

ALINMA TOKIO MARINE COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2017

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2017

INDEX	PAGES
Independent Auditors' Review Report	1
Interim Condensed Statement of Financial Position	2 – 3
Interim Condensed Statement of Income - Insurance Operations	4
Interim Condensed Statement of Income - Shareholders' Operations	5
Interim Condensed Statement of Shareholders' Comprehensive Income	6
Interim Condensed Statement of Changes in Shareholders' Equity	7
Interim Condensed Statement of Insurance Operations' Cash flows	8
Interim Condensed Statement of Shareholders' Operations' Cash flows	9
Notes to the Interim Condensed Financial Statements	10 – 24

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ALINMA TOKIO MARINE COMPANY (A SAUDI JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Alinma Tokio Marine Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2017 and the related interim statement of income - insurance operations, interim statement of income - shareholders' operations, interim statement of shareholders' comprehensive income for the three and nine month periods then ended and the related interim statement of changes in shareholders' equity, and interim statements of insurance operations' and shareholders' operations cash flows for the nine month period then ended, and the related notes which form an integral part of these 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) and Saudi Arabian Monetary Authority ("SAMA") guidance on accounting for zakat and income tax. Our responsibility is to express a conclusion on this interim 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 interim 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, as endorsed in the Kingdom of Saudi Arabia and consequently 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 and SAMA's guidance on accounting for zakat and income tax.

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24 October, 2017(G)
4 Safar, 1439 (H)

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	<i>Note</i>	<i>30 September 2017 (Unaudited) SR'000</i>	<i>31 December 2016 (Audited) SR'000</i>
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents	3	13,922	4,308
Investments	6	31,208	-
Premiums and reinsurance receivables, net	5	146,038	193,920
Reinsurers' share of unearned premiums		48,873	40,429
Reinsurers' share of outstanding claims	7	153,528	137,378
Deferred policy acquisition costs		10,418	5,438
Prepayments and other assets		13,702	4,928
Property and equipment		6,027	6,590
Unit linked investments		6,468	3,471
Due from shareholders' operations		2,401	-
Total insurance operations' assets		432,585	396,462
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	3	52,189	136,002
Murabaha deposit	4	91,705	-
Investments	6	96,818	99,750
Prepayments and other assets		1,209	1,590
Statutory deposit	10	45,000	45,000
Due from a related party	10	333	-
Due from insurance operations		-	17,331
Total shareholders' assets		287,254	299,673
TOTAL ASSETS		719,839	696,135


Director


Chief Financial Officer


Chief Executive Officer


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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	<i>Note</i>	<i>30 September 2017 (Unaudited) SR'000</i>	<i>31 December 2016 (Audited) SR'000</i>
INSURANCE OPERATIONS' LIABILITIES			
Gross outstanding claims	7	197,497	183,459
Gross unearned premiums		110,089	75,403
Reinsurance balances payable		70,855	82,618
Unearned reinsurance commission		9,419	7,003
Accrued expenses and other liabilities		14,115	21,391
Unit linked liabilities		6,468	3,471
Employees' end of service benefits		4,212	2,783
Due to shareholders' operations		-	17,331
Total insurance operations' liabilities		432,585	396,462
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		2,799	3,819
Zakat and income tax payable	8	2,917	4,200
Due to insurance operations		2,401	-
Total shareholders' liabilities		8,117	8,019
SHAREHOLDERS' EQUITY			
Share capital	9	300,000	450,000
Accumulated losses		(20,863)	(158,346)
Total shareholders' equity		279,137	291,654
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		287,254	299,673
TOTAL INSURANCE OPERATIONS' LIABILITIES, SHAREHOLDERS' LIABILITIES AND EQUITY		719,839	696,135



