

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

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

FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

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

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

Introduction:

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

Scope of Review:

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

Conclusion:

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

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3 May 2018
17 Shaban 1439

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

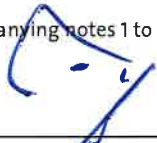
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2018 (Unaudited)	31 December 2017 (Audited)
SAR' 000			
ASSETS			
Cash and cash equivalents	3	149,748	107,863
Investments	4	52,070	183,497
Premiums and reinsurance receivables, net	5	132,065	126,390
Reinsurers' share of unearned premiums	7.2	61,426	30,297
Reinsurers' share of outstanding claims	7.1	68,928	128,954
Reinsurers' share of claims incurred but not reported	7.1	18,380	18,156
Reinsurers' share of other reserves	7.1	-	905
Deferred policy acquisition costs		12,221	7,529
Prepayments and other assets		9,063	14,746
Due from related parties	12	986	8
Murabaha deposits	6	93,705	-
Statutory deposit	14	45,000	45,000
Property and equipment		10,233	7,111
Unit linked investments		16,761	8,400
TOTAL ASSETS		670,586	678,856
LIABILITIES			
Outstanding claims	7.1	102,786	142,455
Claims incurred but not reported	7.1	29,680	39,221
Other reserves	7.1	533	1,857
Premium deficiency reserves		836	-
Unearned premiums	7.2	134,004	76,138
Reinsurance balances payable		58,057	61,390
Unearned reinsurance commission		9,823	6,661
Accrued expenses and other liabilities		48,823	50,989
Zakat and income tax payable	8	4,236	5,024
Unit linked liabilities		16,761	8,400
Retirement benefit obligations	9	5,358	4,273
TOTAL LIABILITIES		410,897	396,408
INSURANCE OPERATIONS DEFICIT			
Remeasurement of retirement benefit obligation	9	(647)	(325)
SHAREHOLDERS' EQUITY			
Issued, authorised and paid up share capital	10	300,000	300,000
Accumulated losses		(39,664)	(17,227)
TOTAL SHAREHOLDERS' EQUITY		260,336	282,773
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		670,586	678,856

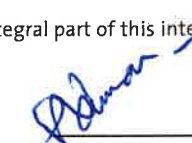
CONTINGENCIES AND COMMITMENTS

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



Director



Chief Financial Officer




Chief Executive Officer

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)
For the three months and nine months period ended 30 September

	Note	Three months	Nine months	Three months	Nine months
		Period ended	period ended	Period ended	period ended
		30 September 2018	30 September 2018	30 September 2017	30 September 2017
		SAR' 000		SAR' 000	
REVENUES					
Gross premiums written	7.2	65,751	308,667	50,504	257,162
Fee income from insurance contracts	7.2	9	70	15	54
Reinsurance premiums ceded					
- Local		(2,879)	(7,717)	(1,545)	(6,741)
- Foreign		(34,969)	(119,709)	(19,937)	(121,682)
Excess of loss expenses		(2,050)	(6,185)	(1,623)	(4,541)
Net premiums written		25,862	175,126	27,414	124,252
Changes in unearned premiums, net		25,569	(26,737)	7,403	(26,242)
Net premiums earned		51,431	148,389	34,817	98,010
Reinsurance commission earned		5,225	15,964	6,072	19,132
Other underwriting income		-	406	-	955
Total revenues		56,656	164,759	40,889	118,097
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid		(60,171)	(141,114)	(29,800)	(149,792)
Surrenders		(95)	(522)	-	(52)
Reinsurers' share of claims paid		25,894	47,945	11,775	91,507
Net claims and other benefits paid		(34,372)	(93,691)	(18,025)	(58,337)
Changes in outstanding claims, net		(8,710)	(20,357)	(3,864)	3,775
Changes in incurred but not reported claims, net		9,665	9,765	451	(5,194)
Changes in other reserves, net		-	419	3,531	3,531
Net claims and other benefits incurred		(33,417)	(103,864)	(17,907)	(56,225)
Changes in premium deficiency reserves		-	(836)	-	-
Changes in unit linked reserves		(1,639)	(8,361)	(1,296)	(2,997)
Policy acquisition costs		(8,340)	(22,133)	(6,155)	(17,282)
Other underwriting expenses		(324)	(1,592)	185	(1,310)
Total underwriting costs and expenses		(43,720)	(136,786)	(25,173)	(77,814)
NET UNDERWRITING INCOME		12,936	27,973	15,716	40,283
OPERATING (EXPENSES) / INCOME					
General and administrative expenses		(14,332)	(45,874)	(13,677)	(38,299)
Provision for doubtful receivables		(3,209)	(6,913)	(7,272)	(14,861)
Unrealized gain on investments		(311)	4,895	1,895	2,799
Realized (loss) / gain on investments		191	1,532	102	1,016
Total operating expenses - net		(17,661)	(46,360)	(18,952)	(49,345)
Loss for the period		(4,725)	(18,387)	(3,236)	(9,062)
Appropriation to insurance operations		-	-	-	-
Total loss for the period attributable to the shareholders		(4,725)	(18,387)	(3,236)	(9,062)
Loss per share (SR)	11	(0.16)	(0.61)	(0.11)	(0.30)
Number of outstanding shares	11	30,000	30,000	30,000	30,000
				Restated	Restated

