UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

Unaudited Interim Condensed Financial Statements and Review Report

For the three-month period ended 31 March 2019

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
As at 31 March 2019

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF
UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of United Cooperative Assurance Company (A Saudi Joint Stock Company) (the "Company") as at 31 March 2019 and the related interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and the notes from 1 to 19 which form an integral part of these interim condensed financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34) and Saudi Arabian Monetary Authority ("SAMA") guidance on accounting for Zakat and Income Tax. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of these interim condensed 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 as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not presented fairly, in all material respects, in accordance with International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34) and SAMA guidance on accounting for Zakat and Income Tax.

for Al-Bassam & Co.
Allied Accountants

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11 May 2019
6 Ramadan 1440H
Jeddah, Kingdom of Saudi Arabia

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	31 March 2019 (Unaudited)	31 December 2018 (Audited)
		SAR '000	
ASSETS			
Cash and cash equivalents	4	**24,107**	89,533
Premiums and reinsurers' receivable - net	5	**203,742**	169,736
Reinsurers' share of unearned premiums	7	**122,687**	94,750
Reinsurers' share of outstanding claims	7	**79,920**	88,169
Reinsurers' share of claims Incurred but not reported	7	**109,673**	135,637
Deferred policy acquisition costs		**5,867**	5,699
Investments	6	**388,092**	384,755
Prepaid expenses and other assets		**53,909**	47,201
Property and equipment		**3,590**	1,902
Goodwill		**78,400**	78,400
Statutory deposit	8	**73,500**	73,500
Accrued income on statutory deposit		**2,901**	2,635
TOTAL ASSETS		**1,146,388**	1,171,917

INTERIM STATEMENT OF FINANCIAL POSITION – (continued)
AS AT 31 MARCH 2019

	Notes	31 March 2019 (Unaudited)	31 December 2018 (Audited)
		SAR '000	
LIABILITIES			
Policyholders claims payable		**2,716**	19,361
Accrued and other liabilities		**62,671**	55,813
Reinsurers' balances payable		**129,002**	122,227
Unearned premiums	7	**161,647**	141,051
Unearned reinsurance commission		**23,883**	19,295
Outstanding claims	7	**103,774**	111,586
Claims incurred but not reported	7	**177,503**	209,481
Premium deficiency reserve		**23,181**	16,454
Other technical reserves		**30,192**	36,539
Due to a related party	12	**270**	270
End-of-service indemnities		**14,430**	18,018
Surplus from insurance operation		**36,037**	36,037
Fair value reserve on investments		**14**	(86)
Zakat and income tax	13	**23,488**	22,488
Accrued commission income payable to SAMA		**2,901**	2,635
TOTAL LIABILITIES		**791,709**	811,169
SHAREHOLDERS' EQUITY			
Share capital	14	**400,000**	400,000
Statutory reserve		**31,944**	31,944
Accumulated losses		**(78,213)**	(71,684)
Fair value reserve on investments		**512**	52
TOTAL SHAREHOLDERS' EQUITY		**354,243**	360,312
Re-measurement reserve of define benefit obligation – related to insurance operations		**436**	436
TOTAL EQUITY		**354,679**	360,748
TOTAL LIABILITIES AND EQUITY		**1,146,388**	1,171,917
COMMITMENTS AND CONTINGENCIES	9	**22,096**	22,096

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME – (Unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	Notes	*Three-month period ended 31 March*	
		2019	*2018*
		SR'000	*SR'000*
REVENUES			
Gross premiums written			
- Direct		**113,937**	104,015
- Reinsurance		**474**	-
		114,411	104,015
Reinsurance premiums ceded			
- Local		**(4,151)**	(2,627)
- Foreign		**(92,964)**	(73,606)
		(97,115)	(76,233)
Excess of loss expenses			
- Local		**(63)**	(68)
- Foreign		**(515)**	(711)
		(578)	(779)
Net premiums written		**16,718**	27,003
Changes in unearned premiums, net		**7,341**	4,724
Net premiums earned		**24,059**	31,727
Reinsurance commissions earned		**10,079**	13,078
TOTAL REVENUES		**34,138**	44,805
UNDERWRITING COSTS AND EXPENSES			
Gross claims paid		**41,670**	54,114
Reinsurers' share of claims paid		**(24,862)**	(27,615)
Net claims paid		**16,808**	26,499
Changes in outstanding claims, net		**437**	(2,579)
Changes in claims incurred but not reported, net		**(6,015)**	(9,317)
Net claims incurred		**11,230**	14,603
Premium deficiency reserve		**6,727**	(860)
Other technical reserves		**(6,347)**	(349)
Policy acquisition costs		**2,190**	3,678
Other underwriting expenses		**838**	1,000
TOTAL UNDERWRITING COSTS AND EXPENSES		**14,638**	18,072
NET UNDERWRITING INCOME		**19,500**	26,733

The accompanying notes from 1 – 19 form an integral part of these interim condensed financial statements

INTERIM STATEMENT OF INCOME – (Unaudited) – (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	Notes	*Three-month period ended 31 March*	
		2019	*2018*
		SR'000	*SR'000*
OTHER OPERATING (EXPENSES) / INCOME			
General and administrative expenses		**(29,347)**	(28,257)
Release of / (allowance) for doubtful debts		**672**	(7,612)
Board remuneration		**(211)**	(373)
Dividend income		**-**	6
Amortization of held to maturity investments		**98**	98
Investment income		**3,687**	2,940
Realized (loss) / gain on investments		**(298)**	(1,359)
Other income		**370**	216
TOTAL OTHER OPERATING EXPENSES		**(25,029)**	(34,341)
Net loss for the period		**(5,529)**	(7,608)
Net income attributed to the insurance operations		**-**	-
Net loss for the period attributable to the shareholders		**(5,529)**	(7,608)
Loss per share (Expressed in SAR per share)			
Weighted average number of ordinary shares outstanding (in thousands)		**40,000**	40,000
Basic and diluted loss per share for the period (SR) – restated – 2018	16	**(0.14)**	(0.19)

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME – (Unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	Notes	*Three-month period ended 31 March*	
		2019	***2018***
		SR'000	*SR'000*
Net loss for the period		**(5,529)**	(7,608)
Other comprehensive (loss) / income			
Items that are or may be reclassified to interim statements of income in subsequent periods			
- Available for sale investments:			
- Net change in fair value		**262**	470
- Net amounts transferred to statement of income		**298**	1,359
- Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(4,969)**	(5,779)
Total comprehensive (income) / loss attributed to the insurance operations		**(100)**	64
Total comprehensive loss for the period attributable to the shareholders		**(5,069)**	(5,715)

