
**METLIFE, AMERICAN INTERNATIONAL
GROUP AND ARAB NATIONAL BANK
COOPERATIVE INSURANCE COMPANY**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION
(UNAUDITED)
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND NINE MONTH PERIODS ENDED
30 September 2018**

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITORS' REVIEW
REPORT FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018

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Audit - Consultants - Zakat & Tax

Al-Bassam & Co.
Allied Accountants

(Member firm of PKF International)

Aldar Audit Bureau

Abdullah A. Basr & Co



Grant Thornton

An instinct for growth

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

**TO THE SHAREHOLDERS OF METLIFE, AMERICAN INTERNATIONAL GROUP AND
ARAB NATIONAL BANK COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Metlife, American International Group and Arab National Bank Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2018 and the related interim condensed statement of income, interim condensed statement of comprehensive income for the three and nine month periods then ended and interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the nine month 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 these interim condensed financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" as modified by Saudi Arabian Monetary Authority ("SAMA") on accounting for 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 Engagement 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 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, 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 International Accounting Standard 34, "Interim Financial Reporting" as modified by Saudi Arabian Monetary Authority ("SAMA") on accounting for Zakat and Income Tax.

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION
(Continued)

**TO THE SHAREHOLDERS OF METLIFE, AMERICAN INTERNATIONAL GROUP AND
ARAB NATIONAL BANK COOPERATIVE INSURANCE COMPANY**
(A SAUDI JOINT STOCK COMPANY)

EMPHASIS OF MATTER

We draw attention to Note 2 to the interim condensed financial information, which indicates that on 26 March 2018, the Company announced on Tadawul that as of 28 February 2018, its accumulated losses exceeded its share capital by 51.62%. Further, on 18 April 2018, in an Extraordinary General Assembly Meeting, it was resolved to reduce the Company's share capital by 48.57% from SR 350 million to SR 180 million. Accordingly, the Company absorbed SR 170 million of accumulated losses against its share capital of 17 million shares. Subsequent to the reduction, the accumulated losses represent 10% of the Company's share capital as of 30 September 2018.

On 29 March 2018, the Company received a final warning letter from SAMA indicating issues related to delays in medical claims processing, ineffective risk assessments and weaknesses in internal control functions among other things. Further, SAMA instructed the Company to hire an independent consultant to identify weaknesses and provide recommendations and report back to SAMA within a stipulated time. Furthermore, SAMA required the Company to provide detailed report and updates on weekly basis. These conditions raise material uncertainty on the Company's ability to continue as a going concern. The Company has taken necessary actions to comply with SAMA's warning letter and have received the report from the consultant. Based on the report, Company has developed an action plan and submitted to SAMA dated 28 June 2018. Subsequent to the submission, SAMA requested a progress update on the action plan which was responded by the management dated 13 September 2018. The Company's appointed actuary prepared a mid-year review report as part of regulatory requirements based on updated business plan of the Company and submitted to SAMA on October 15, 2018, which shows that the Company will be able to continue as a going concern at least for the next twelve months from the current reporting date. In addition, the board of directors are also considering various options as a final strategy for the Company over the long term and to ensure going concern status. Based on the above, the Company's management has made an assessment of its ability to continue as a going concern and is satisfied that the Company's operations shall continue for foreseeable future under normal course of the business. Accordingly, the interim condensed financial information has been prepared on the going concern basis and do not include any adjustments, which may be required, if the Company is not able to continue as going concern.

Our conclusion is not qualified in respect of the above matter.

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Ibrahim A. Al-Bassam
Certified Public Accountant
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8 November 2018
30 Safar 1440

Aldar Audit Bureau
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Riyadh 11451
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Abdullah M. Al Basri
Certified Public Accountant
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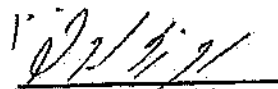


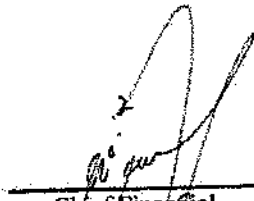
MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	SAR '000	
		30 September 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS			
Cash and cash equivalents	4	66,361	59,021
Short term deposits	7	53,112	107,051
Premiums and reinsurers' receivable – net	5	19,172	66,078
Reinsurers' share of unearned premiums	9.2	16,989	16,027
Reinsurers' share of mathematical reserves	9.1	184,539	214,579
Reinsurers' share of outstanding claims	9.1	26,087	21,496
Reinsurers' share of claims incurred but not reported	9.1	26,608	23,682
Deferred policy acquisition costs		4,021	11,438
Due from related parties	6	1,291	419
Long term deposits	7	89,000	89,000
Investments	8	52,759	52,704
Prepaid expenses and other assets		11,855	21,811
Statutory deposit	11	35,000	35,000
Accrued commission income on Statutory deposit		1,935	1,284
Intangible assets		619	630
Property and equipment, net		2,439	3,107
TOTAL ASSETS		591,787	723,327


Managing Director/
Chief Executive Officer


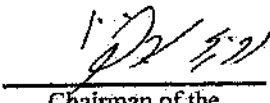
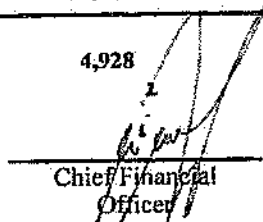

Chairman of the
Board of Directors


Chief Financial
Officer

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial information.

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)

		SAR '000	
		30 September 2018	31 December 2017
	Notes	(Unaudited)	(Audited)
LIABILITIES			
Policyholders claims payable		19,153	8,559
Accrued and other liabilities		24,677	25,799
Reinsurers' balances payable		36,356	30,409
Unearned premiums	9.2	50,618	128,277
Premium deficiency reserve		3,298	9,945
Outstanding claims	9.1	38,617	34,814
Claims incurred but not reported	9.1	60,990	81,981
Mathematical reserves	9.1	184,539	214,579
Unearned reinsurance commission		2,456	3,698
Due to related parties	6	56	298
Zakat	13	2,384	2,024
Accrued commission income payable to SAMA		1,935	1,284
End-of-service indemnities		4,702	3,881
TOTAL LIABILITIES		429,781	545,548
SHAREHOLDERS' EQUITY			
Share capital	12	180,000	350,000
Accumulated deficit		(17,994)	(172,221)
TOTAL SHAREHOLDERS' EQUITY		162,006	177,779
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		591,787	723,327
COMMITMENTS AND CONTINGENCIES			
	10	4,928	5,731
 Managing Director/ Chief Executive Officer		 Chairman of the Board of Directors	
		 Chief Financial Officer	

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial information.

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)


INTERIM STATEMENT OF INCOME (Unaudited)

FOR THE THREE AND NINE MONTH PERIODS ENDED 30 September

SAR '000

	<i>For the three month ended 30 September 2018</i>	<i>For the nine month ended 30 September 2018</i>	<i>For the three month ended 30 September 2017</i>	<i>For the nine month ended 30 September 2017</i>
<i>Note</i>	<i>September 2018</i>	<i>September 2018</i>	<i>September 2017</i>	<i>September 2017</i>
Gross written premiums – Direct	15,720	142,069	103,053	294,356
Reinsurance premiums ceded - foreign	(16,743)	(50,404)	(13,828)	(53,494)
Excess of loss premiums	(74)	(848)	(120)	(980)
Net premiums written	(1,097)	90,817	89,105	239,882
Net changes in unearned premiums	37,975	78,621	(19,848)	(68,773)
Net premiums earned	36,878	169,438	69,257	171,109
Reinsurance commission income	3,801	9,406	3,501	10,101
Other underwriting income	882	3,045	1,317	4,480
TOTAL REVENUES	40,761	181,889	74,075	185,690
Gross claims paid	(56,585)	(183,746)	(50,009)	(125,244)
Surrenders and maturities	(6,031)	(30,365)	(7,284)	(22,397)
Expenses incurred related to claims	(1,863)	(4,628)	(1,288)	(4,114)
Reinsurers' share of claims paid	10,399	40,758	12,949	31,905
Net claims and other benefits paid	(53,280)	(177,981)	(45,632)	(119,850)
Changes in outstanding claims, net	3,696	788	(2,647)	13,212
Changes in Claims incurred but not reported, net	22,577	23,917	(17,686)	(39,244)
Net claims and other benefits incurred	(27,007)	(153,276)	(65,965)	(145,882)
Change in Premium Deficiency Reserve	3,566	6,647	-	-
Policy acquisition costs	(4,780)	(17,821)	(7,364)	(20,114)
Inspection and supervisory fees	(610)	(2,557)	(1,036)	(2,570)
Other underwriting expenses	(174)	(840)	(454)	(1,101)
TOTAL UNDERWRITING COSTS AND EXPENSES	(29,005)	(167,847)	(74,819)	(169,667)
NET UNDERWRITING INCOME / (LOSS)	11,756	14,042	(744)	16,023
OTHER OPERATING (EXPENSES)/ INCOME				
Reversal of/ (Allowance for) doubtful debts	1,851	3,596	(922)	(6,479)
General and administration expenses	(12,744)	(37,571)	(10,670)	(35,534)
Commission income on deposits	1,890	5,810	1,970	5,514
TOTAL OTHER OPERATING EXPENSES	(9,003)	(28,165)	(9,622)	(36,499)
Total Profit / (Loss) for the period	2,753	(14,123)	(10,366)	(20,476)
Total Loss attributed to the insurance operations	-	-	-	-
Total (Profit) / Loss for the period attributable to the shareholders	(2,753)	14,123	10,366	20,476
Basic and Diluted Loss per share - restated	14 0.15	(0.78)	(0.58)	(1.14)


