

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2019 (REVIEWED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019 (In thousands of U.S. Dollars)

	31 March 2019 (reviewed)	31 December 2018 (audited)	31 March 2018 (reviewed)
ASSETS			
Cash and bank balances	111,869	115,935	90,869
Investments	513,203	495,078	509,296
Accrued income	160,978	86,585	178,044
Insurance receivables	120,803	127,373	112,045
Insurance deposits	27,317	27,603	26,708
Deferred policy acquisition costs	34,454	25,433	36,542
Reinsurers' share of technical provisions	148,742	110,629	117,988
Other assets	44,774	44,078	34,781
Property and equipment	19,084	19,245	19,905
TOTAL ASSETS	1,181,224	1,052,559	1,186,168
LIABILITIES AND EQUITY			
LIABILITIES			
Technical provisions	811,635	684,569	773,897
Insurance payables	70,744	69,305	52,456
Borrowings	7,000	7,000	39,000
Other liabilities	58,441	66,811	40,803
TOTAL LIABILITIES	947,820	827,685	906,156
EQUITY			
Attributable to shareholders of parent company			
Share capital	220,000	220,000	220,000
Treasury stock	(14,793)	(14,793)	(14,793)
Reserves	42,238	35,670	37,628
(Accumulated losses) retained earnings	(42,706)	(44,507)	11,099
Non-controlling interests	204,739	196,370	253,934
	28,665	28,504	26,078
TOTAL EQUITY	233,404	224,874	280,012
TOTAL LIABILITIES AND EQUITY	1,181,224	1,052,559	1,186,168

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2019 (In thousands of U.S. Dollars)

	For the financial year- to-date 31 March 2019 (reviewed)	For the financial year- to-date 31 March 2018 (reviewed)	For the year ended 31 December 2018 (audited)
Gross premiums written	173,131	169,138	262,791
Outward reinsurance premiums	(36,963)	(35,722)	(64,396)
Change in unearned premiums	(78,410)	(78,444)	15,559
Net earned premiums	55,758	53,972	213,954
Claims and related expenses	(44,177)	(40,856)	(175,226)
Policy acquisition costs	(15,298)	(12,406)	(58,089)
Investment income attributable to insurance funds	7,000	2,854	5,963
Operating expenses	(2,774)	(3,531)	(13,263)
Underwriting result	491	33	(26,663)
Investment income attributable to shareholders' funds	3,359	2,254	4,086
Operating expenses - non underwriting activities	(1,483)	(2,133)	(9,281)
Borrowing cost	(75)	(251)	(608)
Other income	160	1,825	5,165
Other expenses and provisions	(534)	(448)	(24,701)
Profit (loss) for the period	1,918	1,280	(52,202)
Attributable to:			
Non-controlling interests	165	778	3,049
Shareholders of parent company	1,753	502	(55,251)
	1,918	1,280	(52,202)
Earnings (losses) per share attributable to shareholders (basic and diluted):	0.9	0.3	(27.9)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2019 (In thousands of U.S. Dollars)

	For the financial year- to-date 31 March 2019 (reviewed)	For the financial year- to-date 31 March 2018 (reviewed)	For the year ended 31 December 2018 (audited)
Profit (loss) for the period	1,918	1,280	(52,202)
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Changes on remeasurement of available for sale investments	7,015	(3,259)	(4,994)
Transfers for recognition of gains on disposal of available for sale investments	(626)	(391)	(518)
Transfers for impairment loss recognised on available for sale investments	223	-	206
Other comprehensive income for the period	6,612	(3,650)	(5,306)
Total comprehensive income for the period	8,530	(2,370)	(57,508)
Attributable to:			
Non-controlling interests	161	630	3,056
Shareholders of parent company	8,369	(3,000)	(60,564)
	8,530	(2,370)	(57,508)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2019 (In thousands of U.S. Dollars)

