

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE THREE AND NINE MONTH PERIODS ENDED
30 SEPTEMBER 2018**

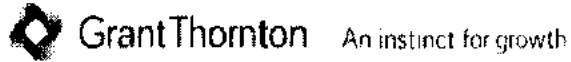
AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND INDEPENDENT
AUDITORS' REVIEW REPORT FOR THE THREE AND NINE MONTH PERIODS ENDED 30
SEPTEMBER 2018

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Aldar Audit Bureau
Abdullah Al Basri & Co.



INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF AL RAJHI COMPANY FOR COOPERATIVE INSURANCE (A SAUDI JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Al Rajhi Company for Cooperative Insurance (A Saudi Joint Stock Company) (the "Company") as at 30 September 2018, and the interim statements of income and comprehensive income for the three month and nine month periods then ended, and the interim statements of changes in equity and cash flows for the nine month period then ended and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") as modified by Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 information is not prepared, in all material respects, in accordance with IAS 34 as modified by SAMA for the accounting of zakat and income tax.

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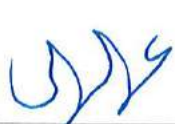
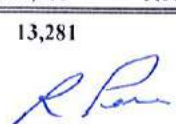


Date: 11 November 2018
Corresponding to: 3 Rabi I 1440H

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2018

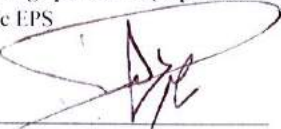
	Notes	SAR '000	
		September 30,	December 31,
		2018 - (Unaudited)	2017 - (Audited)
ASSETS			
Cash and cash equivalents	4	204,399	830,441
Contributions and re-takaful balances receivable – net	5	573,766	263,285
Re-takaful share of unearned contributions	8.2	102,650	91,709
Re-takaful share of outstanding claims	8.1	358,747	142,473
Re-takaful share of financial liabilities at FVPL		109	114
Deferred policy acquisition costs		56,634	35,789
Financial assets mandatorily measured at FVPL	7(a)	148,811	157,310
Financial assets designated at FVOCI	7(b)	156,749	84,766
Advances and prepayments		46,283	31,710
Financial assets at amortised cost	7(c)	2,088,591	1,369,110
Property and equipment		17,438	18,936
Statutory deposit	6	39,968	39,968
Accrued income on statutory deposit		3,213	2,565
Other assets		20,575	18,171
TOTAL ASSETS		3,817,933	3,086,347
LIABILITIES			
Payable, accruals and other liabilities		165,015	112,274
Provision for zakat and income tax	13	28,689	26,490
Re-takaful balances payable		56,720	66,318
Unearned contributions	8.2	1,413,767	1,304,110
Unearned re-takaful commission income		7,295	7,072
Gross outstanding claims	8.1	1,274,108	893,230
Financial liabilities at FVPL	8.1, 14	47,124	30,595
End-of-service indemnities		13,327	10,283
Payables to SAMA		4,121	3,473
		3,010,166	2,453,845
Accumulated surplus – Takaful operations			
Takaful operations' surplus		46,121	34,442
Fair value reserve	7(b)	(6,146)	-
TOTAL LIABILITIES AND SURPLUS		3,050,141	2,488,287
SHAREHOLDERS' EQUITY			
Share capital	15	400,000	400,000
Statutory reserve		88,630	54,297
Retained earnings		265,033	142,211
Fair value reserve	7(b)	14,129	1,552
Total shareholders' equity		767,792	598,060
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY			
		3,817,933	3,086,347
COMMITMENTS AND CONTINGENCIES			
	9	13,281	12,997
			
Naser Abdullah Aloufi			
Member-Board			
			
Abdulaziz Mohammed Al Sedeas			
Chief Executive Officer			
			
Robert Pereira			
Chief Financial Officer			

The accompanying notes 1 to 20 form an integral part of these interim condensed financial information.


AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF INCOME (Unaudited)

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	SAR '000		SAR '000	
	<i>30-Sep-18</i>	<i>30-Sep-17</i>	<i>30-Sep-18</i>	<i>30-Sep-17</i>
REVENUES				
Gross contribution written	703,387	742,329	2,357,236	2,529,621
Re-takaful contributions ceded	(28,059)	(28,763)	(80,150)	(82,517)
Excess of loss expenses	(3,114)	(2,824)	(9,341)	(11,652)
Net contributions written	672,214	710,742	2,267,745	2,435,452
Changes in unearned contributions, net	56,154	8,173	(98,717)	(403,192)
Net contributions earned	728,368	718,915	2,169,028	2,032,260
Re-takaful commissions	5,706	2,778	11,181	8,798
Other underwriting income	618	3,006	6,912	10,218
TOTAL REVENUES	734,692	724,699	2,187,121	2,051,276
UNDERWRITING COSTS AND EXPENSES				
Gross claims paid	(551,911)	(452,579)	(1,587,966)	(1,413,735)
Surrenders and maturities	(921)	(576)	(2,601)	(1,198)
Expenses incurred related to claims	(15,620)	(9,070)	(48,790)	(42,240)
Re-takaful share of claims paid	63,936	1,864	84,526	13,872
Net claims and other benefits paid	(504,516)	(460,361)	(1,554,831)	(1,443,301)
Changes in outstanding claims, net	(18,627)	(48,575)	(3,471)	21,873
Changes in incurred but not reported claims, net	(17,298)	(83,687)	(161,133)	(294,902)
Net claims and other benefits incurred	(540,441)	(592,623)	(1,719,435)	(1,716,330)
Change in financial liabilities at FVPL	(5,320)	3,850	(14,775)	(10,243)
Policy acquisition costs	(26,182)	(24,560)	(84,711)	(65,386)
Other underwriting expenses	(8,322)	(12,802)	(22,203)	(17,842)
TOTAL UNDERWRITING COSTS AND EXPENSES	(580,265)	(626,135)	(1,841,124)	(1,809,801)
NET UNDERWRITING INCOME	154,427	98,564	345,997	241,475
OTHER OPERATING (EXPENSES)/ INCOME				
Allowance for doubtful debts	(32,874)	(1,262)	(43,773)	(3,448)
Management fee for administration of takaful operations	(56,793)	(44,821)	(172,267)	(120,227)
Commission income on deposits	16,226	9,137	47,749	19,189
Net gains on investments mandatorily measured at FVPL	2,467	1,602	6,796	5,727
Dividend income	1,399	1,010	3,413	3,545
Reversal of impairment loss / (impairment loss)	58	278	(322)	(138)
Other income	593	393	1,711	1,514
TOTAL OTHER OPERATING EXPENSES	(68,924)	(33,663)	(156,692)	(93,838)
Net income for the period	85,503	64,901	189,305	147,637
Net income for the period attributed to the takaful operations	(8,093)	(6,192)	(17,650)	(13,721)
Net income for the period attributable to the shareholders	77,410	58,708	171,655	133,916
Earnings per share (expressed in SAR per share)				
Basic EPS	1.94	1.47	4.29	3.35


Naser Abdullah Aloufi
Member-Board


Abdulaziz Mohammed Al Sedeas
Chief Executive Officer



Robert Pereira
Chief Financial Officer

The accompanying notes 1 to 20 form an integral part of these interim condensed financial information.