Director



Chief Financial Officer



Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME - INSURANCE OPERATIONS

For the three months and nine months periods ended 30 September 2017

		Three months period ended 30 September 2017	Three months period ended 30 September 2016	Nine months period ended 30 September 2017	Nine months period ended 30 September 2016
Note	(Unaudited) SR'000	(Unaudited) SR'000	(Unaudited) SR'000	(Unaudited) SR'000	(Unaudited) SR'000
REVENUES					
Gross written premiums	50,504	46,867	257,162	279,918	
Reinsurance premiums ceded	(21,482)	(28,826)	(128,423)	(163,362)	
Excess of loss expenses	(1,623)	(783)	(4,541)	(2,350)	
Net written premiums	27,399	17,258	124,198	114,206	
Changes in gross unearned premiums	24,369	40,364	(34,686)	(45,691)	
Changes in reinsurance share of unearned premiums	(16,966)	(24,166)	8,444	16,773	
Net change in unearned premiums	7,403	16,198	(26,242)	(28,918)	
Net earned premiums	34,802	33,456	97,956	85,288	
Reinsurance commission earned and other income	6,087	5,889	19,186	17,279	
Total insurance revenues	40,889	39,345	117,142	102,567	
CLAIMS AND EXPENSES					
Gross claims paid	7 (29,800)	(45,285)	(149,792)	(120,796)	
Reinsurers' share of gross claims paid	7 11,775	25,174	91,507	75,984	
Net claims paid	7 (18,025)	(20,111)	(58,285)	(44,812)	
Changes in gross outstanding claims	(71,286)	(47,316)	(14,038)	(145,042)	
Changes in reinsurers' share of outstanding claims	71,404	43,949	16,150	124,273	
Net outstanding claims	118	(3,367)	2,112	(20,769)	
Net claims incurred	(17,907)	(23,478)	(56,173)	(65,581)	
Changes in unit linked reserves	(1,296)	(1,114)	(2,997)	(1,222)	
Surrenders	-	(86)	(52)	(115)	
Policy acquisition costs	(6,155)	(5,603)	(17,282)	(14,430)	
Inspection and supervision fees	185	(123)	(1,310)	(963)	
Other underwriting income	-	-	955	601	
Net underwriting expenses	(25,173)	(30,404)	(76,859)	(81,710)	
Investment income / (loss)	212	(298)	282	(322)	
General and administrative expenses	(12,852)	(11,691)	(35,738)	(35,481)	
(Charge) / reversal of allowance for doubtful receivables	(7,272)	2,629	(14,861)	(4,190)	
Total claims and expenses, net	(45,085)	(39,764)	(127,176)	(121,703)	
Net deficit for the period from insurance operations	(4,196)	(419)	(10,034)	(19,136)	
Appropriation to shareholders' operations	4,196	419	10,034	19,136	
Net deficit for the period after appropriations to shareholders' operations	-	-	-	-	

Director

Chief Financial Officer

Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS

For the three months and nine months periods ended 30 September 2017

		<i>Three months period ended 30 September 2017</i>	<i>Three months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2017</i>	<i>Nine months period ended 30 September 2016</i>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Net deficit transferred from insurance operations		(4,196)	(419)	(10,034)	(19,136)
Investment income / (loss)		<u>1,785</u>	<u>(40)</u>	<u>3,533</u>	<u>1,942</u>
		(2,411)	(459)	(6,501)	(17,194)
General and administrative expenses		<u>(825)</u>	<u>(644)</u>	<u>(2,561)</u>	<u>(2,167)</u>
Net loss for the period		<u>(3,236)</u>	<u>(1,103)</u>	<u>(9,062)</u>	<u>(19,361)</u>
Loss per share for the period (SR) (Restated) //		<u>(0.108)</u>	<u>(0.037)</u>	<u>(0.302)</u>	<u>(0.645)</u>
Number of outstanding shares	9	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>



Director



Chief Financial Officer



Chief Executive Officer


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ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' COMPREHENSIVE INCOME

For the three months and nine months periods ended 30 September 2017

	<i>Three months period ended 30 September 2017</i>	<i>Three months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2017</i>	<i>Nine months period ended 30 September 2016</i>
<i>Note</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Net loss for the period	(3,236)	(1,103)	(9,062)	(19,361)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(3,236)	(1,103)	(9,062)	(19,361)



Director



Chief Financial Officer



Chief Executive Officer

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ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For nine months period ended 30 September 2017

	<i>Note</i>	Share capital	Accumulated losses	Total
		<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
2017				
Balance as at 1 January 2017 (Audited)	9	450,000	(158,346)	291,654
Reduction in share capital / accumulated losses		(150,000)	150,000	-
Transaction cost relating to reduction in share capital	9	-	(403)	(403)
Total comprehensive loss for the period		-	(9,062)	(9,062)
Provision for zakat for the period	8	-	(3,052)	(3,052)
Balance as at 30 September 2017 (Unaudited)		300,000	(20,863)	279,137
2016				
Balance as at 1 January 2016 (Audited)	9	450,000	(137,074)	312,926
Total comprehensive loss for the period		-	(19,361)	(19,361)
Provision for zakat for the period		-	(1,100)	(1,100)
Balance as at 30 September 2016 (Unaudited)		450,000	(157,535)	292,465



Director



Chief Financial Officer



Chief Executive Officer

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ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INSURANCE OPERATIONS' CASH FLOWS

