
SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE
“WAFA INSURANCE”
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
AND
INDEPENDENT AUDITORS’ REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE “WAFA INSURANCE”
(A Saudi Joint Stock Company)
FINANCIAL STATEMENTS AND AUDITORS’ REVIEW REPORT
For the three months period ended 31 March 2019

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED
FINANCIAL STATEMENTS**

**TO: THE SHAREHOLDERS OF SAUDI INDIAN COMPANY for COOPERATIVE INSURANCE
"Wafa Insurance"
(A SAUDI JOINT STOCK COMPANY)
Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Saudi Indian Company for Cooperative Insurance "Wafa Insurance"** (the "Company") as at 31 March 2019, the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and notes to the interim condensed financial statements. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements 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" (ISRE 2410) that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements 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) that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 31 March 2019 of the Company are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Emphasis of matters

We draw attention to the following:

- note 2.2 to the accompanying interim condensed financial statements which describe reasons for preparation of the interim condensed financial statements considering the Company as a non-going concern. Accordingly, this interim condensed financial statements have been prepared on liquidation basis i.e assets and liabilities has been stated on expected realisable and settlement values respectively except for property and equipment and intangibles whose carrying values have been considered by management as approximating their fair values, and following IAS 34 as endorsed in the Kingdom of Saudi Arabia;
- note 8 to the accompanying interim condensed financial information, which describes that the Company has filed a case for recovery of SR 2.8 million on account of rent paid and expenditure incurred on renovation of a property and has recorded this amount in prepayments and other assets. Pending decision from the court, ultimate outcome of the said case cannot be determined at this stage; and

- Annual audited financial statements of the Company for the year ended 31 December 2018 were not approved by shareholders in the general assembly meeting held on 09 January 2020. Therefore, the financial statements and audit report for the year ended 31 December 2018 remained unapproved by shareholders of the Company.

Our conclusion is not qualified in respect of these matters.

Other matter

The Company has missed the deadline for filing of these quarterly financial statements for the period ended March 31, 2019 with Saudi Arabian Monetary Authority (SAMA) and Capital Management Authority (CMA) including publishing of results on Tadawul.

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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
Expressed in Saudi Arabian Riyals rounded to thousand

	<i>Note</i>	31 March 2019 (unaudited) Amount	31 December 2018 (audited) Amount
ASSETS			
Cash and cash equivalents	4	3,266	2,979
Investments	5	1,923	1,923
Premiums and reinsurance receivables, net	6	39,367	56,315
Reinsurers' share of unearned premiums	9	1,114	8,310
Reinsurers' share of outstanding claims	7	47,507	44,958
Reinsurers' share of claims incurred but not reported	7	8,841	9,520
Deferred policy acquisition costs		150	1,874
Prepayments and other assets		14,047	15,243
Statutory deposit	13	18,300	18,300
Statutory deposit investment return		2,023	2,023
Property and equipment		3,956	4,336
Intangible assets		1,705	1,968
TOTAL ASSETS		142,199	167,749

The accompanying notes 1 to 19 form part of these interim condensed financial statements.


 Chief Executive Officer

Chairman


 Chief Financial Officer




SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
Expressed in Saudi Arabian Riyals rounded to thousand

	<i>Note</i>	31 March 2019 (unaudited) Amount	31 December 2018 (audited) Amount
LIABILITIES			
Outstanding claims	7	78,521	78,758
Claims incurred but not reported	7	38,239	49,277
Premium deficiency reserve	7	10,137	16,884
Other reserves	7	10,925	11,418
Unearned premiums	9	2,165	17,235
Reinsurance balances payable		15,630	16,173
Unearned reinsurance commission		35	1,598
Accrued expenses and other liabilities		48,291	36,278
Zakat and income tax payable	10	2,270	2,270
Mathematical reserve for life insurance operations		1,441	1,437
End of service benefits		1,785	1,785
Statutory deposit investment return payable		2,023	2,023
Due to related parties	12	6,023	6,023
TOTAL LIABILITIES		217,485	241,159
EQUITY			
Share capital	11	100,000	100,000
Accumulated losses		(176,451)	(174,575)
Fair value reserve for available for sale investments		-	-
Re-measurement of end of service benefits		1,165	1,165
TOTAL EQUITY		(75,286)	(73,410)
TOTAL LIABILITIES AND EQUITY		142,199	167,749
CONTINGENCIES AND COMMITMENTS	8		

The accompanying notes 1 to 19 form part of these interim condensed financial statements.


 Chief Executive Officer

Chairman


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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF INCOME (unaudited)
Expressed in Saudi Arabian Riyals rounded to thousand

		Three months period ended 31 March 2019	Three months period ended 31 March 2018
	<i>Note</i>	Amount	Amount (Restated)
REVENUES			
Gross premiums written	9	(2,226)	88,208
Reinsurance premiums ceded			
- Local		-	(6,972)
- Foreign	9	2,091	(27,620)
Excess of loss expenses			
- Local		-	(1,124)
- Foreign		-	(656)
Net premiums written		(135)	51,836
Change in unearned premiums, net	9	7,873	15,820
Net premiums earned		7,738	67,656
Reinsurance commission income		892	7,040
Other operating income		1	378
Total revenues		8,631	75,074
UNDERWRITING COSTS AND EXPENSES			
Gross claims paid		(21,323)	(118,509)
Less: Reinsurers' share of claims paid		5,610	37,070
Net claims paid		(15,713)	(81,439)
Changes in outstanding claims, net	7	2,786	(13,020)
Changes in incurred but not reported claims, net	7	10,359	19,503
Changes in other reserves, net	7	7,245	(4,643)
Net claims incurred		4,677	(79,599)
Policy acquisition costs		(1,352)	(9,304)
Other underwriting expenses		(215)	(3,355)
Total underwriting costs and expenses		3,110	(92,258)
NET UNDERWRITING INCOME / (LOSS)		11,741	(17,184)
OTHERS (EXPENSES) / INCOME			
General and administrative expenses		(5,613)	(14,360)
Provision for doubtful receivables	6	(8,004)	(1,369)
Other income		-	2,000
Investment income		-	83
Realized loss on investments		-	(972)
Total other (expenses) / income		(13,617)	(14,618)
Net loss for the period attributable to the shareholders before zakat and income tax		(1,876)	(31,802)
Zakat charged for the period	10	-	(1,000)
Income tax charged for the period	10	-	-
Net loss for the period attributable to the shareholders after zakat and income tax		(1,876)	(32,802)
Basic loss per share	15	(0.19)	(3.28)

The accompanying notes 1 to 19 form part of these interim condensed financial statements.

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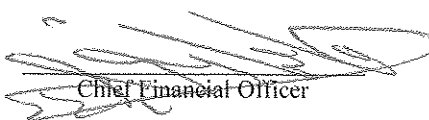

SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
Expressed in Saudi Arabian Riyals rounded to thousand


	<u>Note</u>	Three months period ended 31 March 2019	Three months period ended 31 March 2018
		Amount	Amount (Restated)
Net loss for the period		(1,876)	(32,802)
Other comprehensive income		-	-
<i>Items that will be subsequently reclassified to the statement of income</i>			
Changes in fair value of available for sale investments		-	-
Total comprehensive loss for the period		(1,876)	(32,802)

The accompanying notes 1 to 19 form part of these interim condensed financial statements.