Managing Director/
Chief Executive Officer


Chairman of the
Board of Directors


Chief Financial
Officer

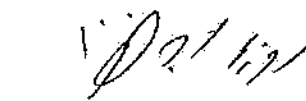
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MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 September

	SAR '000			
	<i>For the three month ended 30 September 2018</i>	<i>For the nine month ended 30 September 2018</i>	<i>For the three month ended 30 September 2017</i>	<i>For the nine month ended 30 September 2017</i>
Total Profit / (Loss) for the period	2,735	(14,123)	(10,366)	(20,476)
Other comprehensive income / (loss)	-	-	-	-
TOTAL COMPREHENSIVE PROFIT /(LOSS) FOR THE PERIOD	2,735	(14,123)	(10,366)	(20,476)
Total comprehensive income / (loss) for the period attributed to the insurance operations	-	-	-	-
Total comprehensive Profit /(Loss) for the period attributable to the shareholders	2,735	(14,123)	(10,366)	(20,476)


Managing Director/
Chief Executive Officer


Chairman of the
Board of Directors


Chief Financial
Officer

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MeLife, American International Group and Arab National Bank
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INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIODS ENDED 30 September

	SAR '000					
	Saudi Shareholders		Foreign Shareholders		Total Shareholders	
	Share capital	Accumulated deficit	Share capital	Accumulated Deficit	Share capital	Accumulated deficit
Balance as at 1 January 2018 (audited)	210,000	(104,832)	140,000	(67,389)	350,000	(172,221)
Capital reduction (note 12)	(102,000)	102,000	(68,000)	68,000	(170,000)	170,000
Transaction cost related to reduction in share capital (note 12)	-	(126)	-	(84)	-	(210)
Net loss for the period	-	(8,474)	-	(5,649)	-	(14,123)
Zakat for the current period (note 13)	-	(1,440)	-	-	-	(1,440)
Balance as at 30 September 2018 (Unaudited)	108,000	(12,872)	72,000	(5,122)	180,000	(17,994)
Balance as at 1 January 2017 (audited)	210,000	(68,648)	140,000	(44,267)	350,000	(112,915)
Net loss for the period	-	(12,286)	-	(8,190)	-	(20,476)
Zakat for the current period	-	(1,620)	-	-	-	(1,620)
Balance as at 30 September 2017 (Unaudited)	210,000	(82,554)	140,000	(52,457)	350,000	(135,011)
			</			

Managing Director/
Chief Executive Officer

Chairman of the
Board of Directors

Chief Financial
Officer

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MetLife, American International Group and Arab National Bank
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INTERIM STATEMENT OF CASH FLOWS (Unaudited)
FOR THE NINE MONTHS PERIODS ENDED 30 September 2018

	SAR '000	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(14,123)	(20,476)
<i>Adjustments for:</i>		
Depreciation of property and equipment	847	1,332
Amortization of intangible assets	200	209
(Gain)/loss on disposal of property and equipment	-	7
Special commission income	(5,810)	(5,514)
Amortization of Discount on held to maturities investments	(55)	(54)
Provision for doubtful receivables	(3,596)	6,479
Employees' terminal benefits	821	900
	(21,716)	(17,117)
<i>Changes in operating assets and liabilities:</i>		
Premiums and reinsurers' receivable – net	50,582	(50,852)
Reinsurers' share of unearned premiums	(962)	4,424
Reinsurers' share of mathematical reserves	30,040	14,176
Reinsurers' share of outstanding claims	(4,591)	(3,028)
Reinsurers' share of claims incurred but not reported	(2,926)	(3,400)
Deferred policy acquisition costs	7,417	(5,235)
Due from related parties	(872)	1,488
Prepaid expenses and other assets	9,995	(7,695)
Policyholders claims payable	10,594	11,105
Payables, accruals and others	(1,121)	3,098
Reinsurance balances payable	5,947	14,329
Gross unearned premiums	(77,659)	64,349
Unearned reinsurance commission income	(1,242)	(472)
Gross outstanding claims	3,803	(10,184)
Gross claims incurred but not reported	(20,991)	42,644
Premium Deficiency Reserve	(6,647)	-
Gross mathematical reserves	(30,040)	(14,176)
Due to related parties	(242)	(1,814)
	(52,872)	41,641
Employees' terminal benefits paid	-	(60)
Zakat Paid	(1,080)	-
Net cash (used in) / generated from operating activities	(51,792)	41,580
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term deposits	53,939	(51,034)
Special commission income received	5,771	4,705
Long term deposits	-	(89,000)
Purchase of property and equipment	(179)	(908)
Purchase of intangible assets	(189)	(211)
Net cash generated from / (used in) investing activities	59,342	(136,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transaction cost related to reduction in share capital	(210)	-
	(210)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	7,340	(94,868)
Cash and cash equivalents at the beginning of the period	59,021	148,787
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	66,361	53,919

Managing Director/
Chief Executive Officer

Chairman of the
Board of Directors

Chief Financial
Officer

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial information.

**MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)**

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

MetLife, American International Group and Arab National Bank Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration numbered 1010391438 dated 22 Dhul-Hijjah 1434H (corresponding to 27 October 2013).

The address of registered office of the Company is as follows:

MetLife, American International Group and Arab National Bank Cooperative Insurance Company
P.O. Box 56437
Riyadh 11554
Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative insurance operations and related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations applicable in the Kingdom of Saudi Arabia. Its principal lines of business include individual and group life, accident and health and all classes of general insurance. The Company's shares were listed on the Saudi Arabian Stock Exchange ("Tadawul") on 23 Muharram 1435H (corresponding to 26 November 2013).

The Company received the approval letters from the Saudi Arabian Monetary Agency and Ministry of Commerce and Investment regarding the amendment of the Company's by-laws to be in accordance with the new companies' regulations. Based on the above, the Company's extraordinary general assembly was held on 12 April 2017 corresponding to 15 Rajab 1438 and accordingly the new by-laws was approved.

1.1 METLIFE ALICO PORTFOLIO TRANSFER

The Company has entered into an agreement with MetLife ALICO (30% shareholder) by which MetLife ALICO has transferred its existing Saudi run-off portfolio to the Company effective 01 April 2015. This portfolio includes long-term life Protection and Savings insurance products and Personal Accident policies. The Company reinsures back to MetLife 100% of this portfolio under a quota-share reinsurance agreement. Accordingly, the Company has become the owner of the transferred policies and MetLife has become the reinsurer of this block of business. The transfer of the portfolio was made at book value with no cash payment. Accordingly, the liabilities related to this portfolio were recorded in the Company's books at book value with offsetting assets representing the reinsurance share of these liabilities. MetLife paid to the Company a reinsurance commission amounting to SR 1,675 thousand for the nine month ended 30 September 2018 (SR 1,744 thousand for the nine month ended 30 September 2017) to compensate the cost of capital for this portfolio in addition to reimbursing the Company for all expenses related to the administration of this portfolio by paying an administration fee amounting to SR 1,112 thousand for the nine month ended 30 September 2018 (SR 1,134 thousand for the nine month ended 30 September 2017) which is booked under "Other underwriting income".

The portfolio transfer has been approved by the Board of Directors on 16 February 2015 and by the shareholders of the Company in their General Assembly meeting on 12 May 2015. Saudi Arabian Monetary Authority ("SAMA") has also provided their approval on 28/5/1436 H corresponding to 19 March 2015.