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


Director


Chief Financial Officer


Chief Executive Officer


ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the three months and nine months period ended 30 September

	Note	Three months Period ended 30 September 2018 SAR' 000	Nine months period ended 30 September 2018 SAR' 000	Three months Period ended 30 September 2017 SAR' 000	Nine months period ended 30 September 2017 SAR' 000
Net loss for the period		(4,725)	(18,387)	(3,236)	(9,062)
Other comprehensive loss:					
Items that will not be reclassified to statement of income in subsequent periods					
- Actuarial gain / (loss) on retirement benefit obligation	9	114	(322)	-	-
Total comprehensive loss for the period		(4,611)	(18,709)	(3,236)	(9,062)
Total comprehensive income for the period attributed to Insurance Operations		114	(322)	-	-
Total comprehensive loss for the period attributed to Shareholders		(4,725)	(18,387)	(3,236)	(9,062)

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



Director



Chief Financial Officer



Chief Executive Officer


ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

For the nine months period ended 30 September

	Note	Share capital	Accumulated losses	Total
		SAR'000		
2018				
Balance as at 31 December 2017	10	300,000	(17,227)	282,773
Total comprehensive loss for the period		-	(18,387)	(18,387)
Zakat charge for the period	8	-	(4,050)	(4,050)
Balance as at 30 September 2018		300,000	(39,664)	260,336
2017				
Balance as at 31 December 2016	10	450,000	(158,346)	291,654
Reduction in share capital / accumulated losses		(150,000)	150,000	-
Transaction cost relating to reduction in share capital			(403)	(403)
Total comprehensive loss for the period		-	(9,062)	(9,062)
Zakat charge for the period	8	-	(3,052)	(3,052)
Balance as at 30 September 2017		300,000	(20,863)	279,137

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



Director



Chief Financial Officer



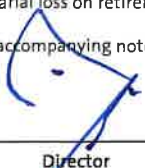
Chief Executive Officer

ALINMA TOKIO MARINE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
For the nine months period ended 30 September

	Note	2018	2017
SAR' 000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		(18,387)	(9,062)
Adjustments for non cash items:			
Depreciation of property and equipment		2,017	1,978
Provision for doubtful receivables		6,913	14,861
Realized gain on FVTIS	4	(780)	(219)
Unrealized gain on FVTIS	4	(1,935)	(1,400)
Provision for retirement benefit obligation	9	1,075	1,573
		(11,097)	7,731
Changes in operating assets and liabilities:			
Premiums and reinsurance receivables		(12,588)	33,021
Reinsurers' share of unearned premiums		(31,129)	(8,444)
Reinsurers' share of outstanding claims		60,026	(18,280)
Reinsurers' share of claims incurred but not reported		(224)	2,130
Reinsurers' share of other reserves		905	-
Deferred policy acquisition costs		(4,692)	(4,980)
Prepayments and other assets		5,683	(8,393)
Due from related parties		(978)	(333)
Unit linked investments		(8,361)	(2,997)
Outstanding claims		(39,669)	14,504
Claims incurred but not reported		(9,541)	3,064
Other reserves		(1,324)	(3,530)
Premium deficiency reserves		836	-
Unearned premiums		57,866	34,686
Reinsurance balances payable		(3,333)	(11,763)
Unearned reinsurance commission		3,162	2,416
Accrued expenses and other liabilities		(2,166)	8,631
Unit linked liabilities		8,361	2,997
Cash generated from operations		11,737	50,460
Retirement benefit obligation paid	9	(312)	(144)
Zakat and income tax paid	8	(4,838)	(4,335)
Net cash generated from operating activities		6,587	45,981
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of murabaha deposits	6	(93,705)	(91,705)
Purchase of investments	4	(114,500)	(236,210)
Proceeds from disposal of investments	4	248,642	209,553
Purchase of property and equipment		(5,139)	(1,415)
Net cash generated from / (used in) investing activities		35,298	(119,777)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction cost relating to reduction of Capital		-	(403)
Net cash used in financing activities		-	(403)
Net change in cash and cash equivalents		41,885	(74,199)
Cash and cash equivalents at the beginning of the period		107,863	140,310
Cash and cash equivalents at the end of the period	3	149,748	66,111
Non cash transactions			
Actuarial loss on retirement benefit obligations	9	322	-