	For the financial year- to-date 31 March 2019 (reviewed)	For the financial year- to-date 31 March 2018 (reviewed)	For the year ended 31 December 2018 (audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Premiums received	63,749	87,413	233,874
Reinsurance premiums paid	(13,978)	(38,518)	(54,829)
Claims and acquisition costs paid	(63,163)	(59,349)	(193,960)
Reinsurance receipts in respect of claims	13,032	3,629	26,885
Investment income	129	455	37
Interest received	767	877	2,820
Dividends received	285	413	1,300
Operating expenses paid	(4,693)	(6,238)	(21,162)
Other income (expenses), net	408	1,932	(3,055)
Insurance deposits paid, net	(97)	(815)	(1,928)
Purchase of trading investments	(2,815)	(3,775)	(14,355)
Sale of trading investments	1,730	1,474	19,127
Net cash used in operating activities	(4,646)	(12,502)	(5,448)
CASH FLOWS FROM INVESTING ACTIVITIES			
Maturity/sale of investments	38,747	50,018	178,798
Purchase of investments	(40,748)	(31,445)	(110,110)
Term deposits with bank	(16,025)	(12,121)	13,708
Interest received	2,290	2,512	10,223
Investment income	53	836	135
Collateralised cash deposits	385	(5,256)	(11,201)
Purchase of property and equipment	-	(25)	(103)
Purchase of intangible assets	-	(62)	(211)
Investment in associate	-	-	(100)
Net cash (used in) provided by investing activities	(15,298)	4,457	81,139
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	-	5,000	(27,000)
Borrowing cost	(132)	(749)	(1,338)
Dividends paid	(374)	(133)	(374)
Net cash (used in) provided by financing activities	(146)	4,118	(28,712)
Net (decrease) increase in cash and cash equivalents	(20,990)	(3,927)	46,981
Effect of exchange rate on cash and cash equivalents	(1)	2	(11)
Cash and cash equivalents, beginning of period	109,908	62,938	62,938
Cash and cash equivalents, end of period	89,817	59,013	109,908
Term deposits with bank	22,052	31,856	6,027
Cash and bank balances, end of period	111,869	90,869	115,935

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2019 (In thousands of U.S. Dollars)

	Share capital	Treasury stock	Reserves	(Accumulated losses) retained earnings	Non-controlling interests	Total equity (reviewed)
Balances at 31 December 2018	220,000	(14,793)	35,670	(44,507)	28,504	224,874
Net profit for the period	-	-	-	1,753	165	1,918
Changes on remeasurement of available for sale investments	-	-	7,019	-	(4)	7,015
Transfers for recognition of gains on disposal of available for sale investments	-	-	(626)	-	-	(626)
Transfers for impairment loss recognised on available for sale investments	-	-	223	-	-	223
Total comprehensive income for the period	-	-	6,616	1,753	161	8,530
Transfer of net depreciation on revalued property	-	-	(48)	48	-	-
Balances at 31 March 2019	220,000	(14,793)	42,238	(42,706)	28,665	233,404
Balances at 31 December 2017	220,000	(14,793)	41,178	10,549	25,448	282,382
Net (loss) profit for the year	-	-	-	(55,251)	3,049	(52,202)
Changes on remeasurement of available for sale investments	-	-	(4,850)	-	(144)	(4,994)
Transfers for recognition of (gains) losses on disposal of available for sale investments	-	-	(669)	-	151	(518)
Transfers for impairment loss recognised on available for sale investments	-	-	206	-	-	206
Total comprehensive (loss) income for the year	-	-	(5,313)	(55,251)	3,056	(57,508)
Transfer of net depreciation on revalued property	-	-	(195)	195	-	-
Balances at 31 December 2018	220,000	(14,793)	35,670	(44,507)	28,504	224,874
Balances at 31 December 2017	220,000	(14,793)	41,178	10,549	25,448	282,382
Net profit for the period	-	-	-	502	778	1,280
Changes on remeasurement of available for sale investments	-	-	(3,227)	-	(32)	(3,259)
Transfers for recognition of gains on disposal of available for sale investments	-	-	(275)	-	(116)	(391)
Total comprehensive income for the period	-	-	(3,502)	502	630	(2,370)
Transfer of net depreciation on revalued property	-	-	(48)	48	-	-
Balances at 31 March 2018	220,000	(14,793)	37,628	11,099	26,078	280,012

These condensed consolidated interim financial statements were approved by the Board of Directors on 13 May 2019 and signed on its behalf by:

Saeed Mohammed AlBahhar Ahmed Saeed AlMahri Samuel Verghese
Chairman Director Acting Chief Executive Officer

The above condensed consolidated interim financial statements have been extracted from the condensed consolidated interim financial statements reviewed by KPMG Fakro.

The reviewed condensed consolidated interim financial statements are available on Arig's website www.arig.net