For nine months period ended 30 September 2017

	<i>Note</i>	<i>Nine months period ended 30 September 2017 (Unaudited) SR'000</i>	<i>Nine months period ended 30 September 2016 (Unaudited) SR'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net result for the period from insurance operations		-	-
Adjustments for non-cash items:			
Unrealized gain on FVTIS investments	6 (ii)	(140)	(9)
Realized gain on FVTIS investments	6 (ii)	(13)	(87)
Allowance for doubtful receivables	5	14,861	4,190
Depreciation		1,978	2,365
Employees' end of service benefits		1,573	541
Income before changes in operating assets and liabilities		18,259	7,000
<i>Changes in operating assets and liabilities:</i>			
<i>Operating assets:</i>			
Premiums and reinsurance receivables		33,021	(110,393)
Reinsurers' share of outstanding claims		(16,150)	(124,273)
Reinsurers' share of unearned premiums		(8,444)	(16,773)
Deferred policy acquisition costs		(4,980)	(4,346)
Prepayments and other assets		(8,774)	(316)
Due to / (from) shareholders' operations		(19,732)	4,460
<i>Operating liabilities:</i>			
Gross outstanding claims		14,038	145,042
Reinsurance balances payable		(11,763)	39,477
Gross unearned premiums		34,686	45,691
Unearned reinsurance commission		2,416	(554)
Accrued expenses and other liabilities		9,651	3,872
Unit linked liabilities		2,997	1,222
Unit linked investments		(2,997)	(1,317)
Cash generated from / (used in) operations		42,228	(11,208)
Employees' end of service benefits paid		(144)	(11)
Net cash generated from / (used in) operating activities		42,084	(11,219)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	6 (ii)	(64,055)	(35,000)
Proceeds from sale of investments		33,000	40,203
Purchase of property and equipment		(1,415)	(1,445)
Net cash (used in) / generated from investing activities		(32,470)	3,758
Net change in cash and cash equivalents		9,614	(7,461)
Cash and cash equivalents at the beginning of the period		4,308	11,852
Cash and cash equivalents at the end of the period	3	13,922	4,391

Director

Chief Financial Officer



Chief Executive Officer

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS CASH FLOWS

For nine months period ended 30 September 2017

	Note	Nine months period ended 30 September 2017 (Unaudited) SR'000	Nine months period ended 30 September 2016 (Unaudited) SR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		(9,062)	(19,361)
Adjustments for non-cash items:			
Shareholders' appropriations from insurance operations			
Realized (gain) on FVTIS	6 (i)	(206)	39
Unrealized (gain) / loss on FVTIS	6 (i)	(1,260)	2,279
Loss before changes in operating assets and liabilities		(10,528)	(17,043)
<i>Changes in operating assets and liabilities:</i>			
<i>Operating assets:</i>			
Due from related parties		(333)	1
Due from insurance operations		19,732	(4,460)
Prepayments and other assets		381	(1,501)
<i>Operating liabilities:</i>			
Accrued expenses and other liabilities		(1,020)	(771)
Zakat paid	8	(4,335)	(704)
Net cash generated from / (used in) operating activities		3,897	(24,478)
CASH FLOWS FROM INVESTING ACTIVITIES			
Murabaha deposit		(91,705)	(50,000)
Purchase of investments		(172,155)	(20,000)
Proceeds from sale of investments		176,553	63,208
Net cash used in investing activities		(87,307)	(6,792)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction cost relating to reduction of capital	9	(403)	-
Net cash used in investing activities		(403)	-
Net change in cash and cash equivalents		(83,813)	(31,270)
Cash and cash equivalents at the beginning of the period		136,002	153,963
Cash and cash equivalents at the end of the period	3	52,189	122,693
Non cash transactions			
Reduction in share capital	9	150,000	-
			
Director		Chief Executive Officer	

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

1 REPORTING ENTITY AND OPERATIONS

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

During 2017, SAMA issued guidance for the accounting of zakat and income tax through a circular number 381000074519 dated 14 Rajab 1438H (corresponding to 11 April 2017) and subsequent clarifications. This change in framework resulted in a change in accounting policy for zakat and income tax and the effects of this change are disclosed in note 14 to the interim condensed financial information.

Applying the above framework, the interim condensed financial statements (interim condensed financial information) of the Company for the three months and nine months periods ended 30 September 2017 have been prepared using the International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") and SAMA guidance for the accounting of zakat and income tax.

Until 2016, the interim condensed financial statements of the Company were prepared in accordance with the IAS 34. The change in framework resulted in a change in the presentation of zakat and income tax (as disclosed in note 2.5) to the interim condensed financial statements.

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 annual financial statements for the year ended 31 December 2016.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

2 BASIS OF PREPARATION (continued)

2.1 Statement of compliance (continued)

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. 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.

2.2 Critical accounting estimates and judgements

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

2.3 Comparatives

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

2.4 Functional and reporting currency

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

2.5 Significant accounting and risk management policies

The accounting and risk management policies adopted in the preparation of these condensed interim financial statements are consistent with the Company's audited financial statements for the year ended 31 December 2016, except that the Company used to charge zakat and income tax to the condensed interim statement of changes in shareholders' equity through the condensed interim statement of shareholders' comprehensive income. As a result of the Circular, the Company has changed its presentation relating to zakat and income tax and has started to charge zakat and income tax directly to the condensed interim statement of shareholders' equity. The Company has accounted for this change retrospectively, which has resulted in an increase in the total shareholders' comprehensive income by SR 1.1 million for the nine months period ended 30 September 2016. The above change has made no impact on any of the components of the shareholders' equity of prior periods presented earlier.