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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
Expressed in Saudi Arabian Riyals rounded to thousand

	Share capital	Accumulated losses	Fair value reserve for available for sale investments	Re-measurement of end of service benefits	Total equity
			Amount		
Balance as at 1 January 2019 (audited)	100,000	(174,575)	-	1,165	(73,410)
Net loss for three months period ended 31 March 2019	-	(1,876)	-	-	(1,876)
Changes in fair value of available for sale investments	-	-	-	-	-
Balance as at 31 March 2019 (unaudited)	100,000	(176,451)	-	1,165	(75,286)

	Share capital (refer Note 11)	Accumulated losses	Fair value reserve for available-for-sale investments	Re-measurement of end of service benefits (restated)	Total equity
			Amount		
Balance as at 1 January 2018 (audited)	122,000	(37,318)	(1,050)	361	83,993
Net loss for three months period ended 31 March 2018 (restated)	-	(32,802)	-	-	(32,802)
Changes in fair value of available for sale investments	-	-	1,050	-	1,050
Balance as at 31 March 2018 (unaudited)	122,000	(70,120)	-	361	52,241

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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE "WAFA INSURANCE"

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (unaudited)


Expressed in Saudi Arabian Riyals rounded to thousand

	<i>Note</i>	Three months period ended 31 March 2019 Amount	Three months period ended 31 March 2018 Amount
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss for the period attributable to the shareholders before zakat and income tax		(1,876)	(31,802)
Adjustments for non-cash items:			
Depreciation of property and equipment		381	371
Amortization of intangibles		263	205
Provision for doubtful receivables	6	8,003	1,369
Realized loss on available for sale investment		-	972
Provision for retirement benefit obligation		471	79
		<u>7,242</u>	<u>(28,806)</u>
Changes in operating assets and liabilities:			
Premiums and reinsurance receivables	6	8,177	(38,754)
Reinsurers' share of unearned premiums	9	7,196	4,448
Reinsurers' share of outstanding claims	7	(2,549)	9,928
Reinsurers' share of claims incurred but not reported	7	679	(1,520)
Reinsurers' share of other reserves	7	-	185
Deferred policy acquisition costs		1,724	(237)
Prepayments and other assets		1,196	(5,510)
Due from related parties	12	764	(409)
Outstanding claims	7	(237)	3,094
Claims incurred but not reported	7	(11,038)	(17,984)
Other reserves	7	(493)	3,991
Premium deficiency reserve	7	(6,747)	467
Unearned premiums	9	(15,070)	(20,268)
Reinsurance balances payable		(543)	15,043
Unearned reinsurance commission		(1,563)	2,663
Mathematical provision for life insurance operations		4	-
Accrued expenses and other liabilities		12,017	568
Cash from/ (used in) operations		<u>759</u>	<u>(73,101)</u>
Zakat and income tax paid	10	-	-
Retirement benefit obligation paid		(472)	(79)
Surplus distribution paid		-	(6,346)
Net cash from/ (used in) operating activities		<u>287</u>	<u>(79,526)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangibles		-	(1,550)
Proceeds from disposal of investments		-	4,028
Purchase of property and equipment		-	(2,196)
Net cash generated from investing activities		<u>-</u>	<u>282</u>
Net change in cash and cash equivalents		<u>287</u>	<u>(79,244)</u>
Cash and cash equivalents at the beginning of the period		<u>2,979</u>	<u>120,336</u>
Cash and cash equivalents at the end of the period	4	<u>3,266</u>	<u>41,092</u>
Non-cash supplemental information:			
Changes in fair value of available for sale investment		-	1,050

The accompanying notes 1 to 19 form part of these interim condensed financial statements.


Chief Executive Officer

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SAUDI INDIAN COMPANY FOR COOPERATIVE INSURANCE “Wafa Insurance”
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
For the three months period ended 31 March 2019
Expressed in Saudi Arabian Riyals rounded to thousand

1. REPORTING ENTITY AND OPERATIONS

Saudi Indian Company for Cooperative Insurance “Wafa Insurance” (the “Company”) is a Saudi joint stock company as sanctioned by the Royal Decree No. M60 dated 18 Ramadan 1427H corresponding to 9 October 2006 (date of inception). The Company is registered in Riyadh with the Ministry of Commerce and Industry under commercial registration No.1010236705 dated 24 Rajab 1428H corresponding to 7 August 2007. The Company’s registered office address is Al-Maseef Dist., Northern Ring Road between exit 5&6, PO Box: 341413, Riyadh 11333, Kingdom of Saudi Arabia. The Company announce on tadawul dated on 14 April 2019 that registered office address is changed and new address is Qortoba, Saeed Bin Zaid Street, 12721, Riyadh 11333, Kingdom of Saudi Arabia.

The principal activities of the Company are to transact the cooperative insurance operations and all related activities including reinsurance and agency activities under the law of Supervision of Cooperative Insurance Companies and its by-laws and other regulations promulgated in the Kingdom of Saudi Arabia. The Company is permitted to conduct its operations in the Kingdom of Saudi Arabia (refer Note 2.2).

The Company has been granted the license (number TMN/14/20086) to practice all lines of insurance business on 6 Jumada II, 1429H corresponding to 10 June 2008G from Saudi Arabian Monetary Authority (“SAMA”). The Company commenced its general insurance operations from 20 August 2008 and protection and savings insurance operations from 11 January 2009. The Company’s license has been renewed by SAMA for a period of three years effective from 3 March 2017 corresponding to 4 Jumada II, 1438H. However, the Company’s license has been suspended on 24 May 2018 (refer note 2.2.1).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed financial information of the Company as at and for the period ended 31 March 2019 have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Certified Public Accountants (“SOCPA”).

The financial statements of the Company as at and for the year ended 31 December 2018 were prepared in compliance with the International Financial Reporting Standards (“IFRS”) as modified by SAMA for the accounting of zakat and income tax (relating to the application of IAS 12 – “Income Taxes” and IFRIC 21 – “Levies” so far as these relate to zakat and income tax).

On 17 July 2019, SAMA issued the instruction to account for the zakat and income taxes in the statement of income. This aligns with the IFRS and its interpretations as issued by the International Accounting Standards Board (“IASB”) and as endorsed in the Kingdom of Saudi Arabia and with the other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”).

Accordingly, the Company changed its accounting treatment for zakat and income tax by retrospectively adjusting the impact in line with International Accounting Standard 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’ (as disclosed in note 3.1 and the effects of this change are disclosed in note 10 to the interim condensed financial statements).

2.2 Basis of Measurement

2.2.1 Going Concern

As at 31 March 2019, the Company has accumulated losses of SR 176.45 million (2018: SR 174.57 million) which are 176.45% (2018: 174.57%) of the Company’s share capital as at that date.

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Expressed in Saudi Arabian Riyals rounded to thousand

2. BASIS OF PREPARATION *(continued)*

2.2.1 Going Concern *(continued)*

The Company reduced its share capital by SR 83 million during 2017 and by SR 22 million during 2018. Further, the Company did not meet the solvency margin requirements as at 31 December 2017, 31 December 2018 and 31 March 2019 and the Company's solvency margin as at 31 March 2019 remained declined substantially.

The Company received a final warning from SAMA on 01 May 2018, requiring the Company to maintain the required solvency margin before 30 September 2018 and to appoint an independent consultant at the expense of the Company to provide advice on this matter. In case the Company does not take corrective measures, SAMA will take one or more actions including preventing the Company from accepting subscribers or investors or new subscribers in any of the insurance activities or reduce it.

The Board of Directors based on a business plan recommended the extra ordinary general assembly to approve the capital reduction of 22 million and capital injection of SR 100 million. On 29 April 2018 the Company appointed a consultant as a financial advisor to manage the process of reducing the Company's capital and carrying out all related procedures. The Company after receiving approval from SAMA and CMA, called for a general assembly meeting and the reduction of capital of SR 22 million was approved by the general assembly on 05 June 2018.

On 24 May 2018, SAMA issued a letter regarding the Company's failure to meet the minimum solvency margin requirements and suspended the Company from issuing new policies and renewing current policies from 24 May 2018, and directed the Company to appoint a consultant which shall submit weekly report to SAMA. The Chairman of the Board of Directors shall inform all the board members of the receipt of this letter and that they shall take appropriate actions to address the solvency. SAMA may take more actions if the solvency position is not addressed.