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


Director


Chief Financial Officer


Chief Executive Officer

1 REPORTING ENTITY AND OPERATIONS

Alinma Tokio Marine Company ("the Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per Ministry of Commerce and Industry's Resolution number 309/Q dated 19 Rajab 1433H (corresponding to 9 June 2012). The Commercial Registration number of the Company is 1010342527, dated 28 Rajab 1433H (corresponding to 18 June 2012). The Company is listed on the Saudi Arabian Stock Exchange ("Tadawul") since 24 June 2012. The Registered Office of the Company's head office is as follows:

King Fahad Road
P.O. Box 643
Riyadh 11421
Kingdom of Saudi Arabia.

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

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

2 BASIS OF PREPARATION

2.1 Basis of presentation

The interim condensed financial information of the Company for the three and nine months period ended 30 September 2018 have been prepared using the International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as modified by SAMA for the accounting of zakat and income tax, which requires, adoption of all IFRSs as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax. As per the SAMA Circular no. 381000074519 dated 14 Rajab 1438H (corresponding to 11 April 2017) and subsequent amendments through certain clarifications relating to the accounting for zakat and income tax ("SAMA Circular"), the Zakat and Income tax are to be accrued on a quarterly basis through shareholders equity under retained earnings. This change in framework resulted in a change in accounting policy for zakat and income tax.

In accordance with Article 70 of the SAMA Implementing Regulations, the Company must distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors and as stipulated by SAMA circular, provided the customer contract (policy) is active and paid-up to date at the time of settlement of the cooperative distribution amount. Losses incurred by insurance operations are absorbed by shareholders' operations. As per the by-laws of the Company, surplus arising from insurance operations is distributed between shareholders and policyholders at 90 % and 10 % respectively while any deficit pertaining to insurance operations will be borne by the shareholders in full.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

2 BASIS OF PREPARATION (Continued)

2.1 Basis of presentation (Continued)

As required by the law, the Company maintains separate accounts for insurance operations and shareholders' operations and presents the financial information accordingly. The physical custody and title of all assets related to the insurance operations and shareholders' operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined by Management and the Board of Directors of the Company

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

Estimation uncertainty

The preparation of the interim condensed financial information requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of assets or liabilities affected in the future.

2.5 New standards and amendments to existing standards

The significant accounting policies adopted in the preparation of these interim condensed financial information are consistent with those followed in the preparation of the previous financial year, except for the following new and amended IFRSs and IFRIC interpretations. The Company has applied number of amendments to IFRSs and new interpretations issued by International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 1 January 2018. The adoption of new standards, amendments and revisions to existing standards, as mentioned below, had no significant financial impact on the financial information of the Company

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

2 BASIS OF PREPARATION (Continued)

2.5 New standards and amendments to existing standards (Continued)

IFRS 2 Share-based payment

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

IFRS 17 - Insurance Contracts

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

IFRS 15 Revenue from contracts with customers

IFRS 15 – “Revenue from Contracts with Customers” applicable from 1 January 2018 presents a five-step model to determine when to recognize revenue, and at what amount. The application of this standard could have a significant impact on how and when revenue is recognized (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), with new estimates and judgments, and the possibility of revenue recognition being accelerated or deferred. The management believe that adoption of IFRS 15 has no material impact on the Company's interim condensed financial information.