Assets and liabilities of the transferred portfolio as at 30 September 2018 are shown as below:

		SAR '000			
Assets				Liabilities	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)		30 September 2018 (Unaudited)	31 December 2017 (Audited)
Cash and Cash equivalents	1,630	1,661	Gross unearned premiums	88	228
Reinsurers' share of unearned premiums	88	228	Gross outstanding claims	11,056	11,088
Reinsurers' share of mathematical reserves	184,539	214,579	Gross mathematical reserves	184,539	214,579
Reinsurers' share of outstanding claims	11,056	11,088	Due to shareholders operations	6,835	4,160
Premiums and reinsurers' receivable - net	3,954	1,538	Reinsurance balances payable	-	-
Prepaid expenses and other assets	1,715	1,156	Payable and other liabilities	464	195
Total	202,982	230,250	Total	202,982	230,250

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

1 ORGANIZATION AND PRINCIPAL ACTIVITIES (continued)

1.2 MANAFETH AGREEMENT WITH TAWUNIYA

The Company participated in the Manafeth agreement between Tawuniya and the majority of the insurance companies in Saudi Arabia effective 01 January 2015 for co-insuring cars entering into Saudi Arabia from all Saudi borders (except the border with Al-Bahrain). Based on this agreement, all insurance companies participating in this coverage will have an equal share of the net result of this portfolio after allowing for all expenses related to managing this portfolio by Tawuniya. This agreement is set to continue for a period of three years expiring on 31 December 2017 and has been subsequently renewed for a year from 1 January 2018 to 31 December 2018 with 26 related insurance companies. The income related to this portfolio is included in the interim statement of insurance operations under "Other underwriting income" and is allocated to Motor Insurance in the segment reporting.

2 BASIS OF PREPARATION

(a) Basis of presentation

The interim condensed financial information of the Company has been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting as modified by the Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax, which requires adoption of all IFRS 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 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.

The interim condensed consolidated financial information is prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of available-for-sale investments. The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, short term deposits, premiums and reinsurers' receivable - net, Reinsurers' share of unearned premiums, Reinsurers' share of outstanding claims, Reinsurers' share of claims incurred but not reported, Deferred policy acquisition costs, Due from related parties, Prepaid expenses, Policyholders claims payable, Accrued and other liabilities, Reinsurers' balances payable, Unearned premiums, Premium deficiency reserve, Outstanding claims, Claims incurred but not reported, Unearned reinsurance commission, Due to related parties and Zakat. The following balances would generally be classified as non-current: Long term deposits, Investments, Statutory deposit, Intangible assets, Property and equipment, net and end-of-service indemnities.

As required by Saudi Arabian insurance regulations, the Company maintains separate accounts for Insurance Operations and Shareholders' Operations. 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 accounts. The basis of allocation of other revenue and expenses from joint operations is as determined by the management and Board of Directors. As per the by-laws of the Company, the deficit arising from the Insurance Operations is allocated fully to Shareholders Operations whereas any surplus arising from the Insurance Operations is distributed as follows:

Shareholders	90%
Policyholders	10%
	<u>100%</u>

MetLife, American International Group and Arab National Bank
Cooperative Insurance Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
For the period ended 30 September 2018

(a) Basis of presentation (continued)

The interim statement of financial position, statements of income and statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented on Note No. 16 of the financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial information in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

The inclusion of separate information of the insurance operations with the financial information of the Company in the interim condensed statement of financial position, the interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of cash flows as well as certain relevant notes to the interim condensed financial information represents additional supplementary information required as required by the implementing regulations.

The interim condensed financial information 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 as at and for the year ended 31 December 2017.

The interim condensed financial information are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands.

Going Concern

As on 26 March 2018, the Company announced on Tadawul that as of 28 February 2018, its accumulated losses exceeded its share capital by 51.62%. Further, on 18 April 2018, in an Extraordinary General Assembly Meeting, it was resolved to reduce the Company's share capital by 48.57% from SR 350 million to SR 180 million. Accordingly, the Company absorbed SR 170 million of accumulated losses against its share capital of 17 million shares. Subsequent to the reduction, the accumulated losses represent 10 % of the Company's share capital as of 30 September 2018.

On March 29th, 2018, the Company received a final warning letter from SAMA indicating issues related to delays in medical claims, ineffective risk assessment and weaknesses in internal control environment among other things. Further, SAMA instructed the Company to hire an independent consultant within maximum 15 working days to perform a detailed review over the weaknesses and observations identified and to submit final report to SAMA within 60 working days from the date of the original warning letter. In case the Company failed to meet the deadlines, SAMA would take necessary regulatory measure against the Company in accordance with article (19) of the Cooperative Insurance Law, which includes forbidding the Company from accepting new clients, investors or subscribers in its insurance activities or part of these activities. The Company has taken necessary actions to comply with SAMA's warning letter and have received the report from the consultant. Based on the report, Company has developed an action plan and submitted to SAMA dated 28 June 2018. Subsequent to the submission, SAMA requested a progress update on the action plan which was furnished by the management on September 13, 2018. Further, the Company's appointed actuary prepared a mid-year review report as part of regulatory requirements based on updated business plan of the Company and submitted to SAMA on October 15, 2018, which shows that the Company will be able to continue as a going concern at least for the next twelve months from the current reporting date. In addition, the board of directors are also considering various options as a final strategy for the Company over the long term, to ensure going concern status. Based on aforesaid, the management is confident that the Company will be able to continue as a going concern.

Accordingly, the interim condensed financial information has been prepared on the going concern basis and do not include any adjustments, which may be required, if the Company is not able to continue as going concern.

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2 BASIS OF PREPARATION (continued)

(b) Critical accounting judgments, estimates and assumptions

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial information as at and for the year ended December 31, 2017.

(c) Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual financial information for the year ended December 31, 2017 except as explained below:

New standards, interpretations and amendments adopted by the company

The Company has adopted the following amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB):

Standard	Description	Effective date
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 2	Amendments to IFRS 2 Classification and Measurement of share-based Payment transactions.	1 January 2018
IAS 40	Amendments to IAS 40 Transfers of investment property.	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance consideration.	1 January 2018
IFRS 1 and IAS 28	Annual Improvements 2016 to IFRS 2014- 2016 cycle.	1 January 2018

The adoption of the relevant new and amended standards and interpretations applicable to the Company did not have any significant impact on this interim condensed financial information.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's interim condensed financial information are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they are effective.

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 Company has decided not to early adopt this new standard.

IFRS 17- "Insurance Contracts", applicable for the period beginning on or after 1 January 2021, and will supersede

IFRS 4 "Insurance Contracts". Earlier adoption is permitted if both IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" have also been applied. The Company has decided not to early adopt this new standard.

IFRS 9 - "Financial Instruments", in July 2014, the IASB published IFRS 9 Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle-based approach.

In September 2016, the IASB published amendments to IFRS 4 Insurance Contracts that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2021. The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied. The Company has decided to defer the implementation of IFRS 9. The Company believes that IFRS 9 would have an impact on the classification of financial instruments required to be measured mandatorily at fair value. At present it is not possible to provide a reasonable estimate of the effects of application of this new standard as the Company is yet to perform a detailed review.

4 CASH AND CASH EQUIVALENTS

	SAR '000			
	30 September 2018 (Unaudited)		31 December 2017 (Audited)	
	Insurance operations	Shareholders' operations	Insurance operations	Shareholders' operations
Cash at banks and in hand	7,706	9,655	14,266	1,737
Short-term deposit with original maturity of three months or less	42,000	7,000	40,018	3,000
	49,706	16,655	54,284	4,737

Cash at banks are placed with local commercial banks with good investment grade who have credit rating equivalent to A+ to BBB under Standard and Poor's, Fitch and Moody's ratings methodology.

