasurement of retirement benefit obligation	9	(601)	-	(601)	(325)	-	(325)
<b>SHAREHOLDERS' EQUITY</b>							
Share capital	10	-	300,000	300,000	-	300,000	300,000
Accumulated losses		-	(22,929)	(22,929)	-	(17,227)	(17,227)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>-</b>	<b>277,071</b>	<b>277,071</b>	<b>-</b>	<b>282,773</b>	<b>282,773</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>455,124</b>	<b>287,780</b>	<b>742,904</b>	<b>401,915</b>	<b>291,438</b>	<b>693,353</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

16 SUPPLEMENTARY INFORMATION (continued)

16.2 Interim condensed statement of income (unaudited)

	Note	Three months period ended 31 March 2018			Three months period ended 31 March 2017		
		Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
		SAR'000			SAR'000		
<b>REVENUES</b>							
Gross premiums written	7.2	142,059	-	142,059	103,768	-	103,768
Fee income from Insurance contracts	7.2	35	-	35	19	-	19
Reinsurance premiums ceded							
- Local		(2,640)	-	(2,640)	(2,305)	-	(2,305)
- Foreign		(28,058)	-	(28,058)	(28,404)	-	(28,404)
Excess of loss expenses		(2,084)	-	(2,084)	(1,459)	-	(1,459)
<b>Net premiums written</b>		109,312	-	109,312	71,619	-	71,619
Changes in unearned premiums, net		(61,337)	-	(61,337)	(40,353)	-	(40,353)
<b>Net premiums earned</b>		47,975	-	47,975	31,266	-	31,266
Reinsurance commission earned		5,936	-	5,936	7,112	-	7,112
Other underwriting income		406	-	406	955	-	955
<b>Total Revenues</b>		54,317	-	54,317	39,333	-	39,333
<b>UNDERWRITING COSTS AND EXPENSES</b>							
Gross claims paid		(35,021)	-	(35,021)	(89,786)	-	(89,786)
Surrenders		(286)	-	(286)	(52)	-	(52)
Reinsurers' share of claims paid		6,936	-	6,936	67,609	-	67,609
<b>Net claims paid</b>		(28,371)	-	(28,371)	(22,229)	-	(22,229)
Changes in outstanding claims, net		(6,671)	-	(6,671)	6,408	-	6,408
Changes in incurred but not reported claims , net		(1,586)	-	(1,586)	(2,400)	-	(2,400)
Changes in other reserves, net		44	-	44	-	-	-
<b>Net claims incurred</b>		(36,584)	-	(36,584)	(18,221)	-	(18,221)
Changes in unit linked reserves		(3,274)	-	(3,274)	(574)	-	(574)
Policy acquisition costs		(7,024)	-	(7,024)	(5,478)	-	(5,478)
Other underwriting expenses		(757)	-	(757)	(507)	-	(507)
<b>Total underwriting costs and expenses</b>		(47,639)	-	(47,639)	(24,780)	-	(24,780)
<b>NET UNDERWRITING INCOME</b>		6,678	-	6,678	14,553	-	14,553
<b>OPERATING (EXPENSES) / INCOME</b>							
General and administrative expenses		(14,782)	(1,151)	(15,933)	(11,300)	(1,021)	(12,321)
Reversal of / (Provision for) doubtful receivables		1,256	-	1,256	(1,270)	-	(1,270)
Unrealized gain / (loss) on investments		28	2,199	2,227	15	(82)	(67)
Realized gain on investments		571	849	1,420	-	758	758
<b>Total operating (expenses)/ income net</b>		(12,927)	1,897	(11,030)	(12,555)	(345)	(12,900)
<b>Net (deficit) / surplus from insurance operations</b>		(6,249)	1,897	(4,352)	1,998	(345)	1,653
Shareholders' absorption of deficit / (Surplus)		6,249	(6,249)	-	(1,798)	1,798	-
Appropriation to insurance operations		-	-	-	(200)	-	(200)
<b>Total (loss)/ income for the period attributable to the shareholders</b>		-	(4,352)	(4,352)	-	1,453	1,453
<b>(Loss) / income per share (SR) - restated</b>				(0.15)			0.05
<b>Number of outstanding shares - restated</b>				30,000			30,000