The Company prepared a business plan internally to address accumulated losses and solvency margin issues. On 06 June 2018, the Company appointed an actuarial firm to prepare a business plan, which was approved by the Board of Directors on 06 August 2018 and the same was submitted to SAMA on 16 September 2018. This revised business plan contained different scenarios and addressed the need of capital injection of SR 220 million to deal with the solvency situation and ensure going concern status of the Company.

On 31 May 2018, the Company with the approval of SAMA appointed a consultant to study and analyze the solvency situation of the Company. The consultant's report was submitted by the end of July 2018, in which the consultant recommended short term, medium term and long-term actions. These recommendations included a minimum capital injection of SR 150 million, fixing the violations as mentioned in SAMA letters and improvement of operations.

On 29 July 2018, the Company announced that its accumulated losses have exceeded 50% of the share capital of the Company. The Board of Directors of the Company were informed of this significant event on 28 July 2018. The Company wishes to show its shareholders that according to Article 150 of the Companies Law, the Board of Directors of the Company shall, by 12 August 2018, call an Extraordinary General Assembly, (the Extraordinary General Assembly must be called no later than 11 September 2018), to decide either to increase or decrease the share capital of the Company to the extent that the ratio of the losses becomes less than half of the capital or to dissolve the Company. The general assembly will be called within 45 days of the notification to the chairman of the Board of Directors and the decision of the general assembly of the shareholder must be implemented within 90 days of the general assembly meeting. Failure to implement the decision of general assembly within 90 days as aforesaid will lead to dissolution of the Company as mentioned in article 150 of the Law of Companies.

Furthermore, SAMA issued a letter on 29 July 2018 on various controls and governance related matters, requiring the Company to appoint a consultant within 15 days and to submit a report within 60 days from the date of this letter. The Company has appointed a consultant and received no objection from SAMA on 23 October 2018. The report has not been finalized as yet.

On 07 August 2018, the Company announced that the Board of Directors in their meeting held on 06 August 2018, recommended to call for an extra ordinary general assembly in accordance with article 150 of the Law of

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For the three months period ended 31 March 2019
Expressed in Saudi Arabian Riyals rounded to thousand

2 BASIS OF PREPARATION *(continued)*

2.2.1 Going Concern *(continued)*

Companies to study the situation of the Company and take a decision to increase capital or reduce capital or dissolve the Company. The Board of Directors also clarified that this assembly is only for the purpose of taking decision on the strategy of dealing with the current situation of the Company and choosing one of the options referred to in article 150 of law of Companies.

Extraordinary General Assembly Meeting was held on 10 September 2018 in which shareholders approved the direction of the Company to proceed with procedures to increase the share capital and obtain the approval of the competent authorities.

Board of Directors of the Company on 03/01/1440H corresponding to 13 September 2018 decided to recommend to the Extraordinary General Assembly to increase the capital of the Company through a right issue of SR 220 million.

The Company received letter 1509/89 from SAMA on 07/01/1440 corresponding to 18 September 2018 for no-objection to increase the Company's capital from SR 100 million to SR 320 million through a right issue provided that the Company meets all requirements of other official authorities.

The Company was in process to find an underwriter for capital injection therefore Company didn't submit the request to Capital Market Authority (CMA) for approval of capital injunction.

The Company's management met SAMA on 11 October 2018 to check the status of the Company and to discuss solutions available to save/ rescue the Company in light of the current losses.

The Company announced on Tadawul on 26/02/1440 H corresponding to 04 November 2018, that it would like to inform its shareholders that the Board of Directors reviewed developments on capital increase, and discussed intensively the challenges and difficulties faced by the Company in appointment of underwriter to cover the required amount of capital increase. The Board feels that they are entrusted to do what is possible to protect shareholders and stakeholders of the Company, and they are aware of the current stage and the time remaining available under the law. However, it is not possible to obtain the underwriter to date to cover the capital increase. This entails a clear risk that the Company will be dissolved in accordance with Article 150 of the Law of Companies if the capital is not increased within the statutory period. Accordingly, in order to protect the interests of the shareholders of the Company, the Board of Directors has only an option to reduce the capital to ensure the Company's continuation. The reduction of capital of insurance companies to less than SR 100,000,000 is not possible under the Insurance Companies Control Law and its Executive Regulations. As stated by the SAMA in its explanatory statement issued on 13 August 2018, the Board recommends to change the activities of the Company and reduce the capital after obtaining necessary regulatory approvals. The Company is not prevented from completing capital increase procedures if the arrangements with the underwriter are done on a timely basis, a possibility that the Board of Directors is unlikely to achieve under the current circumstances.

On 28/02/1440H corresponding to 06 November 2018, the Company received a letter reference 89/12886 from SAMA referring to the Company's announcement on the website of Tadawul dated 04 November 2018 containing the recommendation of the Board of directors to change the Company's activities and with reference to article 75 of the Implementing Regulations of Cooperative Insurance Companies Control System which contains procedures related to cessation of insurance activities. SAMA informed the Company's Board of directors to comply with all statutory requirements and, if the Company met those statutory requirements as per the recommendation to cease the activities of the Company as described in the announcement of the Company referred to above, it must provide SAMA with statutory requirements contained in the said Article 75.

In response to SAMA's aforesaid letter, the Company informed SAMA on 29/02/1440H corresponding to 07 November 2018 that during the meeting with SAMA on 11 October 2018 they discussed the difficulty in having the underwriting arrangement in place for increase in capital. Further, because of the Company's current conditions, making it difficult for the Company to proceed with this option, the idea of cancelling the insurance license of the Company and change of its activities was discussed, if the Company is unable to appoint an

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Expressed in Saudi Arabian Riyals rounded to thousand

2. BASIS OF PREPARATION *(continued)*

2.2.1 Going Concern *(continued)*

underwriter. As it was not possible to appoint an underwriter to date due to suspension of business, ban on writing business and the time remaining before the Company is subjected to the Article 150 of the Law of Companies, the Board of Directors, to ensure continuation of the Company and protection of the Shareholders' equity and policyholders, have no other option but to reduce capital, which requires changing the Company's activities.

Therefore, the Company requested SAMA to cancel the insurance license of the Company and to instruct the Ministry of Commerce and Investment (MOCI) and the Capital Market Authority (CMA) to complete the procedures for cessation of the insurance activities, and advising the Company to take the approval of the Extraordinary General Assembly, so that the Company can cease the operations and amend its activities. The Company will be deemed dissolved under article 150 of the Law of Companies on 09 December 2018. We hope to approve the change of the Company's activity immediately with our readiness to make the necessary commitments to complete the procedures of cancelling the insurance license according to the statutory requirement and within the periods prescribed in the executive regulation of the Insurance Companies Control Law.

Further to the above stated announcements, the Company announced on Tadawul on 02 December 2018 that it would like to inform its shareholders that the Board of Directors reviewed on 21/03/1440H corresponding to 29 November 2018 developments regarding the increase of capital and discussed intensively the efforts made to date, including the progress of negotiations with the underwriters and addressing the concerned parties on the change of activity. The Board is aware that it is only less than ten days to the end of statutory period prescribed under Article 150 of the Law of Companies (ninety days from the date of the General Assembly voted on capital increase), which is not sufficient to complete the statutory requirements for implementation of any of the two options referred to. Accordingly, since serious endeavors are still ongoing and based on what the Company's legal counsel has presented to, and the protection of the rights of shareholders and stakeholders, is to restrict the request for financial reorganization under Chapter IV with the Bankruptcy System in order to free the Company from the period in the law of companies until the completion of necessary procedures to increase the capital of the Company or change the activity and reduce the capital under Article 45 of the Bankruptcy Law and Article 42 of its executive regulations. The Board of Directors wishes to clarify that the financial reorganization procedure, although included in the bankruptcy system, is not considered a decision to liquidate the Company or to enter into bankruptcy. This is one of the new instruments approved by the regulator to protect troubled companies from liquidation and bankruptcy. The financial reorganization of the Company to increase its capital or reduce it after the change of activity and will be under the supervision of the Court. The procedure is subject to the approval of the regulators and stakeholders in all cases.