The accompanying notes from 1 – 19 form an integral part of these interim condensed financial statements

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY – (Unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	SHAREHOLDERS' EQUITY						
2019	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Total shareholders' equity	Re-measurement reserve of define benefit obligation	Total Equity
					SAR '000		
Balance as at 31 December 2018 (audited)	**400,000**	**31,944**	**(71,684)**	**52**	**360,312**	**436**	**360,748**
Total comprehensive income / (loss) for the period							
Changes in fair values of available for sale investments	-	-	-	**176**	**176**	-	**176**
Transfers to statement of income	-	-	-	**284**	**284**	-	**284**
Net loss for the period – attributable to shareholders'	-	-	**(5,529)**	-	**(5,529)**	-	**(5,529)**
Total comprehensive (loss) / income for the period attributable to shareholders'	-	-	**(5,529)**	**460**	**(5,069)**	-	**(5,069)**
Zakat and income tax charge for the period	-	-	**(1,000)**	-	**(1,000)**	-	**(1,000)**
Balance as at 31 March 2019 (unaudited)	**400,000**	**31,944**	**(78,213)**	**512**	**354,243**	**436**	**354,679**

2018	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Total shareholders' equity	Re-measurement reserve of define benefit obligation	Total Equity
					SAR '000		
Balance as at 31 December 2017 (audited)	490,000	31,944	(97,512)	(3,314)	421,118	-	421,118
Total comprehensive income / (loss) for the period							
Changes in fair values of available for sale investments	-	-	-	534	534	-	534
Transfers to statement of income	-	-	-	1,359	1,359	-	1,359
Net loss for the period – attributable to shareholders'	-	-	(7,608)	-	(7,608)	-	(7,608)
Total comprehensive (loss) / income for the period attributable to shareholders'	-	-	(7,608)	1,893	(5,715)	-	(5,715)
Zakat and income tax charge for the period	-	-	(1,500)	-	(1,500)	-	(1,500)
Balance as at 31 March 2018 (unaudited)	490,000	31,944	(106,620)	(1,421)	413,903	-	413,903

The accompanying notes from 1 – 19 form an integral part of these interim condensed financial statements

UNITED COOPERATIVE ASSURANCE COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASHFLOWS – (Unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	Three-month period ended 31 March	
	2019	*2018*
	SAR '000	*SAR '000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(5,529)**	(7,608)
Adjustments for non-cash items:		
Depreciation of property and equipment	**368**	336
(Release) of / allowance for doubtful debts	**(672)**	7,612
Realized loss on investments	**298**	1,359
Amortization of held to maturity investments	**(98)**	(98)
Provision for end-of-service indemnities	**796**	948
	(4,837)	2,549
Changes in operating assets and liabilities:		
Premiums and reinsurers' receivable	**(33,334)**	(32,260)
Reinsurers' share of unearned premiums	**(27,937)**	6,845
Reinsurers' share of outstanding claims	**8,249**	(37,080)
Reinsurers' share of claims Incurred but not reported	**25,964**	21,920
Deferred policy acquisition costs	**(168)**	1,892
Prepaid expenses and other assets	**(6,708)**	(6,851)
Accrued commission on statutory deposit	**(266)**	(193)
Policyholders and accounts payables	**(16,645)**	(4,113)
Accrued and other liabilities	**6,858**	(167)
Reinsurers' balances payable	**6,775**	18,465
Unearned premiums	**20,596**	(11,568)
Unearned reinsurance commission	**4,588**	(4,022)
Outstanding claims	**(7,812)**	34,501
Claims incurred but not reported	**(31,978)**	(31,237)
Premium deficiency reserve	**6,727**	(860)
Other technical reserves	**(6,347)**	(349)
Accrued commission on statutory deposit payable to SAMA	**266**	193
	(56,009)	(42,335)
End-of-service indemnities paid	**(4,384)**	(1,185)
Net cash flows used in operating activities	**(60,393)**	(43,520)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(20,000)**	(100,000)
Proceeds from sale of investments	**17,023**	100,781
Purchase of property and equipment	**(2,056)**	(27)
Net cash flows (used in) / from investing activities	**(5,033)**	754
Net change in cash and cash equivalents	**(65,426)**	(42,766)
Cash and cash equivalents, beginning of the period	**89,533**	138,796
Cash and cash equivalents, end of the period	**24,107**	96,030
NON-CASH INFORMATION		
Change in fair value of available for sale investments	**560**	470

The accompanying notes from 1 – 19 form an integral part of these interim condensed financial statements

1. GENERAL

United Cooperative Assurance ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030179955 dated 6 Jamad-al-Thani 1429H, corresponding to 6 June 2008. Registered Office address of the Company is Al-Mukmal Centre (1st and 4th floor) Prince Saud Al Faisal Street, Khalediya District, P. O. Box 5019, Jeddah 21422, Kingdom of Saudi Arabia.

The activities of the Company are to transact cooperative insurance and reinsurance operations and related activities in the Kingdom of Saudi Arabia. On 29 Rabi Al Thani 1429H (5 May 2008), the Company received a license from the Saudi Arabian Monetary Agency ("SAMA") to engage in insurance and reinsurance in Saudi Arabia. The Company started the operations on 1 January 2009.

The Company received the approval letters from the Saudi Arabian Monetary Authority (SAMA) and Ministry of Commerce and Investment regarding the amendment of the Company's by-laws to be in accordance with the new companies' regulations. The Company's extraordinary general assembly was held on 10 August 2017 corresponding to 18 Thul Qeadah 1438H and accordingly the new by-laws was approved.

2. BASIS OF PREPARATION

a. Basis of presentation

The interim condensed financial information of the Company has been prepared in accordance with 'International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as modified by SAMA for the accounting of zakat and income tax', which requires, adoption of all IFRSs as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 – "Income Taxes" and IFRIC 21 – "Levies" so far as these relate to zakat and income tax. As per the SAMA Circular no. 381000074519 dated 11 April 2017 and subsequent amendments through certain clarifications relating to the accounting for zakat and income tax ("SAMA Circular"), the zakat and income tax are to be accrued on a quarterly basis through shareholders equity under retained earnings.