2.6 Standards, interpretations and amendments to existing standards

New IFRS, International Financial Reporting and Interpretations Committee's interpretations ("IFRIC") and amendments thereof, adopted by the Company

The adoption of certain amendments and revisions to existing standards as mentioned below, which have no significant financial impact on the interim condensed financial statements of the Company. These interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016. The results of the interim period are not indicative of the results of the full statutory financial year.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

2 BASIS OF PREPARATION (continued)

2.6 Standards, interpretations and amendments to existing standards (continued)

New IFRS, International Financial Reporting and Interpretations Committee's interpretations ("IFRIC") and amendments thereof, adopted by the Company (Continued)

- Amendments to IAS 7, 'Statement of Cashflows' disclosure initiative

Amendments to IAS 7, 'Statement of Cashflows' on disclosure initiative, effective 1 January 2017. These amendments introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from the financing activities.

- Amendments to IAS 12, 'Income taxes' on 'Recognition of deferred tax assets for unrealized losses'

Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealized losses, effective 1 January 2017. This amendment clarify how to account for deferred tax assets related to debt instruments measured at fair value.

- Annual improvements 2014 - 2016

Amendments to IFRS 12 on disclosure of interest in other entities, effective 1 January 2017. This amendment clarifies the scope of IFRS 12 by specifying that its disclosure requirements apply to an entity's interests irrespective of whether they are classified as held for sale or as discontinued operations in accordance with IFRS 5.

Standards, interpretations and amendments to published standards that will be effective for the periods commencing after 1 January 2018 and have not been early adopted by the Company

The Company's management decided not to choose the early adoption of the following new and amended standards and interpretations issued which will become effective for the period commencing after 1 January 2018:

- IFRS 9 'Financial Instruments'

The new standard for financial instruments (IFRS 9) introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

- the classification and measurement of the Company's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed;
- an expected credit loss-based impairment will need to be recognized on the Company's receivables, unless classified as at fair value through profit or loss in accordance with the new criteria;
- if the Company continues to elect the fair value option for certain financial liabilities, fair value movements will be presented in statement of income and other comprehensive income to the extent those changes relate to the Company's own credit risk; and
- IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

- IFRS 16 'Leases'

IFRS 16 will replace IAS 17 and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS 16 is effective from periods beginning on or after 1 January 2019. This will not have a significant impact as the Company does not enter in significant lease transactions.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

2 BASIS OF PREPARATION (continued)

2.6 Standards, interpretations and amendments to existing standards (continued)

Standards, interpretations and amendments to published standards that will be effective for the periods commencing after 1 January 2018 and have not been early adopted by the Company (continued)

- **IFRS 15 'Revenue from Contracts with Customers'**

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018 and is not expected to affect the Company materially.

- **Amendments to IFRIC 22, 'Foreign currency transactions and advance consideration'**

IFRIC 22, 'Foreign currency transactions and advance consideration' effective 1 January 2018. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency.

- **Annual improvements 2014 - 2016**

It include changes to

- IFRS 1, 'First time adoption of IFRS'
- IAS 28, 'Investments in associates and joint ventures'.

- **Amendments to IFRS 1, 'First time adoption of IFRS' 'Deletion of short-term exemptions for first time adopters'**

Amendments to IFRS 1, 'First time adoption of IFRS' on deletion of short-term exemptions for first time adopters, effective 1 January 2018. This amendment deletes a number of short-term exemptions as the reliefs provided earlier are no longer available or because they were relevant for reporting periods that have now passed.

- **Amendments to IAS 28, 'Investments in Associates and Joint ventures'**

Amendments to IAS 28 on investment in associates and joint ventures, effective 1 January 2018. This amendment clarifies that a qualifying entity is able to choose between applying the equity method or measuring an investment in associate or joint venture at fair value through profit or loss, separately for each associate or joint venture at initial recognition of the associate or joint venture.

Similar clarifications have been made for a reporting entity that is not an investment entity and that has an associate or a joint venture that is an investment entity. IAS 28 permits such a reporting entity the choice to retain the fair value measurements used by that investment entity associate or joint venture when applying the equity method. The amendments also clarify that this choice is also made separately for each investment in an associate or joint venture that is an investment entity, at the later of the date on which;

- a) the investment entity associate or joint venture is initially recognized.
- b) the associate or joint venture becomes an investment entity and;
- c) the investment entity associate or joint venture first becomes a parent.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

2 BASIS OF PREPARATION (continued)

Standards, interpretations and amendments to published standards that will be effective for the periods commencing after 1 January 2018 and have not been early adopted by the Company (continued)

- **Amendments to IFRS 2, 'Share based payment' on 'how to account for certain types of share based payment transactions'**

Amendments to IFRS 2, 'Share based payment' on how to account for certain types of share based payment transactions, effective 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share based payment and pay that amount to the tax authority.

- **Amendments to IFRS 17, 'Insurance contracts' regarding the implementation on IFRS 9 'Financial instruments'**

Amendments to IFRS 17, 'Insurance contracts' regarding the implementation on IFRS 9 'Financial instruments', effective 1 January 2018. This amendment introduces two approaches: an overlay approach and a deferral approach. The amended standard will give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instrument standard - IAS 39 "Financial instruments".