The Company has announced on Tadawul on 28/03/1440 corresponding to 6 December 2018 that it has successfully registered the application for the Company's financial reorganization, in accordance with Article 45 of the Bankruptcy Law and Article 42 of its Executive Regulations. Consequently, the Company shall be deemed to be exempted from the statutory period stipulated in Article 150 of Law of Companies.

The Company has announced on Tadawul on 19/4/1440 corresponding to 26 December 2018 that the request for financial reorganization has been sent to 9th Commercial Department at the Commercial Court in Riyadh. The application was accepted by the court on February 13, 2019 (08/06/1440). As per the order of the court, Company should hold all payments under article 46 of Bankruptcy law except the operational expenses of the Company from the date of submission request (12/04/1440 corresponding 21 December 2018) and appoint the trustee to ensure the submission of financial reorganization proposal within 150 days. In respect of court order the trustee took charge on March 5, 2019.

On July 10, 2019 (corresponding to 07/11/1440H), the Company submitted financial reorganization proposal. The session was held on 02/01/1441 corresponding to September 1, 2019 at Commercial Court in Riyadh, the Ninth Dept, in which the Court reviewed the reorganization proposal and gave judgment that the Company should submit the reorganization proposal which includes the plan that will be followed to return into practice and continue its activity, and granted the Company an additional time of 150 days from 7/11/1440 corresponding July 10, 2019. The Company submitted revised reorganization plan on 8 January 2020. The court has ordered the Company to obtain approval of shareholders and its creditors by 24th February 2020 and 2nd March 2020, respectively. However, required quorum for the shareholder's voting meeting held on

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2. BASIS OF PREPARATION *(continued)*

2.2.1 Going Concern *(continued)*

February 24, 2020 has not been completed to obtain approval. Further in the annual general meeting, for the year ended 31 December 2018, held on 09 January 2020 the shareholders of the Company have disapproved the report of Board of Directors, the financial statement and the audit report for the year ended 31 December 2018.

The accumulated losses, deficiency in solvency margin, which led to final warning letter from SAMA and consequential suspension of business of the Company by SAMA, significant decrease in human resource, pending appointment of financial advisor and underwriter, the Company's intention to further reduce capital, the Company's request to SAMA to cancel its insurance license and cessation of insurance activities and registration of the Company's application for financial reorganization under Chapter IV of Bankruptcy Law, as aforesaid, have created a material uncertainty and cast significant doubt on the Company's ability to continue as going concern and therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

Under the going concern assumption it is assumed that the entity will continue in operation for the foreseeable future and has neither the intention nor the need to liquidate or curtail materially the scale of its operations. However, due to the facts and circumstances mentioned above, going concern assumption has not been followed while preparing the interim condensed financial information for the period ended 31 March 2019. Therefore, this interim condensed financial information has been prepared under the liquidation basis of accounting i.e. assets and liabilities have been recorded on expected realizable and settlement values respectively except for property and equipment and intangibles whose carrying values have been considered by management as approximating their fair values, and following IAS 34 as endorsed in the Kingdom of Saudi Arabia.

2.2.2 Basis of presentation

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and prepares the financial information accordingly. Assets, liabilities, 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 and approved by the management and the Board of Directors.

The interim statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 17 of the financial information have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations. Until 31 December 2017, this information was shown in the main statements.

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 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's financial statements 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 unrealized 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 similar 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 statement of financial position, the statements of income, comprehensive income and cash flows as well as certain relevant notes to the financial statements represents additional supplementary information as required by the implementing regulations (Note 17).

The interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2018.

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2 BASIS OF PREPARATION *(continued)*

2.2.3 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards and amendments to existing standards

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2018 except for the adoption of the following new standards and change in the accounting of zakat and income tax as explained below.

IFRS 16- Lease

The Company adopted IFRS 16 using the modified retrospective approach. The Company elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Company elected to use the exemptions proposed by the standard regarding lease contracts for which the lease term ends within 12 months of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has performed an assessment of IFRS 16 and determined the difference as compared to IAS 17 and IFRIC 4 is not material to the Company's financial statements as a whole.

The details of new significant accounting policy and the nature are set out below.

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental commission rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.1 New standards and amendments to existing standards *(continued)*

IFRS 16- Lease*(continued)*

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Change in accounting policy in relation to accounting for zakat and income tax

As mentioned in note 2.1, the basis of preparation has been changed for the period ended 31 March 2019 as a result of the issuance of latest instructions from SAMA dated 17 July 2019. Previously, zakat and income tax were recognized in the statement of changes in equity as per the SAMA circular no 381000074519 dated 11 April 2017. With the latest instructions issued by SAMA dated 17 July 2019, the zakat and income tax shall be recognized in the statement of income. The Company has accounted for this change in the accounting for zakat and income tax retrospectively and the effects of the above changes are disclosed in note 10 to the interim condensed financial statements. The change has resulted in increment of reported loss of the Company for the three months period ended 31 March 2018 by SR 1 million. The change has had no impact on the interim statement of cash flows for the period ended 31 March 2018.

Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted for the changes in deferred tax assets and liabilities attributable to the temporary differences and to the unused tax losses.

Deferred income tax:

Deferred income tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax recognised is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which

the deductible temporary differences and the tax credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.1 New standards and amendments to existing standards *(continued)*

Deferred income tax: *(continued)*

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

Due to significant losses, the deferred tax asset has not been recorded in these interim condensed financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

Zakat:

The Company is subject to Zakat in accordance with the regulations of the General Authority of Zakat and Tax (“GAZT”). Zakat expense is charged to the statement of income. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat.

3.2 Standards issued but not yet effective

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.

IFRS 9, Financial Instruments (including amendments to IFRS 4, Insurance Contracts)

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 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Standards issued but not yet effective *(continued)*

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 2022. 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 is eligible and have chosen to apply the deferral approach under the amendments to IFRS 4. The impact of the adoption of IFRS 9 on the Company's financial information will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. As such, it is not possible to fully assess the effect of the adoption of IFRS 9.

IFRS 17 - Insurance Contracts

IFRS 17 'Insurance contracts' was published on May 18, 2017 with the effective date of January 1, 2022. IFRS 17 provides comprehensive guidance on accounting for insurance contracts and investment contracts with discretionary participation features. For non-life and short-term life insurance contracts IFRS 17 introduces mandatory discounting of loss reserves as well as a risk adjustment for non-financial risk, for which confidence level equivalent disclosure will be required. Further, IFRS 17 will change the presentation of insurance contract revenue, as gross written premium will no longer be presented in profit or loss. At the date of publication of this interim condensed financial information due to the reasons mentioned in note 2.2.1, the Company has not quantified the potential impact on the interim condensed financial information.

3.3 Use of estimates in the preparation of interim condensed financial information

The preparation of interim condensed financial information in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial information and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the interim condensed financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and the Company's interim condensed financial information present fairly, in all material respects, the financial position and results of operations.

3.4 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including commission rate risk, currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed financial information does not include all financial risk management information and disclosure required in the annual financial statements and therefore should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2018.

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4 CASH AND CASH EQUIVALENTS

	31 March 2019 (unaudited)		
	<i>Insurance Operations</i>	<i>Shareholders' Operation</i>	<i>Total</i>
	<i>Amount</i>		
Balance in current accounts	1,774	1,492	3,266
Term deposit at banks	--	--	--
Total	1,774	1,492	3,266

	31 December 2018 (audited)		
	<i>Insurance Operations</i>	<i>Shareholder' Operation</i>	<i>Total</i>
	<i>Amount</i>		
Balance in current accounts	1,487	1,492	2,979
Term deposit at banks	--	--	--
Total	1,487	1,492	2,979

5 INVESTMENT

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (Audited)		
	<i>Insurance operations</i>	<i>Shareholders' operations</i>	<i>Total</i>	<i>Insurance operations</i>	<i>Shareholders' operations</i>	<i>Total</i>
	<i>Amount</i>			<i>Amount</i>		
Available for sale investments	1,923	-	1,923	1,923	-	1,923
Total	1,923	-	1,923	1,923	-	1,923

Unquoted securities represent investment in shares of Najm for insurance services amounting to SAR 1.923 million (December 2018: SAR 1.923 million).