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement of investments (excluding held-to-maturity) at their fair value. The Company's interim condensed statement of financial position is presented in order of liquidity. Except for property and equipment, statutory deposit, end-of-service indemnities, outstanding claims, claims incurred but not reported, all other assets and liabilities are of short-term nature, unless, stated otherwise.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. Similarly, in the past, the Company's interim condensed and annual financial statements presented separately the statements of financial position, income, comprehensive income and cash flows for the insurance operations and shareholders operations. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

2. BASIS OF PREPARATION – (continued)

a. Basis of presentation – (continued)

The interim condensed statement of financial position, statements of income and statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented on pages 32 to 37 of the financial statements have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial 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 like transactions and events in similar circumstances.

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

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 of and for the year ended 31 December 2018.

The interim condensed financial statements may not be considered indicative of the expected results for the full year.

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

b. Judgment and estimates

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

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2018.

2. BASIS OF PREPARATION – (continued)

c. Seasonality of operations

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and are consistent with those used for the preparation of the annual financial statements for the year ended 31 December 2018 and new amended IFRS and International Financial Reporting Interpretations Committee Interpretations (IFRIC) as mentioned in note 3(a) which had no impact on the financial position or financial performance of the Company. Certain comparative amounts have been reclassified / regrouped to conform with the current period's presentation. This did not have any impact on interim condensed statement of changes in shareholders' equity for the period.

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

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

Standard/ Amendments	***Description***
IFRS 16	Leases (refer below)

IFRS 16 - Leases

IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

IFRS 16 'Leases' introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

b. Standards issued but not yet effective

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

Standard/ Interpretation	***Description***	***Effective from periods beginning on or after the following date***
IFRS 9	Financial Instruments	Refer below
IFRS 17	Insurance Contracts (note below)	1 January 2022

IFRS 9 and IFRS 17

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 (ECL) 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 statement of income.
- IFRS 9 requires entities to record an allowance for ECLs for all loans and other debt financial assets not held at fair value through statement of income as well we finance lease receivables, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. Under IFRS 9, credit losses are recognised earlier than under IAS 39.
- The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

In September 2016, the IASB published amendments to IFRS 4 Insurance Contracts that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 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.

Under the temporary exemption as introduced by amendments to IFRS 4, the reporting entities whose activities predominantly relate to "insurance" can defer the implementation of IFRS 9. The Company having assessed the implications and has concluded to defer the implementation of IFRS 9 until a later date which will not be later than 1 January 2022.

The impact of the adoption of IFRS 9 on the Company's interim condensed financial statements 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.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following:

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Insurance operations		
Bank balances and cash	**10,157**	88,477
Shareholders' operations		
Bank balances and cash	**13,950**	1,056

5. PREMIUMS AND REINSURERS' RECEIVABLE – NET

Receivables comprise amounts due from the following:

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Policyholders	**84,044**	83,432
Brokers and agents	**18,546**	15,288
Related parties (note 12)	**158,142**	134,622
Receivables from reinsurers'	**29,003**	23,059
	289,735	256,401
Provision for doubtful receivables	**(85,993)**	(86,665)
Premiums and reinsurers' receivable – net	**203,742**	169,736

Movement in the allowance for doubtful premiums receivable during the period / year was as follows:

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Balance at beginning of the period / year	**86,665**	75,689
Provision made during the period / year	**-**	11,080
Release of provision during the period / year	**(672)**	-
Written-off during the year	**-**	(104)
Balance at end of the period / year	**85,993**	86,665

6. INVESTMENTS

Investment are classified as follows:

Insurance operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
- Available for sale (note 6.1)	**20,222**	3,894
- Held to maturity (note 6.3)	**156,316**	156,265
	176,538	160,159

6.1 Available-for-sale investments

Movement in available-for-sale investment balance is as follows:

Insurance' operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
Opening balance	**3,894**	104,262
Purchases during the period / year	**20,000**	-
Disposals during the period / year	**(3,772)**	(690)
Transfer to shareholders' operations	**-**	(100,000)
Changes in fair value of investments	**100**	322
Closing balance	**20,222**	3,894

Insurance' operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
Investment in bonds	**-**	3,672
Investment in mutual funds	**20,222**	222
	20,222	3,894

6. INVESTMENTS – (continued)

Shareholders' operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
- Available for sale (note 6.2)	**13,188**	26,277
- Held to maturity (note 6.3)	**198,366**	198,319
	211,554	224,596

6.2 Available-for-sale investments

Movement in available-for-sale investment balance is as follows:

Shareholders' operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
Opening balance	**26,277**	36,624
Disposals during the period / year	**(13,549)**	(13,713)
Changes in fair value of investments	**460**	3,366
Closing balance	**13,188**	26,277

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Investment in equity shares	**1,923**	1,923
Investment in bonds	**-**	13,035
Investment in mutual funds	**11,265**	11,319
	13,188	26,277

6. INVESTMENTS – (continued)

6.3 Held to maturity investments

Movement in held to maturity investment balance is as follows:

Insurance operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
Opening balance	**156,265**	156,060
Amortization of held to maturity investments	**51**	205
Closing balance	**156,316**	156,265

Shareholders' operations	**31 March 2019 (Unaudited) SAR'000**	31 December 2018 (Audited) SAR'000
Opening balance	**198,319**	98,131
Transfer from insurance operation	**-**	100,000
Amortization of held to maturity investments	**47**	188
Closing balance	**198,366**	198,319

7. TECHNICAL RESERVES

7.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Outstanding claims	**103,774**	111,586
Claims incurred but not reported	**177,503**	209,481
	281,277	321,067
Premium deficiency reserve	**23,181**	16,454
Other technical reserves	**30,192**	36,539
	334,650	374,060
Less:		
- Reinsurers' share of outstanding claims	**(79,920)**	(88,169)
- Reinsurers' share of claims Incurred but not reported	**(109,673)**	(135,637)
	(189,593)	(223,806)
Net outstanding claims and reserves	**145,057**	150,254

7. TECHNICAL RESERVES – (continued)

7.2 Movement in unearned premiums

Movement in unearned premiums comprise of the following:

	Three-month period ended 31 March 2019 (Unaudited)		
	Gross	**Reinsurance**	**Net**
	SAR'000		
Balance as at the beginning of the period	**141,051**	**(94,750)**	**46,301**
Premium written during the period	**114,411**	**(97,693)**	**16,718**
Premium earned during the period	**(93,815)**	**69,756**	**(24,059)**
Balance as at the end of the period	**161,647**	**(122,687)**	**38,960**

	Year ended 31 December 2018 (Audited)		
	Gross	Reinsurance	Net
	SAR'000		
Balance as at the beginning of the year	270,374	(204,792)	65,582
Premium written during the year	391,968	(288,368)	103,600
Premium earned during the year	(521,291)	398,410	(122,881)
Balance as at the end of the year	141,051	(94,750)	46,301

8. STATUTORY DEPOSIT

As required by the Saudi Arabian Insurance Regulations, the Company deposited an amount equivalent to 15% of its paid up share capital, amounting to SAR 73.5 million in a bank designated by the Saudi Arabian Monetary Authority ("SAMA"). This statutory deposit cannot be withdrawn without the consent of SAMA and commission accruing on this deposit is payable to SAMA. During 2018, the Company has reduced its share capital by SAR 90 million but has not withdrawn the surplus statutory deposit of SAR 13.5 million as of 31 December 2018.

