

ALHILAL LIFE B.S.C.(c)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Note	2018 USD	2017 USD
ASSETS			
Cash and balances with banks	8	4,016,874	3,883,703
Statutory deposits	9	2,243,491	2,253,653
Investments	10	48,463,736	51,238,230
Reinsurers' share of technical provisions	17	8,249,490	7,141,018
Reinsurers' share of outstanding claims	18	5,510,167	2,795,480
Deferred acquisition costs	11	125,437	220,807
Amounts due from related parties	12, 28	297,053	400,613
Insurance receivables	13	2,346,901	329,459
Intangible assets	14	148,024	36,209
Furniture and equipment	15	73,267	82,790
Other assets	16	956,892	868,303
TOTAL ASSETS		72,431,332	69,250,265
LIABILITIES, PARTICIPANTS' FUND AND EQUITY			
Liabilities			
Technical provisions	17	19,394,813	17,937,062
Outstanding claims	18	8,131,899	4,754,194
Liabilities to unit-linked policyholders	19	25,065,840	28,541,531
Reinsurers' balances payable		2,586,256	1,229,769
Other liabilities	21	1,249,362	1,412,134
Total liabilities		56,428,170	53,874,690
Surplus in participants' fund	22	187,253	263,426
Equity			
Share capital	23	25,000,000	25,000,000
Statutory reserve	24	57,820	57,820
Fair Value Reserve on AFS Investments		(59,065)	-
Accumulated losses		(9,182,846)	(9,945,671)
Total equity		15,815,909	15,112,149
TOTAL LIABILITIES, PARTICIPANTS' FUND AND EQUITY		72,431,332	69,250,265



Sanjeev Bajjal
(Chairman)



Rajeev Gogia
(Director)



Said Hathout
(Acting CEO)

ALHILAL LIFE B.S.C.(c)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
ATTRIBUTABLE TO PARTICIPANTS**

Year ended 31 December 2018

	Note	2018 USD	2017 USD
Revenue			
Gross contributions		9,383,333	9,914,230
Surrenders and maturities		(8,207,052)	(10,070,288)
Unearned contributions adjustment - gross		(925,468)	(423,107)
Earned contributions		250,813	(579,165)
Retakaful share of gross contributions		(1,268,189)	(596,656)
Unearned contributions adjustment - retakaful		568,194	175,728
Retakaful share of earned contributions		(699,995)	(420,928)
Provision for liabilities to unit-linked policyholders	19	3,475,691	2,364,151
Net contributions earned		3,026,509	1,364,058
Fair value (loss) / gain on investments at fair value through profit or loss		(769,673)	641,269
Realized loss on AFS		(52,200)	-
Profit income		101,199	103,021
Total revenues		2,305,835	2,108,348
Expenses			
Claims incurred		(2,597,112)	(900,324)
Reinsurers' share of claims incurred		1,939,621	404,075
Wakala fee	25	(1,749,272)	(1,601,477)
Mudarib share	25	(24,500)	(51,510)
Total expenses		(2,431,263)	(2,149,236)
DEFICIT FOR THE YEAR			
TRANSFERRED TO PARTICIPANTS' FUND	22	(125,428)	(40,888)
Fair value changes arising during the year	22	49,255	(16,070)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(76,173)	(56,958)



Sanjeev Bajjal
(Chairman)



Rajeev Gogia
(Director)



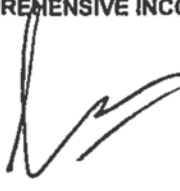
Said Hathout
(Acting CEO)