The movement during the period/year is as follows:

Available for sale investment

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (audited)		
	<i>Insurance Operation</i>	<i>Shareholders' Operation</i>	<i>Total</i>	<i>Insurance Operation</i>	<i>Shareholders' Operation</i>	<i>Total</i>
Opening balance	1,923	-	1,923	15,619	3,950	19,569
Purchased during the period/year	-	-	-	-	-	-
Disposal during the period/year	-	-	-	(13,696)	(3,950)	(17,646)
Ending balance	1,923	-	1,923	1,923	-	1,923

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5. INVESTMENT (continued)

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. The fair value measurement is based on the presumption that the transaction takes place either:

- . in the accessible principal market for the asset or liability, or
- . in the absence of a principal market, in the most advantages accessible market for the asset or liability

The fair values of financial instruments are not significantly different from their carrying amounts included in the interim condensed financial information.

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

As at March 2019 (unaudited)	Amount			
	Level 1	Level 2	Level 3	Total
Insurance operation	-	-	1,923	1,923
Share holders' operation	-	-	-	-
Total	-	-	1,923	1,923

As at December 2018 (audited)	Amount			
	Level 1	Level 2	Level 3	Total
Insurance operation	-	-	1,923	1,923
Share holders' operation	-	-	-	-
Total	-	-	1,923	1,923

6. PREMIUMS AND REINSURANCE RECEIVABLES

	31 March 2019	31 December 2018
	Amount	Amount
Policyholders	67,423	76,513
Related party (refer note 12)	2,168	2,932
Reinsurance receivables	69,710	68,800
Gross Receivables	139,301	148,245
Less: Provision for doubtful debts (refer note 6.1)	(99,934)	(91,930)
Net receivables	39,367	56,315

6.1 The movement in the provision for doubtful debts of premium receivables is as follows:

	31 March 2019	31 December 2018
	Amount	Amount
Opening balance	91,930	38,387
Charge of provision during the year	8,004	53,543
Closing balance	99,934	91,930

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7. OUTSTANDING CLAIMS INCLUDING RESERVES

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (Audited)		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	Amount			Amount		
Outstanding claims	79,772	47,507	32,265	80,840	44,958	35,882
Less: realizable value of salvage and subrogation	1,251	-	1,251	2,082	-	2,082
Gross outstanding claims	78,521	47,507	31,014	78,758	44,958	33,800
Claims incurred but not reported	38,239	8,841	29,398	49,277	9,520	39,757
Premium deficiency reserve	10,137	-	10,137	16,884	-	16,884
Other reserves	10,925	-	10,925	11,418	-	11,418
	<u>137,822</u>	<u>56,348</u>	<u>81,474</u>	<u>156,337</u>	<u>54,478</u>	<u>101,859</u>

8. CONTINGENCIES AND COMMITMENTS

The Company has filed a legal suit for recovery of SR 2.8 million against a company on account of rent and expenses on improvements, which the Company did on a rented property. However, the property could not be delivered to the Company due to certain non-compliance of legal requirements. The Company, based on internal legal opinion, is of the view that the judgment will be in favor of the Company. Accordingly, SR 2.8 million comprising SR 1.2 million on account of rent and SR 1.6 million being advances paid for initial cost to establish the site for use of the Company's operations. The amount has been recorded under prepayment and other assets.

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. 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 litigations) will have a material effect on its results and financial position and results as at and for the period ended 31 March 2019. There was no change in the status of legal proceedings as disclosed at December 31, 2018.

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9. MOVEMENT IN UNEARNED PREMIUMS

As at 31 March 2019 (unaudited)			
	Gross	Reinsurers' share	Net
	Amount		
Balance as at the beginning of the period	17,235	(8,310)	8,925
Premium written/policy cancelled during the period	(2,226)	2,091	(135)
Premium earned during the period	(12,844)	5,105	(7,739)
Balance as at the end of the period	2,165	1,114	1,051

As at 31 March 2018 (unaudited)			
	Gross	Reinsurers' share	Net
	Amount		
Balance as at the beginning of the period	176,943	(69,033)	107,910
Premium written during the period	88,208	(36,370)	51,838
Premium earned during the period	(108,476)	40,818	(67,658)
Balance as at the end of the period	156,675	64,585	92,090

As at 31 December 2018 (Audited)			
	Gross	Reinsurers' share	Net
	Amount		
Balance as at the beginning of the year	176,943	(69,033)	107,910
Premium written during the year	110,160	(42,183)	67,977
Premium earned during the year	(269,868)	102,906	(166,962)
Balance as at the end of the year	17,235	8,310	8,925

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10. ZAKAT AND INCOME TAX PAYABLE

Change in the accounting treatment in relation to zakat and income tax

The change in the accounting treatment for zakat and income tax (as explained in note 3.1) has the following impact on the line items of the interim statements of income, statement of financial position and changes in equity.

As at and for the three-month period ended 31 March 2018:

Financial statement impacted	Account	As previously stated for three months ended 31 March 2018	Effect of restatement	As restated for three months ended March 31, 2018
Interim statement of income	Zakat charge for the period	-	(1,000)	(1,000)
Interim statement of income	Income tax charge for the period, net	-	-	-
Interim statement of income	Basic and diluted earning per share	(3.18)	(0.10)	(3.28)
Statement of changes in equity	Zakat charge for the period	(1,000)	1,000	-

Zakat and income tax payable are as follows:

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	Amount			Amount		
Zakat payable	-	2,105	2,105	-	2,105	2,105
Income tax payable	-	165	165	-	165	165
Zakat and Income tax payable	-	2,270	2,270	-	2,270	2,270

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 84.88% (2018: 84.88%).

The movement in Zakat provision is as follows:

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	SAR'000			SAR'000		
Balance at the beginning	-	2,105	2,105	-	3,801	3,801
Zakat charge	-	-	-	-	1,000	1,000
Zakat payment made	-	-	-	-	(2,696)	(2,696)
Balance at the end	-	2,105	2,105	-	2,105	2,105

The Company has filed zakat and income tax returns till the financial year 2018 with the General Authority of Zakat and Tax (the “GAZT”) and obtained the required certificate.

The GAZT issued assessment for the years 2006 - 2013 with an additional liability of SAR 8.5 million (without penalty). The Company has filed objection on initial assessment before GAZT and the Company has received revised assessment with an additional liability of SAR 4.5 million (without penalty). The Company has further objected the revised assessment orders before GAZT and GAZT has forwarded the case to General Secretariat of Tax Committees on 2 May 2019 and appeal is not yet heard. However, the Company has booked a provision of SAR 3.8 million.

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10. ZAKAT AND INCOME TAX PAYABLE (Continued)

Income tax:

There is no taxable income during the period so there is no provision for income tax.

The movement in income tax provision is as follows:

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	Amount			Amount		
Balance at the beginning	-	165	165	-	165	165
Income tax charge	-	-	-	-	-	-
Income tax payment made	-	-	-	-	-	-
Balance at the end of the period/ year	-	165	165	-	165	165

11. SHARE CAPITAL

The share capital of the Company is SAR 100 million as at 31 March 2019 (31 December 2018 SAR 100 million) consisting of 10 million shares (31 December 2018: 10 million) of SAR 10 each.