9. COMMITMENTS AND CONTINGENCIES

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

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Letters of guarantee issued in favour of GAZT	**22,096**	22,096
Total	**22,096**	22,096

b. There were no capital commitments outstanding as at 31 March 2019 (31 December 2018: Nil).

c. As at 31 March 2019, the Company has a letter of guarantee amounting to SR 22.096 million (31 December 2018: SR 22.096 million) in favour of General Authority of Zakat and Tax (GAZT) (see note 13). A margin of SR 22.096 million (31 December 2018: SR 22.096 million) being deposited with a bank for this purpose and is included in prepayments and other assets in the statement of financial position.

10. FAIR VALUES OF FINANCIAL INSTRUMENTS

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 on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed (consolidated) financial information.

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

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.

a. Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

10. FAIR VALUES OF FINANCIAL INSTRUMENTS – (continued)

a. Carrying amounts and fair value

31 March 2019 (Unaudited)	**Fair value**			
	Level 1	**Level 2**	**Level 3**	**Total**
	SR' 000	**SR' 000**	**SR' 000**	**SR' 000**
Financial assets measured at fair value				
Equity securities				
- Insurance operations	**-**	**20,222**	**-**	**20,222**
- Shareholders' operations	**-**	**11,265**	**1,923**	**13,188**
	-	**31,487**	**1,923**	**33,410**

31 December 2018 (Audited)	Fair value			
	Level 1	Level 2	Level 3	Total
	SR' 000	SR' 000	SR' 000	SR' 000
Financial assets measured at fair value				
Equity securities				
- Insurance operations	-	222	-	222
- Shareholders' operations	-	11,319	1,923	13,242
Financial assets not measured at fair value				
Debt securities				
Insurance operations				
- Insurance operations	3,672	-	-	3,672
- Shareholders' operations	13,035	-	-	13,035
	16,707	11,541	1,923	30,171

11. OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2018.

Segment assets do not include cash and cash equivalents, term deposits, net premiums and reinsurers' receivable, net, prepayments and other receivables, investments, furniture, fittings and office equipment. Accordingly, they are included in unallocated assets. Segment liabilities do not include policyholders' claims, reinsurance payables, accruals and other payables and employees' end of service indemnities. Accordingly, they are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at 31 March 2019 and 31 December 2018, its total revenues, expenses, and net income for the three-month period then ended, are as follows:

11. OPERATING SEGMENTS – (continued)

	As at 31 March 2019 (Unaudited) Insurance operations SR' 000							
	Medical	Motor	Energy	Engineering	Others	Total Insurance operations	Shareholders' operations	Total
Assets								
Reinsurers' share of unearned premiums	7,908	18,850	22,879	35,803	37,247	122,687	-	122,687
Reinsurers' share of outstanding claims	5,213	5,165	49	10,112	59,381	79,920	-	79,920
Reinsurers' share of claims Incurred but not reported	7,475	29,554	8,090	32,854	31,700	109,673	-	109,673
Deferred policy acquisition costs	753	1,371	-	2,421	1,322	5,867	-	5,867
Unallocated assets						444,824	383,417	828,241
Total assets						762,971	383,417	1,146,388
Liabilities								
Unearned premiums	18,343	39,767	23,280	38,654	41,603	161,647	-	161,647
Unearned reinsurance commission	-	3,730	-	11,924	8,229	23,883	-	23,883
Outstanding claims	9,067	20,145	50	10,518	63,994	103,774	-	103,774
Claims incurred but not reported	14,476	83,826	8,247	35,227	35,727	177,503	-	177,503
Premium deficiency reserve	8,050	4,727	-	2,727	7,677	23,181	-	23,181
Other technical reserves	22,695	5,518	206	881	892	30,192	-	30,192
Unallocated liabilities						244,805	381,403	626,208
Total liabilities						764,985	381,403	1,146,388

11. OPERATING SEGMENTS – (continued)

	As at 31 December 2018 (Audited) Insurance operations SR' 000							
	Medical	Motor	Energy	Engineering	Others	Total Insurance operations	Shareholders' operations	Total
Assets								
Reinsurers' share of unearned premiums	7,528	28,047	-	46,766	12,409	94,750	-	94,750
Reinsurers' share of outstanding claims	9,124	4,301	254	12,842	61,648	88,169	-	88,169
Reinsurers' share of claims Incurred but not reported	12,835	21,763	11,703	55,287	34,049	135,637	-	135,637
Deferred policy acquisition costs	883	1,926	-	2,277	613	5,699	-	5,699
Unallocated assets						466,097	381,565	847,662
Total assets						790,352	381,565	1,171,917
Liabilities								
Unearned premiums	18,756	56,498	-	49,982	15,815	141,051	-	141,051
Unearned reinsurance commission	-	5,481	-	10,816	2,998	19,295	-	19,295
Outstanding claims	13,546	17,948	257	13,317	66,518	111,586	-	111,586
Claims incurred but not reported	15,653	84,587	11,923	58,758	38,560	209,481	-	209,481
Premium deficiency reserve	4,740	5,561	-	3,731	2,422	16,454	-	16,454
Other technical reserves	27,887	5,921	298	1,469	964	36,539	-	36,539
Unallocated liabilities						251,246	386,265	637,511
Total liabilities						785,652	386,265	1,171,917