5 PREMIUMS AND REINSURERS' RECEIVABLE, NET

	SAR '000	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Policyholders	2,148	2,885
Brokers and agents	19,555	71,048
Related parties (note 6)	662	1,224
Receivables from reinsurers	3,828	1,538
	26,193	76,695
Provision for doubtful debts	(7,021)	(10,617)
Premiums and reinsurers' receivable – net	19,172	66,078

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6 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders and key management personnel of the Company. Pricing policies and term of settlements with related parties are as per the commercial terms. The significant related party transactions and the related balances at the end of the period are set out below:

<i>Related party / Nature of transactions</i>	<i>Amount of transactions</i>		
	<i>For the nine month period ended 30 September 2018 SR '000 (Unaudited)</i>	<i>For the nine month period ended 30 September 2017 SR '000 (Unaudited)</i>	<i>Balance 31 December 2017 SR '000 (Audited)</i>
Premium receivable from / Commission Payable to a related party			
Arab National Bank ("ANB") (Shareholder)	14,431	26,505	4,757
Premiums receivable on policies sold through agency agreement with ANB agency	(1,527)	(2,331)	(334)
Commission payable on policies sold through agency agreement with ANB agency			
Reinsurance balances payable			
American International Group ("AIG") (Shareholder)	14,396	16,874	18,057
Reinsurance premiums payable & XOL	(3,404)	(3,949)	-
Reinsurance commission	(437)	(1,883)	-
Reinsurance share of paid claims			
Delaware American Life Insurance Company (Owned 100% by MetLife)			
Reinsurance premiums payable	5,887	6,217	2,466
Reinsurance commission	(866)	(856)	-
Reinsurance share of paid claims	(2,447)	(4,346)	-
Reinsurance balances receivable / (Payable)			
American Life Insurance Company "ALICO" (Owned 100% by MetLife)	6,248	8,554	1,249
Reinsurance premiums (portfolio transfer)	(1,675)	(1,744)	-
Reinsurance commission	(30,365)	(22,397)	-
Reinsurance share of claims paid (portfolio transfer)			

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6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>			<i>Balance 30 September 2018 SR '000 (Unaudited)</i>	<i>Balance 31 December 2017 SR '000 (Audited)</i>
	<i>For the nine month period ended 30 September 2018 SR '000 (Unaudited)</i>	<i>For the nine month period ended 30 September 2017 SR '000 (Unaudited)</i>	<i>For the nine month period ended 30 September 2017 SR '000 (Unaudited)</i>		
Due from related parties					
MetLife (Shareholder)					
General and administrative expenses paid on behalf of the Company and recharged to the Company	225	251		1,291	419
Administration Fees Income (portfolio transfer)	(1,111)	(1,134)		-	-
Due to related parties					
American International Group ("AIG") (Shareholder)					
General and administrative expenses paid on behalf of the Company and recharged to the Company	586	416		56	298

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6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

<i>Related party/ Nature of transactions</i>	<i>Amount of transactions</i>			
	<i>For the nine month period ended 30 September 2018</i>	<i>For the nine month period ended 30 September 2017</i>	<i>Balance 30 September 2018</i>	<i>Balance 31 December 2017</i>
	<i>SR '000 (Unaudited)</i>	<i>SR '000 (Unaudited)</i>	<i>SR '000 (Unaudited)</i>	<i>SR '000 (Audited)</i>
Commitments and Contingencies				
Arab National Bank ("ANB") (Shareholder)				
Letters of Guarantee	-	-	1,411	1,411
Investment activities				
Arab National Bank ("ANB") (Shareholder)				
Time Deposits				
Special commission income on deposits	1,542	717	18,000	88,000
Held to Maturity Investment (investment in ANB Sukuk)	-	-	157	945
Special commission income on held to maturity investments	279	267	10,000	10,000
Key management personnel				
Salaries and other benefits	4,478	5,718	-	-
Board of Directors and Executive Committees' fees	715	667	1,599	884

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7 TIME DEPOSITS

Time deposits represent deposits with local commercial banks with good investment grade credit ratings and have an original maturity of more than three months from date of acquisition. Time Deposits invested for more than three months are set out below:

	SAR '000					
	30 September 2018 (Unaudited)			31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Short term deposits	53,112	-	53,112	79,051	28,000	107,051
Average variable special commission rate	1.69%	-	-	2.25%	2.85%	-
Long term deposits	29,000	60,000	89,000	29,000	60,000	89,000
Average variable special commission rate	3.33%	3.67%	-	3.33%	3.67%	-

The carrying values of time deposits approximate their fair value at the reporting date.

8 INVESTMENTS

Investment are classified as follows:

Types of Investments	SAR '000	
	Shareholders' operations	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Available for sale	52,759	3,175
Held to maturity	-	49,529
	52,759	52,704

(i) Available for sale

Type of Investments	SAR '000	
	Shareholders' operations	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Equity unquoted	3,175	3,175
Sukuks unquoted	49,584	-
	52,759	3,175

Movement in the available for sale is as follows:

	SAR '000	
	Shareholders' operations	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Beginning balance	3,175	3,175
Transfer from HTM to AFS*	49,584	-
	52,759	3,175

* Subsequent to the quarter end, the management decided to dispose of Sukuks which were classified as Held to maturity, accordingly the investment has been reclassified to available for sale.

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8 INVESTMENTS (continued)

(i) Available for sale (continued)

This investment represents equity holding in the unquoted share capital of "Najm For Insurance Services Company" and Sukuks. As the fair value is not readily available, the investment in equity has been carried at cost while investment in Sukuks has been carried at amortized cost and reviewed by management for impairment. In management opinion, the fair value of these investments are not materially different from their carrying values.

(ii) Held to maturity

Type of Investments	SAR '000	
	Shareholders' operations	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Sukuk – Private – Floating rate	-	35,000
Sukuk – Governmental – Fixed rate	-	14,441
Amortization of discount on HTM	-	88
	-	49,529

Movement in the investment balance is as follows:

	SAR '000	
	Shareholders' operations	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Beginning balance	49,529	49,441
Amortization of discount on HTM	55	88
Transfer from HTM to AFS*	(49,584)	-
	-	49,529

* Subsequent to the quarter end, the management decided to dispose of Sukuks which were classified as Held to maturity, accordingly the investment has been reclassified to available for sale.

(iii) Levels of Investments

	SAR'000			
	Shareholders' operations			
	30 September 2018 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value (2) (3)				
Held to maturity investments	-	-	-	-
Available for sale	-	-	52,759	52,759
	-	-	52,759	52,759

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8 INVESTMENTS (continued)

Levels of Investments (continued)

	SAR '000			
	Shareholders' operations			
	31 December 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value (2) (3)				
Held to maturity investments	-	-	49,529	49,529
Available for sale	-	-	3,175	3,175
	-	-	52,704	52,704

There are no movements in level 1, 2 & 3 during the period.

9. Technical reserves

9.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

	SAR '000	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Outstanding claims	38,617	34,814
Claims incurred but not reported	60,990	81,981
Premium deficiency reserve	3,298	9,945
Mathematical reserves	184,539	214,579
	287,444	341,319
Less:		
Reinsurers' share of outstanding claims	26,087	21,496
Reinsurers' share of claims incurred but not reported	26,608	23,682
Reinsurers' share of mathematical reserves	184,539	214,579
	237,234	259,757
Net outstanding claims and reserves	50,210	81,562

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9.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

	SAR '000		
	Nine months ended 30 September 2018 (Unaudited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the period	128,277	(16,027)	112,250
Premium written during the period	142,069	(51,252)	90,817
Premium earned during the period	(219,728)	50,290	(169,438)
Balance as at the end of the period	50,618	(16,989)	33,629

	Year ended December 31, 2017 (Audited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the year	96,831	(28,592)	68,239
Premium written during the year	354,880	(64,934)	289,946
Premium earned during the year	(323,434)	77,499	(245,935)
Balance as at the end of the year	128,277	(16,027)	112,250

10. Commitments and Contingencies

a) The Company's commitments and contingencies are as follows:

	SAR '000	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Letters of guarantee	3,161	3,161
Operating lease	1,767	2,570
Total	4,928	5,731

b) The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business relating to policyholders' insurance claims. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its performance and financial position.

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11 STATUTORY DEPOSIT

	SAR '000	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Statutory Deposit (10% of paid-up share capital)	35,000	35,000
	35,000	35,000

Statutory deposit represents 10% of the paid-up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Authority ("SAMA"). SAMA is entitled for the income generated on the Statutory Deposit which cannot be withdrawn without the consent of SAMA. Commission on Statutory Deposit amounted to SR 1,935 thousand as of 30 September 2018 (SR 1,284 thousand as of 31 December 2017) and was reported separately under Shareholders' Assets and Shareholders' Liabilities in accordance with SAMA instructions.

Following the Capital reduction from SAR 350 million to SAR 180 million, the Company has not reduced its Statutory Deposit and the amount presented as of 30 September 2018 is still 10% of the old paid-up share capital.

12 SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company is SR 180 million divided into 18 million shares of SAR 10 each (31 December 2017: SR 350 million divided into 35 million shares of SAR 10 each).