- **Amendments to IAS 40, 'Investment property' relating to transfers of investment property**

Amendments to IAS 40, 'Investment property' relating to transfers of investment property, effective 1 January 2018. This amendment clarifies that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has a changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

3 CASH AND CASH EQUIVALENTS

	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
Insurance operations		
Cash in hand	45	45
Cash at bank – current accounts	13,877	4,263
	<u>13,922</u>	<u>4,308</u>

Cash at bank – Insurance Operations includes an amount of SR 13.11 million (2016: SR 4.26 million) held with Alinma Bank, a related party.

Shareholders' operations

Cash at bank – current accounts	52,189	9,567
Short-term Murabaha deposits	-	126,435
	<u>52,189</u>	<u>136,002</u>

Cash at banks – Shareholders' Operations includes an amount of SR 52.18 Million (2016: SR 9.56 million) held with Alinma Bank, a related party.

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

4 MURABAHA DEPOSITS

Murabaha deposits represent deposits with local and foreign financial institutions that have investment grade credit ratings and have an original maturity of more than three months from the date of acquisition, yielding an average profit rate of 2.20% (2016: Nil) per annum.

5 PREMIUMS AND REINSURANCE RECEIVABLES, NET

	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
Premiums receivable	102,080	61,627
Premiums receivable from a related party (note 10)	6,999	5,745
Reinsurance receivables	57,227	131,955
	<u>166,306</u>	<u>199,327</u>
Less: allowance for doubtful receivables	<u>(20,268)</u>	<u>(5,407)</u>
	<u><u>146,038</u></u>	<u><u>193,920</u></u>

6 INVESTMENTS

(i) Shareholders' Operations

	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
Investments		
Available for sale investment	1,923	1,923
Investments at fair value through income statement	81,000	83,379
Investments held to maturity	13,895	14,448
	<u><u>96,818</u></u>	<u><u>99,750</u></u>

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

The movement during the period / year is as follows:

	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
Available for sale investment		
Balance at the beginning and end of the period / year	<u><u>1,923</u></u>	<u><u>1,923</u></u>

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

6 INVESTMENTS (continued)

(i) Shareholders' Operations (continued)

	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
<i>Investments at fair value through income statement</i>		
Balance at the beginning of the period / year	83,379	115,802
Purchased during the period / year	172,155	50,937
Sold during the period / year	(176,000)	(84,860)
Realized gain / (loss) during the period / year	206	(12)
Unrealized gain during the period / year	1,260	1,512
Balance at the end of the period / year	<u>81,000</u>	<u>83,379</u>
	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
<i>Investments held to maturity</i>		
Balance at the beginning of the period / year	14,448	-
Purchased during the period / year	-	15,000
Redeemed during the period / year	(553)	(552)
Balance at the end of the period / year	<u>13,895</u>	<u>14,448</u>

Investments held to maturity have a tenure of ten years with quarterly partial redemptions, yielding an average profit rate of SIBOR (3M) + 2.125% [2016: SIBOR (3M) + 2.125%] per annum.

(ii) Insurance Operations

	<i>30 September 2017 (Unaudited) SR' 000</i>	<i>31 December 2016 (Audited) SR'000</i>
<i>Investments at fair value through income statement</i>		
Balance at the beginning of the period / year	-	10,124
Purchased during the period / year	64,055	35,000
Sold during the period / year	(33,000)	(45,231)
Realized gain during the period / year	13	107
Unrealized gain during the period / year	140	-
Balance at the end of the period / year	<u>31,208</u>	<u>-</u>

DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value there is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of operations or undertake a transaction on adverse terms. The Company's financial assets consist of cash and cash equivalents, premiums and reinsurance receivables, Murabaha deposit, reinsurance share of outstanding claims, investments and accrued income, and its financial liabilities consist of reinsurance balances payable, accrued expenses and gross outstanding claims. The fair values of financial assets and liabilities are not materially different from their carrying values at the statement of financial position date.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

6 INVESTMENTS (continued)

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).

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

Shareholders' Operations

As at 30 September 2017 (Unaudited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Available for sale investment*				
- Investment in unquoted equity	-	-	1,923	1,923
Fair value through income statement				
- Investment in multi assets mutual funds, equity shares, discretionary portfolios and real estate fund	70,217	10,783	-	81,000
Investments held to maturity				
- Sukuk	-	13,895	-	13,895
Total	70,217	24,678	1,923	96,818

Shareholders' Operations

As at 31 December 2016 (Audited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Available for sale investment*				
- Investment in unquoted equity	-	-	1,923	1,923
Fair value through income statement				
- Investment in multi assets mutual funds, equity shares discretionary portfolios and real estate fund	73,379	10,000	-	83,379
Investments held to maturity				
- Sukuk	-	14,448	-	14,448
Total	73,379	24,448	1,923	99,750