IFRS 16 Leases

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

IFRS 9 Financial Instruments

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

3 CASH AND CASH EQUIVALENTS

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Cash in hand	35	-	35	45	1,474	1,519
Cash at banks – current accounts	54,504	25,209	79,713	14,639	-	14,639
Short term murabah deposits	-	70,000	70,000	-	91,705	91,705
Total	54,539	95,209	149,748	14,684	93,179	107,863

Cash at bank includes an amount of SR 63.14 million (2017: SR 14.79 million) held with Alinma Bank, a related party.

Short-term Murabaha deposits represent deposits with local financial institutions that have investment grade credit ratings and have an original maturity of less than three months from the date of acquisition, yielding an average profit rate of 2.80% (2017: 2.2%) per annum.

4 INVESTMENTS

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Available for sale investments	-	1,923	1,923	-	1,923	1,923
Investments at fair value through statement of income (FVTSI)	59	37,616	37,675	46,436	121,427	167,863
Investments at held to maturity	-	12,472	12,472	-	13,711	13,711
Total	59	52,011	52,070	46,436	137,061	183,497

The movement during the period is as follows:

Available for sale investments

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning and end	-	1,923	1,923	-	1,923	1,923

Investments at fair value through statement of income (FVTSI)

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	46,436	121,427	167,863	-	83,379	83,379
Purchases	89,000	25,500	114,500	114,000	227,295	341,295
Disposals	(135,933)	(112,156)	(248,089)	(68,000)	(191,000)	(259,000)
Realised gain	161	619	780	39	214	253
Unrealised gain	395	2,226	2,621	397	1,539	1,936
Balance at the end	59	37,616	37,675	46,436	121,427	167,863

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

4 INVESTMENTS (continued)

Investments at held to maturity

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	13,711	13,711	-	14,448	14,448
Redemptions	-	(553)	(553)	-	(737)	(737)
Unrealized loss	-	(686)	(686)	-	-	-
Balance at the end	-	12,472	12,472	-	13,711	13,711

DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

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

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

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

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

Shareholders' operations

	SAR'000			
	Level 1	Level 2	Level 3	Total
As at 30 September 2018 (unaudited)				
Available for sale investments				
- Investments in unquoted equity	-	-	1,923	1,923
Investments at fair value through statement of income				
- Investments in mutual funds, discretionary portfolios and real estate fund	21,696	10,780	5,140	37,616
Investments at held to maturity				
- Sukuks	-	12,472	-	12,472
Total	21,696	23,252	7,063	52,011
	SAR'000			
As at 31 December 2017 (Audited)	Level 1	Level 2	Level 3	Total
Available for sale investments				
- Investments in unquoted equity	-	-	1,923	1,923
Investments at fair value through statement of income				
- Investments in equity shares, mutual funds discretionary portfolios and real estate funds	105,507	10,780	5,140	121,427
Investments at held to maturity				
- Sukuks	-	13,711	-	13,711
Total	105,507	24,491	7,063	137,061

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

4 INVESTMENTS (continued)

Shareholders' operations (continued)

Transfer between levels

The following table presents the transfer between levels for the period ended 30 September 2018

Shareholders' operations	SAR'000			
	Level 1	Level 2	Level 3	Total
As at 30 September 2018 (unaudited)				
Transfer between level 1 and level 2				
Units in real estate fund	(10,780)	10,780	-	-
Transfer between level 1 and level 3				
Units in real estate fund	(5,140)	-	5,140	-

The units in the real estate funds were transferred to level 2 and level 3 due to unavailability of quoted prices.

Insurance operations

As at 30 September 2018 (unaudited)	SAR'000			
	Level 1	Level 2	Level 3	Total
Investments at fair value through statement of income				
- Investments in mutual funds	59	-	-	59
Total	59	-	-	59

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

5 PREMIUMS AND REINSURANCE RECEIVABLES - NET

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Policyholders	124,794	-	124,794	77,485	-	77,485
Related parties (note 14)	14,244	-	14,244	6,567	-	6,567
Reinsurance receivables	17,203	-	17,203	59,601	-	59,601
	156,241	-	156,241	143,653	-	143,653
Provision for doubtful receivables	(24,176)	-	(24,176)	(17,263)	-	(17,263)
	132,065	-	132,065	126,390	-	126,390

6 MURABAHA DEPOSITS

Murabaha deposits represents deposits with foreign banks that have investment grade credit ratings and have an original maturity of more than three months from the date of acquisition, yielding an average profit rat of 3.20% (2017: 2.20%) per annum.