		30 September 2018 (Unaudited)	
		Authorized, issued and Paid-up	
		No. of Shares	SAR'000
American Life Insurance Company (MetLife)	30.00%	5,400,000	54,000
Arab National Bank	29.94%	5,389,200	53,892
American International Group ("AIG")	10.00%	1,800,000	18,000
Public shares	30.06%	5,410,800	54,108
	100.00%	18,000,000	180,000

		31 December 2017 (Audited)	
		Authorized, issued and Paid-up	
		No. of Shares	SAR'000
American Life Insurance Company (MetLife)	30.00%	10,500,000	105,000
Arab National Bank	29.94%	10,479,000	104,790
American International Group ("AIG")	10.00%	3,500,000	35,000
Public shares	30.06%	10,521,000	105,210
	100.00%	35,000,000	350,000

The share capital represents foreign shareholders by 40% and Saudi shareholders 60% as at the period end. The Company in its extra ordinary general meeting held on 18 April 2018 approved the reduction of share capital from Saudi Riyals 350 million to Saudi Riyals 180 million by reducing the number of share from 35 million to 18 million shares of SAR 10 each to restructure the Company's capital to offset SAR 170,000,000 of the Company's accumulated losses in line with the new Companies Law.

This resulted in accumulated losses to decline below on half of Company's share capital. The reduction of capital has been approved by the regulatory authorities. During the period ended 30 September 2018 the Company incurred transaction cost of SAR 210 thousand in respect of reduction in share capital, which has been charged directly to the statement of changes in shareholders' equity. There is no effect of the capital reduction on the Company's obligations.

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13 ZAKAT AND INCOME TAX

a) Zakat Charge for the period:

The zakat charge for the period consists of the current period's provision amounting to SR 1,440 thousand (30 September 2017: SR1,620 thousand). The zakat provision is based on Ultimate Parent Saudi Shareholders' share of capital at 48.02% (31 December 2017: 48.02%).

b) Income tax charge for the period:

There was no income tax charge for the period relating to the Non-Saudi shareholder due to the net adjusted loss (same for 30 September 2017). The Ultimate Parent Non- Saudi Shareholders' share of capital is 51.98% (31 December 2017: 51.98%).

c) Status of zakat and income tax assessments:

Tax/zakat return of the Company for the 12 months ending 31 December 2017 has been filed within the stipulated deadline. The Company has extracted its tax/zakat certificate which is valid till 30 April 2019.

During 2017 and 2018, the Company received the following:

- Preliminary Committee's decision No. 216/2/1139 dated 14-04-1439H (01 January 2018) regarding GAZT assessments for the year 2014. Since Preliminary Committee rejected the Company's appeal, the Company filed an appeal with Higher Committee during the legal period.
- During 2018 the Company received Preliminary Committee's letter No. 55/2/1139 dated 16-07-1439H regarding GAZT assessments for the year 2013 to pay Zakat differences of SR 1,470 thousand and the Company filed an appeal during the legal period.

During 2016 the Company has received the following assessments related to 2014 Tax and Zakat filing as follows:

- GAZT letter No. 019000006784 dated 03 November 2016 requesting the Company to pay additional zakat of SR 351 thousand for the year 2014 and Company filed an appeal during the legal period.
- GAZT letter No. 024000033080 dated 03 November 2016 requesting the Company to pay additional suppliers' withholding tax of SR 246 thousand for the year 2014 (include SR 58 thousand as delay fines) and Company filed an appeal during the legal period.

The Company's management expects the success in defending all items raised by GAZT above is most likely; therefore, no additional provisions were provided for these items.

14 BASIC AND DILUTED LOSS PER SHARE

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

The basic and diluted earnings per share are as follows:

	SAR '000			
	<i>For the three month period ended 30 September 2018 (Unaudited)</i>	<i>For the nine month period ended 30 September 2018 (Unaudited)</i>	<i>For the three month period ended 30 September 2017 (Unaudited)</i>	<i>For the nine month period ended 30 September 2017 (Unaudited)</i>
Net Income /(loss) before Zakat for the period	2,273	(14,123)	(10,366)	(20,476)
Weighted average number of ordinary shares – Restated	18,000	18,000	18,000	18,000
Basic and diluted loss per share – Restated	0.15	(0.78)	(0.58)	(1.14)

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15 SEGMENT INFORMATION

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the Company's activities, assets and liabilities as stated below. Segment results do not include general and administration expenses.

Segment assets do not include cash and cash equivalents, prepayments and other assets, due from shareholders' operations and property and equipment. Accordingly, they are included in unallocated assets.

Segment liabilities do not include part of end-of-service indemnities, accrued expenses and other liabilities and due to related parties. Accordingly, they are included in unallocated liabilities.

All unallocated assets and liabilities are reported to chief operating decision maker as unallocated assets and liabilities and are monitored on a centralized basis.

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

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15 SEGMENT INFORMATION (continued)

	SAR '000						
	As at 30 September 2018 (Unaudited)						
	Protection & Savings	Health Insurance	Motor Insurance	Other General Insurance	Insurance Operations	Shareholders' operations	Total
Assets							
Cash and cash equivalents	-	-	-	-	49,706	16,655	66,361
Short term deposits	-	-	-	-	53,112	-	53,112
Premiums and reinsurers' receivable – net	2,989	2,907	2,841	10,435	-	-	19,172
Reinsurers' share of unearned premiums	16	5,300	-	11,673	-	-	16,989
Reinsurers' share of mathematical reserves	184,539	-	-	-	-	-	184,539
Reinsurers' share of outstanding claims	22,203	9	-	3,875	-	-	26,087
Reinsurers' share of claims incurred but not reported	1,824	2,728	-	22,056	-	-	26,608
Deferred policy acquisition costs	296	2,144	583	998	-	-	4,021
Long term deposits	-	-	-	-	29,000	60,000	89,000
Investments	-	-	-	-	-	52,759	52,759
Due from related parties	-	-	-	-	1,291	-	1,291
Prepaid expenses and other assets	37	1,390	2,052	169	7,060	1,147	11,855
Statutory deposit	-	-	-	-	-	35,000	35,000
Commission on statutory deposit	-	-	-	-	-	1,935	1,935
Property and equipment, net	-	-	-	-	2,439	-	2,439
Intangible assets, net	-	-	-	-	619	-	619
Total assets	211,904	14,478	5,476	49,206	143,227	167,496	591,787
Liabilities							
Policyholders claims payable	-	19,072	81	-	-	-	19,153
Accrued and other liabilities	1,128	207	2,235	15,475	3,324	2,308	24,677
Reinsurers' balances payable	6,155	10,396	1,025	18,780	-	-	36,356
Unearned premiums	2,324	30,531	5,240	12,523	-	-	50,618
Premium deficiency reserve	-	3,298	-	-	-	-	3,298
Outstanding claims	26,719	549	6,691	4,658	-	-	38,617
Claims incurred but not reported	3,012	27,905	5,155	24,918	-	-	60,990
Mathematical reserves	184,539	-	-	-	-	-	184,539
Unearned reinsurance commission	3	358	-	2,095	-	-	2,456
Due to related parties	-	-	-	-	56	-	56
Zakat	-	-	-	-	-	2,384	2,384
End-of-service indemnities	-	-	-	-	4,702	-	4,702
Accrued commission income payable to SAMA	-	-	-	-	-	1,935	1,935
Total liabilities	223,880	92,316	20,427	78,449	8,082	6,627	429,781

MetLife, American International Group and Arab National Bank
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

15 SEGMENT INFORMATION (continued)

	SAR '000						
	As at December 31, 2017						
	(Audited)						
	Protection & Savings	Health Insurance	Motor Insurance	Other General Insurance	Insurance Operations	Shareholders' operations	Total
Assets							
Cash and cash equivalents	-	-	-	-	54,284	4,737	59,021
Short term deposits	-	-	-	-	79,051	28,000	107,051
Premiums and reinsurers' receivable – net	2,522	44,963	7,510	11,083	-	-	66,078
Reinsurers' share of unearned premiums	180	668	-	15,179	-	-	16,027
Reinsurers' share of mathematical reserves	214,579	-	-	-	-	-	214,579
Reinsurers' share of outstanding claims	17,336	16	-	4,144	-	-	21,496
Reinsurers' share of claims incurred but not reported	1,762	1,729	-	20,191	-	-	23,682
Deferred policy acquisition costs	203	8,142	1,423	1,670	-	-	11,438
Long term deposits	-	-	-	-	29,000	60,000	89,000
Investments	-	-	-	-	-	52,704	52,704
Due from related parties	-	-	-	-	419	-	419
Prepaid expenses and other assets	31	9,609	1,841	284	8,922	1,124	21,811
Property and equipment, net	-	-	-	-	3,107	-	3,107
Intangible assets, net	-	-	-	-	630	-	630
Statutory deposit	-	-	-	-	-	35,000	35,000
Commission on statutory deposit	-	-	-	-	-	1,284	1,284
Total assets	236,613	65,127	10,774	52,551	175,413	182,849	723,327
Liabilities							
Policyholders claims payable	-	7,777	782	-	-	-	8,559
Accrued and other liabilities	1,137	10,630	2,246	5,846	4,911	1,029	25,799
Reinsurers' balances payable	5,188	2,796	859	21,566	-	-	30,409
Unearned premiums	1,506	96,709	13,511	16,551	-	-	128,277
Premium deficiency reserve	-	9,945	-	-	-	-	9,945
Outstanding claims	23,173	1,663	5,182	4,796	-	-	34,814
Claims incurred but not reported	2,565	50,798	6,048	22,570	-	-	81,981
Mathematical reserves	214,579	-	-	-	-	-	214,579
Unearned reinsurance commission	39	151	-	3,508	-	-	3,698
Due to related parties	-	-	-	-	298	-	298
End-of-service indemnities	-	-	-	-	3,881	-	3,881
Zakat	-	-	-	-	-	2,024	2,024
Accrued commission income payable to SAMA	-	-	-	-	-	1,284	1,284
Total liabilities	248,187	180,469	28,628	74,837	9,090	4,337	545,548