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

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (audited)		
	No. of shares	Value per share	Amount	No. of shares	Value per share	Amount
The New India Assurance Co. Ltd	517,072	10	5,171	517,072	10	5,171
Life Insurance Corporation of India	497,560	10	4,976	497,560	10	4,976
LIC (International) BSC	497,560	10	4,976	497,560	10	4,976
Local shareholders and general public	8,487,808	10	84,877	8,487,808	10	84,877
	10,000,000	10	100,000	10,000,000	10	100,000

The Board of Directors recommended that extra ordinary general assembly to approve the capital reduction of SR 22 million. The Company after receiving approval from SAMA and CMA, called for a general assembly meeting and the reduction of capital of SR 22 million was approved by the general assembly on 5 June 2018.

12. RELATED PARTY TRANSACTIONS AND BALANCES

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. Transactions with related parties are conducted on similar terms and conditions as compared with external parties and on arm's length basis. The following are the details of the major related party transactions during the year and the related balances:

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12. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Nature of transactions	Transaction for the three months period ended		Balances	
	31 March 2019	31 March 2018	31 March 2019	31 December 2018
	Amount		Amount	
The New India Assurance Company Limited (Shareholder)				
-Reinsurance premium ceded	(3)	15	-	-
-Reinsurance commission income	-	3	-	-
-Reinsurer's share of outstanding claims	-	10	-	-
-Balance receivable	-	-	2,168	2,932
-Share compensation balance payable	-	-	5,932	5,932
Other Shareholders	-	-	91	91
Directors and Executive Committee				
-Remuneration	165	225	-	-
-Balance payable	-	-	2,642	2,477
Directors and Executive Committee				
-Meeting attendance fee	58	248	-	-
-Balance payable	-	-	326	234

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer, Deputy Chief Executive Officer and the Chief Financial Officer of the Company.

The following table shows the salaries, remuneration and allowances obtained by the Board members and top 5 executives for the three months' period ended 31 March 2019 and 2018.

Three months period ended 31 March 2019	BOD members	Top executives including the CEO and CFO
		SR
Salaries and compensation	-	1,150
Annual remuneration	165	-
Total	165	1,150
Three months period ended 31 March 2018	BOD members	Top executives including the CEO and CFO
		SR
Salaries and compensation	-	1,272
Annual remuneration	225	-
Total	225	1,272

13. STATUTORY DEPOSITS

In accordance with Article 58 of the Implementing Regulations for Cooperative Insurance, the Company has deposited an amount of SR 18.3 million (31 December 2018: SAR 18.3 million) with Riyadh Bank. During 2016 statutory deposit was increased from 10% to 15% of share capital in order to comply with SAMA letter no 371000070032 dated 30th March 2016. The Company has received no objection letter from SAMA dated on 19 July 2018 to reduce the statutory deposit.

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14. CAPITAL MANAGEMENT

The Company’s objectives when managing capital are:

- To comply with the insurance capital requirements as set out in the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”). The Company’s current paid up capital is in accordance with Article 3 of the Insurance Law;
- To safeguard the Company’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In the Kingdom of Saudi Arabia solvency regulations and the minimum capital requirements are set and regulated by the Saudi Arabian Monetary Agency (“SAMA”). Also refer note 2 to these financial statements.

15. LOSS PER SHARE

Basic and diluted loss per share have been computed by dividing the net income for the relevant periods by the weighted average number of issued outstanding shares. The relevant averages are 10,000,000 shares for the three months period ended 31 March 2019 and 10,000,000 shares for the three months period ended 31 March 2018. 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 requirement of IAS 33 “Earnings per share”

	Note	31 March 2019	31 March 2018
Issued ordinary shares at the beginning of the year	11	10,000,000	10,000,000
Weighted average number of ordinary shares		10,000,000	10,000,000
The basic and diluted earnings per share as follows:			
Net loss after zakat for the three months period		(1,876,000)	(32,802,000)
Weighted average number of ordinary shares		10,000,000	10,000,000
Basic loss per share		(0.19)	(3.28)

16. SEGMENTAL 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. Information disclosed in the note is based on current reporting to the chief operating decision maker. Operating segments do not include shareholders’ operations of the Company.

Segment assets do not include insurance operations’ cash and cash equivalents, receivables, prepaid expenses, investments, advances and other receivables, due from shareholders’ operations and property and equipment. Accordingly, they are included in unallocated assets.

Segment liabilities do not include reinsurers’ balances payable, unearned commission income, employees’ end of service benefits, accrued expenses and other liabilities. Accordingly, they are included in unallocated liabilities. These unallocated assets and liabilities are not reported to chief operating decision maker under the related segments and are monitored on a centralized basis.

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16. SEGMENTAL INFORMATION (continued)

	For the three months period ended 31 March 2019 (unaudited)					
	Motor	Medical	Others	Total Insurance Operations	Shareholders' Operations	Total
	Amount					
REVENUES						
Gross premiums written*	(167)	231	(2,290)	(2,226)	-	(2,226)
Reinsurance premiums ceded	17	(94)	2,168	2,091	-	2,091
Excess of loss expenses	-	-	-	-	-	-
Net premiums written	(150)	137	(122)	(135)	-	(135)
Net change in unearned premiums	6,378	1,305	190	7,873	-	7,873
Net premiums earned	6,228	1,442	68	7,738	-	7,738
Reinsurance commission earned	102	-	790	892	-	892
Other underwriting income	1	-	-	1	-	1
Total insurance revenues	6,331	1,442	858	8,631	-	8,631
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(19,355)	(24)	(1,944)	(21,323)	-	(21,323)
Reinsurers' share of claims paid	4,045	12	1,553	5,610	-	5,610
Net claims paid	(15,310)	(12)	(391)	(15,713)	-	(15,713)
Changes in outstanding claims, net	2,101	956	(271)	2,786	-	2,786
Changes in incurred but not reported claims , net	10,036	363	(40)	10,359	-	10,359
Changes in other reserves, net	11,770	(472)	(4,053)	7,245	-	7,245
Net claims incurred	8,597	835	(4,755)	4,677	-	4,677
Policy acquisition costs	(773)	(120)	(459)	(1,352)	-	(1,352)
Other underwriting expenses	-	(2)	(213)	(215)	-	(215)
Total underwriting costs and expenses	7,824	713	(5,427)	3,110	-	3,110

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16. SEGMENTAL INFORMATION (continued)

	For the three months period ended 31 March 2019 (unaudited)					
	Motor	Medical	Others	Total Insurance Operations	Shareholders' Operations	Total
	Amount					
NET UNDERWRITING (LOSS)/ INCOME	14,155	2,155	(4,569)	11,741	-	11,741
OTHER OPERATING (EXPENSES)/ INCOME						
General and administrative expenses				(5,192)	(421)	(5,613)
Provision for doubtful receivables				(8,004)	-	(8,004)
Other income				-	-	-
Investment income				-	-	-
Realized loss on investments				-	-	-
Total other (expenses) / income				(13,196)	(421)	(13,617)
Net Loss for the period attributable to the shareholders before zakat and income tax				(1,455)	(421)	(1,876)
Zakat charged for the period				-	-	-
Income tax charged for the period				-	-	-
Net income for the period attributable to the shareholders after zakat and income tax				(1,455)	(421)	(1,876)

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16. SEGMENTAL INFORMATION (continued)