The attached notes 1 to 29 form part of these consolidated financial statements

ALHILAL LIFE B.S.C.(c)
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
ATTRIBUTABLE TO SHAREHOLDERS**

Year ended 31 December 2018

	Note	2018 USD	2017 USD
Revenue			
Gross written premiums		13,673,962	9,463,583
Reinsurers' share of insurance premiums		(4,980,822)	(2,562,619)
		<u>8,693,140</u>	<u>6,900,964</u>
Premium rebates / refunds		(2,091,669)	(2,751,923)
Reinsurance portion of premium rebates / refunds		96,503	280,389
		<u>6,697,974</u>	<u>4,429,430</u>
Movement in risk reserve		(423,616)	848,801
Movement in reinsurers' share of risk reserve		540,278	(267,883)
		<u>6,814,636</u>	<u>5,010,348</u>
Net premiums earned			
Commission income		-	487
Interest income		1,099,401	940,479
Management fee		447,511	504,094
Wakala fees	25	1,749,272	1,601,477
Other income		179,403	218,907
Mudarib share	25	24,500	51,510
Movement in unearned wakala		(111,241)	(63,660)
Investment income - net	10.2	(6,035)	6,271
		<u>3,382,811</u>	<u>3,259,565</u>
Total revenue		<u>10,197,447</u>	<u>8,269,913</u>
Claims			
Claims incurred		(11,246,927)	(7,274,814)
Reinsurers' share of claims incurred		6,140,240	3,419,515
		<u>(5,106,687)</u>	<u>(3,855,299)</u>
Net claims incurred			
Expenses			
Acquisition costs	20	(350,087)	(301,264)
Staff costs	26	(2,424,325)	(2,536,173)
General and administration expenses	27	(1,553,523)	(1,207,576)
		<u>(4,327,935)</u>	<u>(4,045,013)</u>
Total claims and expenses		<u>(9,434,622)</u>	<u>(7,900,312)</u>
TOTAL PROFIT FOR THE YEAR		<u>762,825</u>	<u>369,601</u>
Other comprehensive income to be reclassified to consolidated statement of income in subsequent years:			
<i>Available-for-sale investments:</i>			
Fair value changes arising during the year		(59,065)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>703,760</u>	<u>369,601</u>



 Sanjeev Bajjal
(Chairman)



 Rajeev Gogia
(Director)



 Said Hathout
(Acting CEO)

ALHILAL LIFE B.S.C.(c)
CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	<i>Note</i>	<i>2018</i> <i>USD</i>	<i>2017</i> <i>USD</i>
OPERATING ACTIVITIES			
Deficit for the year attributable to participants		(125,428)	(40,888)
Profit for the year attributable to shareholders		762,825	369,601
Adjustments for:			
Depreciation	15	39,844	54,982
Amortisation of intangible assets	14	20,606	18,382
Fair value loss / (gain) on investments at fair value through profit or loss		775,708	(647,539)
Interest and profit income		(1,200,600)	(1,043,500)
Loss / (gain) on sale of investments		13,245	-
Fair value reserve on AFS		(9,810)	-
(Gain) / loss on disposals of fixed assets		(6,034)	162
Amortization of held to maturity investments		91,760	93,061
Operating income (loss) before changes in operating assets and liabilities		362,116	(1,195,739)
Changes in operating assets and liabilities:			
Reinsurers' share of technical provisions	17	(1,108,472)	92,155
Reinsurers' share of outstanding claims		(2,714,687)	205,590
Deferred acquisition costs		95,370	180,511
Insurance receivables		(2,017,442)	(326,753)
Other assets		1,656	(303,209)
Technical provisions	17	1,457,751	(362,034)
Outstanding claims		3,377,705	243,522
Unit-linked policyholders' liabilities	19	(3,475,691)	(2,364,151)
Amounts due from related parties		103,560	68,466
Reinsurers' balances payable		1,356,487	549,083
Other liabilities		(162,772)	(1,186,545)
Net cash flows used in operating activities		(2,724,419)	(4,399,104)
INVESTING ACTIVITIES			
Purchase of furniture and equipment	15	(36,355)	(59,905)
Disposal of furniture and equipment	15	12,068	-
Purchase of intangible assets	14	(132,421)	(1,989)
Purchase of investments		(7,447,216)	(6,487,716)
Proceeds from disposal/maturity of investments		9,340,997	6,615,719
Interest and profit received		1,110,355	994,744
Net cash from investing activities		2,847,428	1,060,853
Foreign currency translation adjustments		10,162	(27,937)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		133,171	(3,366,188)
Cash and cash equivalents at beginning of the year		3,883,703	7,249,891
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8	4,016,874	3,883,703

ALHILAL LIFE B.S.C.(c)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	<i>Share capital USD</i>	<i>Statutory reserve USD</i>	<i>Investment fair value reserve USD</i>	<i>Accumulated losses USD</i>	<i>Total USD</i>
Balance at 31 December 2016	25,000,000	57,820	-	(10,315,272)	14,742,548
Profit for the year	-	-	-	369,601	369,601
Total comprehensive income	-	-	-	369,601	369,601
Balance at 31 December 2017	25,000,000	57,820	-	(9,945,671)	15,112,149
Profit for the year	-	-	-	762,825	762,825
other comprehensive loss	-	-	(59,065)	-	(59,065)
Total comprehensive income	-	-	(59,065)	762,825	703,760
Balance at 31 December 2018	25,000,000	57,820	(59,065)	(9,182,846)	15,815,909