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

15 SEGMENT INFORMATION (continued)

SAR '000					
For the nine months period ended 30 September 2018 (Unaudited)					
Operating segments	Protection & Savings	Health Insurance	Motor Insurance	Other General Insurance	Total
REVENUES					
Gross written premiums	20,787	80,113	11,046	30,123	142,069
Reinsurance premiums ceded	(12,854)	(11,641)	-	(25,909)	(50,404)
Excess of loss premiums	(18)	-	(388)	(442)	(848)
Net premiums written	7,915	68,472	10,658	3,772	90,817
Net changes in unearned premiums	(982)	70,809	8,271	523	78,621
Net premiums earned	6,933	139,281	18,929	4,295	169,438
Reinsurance commissions	2,247	821	-	6,338	9,406
Other underwriting income	1,112	-	1,821	112	3,045
TOTAL REVENUES	10,292	140,102	20,750	10,745	181,889
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid	(11,207)	(155,451)	(15,108)	(1,980)	(183,746)
Surrenders and maturities	(30,365)	-	-	-	(30,365)
Expenses incurred related to claims	-	(4,628)	-	-	(4,628)
Reinsurers' share of claims paid	35,832	3,013	-	1,913	40,758
Net claims and other benefits paid	(5,740)	(157,066)	(15,108)	(67)	(177,981)
Changes in outstanding claims, net	1,322	1,105	(1,509)	(130)	788
Changes in IBNR, net	(385)	23,892	893	(483)	23,917
Net claims and other benefits incurred	(4,803)	(132,069)	(15,724)	(680)	(153,276)
Change in Premium Deficiency Reserve	-	6,647	-	-	6,647
Policy acquisition costs	(1,379)	(11,396)	(2,009)	(3,037)	(17,821)
Inspection and supervisory fees	(100)	(2,195)	(97)	(165)	(2,557)
Other underwriting expenses	-	(763)	(77)	-	(840)
TOTAL UNDERWRITING COSTS AND EXPENSES	(6,282)	(139,776)	(17,907)	(3,882)	(167,847)
NET UNDERWRITING INCOME / (LOSS)	4,010	326	2,843	6,863	14,042
OTHER OPERATING (EXPENSES)/ INCOME					
General and administrative expenses					(37,571)
(Allowance for)/ Reversal of doubtful debts					3,596
Commission income on deposits/sukuks					5,810
TOTAL OTHER OPERATING (EXPENSES)/ INCOME					(28,165)
Total (Loss) for the period					(14,123)

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

15 SEGMENT INFORMATION (continued)

SAR '000					
For the three months period ended 30 September 2018 (Unaudited)					
Operating segments	Protection & Savings	Health Insurance	Motor Insurance	Other General Insurance	Total
REVENUES					
Gross written premiums	4,941	1,190	1,619	7,970	15,720
Reinsurance premiums ceded	(3,082)	(6,267)	-	(7,394)	(16,743)
Excess of loss premiums	(18)	-	(12)	(44)	(74)
Net premiums written	1,841	(5,077)	1,607	532	(1,097)
Net changes in unearned premiums	(206)	35,000	3,085	96	37,975
Net premiums earned	1,635	29,923	4,692	628	36,878
Reinsurance commissions	652	237	-	2,112	3,001
Other underwriting income	390	-	445	47	882
TOTAL REVENUES	2,677	30,160	5,137	2,787	40,761
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid	(3,364)	(47,113)	(4,288)	(1,820)	(56,585)
Surrenders and maturities	(6,031)	-	-	-	(6,031)
Expenses incurred related to claims	-	(1,063)	-	-	(1,063)
Reinsurers' share of claims paid	8,393	204	-	1,802	10,399
Net claims and other benefits paid	(1,002)	(47,972)	(4,288)	(18)	(53,280)
Changes in outstanding claims, net	1,820	627	1,289	(40)	3,696
Changes in IBNR, net	(497)	23,096	(308)	286	22,577
Net claims and other benefits incurred	321	(24,249)	(3,307)	228	(27,007)
Change in Premium Deficiency Reserve	-	3,566	-	-	3,566
Policy acquisition costs	(470)	(2,747)	(488)	(1,075)	(4,780)
Inspection and supervisory fees	(27)	(513)	(24)	(46)	(610)
Other underwriting expenses	-	(156)	(18)	-	(174)
TOTAL UNDERWRITING COSTS AND EXPENSES	(176)	(24,099)	(3,837)	(893)	(29,005)
NET UNDERWRITING INCOME / (LOSS)	2,501	6,061	1,300	1,894	11,756
OTHER OPERATING (EXPENSES)/ INCOME					
General and administrative expenses					(12,744)
(Allowance for)/ Reversal of doubtful debts					1,851
Commission income on deposits/sukuks					1,890
TOTAL OTHER OPERATING (EXPENSES)/ INCOME					(9,003)
Total Profit for the period					2,753

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

15 SEGMENT INFORMATION (continued)

SAR '000					
For the nine months period ended 30 September 2017 (Unaudited)					
Operating segments	Protection & Savings	Health Insurance	Motor Insurance	Other General Insurance	Total
REVENUES					
Gross written premiums	24,014	200,564	33,367	36,411	294,356
Reinsurance premiums ceded	(13,435)	(6,701)	-	(33,358)	(53,494)
Excess of loss premiums	(23)	-	(617)	(340)	(980)
Net premiums written	10,556	193,863	32,750	2,713	239,882
Net changes in unearned premiums	(331)	(56,219)	(12,543)	320	(68,773)
Net premiums earned	10,225	137,644	20,207	3,033	171,109
Reinsurance commissions	1,886	735	-	7,480	10,101
Other underwriting income	1,134	-	3,194	152	4,480
TOTAL REVENUES	13,245	138,379	23,401	10,665	185,690
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid	(5,623)	(106,812)	(9,834)	(2,975)	(125,244)
Surrenders and maturities	(22,397)	-	-	-	(22,397)
Expenses incurred related to claims	-	(4,114)	-	-	(4,114)
Reinsurers' share of claims paid	24,679	4,346	-	2,880	31,905
Net claims and other benefits paid	(3,341)	(106,580)	(9,834)	(95)	(119,850)
Changes in outstanding claims, net	(4,952)	19,867	(1,710)	7	13,212
Changes in IBNR, net	2,291	(36,783)	(4,311)	(441)	(39,244)
Net claims and other benefits incurred	(6,002)	(123,496)	(15,855)	(529)	(145,882)
Change in Premium Deficiency Reserve	-	-	-	-	-
Policy acquisition costs	(2,158)	(11,276)	(2,469)	(4,211)	(20,114)
Inspection and supervisory fees	(118)	(2,131)	(104)	(217)	(2,570)
Other underwriting expenses	-	(832)	(239)	(30)	(1,101)
TOTAL UNDERWRITING COSTS AND EXPENSES	(8,278)	(137,735)	(18,667)	(4,987)	(169,667)
NET UNDERWRITING (LOSS)/ INCOME	4,967	644	4,734	5,678	16,023
OTHER OPERATING (EXPENSES)/ INCOME					
General and administrative expenses					(35,534)
Allowance for/ (Reversal of) doubtful debts					(6,479)
Commission income on deposits/sukuks					5,514
TOTAL OTHER OPERATING (EXPENSES)/ INCOME					(36,499)
Total (Loss) for the period					(20,476)