For the three months period ended 31 March 2018 (unaudited)					
	Motor	Medical	Others	Total Insurance Operations	Shareholders' operations (restated)
	Amount				
REVENUES					
Gross premiums written	47,244	13,680	27,284	88,208	-
Reinsurance premiums ceded	(5,074)	(4,444)	(25,074)	(34,592)	-
Excess of loss expenses	(1,312)	-	(468)	(1,780)	-
Net premiums written	40,858	9,236	1,742	51,836	-
Net change in unearned premiums	(2,618)	19,572	(1,134)	15,820	-
Net premiums earned	38,240	28,808	608	67,656	-
Reinsurance commission earned	2,141	2,364	2,535	7,040	-
Other underwriting income	378	-	-	378	-
Total insurance revenues	40,759	31,172	3,143	75,074	-
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid	(80,398)	(35,280)	(2,831)	(118,509)	-
Reinsurers' share of claims paid	16,712	17,890	2,468	37,070	-
Net claims paid	(63,686)	(17,390)	(363)	(81,439)	-
Changes in outstanding claims, net	(5,903)	(5,932)	(1,185)	(13,020)	-
Changes in incurred but not reported claims , net	21,578	(1,903)	(172)	19,503	-
Changes in other reserves, net	(4,371)	(257)	(15)	(4,643)	-
Net claims incurred	(52,382)	(25,482)	(1,735)	(79,599)	-
Policy acquisition costs	(4,477)	(3,319)	(1,508)	(9,304)	-
Other underwriting expenses	(1,563)	(1,630)	(162)	(3,355)	-
Total underwriting costs and expenses	(58,422)	(30,431)	(3,405)	(92,258)	-

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16. SEGMENTAL INFORMATION (continued)

	For the three months period ended 31 March 2018 (unaudited)				
	Motor	Medical	Others	Total Insurance Operations Amount	Shareholders' operations (restated)
					Total (restated)
NET UNDERWRITING (LOSS)/ INCOME	(17,663)	741	(262)	(17,184)	(17,184)
OTHER OPERATING (EXPENSES)/ INCOME					
General and administrative expenses				(13,803)	(557)
Provision for doubtful receivables				(1,369)	-
Other income				2,000	-
Investment income				-	83
Realized loss on investments				-	(972)
Total other (expenses) / income				(13,172)	(1,446)
Net Loss for the period attributable to the shareholders before zakat and income tax				(30,356)	(1,446)
Zakat charged for the period				-	(1,000)
Income tax charged for the period				-	-
Net income for the period attributable to the shareholders after zakat and income tax				(30,356)	(2,446)
					(32,802)

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16. SEGMENTAL INFORMATION (continued)

As at 31 March 2019 (unaudited)						
	Motor	Medical	Others	Total Insurance Operations	Shareholders' operations	Total
	Amount					
ASSETS						
Reinsurers' share of outstanding claims	1,247	22,816	23,444	47,507	-	47,507
Reinsurers' share of claims incurred but not reported	1,660	3,665	3,516	8,841	-	8,841
Reinsurers' share of other reserves	-	-	-	-	-	-
Reinsurers' share of unearned premiums	193	145	776	1,114	-	1,114
Deferred policy acquisition costs	94	23	33	150	-	150
Unallocated assets	-	-	-	147,756	21,815	169,571
Total assets				205,368	21,815	227,183
LIABILITIES						
Outstanding claims	7,103	45,553	25,865	78,521	-	78,521
Claims incurred but not reported	27,035	7,325	3,879	38,239	-	38,239
Premium deficiency reserve	5,430	2,414	2,293	10,137	-	10,137
Other reserves	6,417	2,312	2,196	10,925	-	10,925
Unearned premiums	745	398	1,022	2,165	-	2,165
Unearned insurance commission	12	-	23	35	-	35
Unallocated liabilities	-	-	-	65,346	21,815	87,161
Total liabilities				205,368	21,815	227,183

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16. SEGMENTAL INFORMATION (continued)

	As at 31 December 2018 (audited)				
	Motor	Medical	Others	Total Insurance Operations	Shareholders' operations
	Amount				
Reinsurers' share of outstanding claims	2,001	23,758	19,199	44,958	-
Reinsurers' share of claims incurred but not reported	2,598	4,043	2,879	9,520	-
Reinsurers' share of other reserves	-	-	-	-	-
Reinsurers' share of unearned premiums	766	862	6,682	8,310	-
Deferred policy acquisition costs	890	139	845	1,874	-
Unallocated assets	-	-	-	164,597	21,815
Total assets				229,259	21,815
LIABILITIES					
Outstanding claims	9,960	47,451	21,347	78,758	-
Claims incurred but not reported	38,010	8,066	3,201	49,277	-
Premium deficiency reserve	13,908	2,700	276	16,884	-
Other reserves	9,705	1,553	160	11,418	-
Unearned premiums	7,697	2,420	7,118	17,235	-
Unearned insurance commission	117	-	1,481	1,598	-
Unallocated liabilities	-	-	-	54,089	21,815
Total liabilities				229,259	21,815
					251,074

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17. SUPPLEMENTARY INFORMATION

Statement of financial position

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
		Amount			Amount	
ASSETS						
Cash and cash equivalents	1,774	1,492	3,266	1,487	1,492	2,979
Investments	1,923	-	1,923	1,923	-	1,923
Premiums and reinsurance receivables, net	37,199	-	37,199	53,383	-	53,383
Reinsurers' share of unearned premiums	1,114	-	1,114	8,310	-	8,310
Reinsurers' share of outstanding claims	47,507	-	47,507	44,958	-	44,958
Reinsurers' share of claims incurred but not reported	8,841	-	8,841	9,520	-	9,520
Reinsurers' share of other reserves	-	-	-	-	-	-
Deferred policy acquisition costs	150	-	150	1,874	-	1,874
Prepayments and other assets	14,047	-	14,047	15,243	-	15,243
Due from related parties	2,168	-	2,168	2,932	-	2,932
Due from shareholders' operations	84,984	-	84,984	83,325	-	83,325
Statutory deposit	-	18,300	18,300	-	18,300	18,300
Statutory deposit investment return	-	2,023	2,023	-	2,023	2,023
Property and equipment	3,956	-	3,956	4,336	-	4,336
Intangible Assets - Software	1,705	-	1,705	1,968	-	1,968
TOTAL ASSETS	205,368	21,815	227,183	229,259	21,815	251,074

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of financial position

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	Amount	Amount	Amount	Amount	Amount	Amount
LIABILITIES						
Outstanding claims	78,521	-	78,521	78,758	-	78,758
Claims incurred but not reported	38,239	-	38,239	49,277	-	49,277
Premium deficiency reserve	10,137	-	10,137	16,884	-	16,884
Other reserves	10,925	-	10,925	11,418	-	11,418
Unearned premiums	2,165	-	2,165	17,235	-	17,235
Reinsurance balances payable	15,630	-	15,630	16,173	-	16,173
Unearned reinsurance commission	35	-	35	1,598	-	1,598
Accrued expenses and other liabilities	45,325	2,966	48,291	33,529	2,749	36,278
Zakat and income tax payable	-	2,270	2,270	-	2,270	2,270
Mathematical for life insurance operations	1,441	-	1,441	1,437	-	1,437
End of service benefits	1,785	-	1,785	1,785	-	1,785
Statutory deposit investment return payable	-	2,023	2,023	-	2,023	2,023
Due to related parties	-	6,023	6,023	-	6,023	6,023
Due to insurance operations	-	84,984	84,984	-	83,325	83,325
Surplus distribution to Policyholder	-	-	-	-	-	-
TOTAL LIABILITIES	204,203	98,266	302,469	228,094	96,390	324,484

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of financial position (continued)

	As at 31 March 2019 (unaudited)			As at 31 December 2018 (audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	Amount			Amount		
SHAREHOLDERS' EQUITY						
Share capital	-	100,000	100,000	-	100,000	100,000
Accumulated losses	-	(176,451)	(176,451)	-	(174,575)	(174,575)
Fair value reserve for available for sale investments	-	-	-	-	-	-
Re-measurement of end of service benefits	1,165	-	1,165	1,165	-	1,165
TOTAL SHAREHOLDERS' EQUITY	1,165	(76,451)	(75,286)	1,165	(74,575)	(73,410)
TOTAL LIABILITIES, INSURANCE OPERATION SURPLUS AND SHAREHOLDERS' EQUITY	205,368	21,815	227,183	229,259	21,815	251,074