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

16 SUPPLEMENTARY INFORMATION (continued)

16.3 Interim condensed statement of comprehensive income (unaudited)

Note	Three months period ended 31 March 2018			Three months period ended 31 March 2017		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Net (loss) / Profit for the period	-	(4,352)	(4,352)	200	1,453	1,653
Other comprehensive loss:						
Items that will not be reclassified to statement of income in subsequent periods:						
- Actuarial loss on retirement benefit obligation 9	(276)	-	(276)	-	-	-
Total comprehensive loss for the period	(276)	(4,352)	(4,628)	200	1,453	1,653

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

16 SUPPLEMENTARY INFORMATION (continued)

16.4 Interim condensed statement of cash flows(unaudited)

Note	Three months period ended 31 March 2018			Three months period ended 31 March 2017		
	Insurance	Shareholders'	Total	Insurance	Shareholders'	Total
	operations	operations		operations	operations	
	SAR'000			SAR'000		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net (loss) / profit for the period	-	(4,352)	(4,352)	200	1,453	1,653
Adjustments for non cash items:						
Shareholders' operations appropriations	-	-	-	1,798	(1,798)	-
Depreciation of property and equipment	632	-	632	702	-	702
(Reversal of) / Provision for doubtful receivables	(1,256)	-	(1,256)	1,270	-	1,270
Realized (gain) / loss on FVTIS	4 (28)	(370)	(398)	-	(82)	(82)
Unrealized (gain) / loss on FVTIS	4 (149)	(1,908)	(2,057)	-	244	244
Provision for retirement benefit obligation	333	-	333	305	-	305
	(468)	(6,630)	(7,098)	4,275	(183)	4,092
Changes in operating assets and liabilities:						
Premiums and reinsurance receivables	(63,956)	-	(63,956)	(52,514)	-	(52,514)
Reinsurers' share of unearned premiums	2,726	-	2,726	11,817	-	11,817
Reinsurers' share of outstanding claims	(16,254)	-	(16,254)	53,305	-	53,305
Reinsurers' share of claims incurred but not reported	4,231	-	4,231	(1,342)	-	(1,342)
Reinsurers' share of other reserves	194	-	194	-	-	-
Deferred policy acquisition costs	(4,008)	-	(4,008)	(3,793)	-	(3,793)
Prepayments and other assets	(2,161)	1,176	(985)	(5,710)	1,154	(4,556)
Due from related parties	-	(3,632)	(3,632)	-	(105)	(105)
Due from insurance operations	-	10,368	10,368	-	(19,606)	(19,606)
Unit linked investments	(3,274)	-	(3,274)	(574)	-	(574)
Outstanding claims	22,925	-	22,925	(59,713)	-	(59,713)
Claims incurred but not reported	(2,645)	-	(2,645)	3,742	-	3,742
Other reserves	(238)	-	(238)	-	-	-
Unearned premiums	58,611	-	58,611	28,536	-	28,536
Reinsurance balances payable	(12,008)	-	(12,008)	4,245	-	4,245
Unearned reinsurance commission	(614)	-	(614)	(1,109)	-	(1,109)
Accrued expenses and other liabilities	(5,931)	694	(5,237)	5,299	(53)	5,246
Unit linked liabilities	3,274	-	3,274	574	-	574
Due to shareholders' operations	(10,368)	-	(10,368)	19,606	-	19,606
Cash (used in) / generated from operations	(29,964)	1,976	(27,988)	6,644	(18,793)	(12,149)
Retirement benefit obligation paid	(130)	-	(130)	(56)	-	(56)
Net cash (used in) / generated from operating activities	(30,094)	1,976	(28,118)	6,588	(18,793)	(12,205)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of murabaha deposits	6 -	(93,705)	(93,705)	-	(91,705)	(91,705)
Purchase of investments	4 (7,000)	-	(7,000)	-	(35,155)	(35,155)
Proceeds from disposal of investments	33,433	81,634	115,067	-	61,185	61,185
Purchase of property and equipment	(1,153)	-	(1,153)	(485)	-	(485)
Net cash generated from / (used in) investing activities	25,280	(12,071)	13,209	(485)	(65,675)	(66,160)
Net change in cash and cash equivalents	(4,814)	(10,095)	(14,909)	6,103	(84,468)	(78,365)
Cash and cash equivalents at the beginning of the period	14,684	93,179	107,863	4,308	136,002	140,310
Cash and cash equivalents at the end of the period	9,870	83,084	92,954	10,411	51,534	61,945

17 COMPARATIVE FIGURES

Certain prior period figures have been reclassified to conform to current period presentation.

18 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Company on Shabaan 17, 1439H corresponding to May 03, 2018G.