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

15 SEGMENT INFORMATION (continued)

Operating segments	SAR '000				
	For the three months period ended 30 September 2017				
	(Unaudited)				
	Protection & Savings	Health Insurance	Motor Insurance	Other General Insurance	Total
REVENUES					
Gross written premiums	6,142	80,009	7,980	8,922	103,053
Reinsurance premiums ceded	(3,934)	(1,714)	-	(8,180)	(13,828)
Excess of loss premiums	(23)	-	(62)	(35)	(120)
Net premiums written	2,185	78,295	7,918	707	89,105
Net changes in unearned premiums	1,002	(21,603)	739	14	(19,848)
Net premiums earned	3,187	56,692	8,657	721	69,257
Reinsurance commissions	543	389	-	2,569	3,501
Other underwriting income	358	-	928	31	1,317
TOTAL REVENUES	4,088	57,081	9,585	3,321	74,075
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid	(2,197)	(42,094)	(4,403)	(1,315)	(50,009)
Surrenders and maturities	(7,284)	-	-	-	(7,284)
Expenses incurred related to claims	-	(1,288)	-	-	(1,288)
Reinsurers' share of claims paid	8,318	3,351	-	1,280	12,949
Net claims and other benefits paid	(1,163)	(40,031)	(4,403)	(35)	(45,632)
Changes in outstanding claims, net	(3,673)	1,029	(2)	(1)	(2,647)
Changes in IBNR, net	1,114	(17,943)	(943)	86	(17,686)
Net claims and other benefits incurred	(3,722)	(56,945)	(5,348)	50	(65,965)
Change in Premium Deficiency Reserve	-	-	-	-	-
Policy acquisition costs	(704)	(4,258)	(989)	(1,413)	(7,364)
Inspection and supervisory fees	(36)	(883)	(44)	(73)	(1,036)
Other underwriting expenses	-	(351)	(103)	-	(454)
TOTAL UNDERWRITING COSTS AND EXPENSES	(4,462)	(62,437)	(6,484)	(1,436)	(74,819)
NET UNDERWRITING (LOSS)/ INCOME	(374)	(5,356)	3,101	1,885	(744)
OTHER OPERATING (EXPENSES)/ INCOME					
General and administrative expenses					(10,670)
Allowance for/ (Reversal of) doubtful debts					(922)
Commission income on deposits/sukuks					1,970
TOTAL OTHER OPERATING (EXPENSES)/ INCOME					(9,622)
Total (Loss) for the period					(10,366)

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

16 SUPPLEMENTARY INFORMATION

INTERIM STATEMENT OF FINANCIAL POSITION

SAR '000

	30 September 2018 - (Unaudited)			December 31, 2017 - (Audited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
ASSETS						
Cash and cash equivalents	49,706	16,655	66,361	54,284	4,737	59,021
Short term deposits	53,112	-	53,112	79,051	28,000	107,051
Premiums and reinsurers' receivable - net	19,172	-	19,172	66,078	-	66,078
Reinsurers' share of unearned premiums	16,989	-	16,989	16,027	-	16,027
Reinsurers' share of mathematical reserves	184,539	-	184,539	214,579	-	214,579
Reinsurers' share of outstanding claims	26,087	-	26,087	21,496	-	21,496
Reinsurers' share of claims Incurred but not reported	26,608	-	26,608	23,682	-	23,682
Deferred policy acquisition costs	4,021	-	4,021	11,438	-	11,438
Investments	-	52,759	52,759	-	52,704	52,704
Due from related parties	1,291	-	1,291	419	-	419
Prepaid expenses and other assets	10,708	1,147	11,855	20,687	1,124	21,811
Long term deposits	29,000	60,000	89,000	29,000	60,000	89,000
Due from Insurance / shareholders operations	(1,137)	1,137	-	733	(733)	-
Property and equipment, net	2,439	-	2,439	3,107	-	3,107
Intangible assets, net	619	-	619	630	-	630
Statutory deposit	-	35,000	35,000	-	35,000	35,000
Accrued income on statutory deposit	-	1,935	1,935	-	1,284	1,284
TOTAL ASSETS	423,154	168,633	591,787	541,211	182,116	723,327

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

16. SUPPLEMENTARY INFORMATION (continued)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

	SAR '000					
	30 September 2018 - (Unaudited)			December 31, 2017 - (Audited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
LIABILITIES						
Policyholders claims payable	19,153	-	19,153	8,559	-	8,559
Payables, accruals and others	22,369	2,308	24,677	24,770	1,029	25,799
Reinsurance balances payable	36,356	-	36,356	30,409	-	30,409
Gross unearned premiums	50,618	-	50,618	128,277	-	128,277
Unearned reinsurance commission income	2,456	-	2,456	3,698	-	3,698
Gross outstanding claims	38,617	-	38,617	34,814	-	34,814
Gross claims incurred but not reported	60,990	-	60,990	81,981	-	81,981
Premium Deficiency Reserve	3,298	-	3,298	9,945	-	9,945
Gross mathematical reserves	184,539	-	184,539	214,579	-	214,579
Due to related parties	56	-	56	298	-	298
End-of-service indemnities	4,702	-	4,702	3,881	-	3,881
Zakat	-	2,384	2,384	-	2,024	2,024
Commission on statutory deposit	-	1,935	1,935	-	1,284	1,284
TOTAL LIABILITIES	423,154	6,627	429,781	541,211	4,337	545,548
SHAREHOLDERS' EQUITY						
Share capital	-	180,000	180,000	-	350,000	350,000
Accumulated deficit	-	(17,994)	(17,994)	-	(172,221)	(172,221)
TOTAL SHAREHOLDERS' EQUITY	-	162,006	162,006	-	177,779	177,779
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	423,154	168,633	591,787	541,211	182,116	723,327

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

16. SUPPLEMENTARY INFORMATION (continued)

INTERIM STATEMENT OF INCOME (UNAUDITED)

For the three months period ended

	SAR '000					
	30 September 2018 (Unaudited)			30 September 2017 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
Gross written premiums	15,720	-	15,720	103,053	-	103,053
Reinsurance premiums ceded	(16,743)	-	(16,743)	(13,828)	-	(13,828)
Excess of loss premiums	(74)	-	(74)	(120)	-	(120)
NET WRITTEN PREMIUMS	(1,097)	-	(1,097)	89,105	-	89,105
Net changes in unearned premiums	37,975	-	37,975	(19,848)	-	(19,848)
NET EARNED PREMIUMS	36,878	-	36,878	69,257	-	69,257
Reinsurance commission earned	3,001	-	3,001	3,501	-	3,501
Other underwriting income	882	-	882	1,317	-	1,317
TOTAL REVENUE	40,761	-	40,761	74,075	-	74,075
Gross claims paid	(56,585)	-	(56,585)	(50,009)	-	(50,009)
Surrenders and maturities	(6,031)	-	(6,031)	(7,284)	-	(7,284)
Expenses incurred related to claims	(1,063)	-	(1,063)	(1,288)	-	(1,288)
Reinsurers' share of claims paid	10,399	-	10,399	12,949	-	12,949
NET CLAIMS PAID	(53,280)	-	(53,280)	(45,632)	-	(45,632)
Changes in outstanding claims, net	3,696	-	3,696	(2,647)	-	(2,647)
Changes in IBNR, net	22,577	-	22,577	(17,686)	-	(17,686)
NET CLAIMS INCURRED	(27,007)	-	(27,007)	(65,965)	-	(65,965)
Change in Premium Deficiency Reserve	3,566	-	3,566	-	-	-
Commissions incurred	(4,780)	-	(4,780)	(7,364)	-	(7,364)
Inspection and supervisory fees	(610)	-	(610)	(1,036)	-	(1,036)
Other direct underwriting expense	(174)	-	(174)	(454)	-	(454)
TOTAL UNDERWRITING COSTS AND EXPENSES	(29,005)	-	(29,005)	(74,819)	-	(74,819)
NET UNDERWRITING (LOSS)/ INCOME	11,756	-	11,756	(744)	-	(744)
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for/ (Reversal of) doubtful debts	1,851	-	1,851	(922)	-	(922)
General and administration expenses	(12,366)	(378)	(12,744)	(10,356)	(314)	(10,670)
Special commission income	955	935	1,890	599	1,371	1,970
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(9,560)	557	(9,003)	(10,679)	1,057	(9,622)
TOTAL INCOME / (LOSS) FOR THE PERIOD	2,196	557	2,753	(11,423)	1,057	(10,366)
Appropriation of deficit from/to insurance/shareholders' operations	(2,196)	2,196	-	11,423	(11,423)	-
NET RESULT FOR THE PERIOD	-	2,753	2,753	-	(10,366)	(10,366)

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For the period ended 30 September 2018

16. SUPPLEMENTARY INFORMATION (continued)

INTERIM STATEMENT OF INCOME (UNAUDITED)