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

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

Insurance Operations

As at 30 September 2017 (Unaudited)	Level 1	Level 2	Level 3	Total
	SR'000	SR'000	SR'000	SR'000
Fair value through income statement				
- Investment in multi assets mutual funds,	31,208	-	-	31,208
Total	31,208	-	-	31,208
As at 31 December 2016 (Audited)	-	-	-	-

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

7 CLAIMS	Gross SR'000	Reinsurers' share SR'000	Net SR'000
As at 30 September 2017 (Unaudited)			
Claims reported	126,501	(109,586)	16,915
IBNR and other reserves	70,996	(43,942)	27,054
	<u>197,497</u>	<u>(153,528)</u>	<u>43,969</u>
Claims paid during the nine months period ended 30 September 2017	149,792	(91,507)	58,285
As at 31 December 2016 (Audited)			
Claims reported	111,998	(91,306)	20,692
IBNR and other reserves	71,461	(46,072)	25,389
	<u>183,459</u>	<u>(137,378)</u>	<u>46,081</u>
Claims incurred during the nine months period ended 30 September 2017 (Unaudited)	<u>163,830</u>	<u>(107,657)</u>	<u>56,173</u>
As at 30 September 2016 (Unaudited)			
Claims reported	135,777	(114,476)	21,301
IBNR and other reserves	95,883	(71,453)	24,430
	<u>231,660</u>	<u>(185,929)</u>	<u>45,731</u>
Claims paid during the nine months period ended 30 September 2016	120,796	(75,984)	44,812
As at 31 December 2015 (Audited)			
Claims reported	43,734	(35,117)	8,617
IBNR and other reserves	42,884	(26,539)	16,345
	<u>86,618</u>	<u>(61,656)</u>	<u>24,962</u>
Claims incurred during the nine months period ended 30 September 2016 (Unaudited)	<u>265,838</u>	<u>(200,257)</u>	<u>65,581</u>

8 ZAKAT AND INCOME TAX

Zakat

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

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

	30 September 2017 (Unaudited) SR' 000	31 December 2016 (Audited) SR'000
Balance at the beginning of the period / year	4,200	1,069
Zakat charge for the period / year	3,052	3,835
Zakat paid during the period / year	(4,335)	(687)
Advance tax paid during the period / year	-	(17)
Balance at the end of the period / year	<u>2,917</u>	<u>4,200</u>

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

8 ZAKAT AND INCOME TAX (continued)

The Company has filed its Zakat returns with the General Authority for Zakat and Tax ("GAZT") for the period from 9 June 2012 to 31 December 2013 and for the year 2014 and 2015, and has obtained limited certificates for the years 2013, 2014 and 2015 however for the years 2012 through 2015, the GAZT, based on the PAC decision has issued revised assesment and requested for an additional payment of SAR 5.51 million. The management has already filed an appeal in this regard with GAZT. Zakat return for the year ended 31 December 2016 has been filed, however, a limited certificate is yet to be received from GAZT.

	<i>As at 30 September 2017</i>	<i>As at 31 December 2016</i>
	(Unaudited)	(Audited)
Break down of Company's shareholding		
Percentage of Shareholdings subject to Zakat	71.25%	71.25%
Percentage of Shareholdings subject to Income Tax	28.75%	28.75%

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

9 SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company is SR 300 million as at 30 September 2017 (2016: SR 450 million) consisting of 30 million shares (2016: 45 million shares) of SR 10 each.

On 15th February 2017, the board of directors have 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 has been approved by the regulatory bodies and by its shareholders' in the General Assembly held on 10 May, 2017. During the period ended 30 September, 2017 the Company has incurred transaction costs of SR 403 thousands in respect of reduction in share capital, which has been charged directly to Statement of Changes in Equity.

10 RELATED PARTY TRANSACTIONS AND BALANCES

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

- 10.1 In addition to the disclosure in note 3 and 5, the following are the details of major related party transactions during the period and the related balances at the end of the period:

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

		<i>Three months period ended 30 September 2017</i>	<i>Three months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2017</i>	<i>Nine months period ended 30 September 2016</i>
		<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
<i>-----Unaudited-----</i>					
Nature of transaction	<u>Related party</u>	<u>Amount of transactions</u>			
Insurance premiums received / receivable	Shareholder	6,600	6,820	19,159	13,178
Reinsurance premiums paid / payable	Shareholder	557	1,188	2,297	2,328
Claims paid net of recoveries	Shareholder	702	3,397	10,289	5,773
Reinsurance commission	Shareholder	81	303	477	587
Agency commission	Shareholder's Subsidiary	97	179	271	481
Investments	Shareholder's Subsidiary	1,247	5,000	3,076	40,000
General and administrative expenses	Shareholder's Subsidiary	1,416	849	2,668	12