11. OPERATING SEGMENTS – (continued)

	For the three-month period ended 31 March 2019 (Unaudited)					
	Medical SR'000	***Motor SR'000***	***Energy SR'000***	***Engineering SR'000***	***Others SR'000***	***Total SR'000***
REVENUES						
Gross premiums written						
- Individual	-	5,330	-	-	59	5,389
- Micro enterprises	1,241	2,184	-	259	1,680	5,364
- Small enterprises	859	1,261	-	1,522	3,479	7,121
- Medium enterprises	8,235	629	-	4,563	29,048	42,475
- Large enterprises	11	1,943	39,091	4,814	8,203	54,062
	10,346	11,347	39,091	11,158	42,469	114,411
Reinsurance premiums ceded						
- Local	-	(567)	-	(1,094)	(2,490)	(4,151)
- Foreign	(5,270)	(3,922)	(38,418)	(8,958)	(36,396)	(92,964)
	(5,270)	(4,489)	(38,418)	(10,052)	(38,886)	(97,115)
Excess of loss expenses						
- Local	-	(17)	-	-	(46)	(63)
- Foreign	-	(95)	-	-	(420)	(515)
	-	(112)	-	-	(466)	(578)
Net premiums written	5,077	6,746	673	1,106	3,116	16,718
Changes in unearned premiums, net	792	7,534	(401)	365	(949)	7,341
Net premiums earned	5,869	14,280	272	1,471	2,167	24,059
Reinsurance commissions earned	-	2,648	615	2,159	4,657	10,079
TOTAL REVENUES	5,869	16,928	887	3,630	6,824	34,138
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	15,510	21,068	-	1,733	3,359	41,670
Reinsurers' share of claims paid	(10,428)	(9,921)	-	(1,655)	(2,858)	(24,862)
Net claims paid	5,082	11,147	-	78	501	16,808
Changes in outstanding claims, net	(566)	1,332	(3)	(69)	(257)	437
Changes in claims incurred but not reported, net	4,184	(8,553)	(63)	(1,097)	(486)	(6,015)
Net claims incurred	8,700	3,926	(66)	(1,088)	(242)	11,230
Premium deficiency reserve	3,310	(834)	-	(1,004)	5,255	6,727
Other technical reserves	(5,193)	(403)	(92)	(588)	(71)	(6,347)
Policy acquisition costs	441	991	-	185	573	2,190
Other underwriting expenses	183	136	195	133	191	838
TOTAL UNDERWRITING COSTS AND EXPENSES	7,441	3,816	37	(2,362)	5,706	14,638
NET UNDERWRITING (LOSS) / INCOME	(1,572)	13,112	850	5,992	1,118	19,500

11. OPERATING SEGMENTS – (continued)

	For the three-month period ended 31 March 2019 (Unaudited)					
	Medical SR' 000	*Motor SR' 000*	*Energy SR' 000*	*Engineering SR' 000*	*Others SR' 000*	*Total SR' 000*
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses						**(29,347)**
Release of provision for doubtful debts						**672**
Board remuneration						**(211)**
Amortization of held to maturity investments						**98**
Investment income						**3,687**
Realized loss on investments						**(298)**
Other income						**370**
TOTAL OTHER OPERATING EXPENSES						**(25,029)**
NET LOSS FOR THE PERIOD						**(5,529)**
Net income for the period attributable to insurance operations						**-**
Net loss for the period attributable to the shareholders'						**(5,529)**

***11.1 Additional information**

	For the three-month period ended 31 March 2019 (Unaudited)			
	Medical SR' 000	*Motor SR' 000*	*Property and casualty SR' 000*	*Total SR' 000*
REVENUES				
Gross premiums written				
- Individual	**-**	**5,330**	**59**	**5,389**
- Micro enterprises	**1,241**	**2,184**	**1,939**	**5,364**
- Small enterprises	**859**	**1,261**	**5,001**	**7,121**
- Medium enterprises	**8,235**	**629**	**33,611**	**42,475**
- Large enterprises	**11**	**1,943**	**52,108**	**54,062**
	10,346	**11,347**	**92,718**	**114,411**

11. OPERATING SEGMENTS – (continued)

	For the three-month period ended 31 March 2018 (Unaudited)					
	Medical SR'000	*Motor SR'000*	*Energy SR'000*	*Engineering SR'000*	*Others SR'000*	*Total SR'000*
REVENUES						
Gross premiums written						
- Direct	25,102	21,089	30,596	(8,652)	35,880	104,015
	25,102	21,089	30,596	(8,652)	35,880	104,015
Reinsurance premiums ceded						
- Local	-	(1,146)	-	(382)	(1,099)	(2,627)
- Foreign	(14,219)	(8,994)	(30,070)	9,735	(30,058)	(73,606)
	(14,219)	(10,140)	(30,070)	9,353	(31,157)	(76,233)
Excess of loss expenses						
- Local	-	(26)	-	-	(42)	(68)
- Foreign	(154)	(179)	-	-	(378)	(711)
	(154)	(205)	-	-	(420)	(779)
Net premiums written	10,729	10,744	526	701	4,303	27,003
Changes in unearned premiums, net	(3,500)	11,357	(320)	(1,044)	(1,769)	4,724
Net premiums earned	7,229	22,101	206	(343)	2,534	31,727
Reinsurance commissions earned	-	4,015	481	4,251	4,331	13,078
TOTAL REVENUES	7,229	26,116	687	3,908	6,865	44,805
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	16,186	36,343	-	764	821	54,114
Reinsurers' share of claims paid	(12,045)	(14,312)	-	(630)	(628)	(27,615)
Net claims paid	4,141	22,031	-	134	193	26,499
Changes in outstanding claims, net	(53)	(2,036)	36	(26)	(500)	(2,579)
Changes in claims incurred but not reported, net	(154)	(7,242)	(129)	(1,130)	(662)	(9,317)
Net claims incurred	3,934	12,753	(93)	(1,022)	(969)	14,603
Premium deficiency reserves	(3,069)	-	-	1,846	363	(860)
Other technical reserves	-	(204)	(67)	(237)	159	(349)
Policy acquisition costs	930	1,292	-	709	747	3,678
Other underwriting expenses	452	211	153	94	90	1,000
TOTAL UNDERWRITING COSTS AND EXPENSES	2,247	14,052	(7)	1,390	390	18,072
NET UNDERWRITING INCOME	4,982	12,064	694	2,518	6,475	26,733

11. OPERATING SEGMENTS – (continued)

	For the three-month period ended 31 March 2018 (Unaudited)					
	Medical SR' 000	*Motor SR' 000*	*Energy SR' 000*	*Engineering SR' 000*	*Others SR' 000*	*Total SR' 000*
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses						(28,257)
Allowance for doubtful debts						(7,612)
Board remuneration						(373)
Dividend income						6
Amortization of held to maturity investments						98
Commission income on investments						2,940
Realized loss on investments						(1,359)
Other income						216
TOTAL OTHER OPERATING EXPENSES						(34,341)
NET LOSS FOR THE PERIOD						(7,608)
Net income for the period attributable to insurance operations						-
Net loss for the period attributable to the shareholders'						(7,608)

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. The following are the details of the major related party transactions during the period and the related balances:

	Nature of transactions	Transactions for the three-month period ended		Balance receivable / (payable) as at	
		31 March 2019 (Unaudited)	31 March 2018 (Unaudited)	**31 March 2019 (Unaudited)**	31 December 2018 (Audited)
		SAR'000			
Major shareholders					
Haji Hussien Ali Reza	Premium written	**3,371**	3,373		
	Payments received and claims paid	**(787)**	(940)	**12,247**	9,663
Saudi Bin Laden – Group	Premium written	**28,524**	9,842		
	Payments received and claims paid	**(10,419)**	(5,121)	**123,778**	105,673
CPC	Premium written	**4,542**	3,392		
	Payments received and claims paid	**(1,711)**	(31)	**22,057**	19,226
UCA Lebanon	Payment received	**-**	(203)	**-**	-
Associates					
Najm for insurance services		**-**	**-**	**(270)**	(270)
Entities controlled, jointly controlled or significantly influenced by related parties					
United Commercial Agencies	Premium written	**26**	46		
	Payment made on behalf of company	**(3)**	-	**843**	821
UCA Workshop	Premium written	**-**	35		
	Payments received and claims paid / Payment made	**-**	(100)	**-**	-
	Claims settled	**-**	-		
	Payment made		-	**(3)**	(3)
Law Office of Hassan Mahassni	Premium written	**-**	10		
	Payments received and claims paid		-	**60**	60
Middle East Group	Premium written	**-**	2		
	Payments received and claims paid	**-**	(41)	**1**	1

The above balances are included in premiums receivables, net, prepayments and other assets, payable to policyholders' and accrued expenses and other liabilities.

12. RELATED PARTY TRANSACTIONS AND BALANCES – (continued)

The compensation of key management personnel during the period is as follows:

	31 March 2019 (Unaudited) SAR'000	31 March 2018 (Unaudited) SAR'000
Salaries and other allowances	**1,302**	1,293
End of service indemnities	**976**	46
	2,278	1,339
Remuneration to those charged with governance	**211**	373

13. ZAKAT AND INCOME TAX

a. Charge for the period / year

The Zakat and income tax payable by the Company has been calculated based on the best estimates of the management.

The movement in the Zakat and income tax payable is as follows:

	31 March 2019 (Unaudited) SAR'000	31 December 2018 (Audited) SAR'000
Balance at the beginning of the period / year	**22,488**	23,708
Charge for the period / year	**1,000**	4,000
Paid during the period / year	**-**	(5,220)
Balance at the end of the period / year	**23,488**	22,488

The differences between the financial and the zakatable results are mainly due to certain adjustments in accordance with the relevant fiscal regulations.

Zakat base has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the GAZT could be different from the declarations filed by the Company.

b. Status of zakat assessments

The Company has filed its zakat declarations for the years ended 31 December 2009 to 2018 and obtained restricted zakat certificates until 31 December 2018.

During 2017, the Company received the zakat assessments for the years 2005 to 2008 from the General Authority of Zakat and Income Tax (GAZT) with regards to the portfolio transferred from the old company claiming zakat liability amounting to SR 6.01 million and with-holding tax liability amounting to SR 16.09 million. The management believes that the existing provision for zakat and with-holding tax is sufficient. The Management has filed an objection against the above assessments and is confident of receiving a favourable ruling. However, during the year, the Company has issued a bank guarantee in favour of GAZT amounting to SR 22.096 million (note 9).

GAZT has not yet raised assessments for the years from 2012 to 2017. The Zakat is applicable on 99% of the shareholders while Income Tax on 1% of the shareholders.

14. SHARE CAPITAL

The authorized and issued share capital of the Company was SR 490,000,000 divided into 49,000,000 ordinary shares of SR 10 each.

The Board of Directors at its meeting on 13 Ramadan 1438H corresponding to 08 June 2017 has recommended to reduce the Company's share capital from SR 490,000,000 to SR 400,000,000 divided into 40,000,000 shares. In an extra-ordinary general meeting held on 23 Ramadan 1439H corresponding to 07 June 2018, the shareholders' of the Company have approved this reduction and the required changes in the Company by-laws relating to this reduction, accordingly the share capital and accumulated losses have been reduced by SR 90,000,000. The capital reduction is through reduction of 1 share for every 5.44 shares held by the shareholder. The purpose of capital reduction is to restructure the capital position of the Company in line with the Companies Law. There will be no impact of capital reduction on the Company's financial obligations.

As at 31 March 2019, the authorised, subscribed and paid up share capital of the Company is SR 400,000,000, divided into 40,000,000 shares of SR 10 each.

15. CAPITAL MANAGEMENT

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

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

16. BASIC AND DILUTED LOSS PER SHARE

Loss per share for the period has been calculated by dividing the net loss for the period by the weighted average number of issued and outstanding shares for the period. The Company have decreased its share capital by offsetting with accumulated losses (note 14), as a result the weighted average number of ordinary shares issued and outstanding in the prior year has been restated to 40 million shares and accordingly loss per share is restated.

17. SUPPLEMENTARY INFORMATION

a) Interim statement of financial position

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Insurance operations	**Share-holders' operations**	**Total**	Insurance operations	Share-holders' operations	Total
			SAR '000			
ASSETS						
Cash and cash equivalents	**10,157**	**13,950**	**24,107**	88,477	1,056	89,533
Premiums and reinsurers' receivable – net	**203,742**	**-**	**203,742**	169,736	-	169,736
Reinsurers' share of unearned premiums	**122,687**	**-**	**122,687**	94,750	-	94,750
Reinsurers' share of outstanding claims	**79,920**	**-**	**79,920**	88,169	-	88,169
Reinsurers' share of claims Incurred but not reported	**109,673**	**-**	**109,673**	135,637	-	135,637
Deferred policy acquisition costs	**5,867**	**-**	**5,867**	5,699	-	5,699
Investments	**176,538**	**211,554**	**388,092**	160,159	224,596	384,755
Due from shareholders' / insurance operations	**2,014**	**-**	**2,014**	-	4,700	4,700
Prepaid expenses and other assets	**50,797**	**3,112**	**53,909**	45,823	1,378	47,201
Property and equipment	**3,590**	**-**	**3,590**	1,902	-	1,902
Goodwill	**-**	**78,400**	**78,400**	-	78,400	78,400
Statutory deposit	**-**	**73,500**	**73,500**	-	73,500	73,500
Accrued income on statutory deposit	**-**	**2,901**	**2,901**	-	2,635	2,635
	764,985	**383,417**	**1,148,402**	790,352	386,265	1,176,617
Less: Inter-operations eliminations	**(2,014)**	**-**	**(2,014)**	-	(4,700)	(4,700)
TOTAL ASSETS	**762,971**	**383,417**	**1,146,388**	790,352	381,565	1,171,917