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7 TECHNICAL RESERVES

7.1 NET OUTSTANDING CLAIMS AND RESERVES

	As at 30 September 2018 Unaudited	As at 31 December 2017 Audited
	SAR'000	
Outstanding claims	105,735	151,170
Less: Realizable value of salvage and subrogation	(2,949)	(8,715)
	102,786	142,455
Claims incurred but not reported	29,680	39,221
Other technical reserves	533	1,857
	132,999	183,533
Less:		
Reinsurers' share of outstanding claims	(68,928)	(128,954)
Reinsurers' share of claims Incurred but not reported	(18,380)	(18,156)
Reinsurers' share of other reserves	-	(905)
	(87,308)	(148,015)
Net Outstanding claims and reserves	45,691	35,518

7.2 MOVEMENT IN UNEARNED PREMIUMS

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	SAR'000			SAR'000		
Balance at the beginning	76,138	(30,297)	45,841	75,403	(40,429)	34,974
Premium written	308,667	(133,611)	175,056	296,723	(149,732)	146,991
Policy fee	70	-	70	98	-	98
Premium earned	(250,871)	102,482	(148,389)	(296,086)	159,864	(136,222)
Balance at the end	134,004	(61,426)	72,578	76,138	(30,297)	45,841

8 ZAKAT AND INCOME TAX PAYABLE

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Zakat payable	-	4,076	4,076	-	4,398	4,398
Income tax payable	-	160	160	-	626	626
Zakat and income tax payable	-	4,236	4,236	-	5,024	5,024

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8 ZAKAT AND INCOME TAX (continued)

Zakat:

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

The movement in Zakat provision is as follows:

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	4,398	4,398	-	4,217	4,217
Zakat charge	-	4,050	4,050	-	4,516	4,516
Zakat payment made	-	(4,372)	(4,372)	-	(4,335)	(4,335)
Balance at the end	-	4,076	4,076	-	4,398	4,398

Status of Assessments

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

Income tax:

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

The movement in income tax provision is as follows:

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	626	626	-	(17)	(17)
Income tax paid	-	(466)	(466)	-	643	643
Balance at the end	-	160	160	-	626	626

9 RETIREMENT BENEFIT OBLIGATION

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

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

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9 RETIREMENT BENEFIT OBLIGATION (continued)

Principal actuarial assumption at:	30 September 2018	31 December 2017
Discount rate	4.00%	4.00%
Expected rate of salary increase	3.00%	3.00%

Amount recognised in the interim condensed statement of financial position

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Present value of retirement benefits obligation	5,358	-	5,358	4,273	-	4,273
Fair value of retirement benefit obligation	5,358	-	5,358	4,273	-	4,273
Net liability at the end	5,358	-	5,358	4,273	-	4,273

Amount recognised in the interim condensed Statement of Income

	For the three months period ended 30 September 2018 (unaudited)			For the three months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Current service cost	323	-	323	389	-	389
Commission rate cost	50	-	50	-	-	-
Benefit expense	107	-	107	45	-	45

	For the nine months period ended 30 September 2018 (unaudited)			For the nine months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Current service cost	935	-	935	1,573	-	1,573
Commission rate cost	140	-	140	-	-	-
Benefit expense	312	-	312	144	-	144

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9 RETIREMENT BENEFIT OBLIGATION (continued)

Amount recognised in the interim condensed statement of financial position

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Present value of retirement benefit obligation						
at the beginning	4,273	-	4,273	2,783	-	2,783
Current service cost	935	-	935	1,280	-	1,280
Commission rate cost	140	-	140	118	-	118
Actuarial loss on end of service benefits	322	-	322	325	-	325
Benefits paid	(312)	-	(312)	(233)	-	(233)
Present value of retirement benefits						
at the end	5,358	-	5,358	4,273	-	4,273

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

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Net liability at the beginning	4,273	-	4,273	2,783	-	2,783
Charge recognised in interim condensed statement of income	1,075	-	1,075	1,398	-	1,398
Actuarial loss recognised in other comprehensive income	322	-	322	325	-	325
End of service benefits paid	(312)	-	(312)	(233)	-	(233)
Net liability at the end	5,358	-	5,358	4,273	-	4,273