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

Nature of balance	Related party	As at 30 September 2017 (Unaudited) SR'000	As at 31 December 2016 (Audited) SR'000
Premiums receivable	Shareholder	6,999	5,745
Reinsurer share of claims receivable	Shareholder	1,430	3,294
Reinsurer premiums payable	Shareholder	3,405	5,047
Claims payable net of recoveries	Shareholder	(76)	(70)
Investments	Shareholder's Subsidiary	56,212	48,860
Commission Payable	Shareholder's Subsidiary	140	139
General and administrative expenses	Shareholder's Subsidiary Shareholders Operations'	333	-
General and administrative expenses	Shareholder's Subsidiary Insurance Operations'	678	-
Bank balances	Shareholder	65,291	13,820

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

10.3 Information relating to key management personnel:

	<i>Three months period ended 30 September 2017</i>	<i>Three months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2017</i>	<i>Nine months period ended 30 September 2016</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
	<i>-----Unaudited-----</i>			
Short-term benefits	1,642	1,607	4,262	4,645
Long-term benefits	101	88	764	228

10.4 Board and sub-committee related expenses:

	<i>Three months period ended 30 September 2017</i>	<i>Three months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2017</i>	<i>Nine months period ended 30 September 2016</i>
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
	<i>-----Unaudited-----</i>			
Board of directors' remuneration	255	255	765	765
Board and sub-committees attendance fees	123	(46)	369	200

11 LOSS PER SHARE FOR THE PERIOD / YEAR

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

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

The Loss per share are as follows:

	<i>Three months period ended 30 September 2017</i>	<i>Three months period ended 30 September 2016</i>	<i>Nine months period ended 30 September 2017</i>	<i>Nine months period ended 30 September 2016</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>-----Unaudited-----</i>			
Net loss for the period (SR "000")	(3,236)	(1,103)	(9,062)	(19,361)
Weighted average number of ordinary shares ("000")	30,000	30,000	30,000	30,000
Loss per share for the period (restated) SR	(0.108)	(0.037)	(0.302)	(0.645)

12 CONTINGENCIES AND COMMITMENTS

As at 30 September 2017 the Company's banker has issued letters of guarantee of SR 1.18 million (2016: SR 1.09 million) to various customers, motor agencies and workshops 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 30 September 2017 and 31 December 2016.

13 SEGMENT REPORTING

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

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

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

13 SEGMENT REPORTING (continued)

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

Segment results do not include general and administrative expenses.

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

Consistent with the Company's internal reporting process, operating segments have been approved by management in respect of the Company's activities, assets and liabilities. Information disclosed in the note is based on current reporting to the chief executive officer.

For the three months period ended 30 September 2017 (Unaudited)								
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	8,237	7,910	3,181	2,023	16,356	7,113	5,684	50,504
Reinsurance premiums ceded	(7,575)	(7,372)	(1,692)	(1,903)	-	(2,940)	-	(21,482)
Excess of loss expenses	(162)	(282)	(334)	(95)	(750)	-	-	(1,623)
Net written premiums	500	256	1,155	25	15,606	4,173	5,684	27,399
Net change in unearned premiums	61	78	(155)	164	12,365	22	(5,132)	7,403
Net earned premiums	561	334	1,000	189	27,971	4,195	552	34,802
Reinsurance commission earned and other income	2,970	1,711	1,002	356	48	-	-	6,087
Total insurance revenues	3,531	2,045	2,002	545	28,019	4,195	552	40,889
CLAIMS AND EXPENSES								
Net claims incurred	(1,146)	(522)	127	(33)	(14,057)	(1,980)	(296)	(17,907)
Policy acquisition costs	(1,552)	(623)	(483)	(191)	(3,102)	(254)	50	(6,155)
Inspection and supervision fees	382	232	58	23	(419)	(6)	(85)	185
Change in unit linked reserves	-	-	-	-	-	(1,296)	-	(1,296)
Net underwriting results	1,215	1,132	1,704	344	10,441	659	221	15,716
Investment income								212
General and administrative expenses								(20,124)
Net deficit from insurance operations								(4,196)

	For the three months period ended 30 September 2016 (Unaudited)							
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	10,303	10,995	2,997	416	15,471	6,685	-	46,867
Reinsurance premiums ceded	(9,854)	(10,344)	(2,046)	(386)	(3,008)	(3,188)	-	(28,826)
Excess of loss expenses	(11)	(194)	(116)	(28)	(434)	-	-	(783)
Net written premiums	438	457	835	2	12,029	3,497	-	17,258
Net change in unearned premiums	(187)	17	114	84	14,113	238	1,819	16,198
Net earned premiums	251	474	949	86	26,142	3,735	1,819	33,456
Reinsurance commission earned and other income	2,204	2,336	849	347	153	-	-	5,889
Total insurance revenues	2,455	2,810	1,798	433	26,295	3,735	1,819	39,345
CLAIMS AND EXPENSES								
Net claims incurred	(356)	(584)	(105)	(90)	(19,789)	(1,406)	(1,148)	(23,478)
Change in unit linked reserves	-	-	-	-	-	(1,114)	-	(1,114)
Policy acquisition costs	(1,033)	(726)	(343)	(146)	(3,108)	(171)	(76)	(5,603)
Inspection and supervision fees	(12)	(17)	(9)	(1)	(50)	(34)	-	(123)
Surrenders	-	-	-	-	-	(86)	-	(86)
Net underwriting results	1,054	1,483	1,341	196	3,348	924	595	8,941
Investment income								(298)
General and administrative expenses								(9,062)
Net deficit from insurance operations								(419)