17. SUPPLEMENTARY INFORMATION – (continued)

a) Interim statement of financial position – continued

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Insurance operations	**Share-holders' operations**	**Total**	Insurance operations	Share-holders' operations	Total
			SAR '000			
LIABILITIES						
Policyholders claims payable	**2,716**	**-**	**2,716**	19,361	-	19,361
Accrued and other liabilities	**62,170**	**501**	**62,671**	55,253	560	55,813
Reinsurers' balances payable	**129,002**	**-**	**129,002**	122,227	-	122,227
Unearned premiums	**161,647**	**-**	**161,647**	141,051	-	141,051
Unearned reinsurance commission	**23,883**	**-**	**23,883**	19,295	-	19,295
Outstanding claims	**103,774**	**-**	**103,774**	111,586	-	111,586
Claims incurred but not reported	**177,503**	**-**	**177,503**	209,481	-	209,481
Premium deficiency reserve	**23,181**	**-**	**23,181**	16,454	-	16,454
Other technical reserves	**30,192**	**-**	**30,192**	36,539	-	36,539
Due to shareholders' / insurance operations	**-**	**2,014**	**2,014**	4,700	-	4,700
Due to a related party	**-**	**270**	**270**	-	270	270
End-of-service indemnities	**14,430**	**-**	**14,430**	18,018	-	18,018
Insurance operations' surplus	**36,037**	**-**	**36,037**	36,037	-	36,037
Fair value reserve on investments	**14**	**-**	**14**	(86)	-	(86)
Zakat and income tax	**-**	**23,488**	**23,488**	-	22,488	22,488
Accrued commission income payable to SAMA	**-**	**2,901**	**2,901**	-	2,635	2,635
	764,549	**29,174**	**793,723**	789,916	25,953	815,869
Less: Inter-operations eliminations	**-**	**(2,014)**	**(2,014)**	(4,700)	-	(4,700)
TOTAL LIABILITIES	**764,549**	**27,160**	**791,709**	785,216	25,953	811,169
SHAREHOLDERS' EQUITY						
Share capital	**-**	**400,000**	**400,000**	-	400,000	400,000
Statutory reserve	**-**	**31,944**	**31,944**	-	31,944	31,944
Accumulated losses	**-**	**(78,213)**	**(78,213)**	-	(71,684)	(71,684)
Fair value reserve on investments	**-**	**512**	**512**	-	52	52
TOTAL SHAREHOLDERS' EQUITY	**-**	**354,243**	**354,243**	-	360,312	360,312
Re-measurement reserve of defined benefit obligation – related to insurance operations	**436**	**-**	**436**	436	-	436
TOTAL EQUITY	**436**	**354,243**	**354,679**	436	360,312	360,748
TOTAL LIABILITIES AND EQUITY	**764,985**	**381,403**	**1,146,388**	785,652	386,265	1,171,917
COMMITMENTS AND CONTINGENCIES			**22,096**			22,096

17. SUPPLEMENTARY INFORMATION – (continued)

b) Interim statement of income

	Three-month period ended 31 March (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2019 Total**	Insurance operations	Share-holders' operations	2018 Total
	SAR '000					
REVENUES						
Gross premiums written						
- Direct	**113,937**	**-**	**113,937**	104,015	-	104,015
- Reinsurance	**474**	**-**	**474**	-	-	-
	114,411	**-**	**114,411**	104,015	-	104,015
Reinsurance premiums ceded						
- Local	**(4,151)**	**-**	**(4,151)**	(2,627)	-	(2,627)
- Foreign	**(92,964)**	**-**	**(92,964)**	(73,606)	-	(73,606)
	(97,115)	**-**	**(97,115)**	(76,233)	-	(76,233)
Excess of loss expenses						
- Local	**(63)**	**-**	**(63)**	(68)	-	(68)
- Foreign	**(515)**	**-**	**(515)**	(711)		(711)
	(578)	**-**	**(578)**	(779)	-	(779)
Net premiums written	**16,718**	**-**	**16,718**	27,003	-	27,003
Changes in unearned premiums, net	**7,341**	**-**	**7,341**	4,724	-	4,724
Net premiums earned	**24,059**	**-**	**24,059**	31,727	-	31,727
Reinsurance commissions earned	**10,079**	**-**	**10,079**	13,078	-	13,078
TOTAL REVENUES	**34,138**	**-**	**34,138**	44,805	-	44,805
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	**41,670**	**-**	**41,670**	54,114	-	54,114
Reinsurers' share of claims paid	**(24,862)**	**-**	**(24,862)**	(27,615)	-	(27,615)
Net claims	**16,808**	**-**	**16,808**	26,499	-	26,499
Changes in outstanding claims and other technical reserves, net	**437**	**-**	**437**	(2,579)	-	(2,579)
Changes in claims incurred but not reported, net	**(6,015)**	**-**	**(6,015)**	(9,317)	-	(9,317)
Net claims incurred	**11,230**	**-**	**11,230**	14,603	-	14,603
Premium deficiency reserves	**6,727**	**-**	**6,727**	(860)	-	(860)
Other technical reserves	**(6,347)**	**-**	**(6,347)**	(349)	-	(349)
Policy acquisition costs	**2,190**	**-**	**2,190**	3,678	-	3,678
Other underwriting expenses	**838**	**-**	**838**	1,000	-	1,000
TOTAL UNDERWRITING COSTS AND EXPENSES	**14,638**	**-**	**14,638**	18,072	-	18,072
NET UNDERWRITING INCOME	**19,500**	**-**	**19,500**	26,733	-	26,733