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	<i>For the three month period ended</i>		<i>For the nine month period</i>	
	SAR '000		SAR '000	
	<i>30-Sep-18</i>	<i>30-Sep-17</i>	<i>30-Sep-18</i>	<i>30-Sep-17</i>
Net income for the period	85,503	64,901	189,305	147,637
Other comprehensive (loss) / income				
Items that will not be reclassified to interim statement of income in subsequent periods	-	-	-	-
Net (losses) / gains on equity investments designated at fair value through other comprehensive income	(3,642)	3,902	6,431	2,223
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>	81,861	68,803	195,736	149,860
Total comprehensive income attributed to the takaful operations	5,517	6,192	11,504	13,721
Total comprehensive income for the period attributable to the shareholders	76,344	62,610	184,232	136,139



Naser Abdullah Aloufi
Member-Board



Abdulaziz Mohammed Al Sedeas
Chief Executive Officer




Robert Pereira
Chief Financial Officer

The accompanying notes 1 to 20 form an integral part of these interim condensed financial information.

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2018
(SAR in '000')

	Notes	Share capital	Statutory reserve	Retained earnings	Fair value reserve	Total
Balance as at 1 January 2018		400,000	54,297	142,211	1,552	598,060
Total comprehensive income:						
Net income for the period		-	-	171,655	-	171,655
Net gains on investments designated as fair through value through other comprehensive income		-	-	-	12,577	12,577
		-	-	171,655	12,577	184,232
Transfer to statutory reserve		-	34,333	(34,333)	-	-
Provision for zakat and tax	13	-	-	(14,500)	-	(14,500)
Balance as at 30 September 2018 (unaudited)		400,000	88,630	265,033	14,129	767,792
		Share capital	Statutory reserve	Retained earnings	Fair value reserve	Total
Balance as at 1 January 2017 (audited)		400,000	17,725	11,136	502	429,363
Changes on initial adoption of IFRS-9				277	(502)	(225)
Restated balance as at 1 January 2017		400,000	17,725	11,413	-	429,138
Total comprehensive income / (loss):						
Net income for the period		-	-	133,916	-	133,916
Net gains on investments designated as fair through value through other comprehensive income		-	-	-	2,223	2,223
		-	-	133,916	2,223	136,139
Transfer to statutory reserve		-	26,813	(26,813)	-	-
Provision for zakat and tax		-	-	(10,500)	-	(10,500)
Balance as at 30 September 2017 (unaudited)		400,000	44,538	108,016	2,223	554,777



Naser Abdullah Aloufi
Member-Board



Abdulaziz Mohammed Al Sedeas
Chief Executive Officer

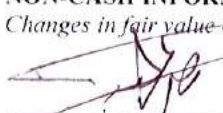




Robert Pereira
Chief Financial Officer

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AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

**INTERIM STATEMENT OF CASH FLOWS (Unaudited)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30,**

	Notes	Sep 30, 2018	Sep 30, 2017
		SAR '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		189,305	147,637
Adjustments for non-cash items:			
Depreciation of property and equipment		5,846	6,001
Allowance for doubtful debts		43,773	3,448
Unrealized gain on investments		(1,961)	(1,104)
Impairment of investments		322	138
Provision for end-of-service indemnities		3,634	1,151
		<u>240,918</u>	<u>157,271</u>
Changes in operating assets and liabilities:			
Contributions and re-takaful receivable		(354,254)	(118,012)
Re-takaful share of unearned contributions		(10,941)	(16,819)
Re-takaful share of outstanding claims		(216,274)	(83,207)
Re-takaful share of financial liabilities at FVPL		5	(46)
Deferred policy acquisition costs		(20,845)	(14,600)
Advances and prepayments		(14,573)	622
Other assets		(2,404)	1,338
Accrued income on statutory deposit		(648)	-
Payable, accruals and other liabilities		52,741	28,706
Financial liabilities at FVPL		10,558	11,164
Re-takaful balances payable		(9,598)	29,421
Unearned contributions		109,657	420,011
Unearned re-takaful commission		223	559
Outstanding claims		380,878	356,235
Deposit against guarantees		(284)	(1,709)
Payables to SAMA		648	682
		<u>165,807</u>	<u>771,616</u>
End-of-service indemnities paid		(590)	(880)
Zakat paid	13	(12,301)	(7,401)
Net cash generated from operating activities		<u>152,916</u>	<u>763,335</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in financial assets measured at FVPL		(1,459,314)	(1,767,707)
Disposals in financial assets measured at FVPL		1,469,775	1,730,991
Additions in equity investments designated at FVOCI		(125,486)	(53,650)
Disposals in equity investments designated at FVOCI		59,899	52,690
Movement in cash balance in equity share portfolio		35	1,068
Additions in financial assets at amortised cost		(1,070,000)	(1,365,109)
Disposals in financial assets at amortised cost		350,000	1,280,000
Additions in property and equipment		(4,348)	(4,873)
Net cash used in investing activities		<u>(779,439)</u>	<u>(126,590)</u>
Net change in cash and cash equivalents		(626,523)	636,745
Cash and cash equivalents at the beginning of the period	4	816,779	461,265
Cash and cash equivalents at the end of the period	4	<u>190,256</u>	<u>1,098,010</u>
NON-CASH INFORMATION			
Changes in fair value of financial assets at FVOCI		6,431	2,223
			
Naser Abdullah Aloufi Member-Board	Abdulaziz Mohammed Al Sedeas Chief Executive Officer	Robert Pereira Chief Financial Officer	

The accompanying notes 1 to 20 form an integral part of these interim condensed financial information.

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE (A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed financial information For the nine month period ended September 30, 2018

1. GENERAL

Al Rajhi Company for Cooperative Insurance (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), "the Company", was formed pursuant to Royal Decree No. (M/35) dated 27/06/1429, (01/01/2008). The Company operates under Commercial Registration no. 1010270371 dated 5 Rajab 1430 corresponding to 28 June 2009. The registered address of the Company's head office is as follows:

Al Rajhi Company for Cooperative Insurance
P.O. Box 67791
Riyadh 11517
Kingdom of Saudi Arabia.