For the nine months period ended

	SAR '000					
	30 September 2018 (Unaudited)			30 September 2017 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
Gross written premiums	142,069	-	142,069	294,356	-	294,356
Reinsurance premiums ceded	(50,404)	-	(50,404)	(53,494)	-	(53,494)
Excess of loss premiums	(848)	-	(848)	(980)	-	(980)
NET WRITTEN PREMIUMS	90,817	-	90,817	239,882	-	239,882
Net changes in unearned premiums	78,621	-	78,621	(68,773)	-	(68,773)
NET EARNED PREMIUMS	169,438	-	169,438	171,109	-	171,109
Reinsurance commission earned	9,406	-	9,406	10,101	-	10,101
Other underwriting income	3,045	-	3,045	4,480	-	4,480
TOTAL REVENUE	181,889	-	181,889	185,690	-	185,690
Gross claims paid	(183,746)	-	(183,746)	(125,244)	-	(125,244)
Surrenders and maturities	(30,365)	-	(30,365)	(22,397)	-	(22,397)
Expenses incurred related to claims	(4,628)	-	(4,628)	(4,114)	-	(4,114)
Reinsurers' share of claims paid	40,758	-	40,758	31,905	-	31,905
NET CLAIMS PAID	(177,981)	-	(177,981)	(119,850)	-	(119,850)
Changes in outstanding claims, net	788	-	788	13,212	-	13,212
Changes in IBNR, net	23,917	-	23,917	(39,244)	-	(39,244)
NET CLAIMS INCURRED	(153,276)	-	(153,276)	(145,882)	-	(145,882)
Change in Premium Deficiency Reserve	6,647	-	6,647	-	-	-
Commissions incurred	(17,821)	-	(17,821)	(20,114)	-	(20,114)
Inspection and supervisory fees	(2,557)	-	(2,557)	(2,570)	-	(2,570)
Other direct underwriting expense	(840)	-	(840)	(1,101)	-	(1,101)
TOTAL UNDERWRITING COSTS AND EXPENSES	(167,847)	-	(167,847)	(169,667)	-	(169,667)
NET UNDERWRITING (LOSS)/ INCOME	14,042	-	14,042	16,023	-	16,023
OTHER OPERATING (EXPENSES)/ INCOME (Allowance for)/ Reversal of doubtful debts	3,596	-	3,596	(6,479)	-	(6,479)
General and administration expenses	(36,261)	(1,310)	(37,571)	(34,279)	(1,255)	(35,534)
Special commission income	2,620	3,190	5,810	1,380	4,134	5,514
Dividend income	-	-	-	-	-	-
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(30,045)	1,880	(28,165)	(39,378)	2,879	(36,499)
TOTAL INCOME / (LOSS) FOR THE PERIOD	(16,003)	1,880	(14,123)	(23,355)	2,879	(20,476)
Appropriation of deficit from/to insurance/shareholders operations	16,003	(16,003)	-	23,355	(23,355)	-
NET RESULT FOR THE PERIOD	-	(14,123)	(14,123)	-	(20,476)	(20,476)

MetLife, American International Group and Arab National Bank
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

16. SUPPLEMENTARY INFORMATION (continued)

INTERIM STATEMENT OF CASH FLOWS (Unaudited)

For the nine months period ended

SAR '000

	30 September 2018 (Unaudited)			30 September 2017 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
Net result for the period	-	(14,123)	(14,123)	-	(20,476)	(20,476)
<i>Adjustments for non-cash items:</i>						
Shareholders' appropriation from deficit	(16,083)	16,083	-	(23,355)	23,355	-
Depreciation of property and equipment	847	-	847	1,332	-	1,332
(Gain)/loss on disposal of property and equipment	-	-	-	7	-	7
Amortization of intangible assets	200	-	200	209	-	209
Provision for doubtful receivables	(3,596)	-	(3,596)	6,479	-	6,479
Special commission income	(2,620)	(3,190)	(5,810)	(1,380)	(4,134)	(5,514)
Amortization of Discount / Premium on HTM	-	(55)	(55)	-	(54)	(54)
Provision for end-of-service indemnities	821	-	821	900	-	900
	(20,351)	(1,365)	(21,716)	(15,808)	(1,309)	(17,117)
<i>Changes in operating assets and liabilities:</i>						
Premiums and reinsurers' receivable – net	50,502	-	50,502	(50,852)	-	(50,852)
Reinsurers' share of unearned premiums	(962)	-	(962)	4,424	-	4,424
Reinsurers' share of mathematical reserves	30,040	-	30,040	14,176	-	14,176
Reinsurers' share of outstanding claims	(4,591)	-	(4,591)	(3,028)	-	(3,028)
Reinsurers' share of claims incurred but not reported	(2,926)	-	(2,926)	(3,400)	-	(3,400)
Deferred policy acquisition costs	7,417	-	7,417	(5,235)	-	(5,235)
Due from related parties	(872)	-	(872)	1,488	-	1,488
Prepaid expenses and other assets	10,023	(28)	9,995	(7,643)	(52)	(7,695)
Due to/from insurance/shareholders operations	17,873	(17,873)	-	23,766	(23,766)	-
Policyholders claims payable	10,594	-	10,594	11,105	-	11,105
Payables, accruals and others	(2,401)	1,279	(1,122)	3,297	(199)	3,098
Reinsurance balances payable	5,947	-	5,947	14,329	-	14,329
Gross unearned premiums	(77,659)	-	(77,659)	64,349	-	64,349
Unearned reinsurance commission income	(1,242)	-	(1,242)	(472)	-	(472)
Gross outstanding claims	3,803	-	3,803	(10,184)	-	(10,184)
Gross claims incurred but not reported	(20,991)	-	(20,991)	42,644	-	42,644
Premium Deficiency Reserve	(6,647)	-	(6,647)	-	-	-
Gross mathematical reserves	(30,040)	-	(30,040)	(14,176)	-	(14,176)
Due to related parties	(242)	-	(242)	(1,814)	-	(1,814)
Zakat Paid	-	(1,080)	(1,080)	-	-	-
Employees' terminal benefits paid	-	-	-	(60)	-	(60)
Net cash (used in) / from operating activities	(32,725)	(19,067)	(51,792)	66,906	(25,326)	41,580

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

16. SUPPLEMENTARY INFORMATION (continued)

INTERIM STATEMENT OF CASH FLOWS (Unaudited) (continued)

For the nine months period ended

	SAR '000					
	30 September 2018 (Unaudited)			30 September 2017 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
INVESTING ACTIVITIES						
Short term deposits	25,939	28,000	53,939	(52,034)	1,000	(51,034)
Special commission income received	2,576	3,195	5,771	1,105	3,600	4,705
Long term deposits	-	-	-	(29,000)	(60,000)	(89,000)
Purchase of property and equipment	(179)	-	(179)	(908)	-	(908)
Purchase of Intangible assets	(189)	-	(189)	(211)	-	(211)
Net cash used in investing activities	28,147	31,195	59,342	(81,048)	(55,400)	(136,448)
FINANCING ACTIVITIES						
Transaction costs on capital reduction	-	(210)	(210)	-	-	-
Net cash used in financing activities	-	(210)	(210)	-	-	-
INCREASE IN CASH AND CASH EQUIVALENTS	(4,578)	11,918	7,340	(14,142)	(80,726)	(94,868)
Cash and cash equivalents at the beginning of the period	54,284	4,737	59,021	44,785	104,002	148,787
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	49,706	16,655	66,361	30,643	23,276	53,919

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the period ended 30 September 2018

17 CAPITAL MANAGEMENT

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximise shareholders' value.

The Company manages its capital to ensure that it is able to continue as going concern and comply with SAMA's capital requirements in the Kingdom of Saudi Arabia while maximising the return to stakeholders through the equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital and reserves.

The operations of the Company are subject to local regulatory requirements within the jurisdiction where it is incorporated. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimise the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

The Company continuously reassesses its capital needs to maintain sufficient liquid resources and accordingly comply with the prescribed requirements for maintaining solvency margins (see note 12 and 2 (a)).

18 COMPARATIVE FIGURES

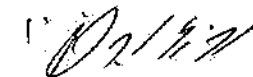
Certain figures for the prior period have been reclassified to conform to the presentation made in the current period; however, the impact of such reclassifications was not material to the overall presentation of the interim condensed financial information.

19 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

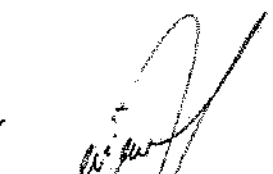
The interim condensed financial information has been approved on 30 Safar 1440H corresponding to (8 November 2018 G).



Managing Director/
Chief Executive Officer



Chairman of the
Board of Directors



Chief Financial
Officer