17. SUPPLEMENTARY INFORMATION – (continued)

b) Interim statement of income – continued

	Three-month period ended 31 March (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2019 Total**	Insurance operations	Share-holders' operations	2018 Total
	SAR '000					
OTHER OPERATING (EXPENSES) / INCOME						
General and administrative expenses	**(29,101)**	**(246)**	**(29,347)**	(27,729)	(528)	(28,257)
Release of / (allowance) for doubtful debts	**672**	**-**	**672**	(7,612)	-	(7,612)
Board remuneration	**-**	**(211)**	**(211)**	-	(373)	(373)
Dividend income	**-**	**-**	**-**	-	6	6
Amortization of held to maturity investments	**51**	**47**	**98**	51	47	98
Investment income	**2,033**	**1,654**	**3,687**	1,139	1,801	2,940
Realized loss on investments	**(14)**	**(284)**	**(298)**	-	(1,359)	(1,359)
Other income	**370**	**-**	**370**	216	-	216
TOTAL OTHER OPERATING (EXPENSES) / INCOME	**(25,989)**	**960**	**(25,029)**	(33,935)	(406)	(34,341)
NET (LOSS) / INCOME FOR THE PERIOD	**(6,489)**	**960**	**(5,529)**	(7,202)	(406)	(7,608)
Shareholders' absorption of loss / (income) transferred to Shareholders	**6,489**	**(960)**	**5,529**	7,202	406	7,608
NET LOSS ATTRIBUTED TO THE INSURANCE OPERATIONS	**-**	**-**	**-**	-	-	-
Loss per share (Expressed in SAR per share)						
Weighted average number of ordinary shares outstanding (in thousands)	**-**		**40,000**	-		40,000
Basic and diluted loss per share for the period (SR) – restated – 2018	**-**		**(0.14)**	-		(0.19)

17. SUPPLEMENTARY INFORMATION – (continued)

c) Interim statement of comprehensive income

	Three-month period ended 31 March (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2019 Total**	Insurance operations	Share-holders' operations	2018 Total
	SAR '000					
NET LOSS FOR THE PERIOD	**-**	**(5,529)**	**(5,529)**	-	(7,608)	(7,608)
Other comprehensive (loss) / income				-	-	-
Items that are or may be reclassified to interim statement of income in subsequent periods						
Available for sale investments:						
- Net change in fair value	**86**	**176**	**262**	(64)	534	470
- Net amounts transferred to statement of income	**14**	**284**	**298**	-	1,359	1,359
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**100**	**(5,069)**	**(4,969)**	(64)	(5,715)	(5,779)

17. SUPPLEMENTARY INFORMATION – (continued)

d) Interim statement of cash flows

	Three-month period ended 31 March (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2019 Total**	Insurance operations	Share-holders' operations	2018 Total
	SR '000					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss for the period	**-**	**(5,529)**	**(5,529)**	-	(7,608)	(7,608)
Adjustments for non-cash items:						
Depreciation of property and equipment	**368**	**-**	**368**	336	-	336
(Release) of / allowance for doubtful debts	**(672)**	**-**	**(672)**	7,612	-	7,612
Realized loss on investments	**14**	**284**	**298**	-	1,359	1,359
Amortization of held to maturity investments	**(51)**	**(47)**	**(98)**	(51)	(47)	(98)
Provision for end-of-service indemnities	**796**	**-**	**796**	948	-	948
	455	**(5,292)**	**(4,837)**	8,845	(6,296)	2,549
Changes in operating assets and liabilities:						
Premiums and reinsurers' receivable	**(33,334)**	**-**	**(33,334)**	(32,260)	-	(32,260)
Reinsurers' share of unearned premiums	**(27,937)**	**-**	**(27,937)**	6,845	-	6,845
Reinsurers' share of outstanding claims	**8,249**	**-**	**8,249**	(37,080)	-	(37,080)
Reinsurers' share of claims Incurred but not reported	**25,964**	**-**	**25,964**	21,920	-	21,920
Deferred policy acquisition costs	**(168)**	**-**	**(168)**	1,892	-	1,892
Prepaid expenses and other assets	**(4,974)**	**(1,734)**	**(6,708)**	(4,826)	(2,025)	(6,851)
Accrued commission on statutory deposit	**-**	**(266)**	**(266)**	-	(193)	(193)
Policyholders and accounts payables	**(16,645)**	**-**	**(16,645)**	(4,113)	-	(4,113)
Accrued and other liabilities	**6,917**	**(59)**	**6,858**	(654)	487	(167)
Reinsurers' balances payable	**6,775**	**-**	**6,775**	18,465	-	18,465
Unearned premiums	**20,596**	**-**	**20,596**	(11,568)	-	(11,568)
Unearned reinsurance commission	**4,588**	**-**	**4,588**	(4,022)	-	(4,022)
Outstanding claims	**(7,812)**	**-**	**(7,812)**	34,501	-	34,501
Claims incurred but not reported	**(31,978)**	**-**	**(31,978)**	(31,237)	-	(31,237)
Premium deficiency reserves	**6,727**	**-**	**6,727**	(860)	-	(860)
Other technical reserves	**(6,347)**	**-**	**(6,347)**	(349)	-	(349)
Accrued commission on statutory deposit payable to SAMA	**-**	**266**	**266**	-	193	193
Due to shareholders operations	**(6,714)**	**-**	**(6,714)**	(14,738)	-	(14,738)
Due from Insurance Operations	**-**	**6,714**	**6,714**	-	14,738	14,738
	(55,638)	**(371)**	**(56,009)**	(49,239)	6,904	(42,335)
End-of-service indemnities paid	**(4,384)**	**-**	**(4,384)**	(1,185)	-	(1,185)
Net cash flows (used in) / from operating activities	**(60,022)**	**(371)**	**(60,393)**	(50,424)	6,904	(43,520)

17. SUPPLEMENTARY INFORMATION – (continued)

d) Interim statement of cash flows – continued

	Three-month period ended 31 March (Unaudited)					
	Insurance operations	**Share-holders' operations**	**2019 Total**	Insurance operations	Share-holders' operations	2018 Total
	SR '000					
CASH FLOWS FROM INVESTING ACTIVITIES						
Time deposits				-	-	-
Purchases of investments	**(20,000)**	**-**	**(20,000)**	-	(100,000)	(100,000)
Proceeds from sale of investments	**3,758**	**13,265**	**17,023**	100,000	781	100,781
Purchase of property and equipment	**(2,056)**	**-**	**(2,056)**	(27)	-	(27)
Net cash flows (used in) / from investing activities	**(18,298)**	**13,265**	**(5,033)**	99,973	(99,219)	754
Net change in cash and cash equivalents	**(78,320)**	**12,894**	**(65,426)**	49,549	(92,315)	(42,766)
Cash and cash equivalents, beginning of the period	**88,477**	**1,056**	**89,533**	43,953	94,843	138,796
Cash and cash equivalents, end of the period	**10,157**	**13,950**	**24,107**	93,502	2,528	96,030
NON-CASH INFORMATION						
Change in fair value of available-for-sale investments	**100**	**460**	**560**	(64)	534	470

18. COMPARATIVE FIGURES

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

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors, on 02 Ramadan 1440H, corresponding to 07 May 2019.