The purpose of the Company is to conduct cooperative insurance operations and all related activities including re-takaful and agency activities. Its principal lines of business include medical, motor, marine, fire, engineering and casualty insurance.

On 20/04/2004G, corresponding to 01/03/1425H, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32). On 31/07/2003G, corresponding to 02/06/1424H, the Saudi Arabian Monetary Authority ("SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

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 April 11, 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 shareholder's equity under retained

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for financial assets measured at fair value through profit or loss (FVPL), financial assets measured at fair value through other comprehensive income (FVOCI) financial liabilities measured at fair value through profit or loss (FVPL) and end of service indemnities at present value.

The Company's interim condensed statement of financial position is not presented using a current / non-current classification. The following balances would generally be classified as non-current: financial assets at fair value through other comprehensive income, financial asset at amortised cost, property and equipment, statutory deposit, other assets, end of service benefits and payable to shareholders. All other assets and liabilities are classified as current.

As required by the Saudi Arabian Insurance Regulations and guidelines of the sharia board, the Company maintains separate books of accounts for takaful operations and shareholders' operations and presents the financial information accordingly (refer note 18). 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.

As per the Company's policy, all general and administrative expenses of takaful operations are charged to shareholders' operations. The Company in accordance with the Islamic Shariah provisions managing the co-operative insurance operations and calculates the management fee in the below manner and pays it in full shortly after at the end of the fiscal year.

The first component of the management fee is calculated based on the net contributions written for the period after adjusting commission income and cost of production for motor and general at 40% and for health at 30% and is limited to the extent of general and administrative expenses charged in the interim statement of income - shareholders' operations

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE (A SAUDI JOINT STOCK COMPANY)

2. BASIS OF PREPARATION (continued)

(a) Basis of presentation (continued)

(refer note 18); and the other component of the management fee is determined up to 90% of the net surplus, if any, for the period from takaful operations remaining after computing the first component of management fee. The Company is required to distribute the remaining 10% of the net surplus from Takaful operations to policyholders in accordance with the Insurance Law and Implementation Regulations issued by the Saudi Arabian Monetary Agency ("SAMA").

The interim statement of financial position, statements of income, comprehensive income and cash flows of the takaful operations and shareholders' operations which are presented in note 18 of the condensed interim financial information have been provided as supplementary financial information 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 takaful operations and the shareholders' operations. Accordingly, the interim statements of financial position, statements of income, comprehensive income and cash flows prepared for the takaful 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 information in compliance with IFRSs, the balances and transactions of the takaful operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the takaful operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

b) Critical accounting judgments, estimates and assumptions

The preparation of interim condensed financial information 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 information, the significant judgments made by the 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 applied to the annual financial statements as at and for the year ended December 31, 2017.

c) Seasonality of operations

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

d) Functional and presentation currency

The functional and presentational currency of the Company is Saudi Riyals. The financial information values are presented in Saudi Riyals rounded to the nearest thousand (SAR'000), unless otherwise indicated.

The interim condensed financial information does 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 December 31, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2017, except for the adoption of new standards and amendments to the existing standards, as mentioned below, which has no significant financial impact on the financial information of the Company.

The Company adopted IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 was issued in May 2014 and is effective for annual periods commencing on or after January 1, 2018. IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue guidance, which is found currently across several Standards and Interpretations within IFRS. It established a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company has opted for the modified retrospective application permitted by IFRS 15 upon adoption of the new standard. Modified retrospective application requires the recognition of the cumulative impact of adoption of IFRS 15 on all contracts as at January 1, 2018 in equity. IFRS 15 does not have a material impact on the interim condensed financial information of the Company.

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Following is a brief on the new IFRS and amendments to IFRS, effective for future period. The Company has chosen not to early adopt these standards:

- IFRS 16 - "Leases", applicable for the period beginning on or after January 1, 2019. The new standard eliminates the current dual accounting model for lessees under IAS 17, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 proposes on-balance sheet accounting model. The Company has decided not to early adopt this new standard. The Company is in the process of assaying the impact on its financial
- IFRS 17 - "Insurance Contracts", applicable for the period beginning on or after 1 January 2021, and will supersede IFRS 4 "Insurance Contracts". Earlier adoption permitted if both IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have also been applied. The Company has decided not to early adopt this new standard. The Company is in the process of assaying the impact on its financial statements.

4. CASH AND CASH EQUIVALENTS

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

	Takaful operations	
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
SAR'000		
Bank balances and cash	118,140	316,460
Deposits maturing within 3 months from the acquisition date	25,000	250,000
Cash and cash equivalents in the interm statement of cash	143,140	566,460
Less : Impairment loss	(19)	(175)
Cash and cash equivalents, net	143,121	566,285
Deposits against letters of guarantee	13,281	12,997
Total	156,402	579,282
	Shareholders' operations	
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
SAR'000		
Bank balances and cash	12,116	319
Deposits maturing within 3 months from the acquisition date	35,000	250,000
Cash and cash equivalents in the interm statement of cash	47,116	250,319
Less : Impairment loss	(27)	(68)
Cash and cash equivalents, net	47,089	250,251
Cash at banks (statutory deposit income)	908	908
Total	47,997	251,159
Total	204,399	830,441

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

5. CONTRIBUTIONS AND RE-TAKAFUL BALANCES RECEIVABLE - NET

Receivables comprise amounts due from the following:

SAR'000	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Policyholders	191,222	107,328
Brokers and agents	66,649	44,879
Related parties (note 12)	384,479	143,801
Receivables from re-takaful	13,675	5,763
	<u>656,025</u>	<u>301,771</u>
Provision for doubtful receivables	<u>(82,259)</u>	<u>(38,486)</u>
Contributions and re-takaful balances receivable - net	<u>573,766</u>	<u>263,285</u>

6. STATUTORY DEPOSIT

Statutory deposit amounting to SR 40 million (31 December 2017: SR 40 million) represents 10% of the paid up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Authority ("SAMA"). This statutory deposit cannot be withdrawn without the consent of SAMA. Under ECL method the Company charged an impairment loss amounting to SR 0.03 million.