10 ISSUED, AUTHORISED AND PAID UP SHARE CAPITAL

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

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

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

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

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

11 BASIC AND DILUTED LOSS PER SHARE

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

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

	For the three months period ended 30 September Unaudited	For the nine months period ended 30 September Unaudited	For the three months period ended 30 September Unaudited	For the nine months period ended 30 September Unaudited
Net loss (SR "000")	(4,725)	(18,387)	(3,236)	(9,062)
			Restated	Restated
Weighted average number of ordinary shares ("000")	30,000	30,000	30,000	30,000
Loss per share (restated) SR	(0.16)	(0.61)	(0.11)	(0.30)

12 TRANSACTIONS WITH RELATED PARTIES

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

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. In addition to the notes 3 and 5, following are the details of major related party transactions during and the related balances at the end of the period:

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12 TRANSACTIONS WITH RELATED PARTIES (Continued)

Nature of transactions	For the three months period ended 30 September 2018 (unaudited)			For the three months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Gross written premiums	8,706	-	8,706	6,600	-	6,600
Reinsurance premiums ceded	373	-	373	557	-	557
Claims paid - net of recoveries	4,781	-	4,781	702	-	702
Reinsurance commission	94	-	94	81	-	81
Reinsurance share of claims	55	-	55	63	-	63
General and administrative expenses	670	620	1,290	143	1,273	1,416
<u>Other Related parties:</u>						
Investments	2,347	-	2,347	1,247	-	1,247
Agency commission	559	-	559	97	-	97
	For the nine months period ended 30 September 2018 (unaudited)			For the nine months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Gross written premiums	20,149	-	20,149	19,159	-	19,159
Reinsurance premiums ceded	3,692	-	3,692	2,297	-	2,297
Claims paid - net of recoveries	14,057	-	14,057	10,289	-	10,289
Reinsurance commission	696	-	696	477	-	477
Reinsurance share of claims	125	-	125	23,291	-	23,291
General and administrative expenses	1,386	8,603	9,989	447	2,221	2,668
<u>Other Related parties:</u>						
Investments	11,544	19,615	31,159	3,076	-	3,076
Agency commission	1,286	-	1,286	271	-	271

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12 TRANSACTIONS WITH RELATED PARTIES (Continued)

Closing Balances

	As at 30 September 2018 (unaudited)			As at 31 December 2017 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
<u>Shareholders:</u>						
Premium Receivable	14,244	-	14,244	6,567	-	6,567
Reinsurance premiums payable	5,475	-	5,475	3,897	-	3,897
Claims (recoverable) / payable	352	-	352	339	-	339
Bank Balance	45,935	17,207	63,142	13,328	1,464	14,792
General and administrative expenses	114	1,294	1,408	668	245	913
<u>Other related parties:</u>						
Investments	16,761	37,500	54,261	8,400	54,894	63,294
Agency commission	394	-	394	465	-	465
<u>Information relating to key management personnel:</u>						
	For the three months period ended 30 September 2018 (unaudited)			For the three months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Short term benefits	2,150	-	2,150	1,642	-	1,642
Long term benefits	41	-	41	101	-	101
	For the nine months period ended 30 September 2018 (unaudited)			For the nine months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Short term benefits	3,209	-	3,209	4,262	-	4,262
Long term benefits	227	-	227	764	-	764
<u>Board and sub committees related expenses:</u>						
	For the three months period ended 30 September 2018 (unaudited)			For the three months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Directors' remuneration	-	375	375	-	255	255
Attendance fees	-	85	85	-	123	123

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12 TRANSACTIONS WITH RELATED PARTIES (Continued)

	For the nine months period ended 30 September 2018 (unaudited)			For the nine months period ended 30 September 2017 (unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Directors' remuneration	-	1,125	1,125	-	765	765
Attendance fees	-	257	257	-	369	369

13 CONTINGENCIES AND COMMITMENT

As at 30 September 2018 the Company's banker has issued letters of guarantee of SR 2.08 million (2017: SR 1.18 million) to various customers, motor agencies, workshops and health service providers as per the terms of their respective agreements which have been classified under prepayments and other assets in the statement of financial position. The Company has no capital commitments as at 30 September 2018 and 31 December 2017.

14 STATUTORY DEPOSIT

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

15 SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed income statement. Segment assets and liabilities comprise operating assets and liabilities.

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

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

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

Segment liabilities do not include reinsurance balance payable, accrued expenses and other liabilities and retirement benefit obligation.

Segment results do not include general and administrative expenses.

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

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