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of Income

	For the three months period ended 31 March 2019 (unaudited)			For the three months period ended 31 March 2018 (unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total (restated)
	Amount	Amount		Amount		
REVENUES						
Gross premiums written	(2,226)	-	(2,226)	88,208	-	88,208
Reinsurance premiums ceded						
- Local	-	-	-	(6,972)	-	(6,972)
- Foreign	2,091	-	2,091	(27,620)	-	(27,620)
Excess of loss expenses						
- Local	-	-	-	(1,124)	-	(1,124)
- Foreign	-	-	-	(656)	-	(656)
Net premiums written	(135)	-	(135)	51,836	-	51,836
Changes in unearned premiums, net	7,873	-	7,873	15,820	-	15,820
Net premiums earned	7,738	-	7,738	67,656	-	67,656
Reinsurance commission earned	892	-	892	7,040	-	7,040
Other underwriting income	1	-	1	378	-	378
Total revenues	8,631	-	8,631	75,074	-	75,074

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of Income (continued)

	For the three months period ended 31 March 2019 (unaudited)		For the three months period ended 31 March 2018 (unaudited)	
	Insurance Operations	Shareholders' Operations	Insurance Operations	Shareholders' Operations
	Amount		Amount	
		Total		Total (restated)
UNDERWRITING COSTS AND EXPENSES				
Gross claims paid	(21,323)	(21,323)	(118,509)	(118,509)
Reinsurers' share of claims paid	5,610	5,610	37,070	37,070
Net claims paid	(15,713)	(15,713)	(81,439)	(81,439)
Changes in outstanding claims, net	2,786	2,786	(13,020)	(13,020)
Changes in incurred but not reported claims, net	10,359	10,359	19,503	19,503
Changes in other reserves, net	7,245	7,245	(4,643)	(4,643)
Net claims incurred	4,677	4,677	(79,599)	(79,599)
Policy acquisition costs	(1,352)	(1,352)	(9,304)	(9,304)
Other underwriting expenses	(215)	(215)	(3,355)	(3,355)
Total underwriting costs and expenses	3,110	3,110	(92,258)	(92,258)
NET UNDERWRITING (LOSS) / INCOME	11,741	11,741	(17,184)	(17,184)

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17 SUPPLEMENTARY INFORMATION (continued)

Statement of Income (continued)

	For the three months period ended 31 March 2019 (unaudited)		For the three months period ended 31 March 2018 (unaudited)	
	Insurance Operations	Shareholders' Operations Amount	Insurance Operations	Shareholders' Operations Amount
		Total		Total (restated)
OPERATING (EXPENSES) / INCOME				
General and administrative expenses	(5,192)	(421)	(13,803)	(557)
(Provision for) doubtful receivables	(8,004)	-	(1,369)	-
Other Income	-	-	2,000	2,000
Investment income	-	-	-	83
Realized loss on investments	-	-	-	(972)
Total operating (expenses)/ income	(13,196)	(421)	(13,172)	(1,446)
Net Loss for the period attributable to the shareholders before zakat and income tax	(1,455)	(421)	(30,356)	(1,446)
Zakat charged for the period	-	-	-	(1,000)
Income tax charged for the period	-	-	-	-
Net income for the period attributable to the shareholders after zakat and income tax	(1,455)	(421)	(30,356)	(32,802)
Appropriation to policyholders operations	1,455	(1,455)	30,356	(30,356)
Net (deficit) / Surplus after appropriations to policyholders operations	-	(1,876)	-	(32,802)
Loss per share (SR)		(0.19)		(3.28)
Number of outstanding shares		10,000,000		10,000,000

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of comprehensive income

	For the three months period ended 31 March 2019 (unaudited)			For the three months period ended 31 March 2018 (unaudited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Total loss for the period	-	(1,876)	(1,876)	-	(32,802)	(32,802)
Other comprehensive income			-			-
<i>Items that will not be subsequently reclassified to the statement of income-shareholders' operations</i>	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(1,876)	(1,876)	-	(32,802)	(32,802)

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of cash flows

	For the period ended 31 March 2019			For the period ended 31 March 2018		
	(unaudited)			(unaudited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
	Amount			Amount		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Loss for the period attributable to the shareholders before zakat and income tax	-	(1,876)	(1,876)	-	(31,802)	(31,802)
<i>Adjustments for non-cash items:</i>						
Shareholders' operations appropriations	(1,455)	1,455	-	(30,356)	30,356	-
Depreciation of property and equipment	381	-	381	371	-	371
Amortization of intangibles	263	-	263	205	-	205
Provision for doubtful receivables	8,003	-	8,003	1,369	-	1,369
Realized Gain on AFS	-	-	-	-	972	972
Provision for end of service benefits	471	-	471	79	-	79
	7,663	(421)	7,242	(28,332)	(474)	(28,806)
Changes in operating assets and liabilities:						
Premiums and reinsurance receivables	8,177	-	8,177	(38,754)	-	(38,754)
Reinsurers' share of unearned premiums	7,196	-	7,196	4,448	-	4,448
Reinsurers' share of outstanding claims	(2,549)	-	(2,549)	9,928	-	9,928
Reinsurers' share of claims incurred but not reported	679	-	679	(1,520)	-	(1,520)
Reinsurers' share of other reserves	-	-	-	185	-	185
Deferred policy acquisition costs	1,724	-	1,724	(237)	-	(237)
Prepayments and other assets	1,196	-	1,196	(5,633)	123	(5,510)

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17. SUPPLEMENTARY INFORMATION (continued)

Statement of cash flows (continued)

	For the period ended d 31 March 2019 (unaudited)		For the period ended d 31 March 2018 (unaudited)	
	Insurance operations	Shareholders' operations Amount	Insurance operations	Shareholders' operations Amount
Due from related parties	764	-	(409)	-
Due to insurance operations	-	1,659	-	(16,917)
Due from insurance operation	-	(1,459)	-	(57,698)
Outstanding claims	(237)	-	3,094	-
Claims incurred but not reported	(11,038)	-	(17,984)	-
Other reserves	(493)	-	3,991	-
Premium deficiency reserve	(6,747)	-	467	-
Unearned premiums	(15,070)	-	(20,268)	-
Reinsurance balances payable	(543)	-	15,043	-
Unearned reinsurance commission	(1,563)	-	2,663	-
Mathematical provision for life insurance operations	4	-	-	-
Accrued expenses and other liabilities	11,796	221	688	(120)
Share compensation	-	-	-	-
Due to shareholders' operations	(1,659)	-	57,698	-
Due from shareholders' operations	1,459	-	16,917	-
Cash (used in) / generated from operations	759	-	1,985	(75,086)
Zakat and income tax paid	-	-	-	-
Retirement benefit obligation paid	(472)	-	(79)	-
Surplus distribution paid	-	-	(6,346)	-
Net cash generated / (used in) operating activities	287	-	(4,440)	(79,526)

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

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17. SUPPLEMENTARY INFORMATION (continued)-

Statement of cash flows (continued)

	For the period ended 31 March 2019			For the period ended 31 March 2018		
	Insurance operations	Shareholders' operations Amount	Total	Insurance operations	Shareholders' operations Amount	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of intangibles	-	-	-	(1,550)	-	(1,550)
Proceeds from disposal of investments	-	-	-	-	4,028	4,028
Purchase of property and equipment	-	-	-	(2,196)	-	(2,196)
Transaction cost relating to reduction in share capital	-	-	-	-	-	(354)
Net cash generated / (used in) investing activities	-	-	-	(3,746)	4,028	282
Net change in cash and cash equivalents	287	-	287	(8,186)	(71,058)	(79,244)
Cash and cash equivalents at the beginning of the year	1,487	1,492	2,979	36,069	84,267	120,336
Cash and cash equivalents at the end of the period	1,774	1,492	3,266	27,883	13,209	41,092

18. COMPARATIVE FIGURES

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

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 12 March 2020 , corresponding to 17 Rajab 1441.