7. INVESTMENTS

Investments are classified as follows:

SAR'000	Notes	Takaful operations	
		September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
- Financial assets mandatorily measured at FVPL	7(a)	139,115	124,829
- Financial assets designated at FVOCI	7(b)	24,892	-
- Financial assets at amortised cost	7(c)	1,853,621	1,284,094
Total		<u>2,017,628</u>	<u>1,408,923</u>
		Shareholders' operations	
SAR'000		September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
- Financial assets mandatorily measured at FVPL	7(c)	9,696	32,481
- Financial assets designated at FVOCI	7(b)	131,857	84,766
- Financial assets at amortised cost	7(c)	234,970	85,016
Total		<u>376,523</u>	<u>202,263</u>

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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7. INVESTMENTS (continued)

Movement in the investment balance is as follows:

a) Financial assets mandatorily measured at FVPL

SAR'000

At the beginning of the year
Reclassification of investment from AFS to FVPL
Purchased during the period / year
Sold during the period / year
Net change in fair values during the period / year
At the end of the period / year

Takaful operations	
September 30, 2018	December 31, 2017
(Unaudited)	(Audited)
124,829	13,101
-	15,096
974,403	2,392,671
(962,017)	(2,297,000)
1,900	961
139,115	124,829

SAR'000

At the beginning of the year
Reclassification of equity investments from FVPL to FVOCI
Reclassification of investment from AFS to FVPL
Purchased during the period / year
Sold during the period / year
Net change in fair values during the period / year
At the end of the period / year

Shareholders' operations	
September 30, 2018	December 31, 2017
(Unaudited)	(Audited)
32,481	82,047
-	(82,047)
-	84,380
484,911	552,486
(507,758)	(604,474)
61	89
9,696	32,481

Total

148,811	157,310
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AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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7. INVESTMENTS (continued)

b) Financial assets designated at FVOCI

SAR'000	Takaful operations	
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Opening balance	-	-
Purchases	31,038	-
Disposals	-	-
Impairment of investments	-	-
Changes in fair value of investments	(6,146)	-
Closing balance	24,892	-
SAR'000	Shareholders' operations	
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year	84,766	-
Re-classified from FVPL	-	82,047
Balance of equity shares portfolio with Al Rajhi Capital	78,738	79,648
Cash balance with Al Rajhi Capital	(22)	2,399
Equity - unlisted shares	6,050	1,923
Total at the beginning of the period	84,766	83,970
Movement during the period / year		
Purchased during the period / year	94,448	62,139
Sold during the period / year	(59,899)	(60,472)
Net change in fair values during the period / year	12,577	1,552
Net change in cash balance with Al Rajhi Capital	(35)	(2,423)
Closing balance of equity shares portfolio	131,857	84,766
Portfolio balance with Al Rajhi Capital at the end of the period	124,372	78,738
Cash balance with Al Rajhi Capital	(57)	(22)
Equity - unlisted shares	7,542	6,050
At the end of the period / year	131,857	84,766
Total	156,749	84,766

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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7. INVESTMENTS (continued)

c) Financial assets measured at amortised cost

Investments in Murabaha deposits and Sukuks are classified as financial assets measured at amortised cost. The Company's business model for these investments is to hold to collect the contractual cash flows. The cash flows of Murabaha deposits and Sukuks represent solely payments of principal and profit on the principal outstanding.

The movement during the period / year is set out below:

SAR'000	Takaful operations	
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year:		
Murabaha deposits	1,235,000	655,000
Sukuk	50,000	50,000
Purchases	790,000	1,535,000
Disposals/Maturities	(220,000)	(955,000)
At the end of the period / year, gross	1,855,000	1,285,000
Less: Impairment loss	(1,379)	(906)
At the end of the period / year, net	1,853,621	1,284,094
SAR'000	Shareholders' operations	
	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year	85,074	180,000
Purchased during the period / year	280,000	330,109
Maturities during the period / year	(130,000)	(425,035)
At the end of the period / year, gross	235,074	85,074
Less: Impairment loss	(104)	(58)
At the end of the period / year, net	234,970	85,016
Total	2,088,591	1,369,110

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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7. INVESTMENTS (continued)

d) Maximum exposure to credit risk – financial instruments subject to ECL

The following tables contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets measured at amortised cost below also represents the Company's maximum exposure to credit risk on these assets.

i) Takaful operations

Financial statement line item	September 30, 2018 (Unaudited)			December 31, 2017 (Audited)	
	Stage 1	Stage 2	Stage 3	Total	
	12-month ECL	Lifetime ECL	Lifetime ECL		
	SR'000	SR'000	SR'000	SR'000	SR'000
Bank balances and cash	156,421	-	-	156,421	579,457
Financial assets at amortised cost	1,855,000	-	-	1,855,000	1,285,000
Gross carrying amount	2,011,421	-	-	2,011,421	1,864,457
Loss allowance	(1,398)	-	-	(1,398)	(1,081)
Carrying amount	2,010,023	-	-	2,010,023	1,863,376

Credit grade	September 30, 2018 (Unaudited)			December 31, 2017 (Audited)	
	Stage 1	Stage 2	Stage 3	Total	
	12-month ECL	Lifetime ECL	Lifetime ECL		
	SR'000	SR'000	SR'000	SR'000	SR'000
Investment grade	2,011,421	-	-	2,011,421	1,864,457
Standard monitoring	-	-	-	-	-
Special monitoring	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	2,011,421	-	-	2,011,421	1,864,457
Loss allowance	(1,398)	-	-	(1,398)	(1,081)
Carrying amount	2,010,023	-	-	2,010,023	1,863,376

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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7. INVESTMENTS (continued)

d) Maximum exposure to credit risk – financial instruments subject to ECL (continued)

ii) Shareholders' operations

Financial statement line item	September 30, 2018 (Unaudited)			Total	December 31,
	Stage 1	Stage 2	Stage 3		2017
	12-month ECL SR'000	Lifetime ECL SR'000	Lifetime ECL SR'000		(Audited) SR'000
Bank balances and cash	48,023	-	-	48,023	251,227
Financial assets at amortised cost	235,074	-	-	235,074	85,074
Statutory deposits	40,000	-	-	40,000	40,000
Gross carrying amount	323,097	-	-	323,097	376,301
Loss allowance	(163)	-	-	(163)	(158)
Carrying amount	322,934	-	-	322,934	376,143

Credit grade	September 30, 2018 (Unaudited)			Total	December 31,
	Stage 1	Stage 2	Stage 3		2017
	12-month ECL SR'000	Lifetime ECL SR'000	Lifetime ECL SR'000		(Audited) SR'000
Investment grade	323,097	-	-	323,097	376,301
Standard monitoring	-	-	-	-	-
Special monitoring	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	323,097	-	-	323,097	376,301
Loss allowance	(163)	-	-	(163)	(158)
Carrying amount	322,934	-	-	322,934	376,143

The Company's exposures to credit risk are not collateralized.