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

13 SEGMENT REPORTING (continued)

For the nine months period ended 30 September 2017 (Unaudited)

	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
REVENUES								
Gross written premiums	64,039	41,928	16,796	5,872	102,413	20,353	5,761	257,162
Reinsurance premiums ceded	(61,460)	(39,804)	(12,031)	(5,139)	(454)	(9,535)	-	(128,423)
Excess of loss expenses	(452)	(789)	(938)	(264)	(2,098)	-	-	(4,541)
Net written premiums	2,127	1,335	3,827	469	99,861	10,818	5,761	124,198
Net change in unearned premiums	(832)	(70)	(990)	(299)	(21,176)	(17)	(2,858)	(26,242)
Net earned premiums	1,295	1,265	2,837	170	78,685	10,801	2,903	97,956
Reinsurance commission earned and other income	8,224	7,109	2,664	1,039	150	-	-	19,186
Total insurance revenues	9,519	8,374	5,501	1,209	78,835	10,801	2,903	117,142
CLAIMS AND EXPENSES								
Net claims incurred	(975)	(2,324)	42	61	(48,376)	(2,348)	(2,253)	(56,173)
Policy acquisition costs	(3,930)	(2,030)	(1,278)	(497)	(8,886)	(612)	(49)	(17,282)
Inspection and supervision fees	(22)	(14)	(40)	(5)	(1,041)	(102)	(86)	(1,310)
Change in unit linked reserves						(2,997)		(2,997)
Surrenders						(52)		(52)
Other underwriting income					955	-		955
Net underwriting results	4,592	4,006	4,225	768	21,487	4,690	515	40,283
Investment Income								282
General and administrative expenses								(50,599)
Net deficit from insurance operations								(10,034)

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

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

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three months and nine months periods ended 30 September 2017

13 SEGMENT REPORTING (continued)

As at 30 September 2017 (Unaudited)								
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
ASSETS								
Reinsurers' share of outstanding claims	102,431	29,974	5,103	4,466	(1,112)	12,666	-	153,528
Reinsurers' share of unearned premiums	25,778	13,081	5,663	3,974	297	80	-	48,873
Deferred policy acquisition costs	2,818	522	984	528	5,127	7	432	10,418
Unit linked investments	-	-	-	-	-	6,468	-	6,468
Unallocated assets	-	-	-	-	-	-	-	213,298
Total assets								432,585
LIABILITIES								
Gross outstanding claims	104,533	33,176	6,258	4,770	26,700	16,115	5,945	197,497
Gross unearned premiums	27,060	13,782	8,218	4,674	51,019	129	5,207	110,089
Unearned insurance commission	5,083	1,823	1,587	901	25	-	-	9,419
Unit linked liabilities	-	-	-	-	-	6,468	-	6,468
Unallocated liabilities	-	-	-	-	-	-	-	109,112
Total liabilities								432,585
As at 31 December 2016 (Audited)								
	Fire	Marine	General accident	Engineering	Motor	Protection and savings	Medical	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
ASSETS								
Reinsurers' share of outstanding claims	66,834	25,753	6,148	4,650	22,336	11,657	-	137,378
Reinsurers' share of unearned premiums	12,078	11,095	2,944	4,527	9,734	51	-	40,429
Deferred policy acquisition costs	1,268	710	419	334	2,602	6	99	5,438
Unit linked investments	-	-	-	-	-	3,471	-	3,471
Unallocated assets	-	-	-	-	-	-	-	209,746
Total assets								396,462
LIABILITIES								
Gross outstanding claims	68,556	27,305	7,511	5,039	57,044	14,618	3,386	183,459
Gross unearned premiums	12,527	11,727	4,509	4,927	39,282	82	2,349	75,403
Unearned reinsurance commission	2,572	2,390	1,069	835	137	-	-	7,003
Unit linked liabilities	-	-	-	-	-	3,471	-	3,471
Unallocated liabilities	-	-	-	-	-	-	-	127,126
Total liabilities								396,462

14 CHANGE IN ACCOUNTING POLICY

Effective 1 January 2017, based on the Circular issued by SAMA in relation to the 'Accounting of Zakat and Income tax', the Company amended its accounting policy to charge zakat directly to retained earnings/accumulated losses instead of a charge within interim statement of shareholders' comprehensive income.

The Company has accounted for this change retrospectively, which has resulted in an increase in the total shareholders' comprehensive income by SR 1.1 million for the three months and nine months period ended 30 September 2016. The above change has made no impact on any of the components of the shareholders' equity of prior periods presented earlier.

15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 24 October, 2017G corresponding to 04 Safar, 1439H.