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7. INVESTMENTS (continued)

e) Loss allowance

The loss allowance recognised in the period and the change in the loss allowance between the beginning and the end of the annual period is given below.

i) Takaful operations:

	Stage 1 12-month ECL SR'000	Stage 2 Lifetime ECL SR'000	Stage 3 Lifetime ECL SR'000	Total SR'000
Loss allowance at January 1, 2018	1,081	-	-	1,081
Movements with the statement of income				
Transfers:				
Transfer from stage 1 to stage 2	-	-	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	-	-	-	-
New financial assets originated or purchased	698	-	-	698
Net re-measurement of loss allowance	196	-	-	196
Financial assets derecognised during the period	(577)	-	-	(577)
Write-offs	-	-	-	-
Total loss allowance for the period	317	-	-	317
Loss allowance at September 30, 2018	1,398	-	-	1,398

ii) Shareholders' operations:

	Stage 1 12-month ECL SR'000	Stage 2 Lifetime ECL SR'000	Stage 3 Lifetime ECL SR'000	Total SR'000
Loss allowance at January 1, 2018	158	-	-	158
Movements with the statement of income				
Transfers:				
Transfer from stage 1 to stage 2	-	-	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	-	-	-	-
New financial assets originated or purchased	256	-	-	256
Net re-measurement of loss allowance	5	-	-	5
Financial assets derecognised during the year	(256)	-	-	(256)
Write-offs	-	-	-	-
Total loss allowance for the period	5	-	-	5
Loss allowance at September 30, 2018	163	-	-	163

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

8. TECHNICAL RESERVES

8.1 Net outstanding claims and reserves

Net outstanding claims and reserves comprise of the following:

SAR'000	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Outstanding claims	626,806	411,085
Less: Realizable value of salvage and subrogation	(133,342)	(131,959)
	493,464	279,126
Claims incurred but not reported	780,644	614,104
	1,274,108	893,230
Other technical reserves	47,124	30,595
	1,321,232	923,825
Less:		
Re-takaful share of outstanding claims	308,206	97,339
Re-takaful share of claims incurred but not reported	50,541	45,134
	358,747	142,473
Net outstanding claims and reserves	962,485	781,352

8.2 Movement in unearned contributions

Movement in unearned contributions comprise of the following:

SAR'000	Nine month ended September 30, 2018 (Unaudited)		
	Gross	Re-takaful	Net
Balance at the beginning of the period	1,304,110	(91,709)	1,212,401
Contribution written during the period	2,357,236	(89,491)	2,267,745
Contribution earned during the period	(2,247,579)	78,550	(2,169,028)
Balance at the end of the period	1,413,767	(102,650)	1,311,117
	Year ended December 31, 2017 (Audited)		
	Gross	Re-takaful	Net
Balance at the beginning of the year	996,386	(69,666)	926,720
Contribution written during the year	3,193,474	(120,456)	3,073,018
Contribution earned during the year	(2,885,750)	98,413	(2,787,337)
Balance at the end of the year	1,304,110	(91,709)	1,212,401

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9. COMMITMENTS AND CONTINGENCIES

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

SAR'000	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Letters of guarantee	<u>13,281</u>	<u>12,997</u>
Total	<u>13,281</u>	<u>12,997</u>

b) The Company is subject to legal proceedings in the ordinary course of its business. There was no change in the status of legal proceedings as disclosed at December 31, 2017.

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 advantageous 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 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.

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10. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy (continued)

a. Carrying amounts and fair value (continued)

SAR'000s	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
September 30, 2018 (Unaudited)					
Financial assets measured at fair value					
- Financial assets measured at FVPL	148,811	80,358	-	68,453	148,811
- Financial assets at FVOCI -- Quoted securities	149,207	149,207	-	-	149,207
- Financial assets at FVOCI -- Unquoted securities	7,542	-	-	7,542	7,542
	305,560	229,565	-	75,995	305,560
Financial assets not measured at fair value					
- Cash and cash equivalents	204,398	-	-	-	204,398
- Financial assets amortised cost	2,088,591	-	-	-	2,088,591
- Statutory deposits at amortised cost	39,968	-	-	-	39,968
- Other assets	20,576	-	-	-	20,576
	2,353,533	-	-	-	2,353,533

SAR'000s	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
December 31, 2017 (Audited)					
Financial assets measured at fair value					
- Financial assets measured at FVPL	157,310	88,857	-	68,453	157,310
- Financial assets at FVOCI -- Quoted securities	78,716	78,716	-	-	78,716
- Financial assets at FVOCI -- Unquoted	6,050	-	-	6,050	6,050
	242,076	167,573	-	74,503	242,076
Financial assets not measured at fair value					
- Cash and cash equivalents	830,441	-	-	-	830,441
- Financial assets amortised cost	1,369,110	-	-	-	1,369,110
- Statutory deposits at amortised cost	39,968	-	-	-	39,968
- Other assets	18,171	-	-	-	18,171
	2,257,690	-	-	-	2,257,690

The fair values of the financial assets not measured at fair value are not materially different from their carrying values.

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10. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy (continued)

a. Carrying amounts and fair value (continued)

SAR'000s	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
September 30, 2018 (Unaudited)					
Financial liabilities measured at fair value					
- Financial liabilities at FVPL	47,124	47,124	-	-	47,124
	<u>47,124</u>	<u>47,124</u>	<u>-</u>	<u>-</u>	<u>47,124</u>

SAR'000s	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
December 31, 2017 (Audited)					
Financial liabilities measured at fair value					
- Financial liabilities at FVPL	30,595	30,595	-	-	30,595
	<u>30,595</u>	<u>30,595</u>	<u>-</u>	<u>-</u>	<u>30,595</u>

i) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Takaful operations

SAR'000s	Financial assets mandatorily measured at FVPL
Balance at January 1, 2018	68,453
Purchases	-
Sales	-
Gain / loss included in profit / loss	-
Balance at September 30, 2018	<u>68,453</u>

Shareholders' operations

SAR'000s	Financial assets at FVOCI – Unquoted securities
Balance at January 1, 2018	6,050
Purchases	-
Sales	-
Gain / loss included in profit / loss	-
Gain / loss included in OCI	1,493
Balance at September 30, 2018	<u>7,543</u>

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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10. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

i) Level 3 fair values (continued)

Reconciliation of Level 3 fair values

Takaful operations	Financial assets mandatorily measured at FVPL
SAR'000s	
Balance at January 1, 2017	-
Purchases	68,453
Sales	-
Gain / loss included in profit / loss	-
Balance at December 31, 2017	<u>68,453</u>

Shareholders' operations

Shareholders' operations	Financial assets at FVOCI - Unquoted securities
SAR'000s	
Balance at January 1, 2017	1,923
Purchases	-
Sales	-
Gain included in OCI	4,127
Balance at December 31, 2017	<u>6,050</u>

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 interim statement of income. 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 December 31, 2017.

Segment assets do not include takaful operations' bank balances and cash, net contributions receivable, investments etc., accordingly, they are included in unallocated assets. Segment liabilities do not include takaful operations' payables accruals and other liabilities and re-takaful balances payable etc., 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 September 30, 2018, and December 31, 2017, its total revenues, expenses, and net income for the the three and nine month periods then ended, are as follows:

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11. OPERATING SEGMENTS (continued)

As at September 30, 2018
(Unaudited)

Operating segments	Takaful operations				Total - Takaful operations	Shareholders' operations	Total
	Medical	Motor & casualty	Protection & Savings	SAR'000			
Assets							
Cash and cash equivalents	-	-	-	-	156,402	47,997	204,399
Contributions and re-takaful balances receivable – net	-	-	-	-	573,766	-	573,766
Re-takaful share of unearned contributions	-	35,245	1,616	-	102,650	-	102,650
Re-takaful share of outstanding claims	-	9,740	11,228	-	358,747	-	358,747
Deferred policy acquisition costs	23,703	28,420	411	-	56,634	-	56,634
Financial assets mandatorily measured at FVPI	-	-	-	-	139,115	9,696	148,811
Financial assets designated at FVOCI	-	-	-	-	24,892	131,857	156,749
Financial assets at amortised cost	-	-	-	-	1,853,621	234,970	2,088,591
Unallocated assets	-	-	-	-	(295,821)	423,407	127,586
Total assets	23,703	73,405	13,255	407,668	2,970,006	847,927	3,817,933
Liabilities							
Unearned contributions	284,356	1,043,655	4,342	81,414	1,413,767	-	1,413,767
Unearned re-takaful commission	-	-	-	7,295	7,295	-	7,295
Outstanding claims	120,523	794,716	15,703	343,166	1,274,108	-	1,274,108
Unallocated liabilities and surplus	-	-	-	-	274,836	847,927	1,122,763
Total liabilities and surplus	404,879	1,838,371	20,045	431,875	2,970,006	847,927	3,817,933

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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11. OPERATING SEGMENTS (continued)

As at December 31, 2017
(Audited)

Operating segments	Takaful operations					Total - Takaful operations	Shareholders' operations	Total
	Medical	Motor	Property & casualty	Protection & Savings	SAR '000			
Assets								
Cash and cash equivalents	-	-	-	-	579,282	251,159	830,441	
Contributions and re-takaful balances receivable - net	-	-	-	-	263,285	-	263,285	
Re-takaful share of unearned contributions	-	1,178	87,883	2,648	91,709	-	91,709	
Re-takaful share of outstanding claims	-	22,612	110,829	9,032	142,473	-	142,473	
Deferred policy acquisition costs	12,662	19,751	3,018	358	35,789	-	35,789	
Financial assets mandatorily measured at FV/PL	-	-	-	-	124,829	32,481	157,310	
Financial assets designated at FVOCI	-	-	-	-	-	84,766	84,766	
Financial assets at amortised cost	-	-	-	-	1,284,094	85,016	1,369,110	
Unallocated assets	-	-	-	-	(105,197)	216,661	111,464	
Total assets	12,662	43,541	201,730	12,038	2,416,264	670,083	3,086,347	
Liabilities								
Unearned contributions	204,819	1,022,975	72,928	3,388	1,304,110	-	1,304,110	
Unearned re-takaful commission	-	-	7,072	-	7,072	-	7,072	
Outstanding claims	101,416	661,301	118,960	11,553	893,230	-	893,230	
Unallocated liabilities and surplus	-	-	-	-	211,852	670,083	881,935	
Total liabilities and surplus	306,235	1,684,276	198,960	14,941	2,416,264	670,083	3,086,347	

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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11. OPERATING SEGMENTS (continued)

For the three month ended September 30, 2018
(Unaudited)

Operating segments	Medical	Motor	Property & casualty	Protection & Savings	Total
			SAR'000		
REVENUES					
Gross contributions written	142,119	513,727	29,810	17,731	703,387
Re-takaful contributions ceded	(1,221)	(225)	(23,813)	(2,800)	(28,059)
Excess of loss expenses	-	(2,531)	(583)	-	(3,114)
Net contributions written	140,898	510,971	5,414	14,931	672,214
Changes in unearned contributions, net	(2,454)	60,844	(1,438)	(798)	56,154
Net contributions earned	138,444	571,815	3,976	14,133	728,368
Re-takaful commissions	37	926	4,743	-	5,706
Other underwriting income	-	437	100	81	618
TOTAL REVENUES	138,481	573,178	8,819	14,214	734,692
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(103,231)	(402,946)	(59,074)	(2,280)	(567,531)
Surrender and maturities	-	-	-	(921)	(921)
Re-takaful share of claims paid	-	2,816	59,539	1,581	63,936
Net claims paid	(103,231)	(400,130)	465	(1,620)	(504,516)
Changes in outstanding claims	(1,007)	(34,371)	38	(585)	(35,925)
Net claims incurred	(104,238)	(434,501)	503	(2,205)	(540,441)
Policy acquisition costs	(11,416)	(11,688)	(2,057)	(1,021)	(26,182)
Other underwriting expenses	(2,230)	(4,598)	(1,397)	(5,417)	(13,642)
TOTAL UNDERWRITING COSTS AND EXPENSES	(117,884)	(450,787)	(2,951)	(8,643)	(580,265)
NET UNDERWRITING INCOME	20,597	122,391	5,868	5,571	154,427
OTHER OPERATING EXPENSES					
Allowance for doubtful debts	-	-	-	-	(32,874)
Management fee for administration of takaful operations	-	-	-	-	(56,793)
Commission income on deposits	-	-	-	-	16,226
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	2,467
Dividend income	-	-	-	-	1,399
Reversal of impairment loss	-	-	-	-	58
Other income	-	-	-	-	593
NET INCOME FOR THE PERIOD					85,503

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

11. OPERATING SEGMENTS (continued)

Operating segments	For the three month ended September 30, 2017 (Unaudited)				
	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
<u>REVENUES</u>					
Gross contributions written	91,333	604,476	32,229	14,291	742,329
Re-takaful contributions ceded	-	(270)	(25,950)	(2,543)	(28,763)
Excess of loss expenses	-	(2,450)	(374)	-	(2,824)
Net contributions written	91,333	601,756	5,905	11,748	710,742
Changes in unearned contributions, net	3,843	8,658	(4,218)	(110)	8,173
Net contributions earned	95,176	610,414	1,687	11,638	718,915
Re-takaful commissions	-	76	2,702	-	2,778
Other underwriting income	-	2,787	39	180	3,006
<u>TOTAL REVENUES</u>	95,176	613,277	4,428	11,818	724,699
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(51,480)	(408,760)	(1,408)	-	(461,649)
Surrender and maturities	-	-	-	(576)	(576)
Re-takaful share of claims paid	-	860	1,004	-	1,864
Net claims paid	(51,480)	(407,900)	(404)	(576)	(460,361)
Changes in outstanding claims	(23,484)	(107,999)	(45)	(734)	(132,262)
Net claims incurred	(74,964)	(515,899)	(449)	(1,310)	(592,623)
Policy acquisition costs	(6,644)	(14,651)	(1,777)	(1,488)	(24,560)
Other underwriting expenses	(1,256)	(3,712)	(155)	(3,829)	(8,952)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(82,864)	(534,262)	(2,381)	(6,627)	(626,135)
NET UNDERWRITING INCOME	12,312	79,015	2,047	5,191	98,564
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts	-	-	-	-	(1,262)
Management fee for administration of takaful operations	-	-	-	-	(44,821)
Commission income on deposits	-	-	-	-	9,137
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	1,602
Dividend income	-	-	-	-	1,010
Reversal of impairment loss	-	-	-	-	278
Other income	-	-	-	-	393
<u>NET INCOME FOR THE PERIOD</u>					64,901

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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11. OPERATING SEGMENTS (continued)

For the nine month period ended September 30, 2018 (Unaudited)					
Operating segments	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
REVENUES					
Gross contributions written	463,662	1,751,267	86,940	55,367	2,357,236
Re-takaful contributions ceded	(1,056)	(7,154)	(63,387)	(8,553)	(80,150)
Excess of loss expenses	-	(7,594)	(1,747)	-	(9,341)
Net contributions written	462,606	1,736,519	21,806	46,814	2,267,745
Changes in unearned contributions, net	(79,538)	(13,189)	(4,003)	(1,987)	(98,717)
Net contributions earned	383,068	1,723,330	17,803	44,827	2,169,028
Re-takaful commissions	37	1,104	10,040	-	11,181
Other underwriting income	(4)	5,820	233	863	6,912
TOTAL REVENUES	383,101	1,730,254	28,076	45,690	2,187,121
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(281,924)	(1,270,581)	(79,359)	(4,892)	(1,636,756)
Surrender and maturities	-	-	-	(2,601)	(2,601)
Re-takaful* share of claims paid	-	4,843	76,160	3,523	84,526
Net claims paid	(281,924)	(1,265,738)	(3,199)	(3,970)	(1,554,831)
Changes in outstanding claims	(19,107)	(146,287)	2,745	(1,955)	(164,604)
Net claims incurred	(301,031)	(1,412,025)	(454)	(5,925)	(1,719,435)
Policy acquisition costs	(28,616)	(45,483)	(5,766)	(4,846)	(84,711)
Other underwriting expenses	(6,797)	(13,168)	(2,227)	(14,786)	(36,978)
TOTAL UNDERWRITING COSTS AND EXPENSES	(336,444)	(1,470,676)	(8,447)	(25,557)	(1,841,124)
NET UNDERWRITING INCOME	46,657	259,578	19,629	20,133	345,997
OTHER OPERATING EXPENSES					
Allowance for doubtful debts	-	-	-	-	(43,773)
Management fee for administration of takaful operations	-	-	-	-	(172,267)
Commission income on deposits	-	-	-	-	47,749
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	6,796
Dividend income	-	-	-	-	3,413
Impairment loss	-	-	-	-	(322)
Other income	-	-	-	-	1,711
NET INCOME FOR THE PERIOD					189,305

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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11. OPERATING SEGMENTS (continued)

Operating segments	For the nine month period ended September 30, 2017 (Unaudited)				
	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
REVENUES					
Gross contributions written	320,165	2,073,009	99,616	36,831	2,529,621
Re-takaful contributions ceded	-	(1,882)	(73,944)	(6,691)	(82,517)
Excess of loss expenses	(250)	(10,282)	(1,120)	-	(11,652)
Net contributions written	319,915	2,060,845	24,552	30,140	2,435,452
Changes in unearned contributions, net	(99,939)	(288,289)	(14,577)	(387)	(403,192)
Net contributions earned	219,976	1,772,556	9,975	29,753	2,032,260
Re-takaful commissions	-	471	8,327	-	8,798
Other underwriting income	-	9,615	101	502	10,218
TOTAL REVENUES	219,976	1,782,642	18,403	30,255	2,051,276
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(139,541)	(1,305,537)	(8,190)	(2,707)	(1,455,975)
Surrender and maturities	-	-	-	(1,198)	(1,198)
Re-takaful share of claims paid	213	4,547	6,986	2,126	13,872
Net claims paid	(139,328)	(1,300,990)	(1,204)	(1,779)	(1,443,301)
Changes in outstanding claims	(36,798)	(233,516)	(2,057)	(658)	(273,029)
Net claims incurred	(176,126)	(1,534,506)	(3,261)	(2,437)	(1,716,330)
Policy acquisition costs	(12,243)	(44,490)	(5,043)	(3,610)	(65,386)
Other underwriting expenses	(4,581)	(12,773)	(556)	(10,175)	(28,085)
TOTAL UNDERWRITING COSTS AND EXPENSES	(192,950)	(1,591,769)	(8,860)	(16,222)	(1,809,801)
NET UNDERWRITING INCOME	27,026	190,873	9,543	14,033	241,475
OTHER OPERATING EXPENSES					
Allowance for doubtful debts	-	-	-	-	(3,448)
Management fee for administration of takaful operations	-	-	-	-	(120,227)
Commission income on deposits	-	-	-	-	19,189
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	5,727
Dividend income	-	-	-	-	3,545
Impairment loss	-	-	-	-	(138)
Other income	-	-	-	-	1,514
NET INCOME FOR THE PERIOD					147,637

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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11. OPERATING SEGMENTS (continued)

For the three month ended September 30, 2018 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Individual	2,066	137,666	5,326	8,351	153,409
SME	117,684	7,981	278	-	125,944
Corporate	22,369	368,080	24,206	9,380	424,035
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>142,119</u>	<u>513,727</u>	<u>29,810</u>	<u>17,731</u>	<u>703,387</u>

For the three month ended September 30, 2017 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Individual	-	106,798	3,582	5,780	116,160
SME	73,518	6,192	139	-	79,849
Corporate	17,815	491,486	28,508	8,511	546,320
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>91,333</u>	<u>604,476</u>	<u>32,229</u>	<u>14,291</u>	<u>742,329</u>

For the nine month period ended September 30, 2018 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Individual	4,723	355,222	21,953	24,484	406,382
SME	287,557	23,455	681	-	311,693
Corporate	171,382	1,372,590	64,306	30,883	1,639,161
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>463,662</u>	<u>1,751,267</u>	<u>86,940</u>	<u>55,367</u>	<u>2,357,236</u>

For the nine month period ended September 30, 2017 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Individual	2,189	388,065	16,028	16,079	422,361
SME	175,390	25,624	774	-	201,788
Corporate	142,586	1,659,320	82,814	20,752	1,905,472
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>320,165</u>	<u>2,073,009</u>	<u>99,616</u>	<u>36,831</u>	<u>2,529,621</u>

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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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:

	Transactions for the nine month period ended		Balance receivable / (payable) as at	
	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
	SAR'000			
Major shareholders				
Gross contribution written	796,868	992,553	370,098	121,017
Claims paid	750,419	719,241	(2,864)	(3,743)
Claims incurred and notified during the period	562,626	746,615	(68,367)	(146,500)
Reimbursement from related party	340	239	-	340
Bank Balance	-	-	105,000	289,236
Investment in shares of Al Rajhi Bank	-	-	37,998	13,679
Entities controlled, jointly controlled or significantly influenced by related parties				
Gross contribution written	41,120	30,287	14,381	22,784
Claims paid	74,861	54,806	-	(1,148)
Claims incurred and notified during the period	292,158	73,049	(217,297)	(14,478)
Investments managed by affiliates	10,291	39,716	80,357	88,857
Income received from sale of investment in Al Rajhi Capital commodity fund	4,758	5,727	-	-
Investment management fee paid to Al Rajhi Capital	2,518	1,460	-	-

	For the nine month period ended	
	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
	SAR'000	
The compensation of key management personnel during the period is as follows:		
Salaries and other allowances	4,607	4,470
End of service indemnities	2,636	2,161
	7,243	6,631
Shari'ah committee remuneration	260	195

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

13. ZAKAT AND INCOME TAX

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

Movements in the zakat and income tax accrued during the nine month period ended 30 September 2018 and the year ended 31 December 2017 are as follows:

	September 30, 2018 (Unaudited) SR'000	December 31, 2017 (Audited) SR'000
At the beginning of the year	26,490	18,391
Provided during the period / year	14,500	15,500
Payments during the period / year	(12,301)	(7,401)
Balance at the end of the period / year	<u>28,689</u>	<u>26,490</u>

All of shareholders of the company are subject to zakat.

Status of assessments

The company had filed zakat and income tax returns with the General Authority of Zakat and Tax ("GAZT") for the years from 2010 to 2017.

For the year 2011, the Company has filed an appeal against the additional paid zakat assessment of SR 1,852 thousand raised by the GAZT. The appeal is still pending.

14. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement during the year in financial liabilities at fair value through profit or loss is set out below:

	September 30, 2018 (Unaudited) SR'000	December 31, 2017 (Audited) SR'000
At the beginning of the year	30,595	14,196
Net changes in reserve during the period / year	14,771	15,438
Net change in fair values during the period / year	1,758	961
At the end of the period / year	<u>47,124</u>	<u>30,595</u>

15. SHARE CAPITAL

The authorized, issued and paid up capital of the Company is SAR 400 million at September 30, 2018 (December 31, 2017: SAR 400 million) consisting of 40 million shares (December 31, 2017: 40 million shares) of SAR 10 each.

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

	September 30, 2018		
	Authorized and issued		Paid up
	No. of shares	SAR'000	
Al Rajhi Insurance Co. Ltd. (Bahrain)	10,600,000	106,000	106,000
Al Rajhi Bank	9,000,000	90,000	90,000
Oman Insurance Co. - Dubai	2,400,000	24,000	24,000
Others	18,000,000	180,000	180,000
	<u>40,000,000</u>	<u>400,000</u>	<u>400,000</u>

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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15. SHARE CAPITAL (continued)

	December 31, 2017		
	Authorized and issued		Paid up
	No. of Shares	SAR'000	
Al Rajhi Insurance Co. Ltd. (Bahrain)	10,600,000	106,000	106,000
Al Rajhi Bank	9,000,000	90,000	90,000
Oman Insurance Co. - Dubai	2,400,000	24,000	24,000
Others	18,000,000	180,000	180,000
	<u>40,000,000</u>	<u>400,000</u>	<u>400,000</u>

16. 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.

17. EARNINGS PER SHARE ("EPS")

Earnings per share for the period ended September 30, 2018 and 2017 is calculated by dividing the net income for the period attributable to the equity holders by 40 million shares.

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
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18. SUPPLEMENTARY INFORMATION

Interim condensed financial information

	SAR '000				
	September 30, 2018 - (Unaudited)		December 31, 2017 (Audited)		
	Takaful operations	Shareholders' operations	Takaful operations	Shareholders' operations	
	Total	Total	Takaful operations	Shareholders' operations	
ASSETS					
Cash and cash equivalents	156,402	47,997	204,399	579,282	251,159
Contributions and re-takaful balances receivable - net	573,766	-	573,766	263,285	-
Re-takaful share of unearned contributions	102,650	-	102,650	91,709	-
Re-takaful share of outstanding claims	358,747	-	358,747	142,473	-
Re-takaful share of financial liabilities at FVPL	109	-	109	114	-
Deferred policy acquisition costs	56,634	-	56,634	35,789	-
Financial assets mandatorily measured at FVPL	139,115	9,696	148,811	124,829	32,481
Financial assets designated at FVOCI	24,892	131,857	156,749	-	84,766
Due (to) from shareholders / takaful operations	(332,049)	332,049	-	(139,387)	-
Advances and prepayments	15,544	30,739	46,283	15,905	15,805
Financial assets at amortised cost	1,853,621	234,970	2,088,591	1,284,094	85,016
Property and equipment	-	17,438	17,438	-	18,936
Statutory deposit	-	39,968	39,968	-	39,968
Accrued income on statutory deposit	-	3,213	3,213	-	2,565
Other assets	20,575	-	20,575	18,171	-
TOTAL ASSETS	2,970,006	847,927	3,817,933	2,416,264	670,083
					3,086,347

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

**Interim condensed statement of income (Unaudited)
(For the nine month period ended)**

	SAR '000					
	September 30, 2018			September 30, 2017		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
REVENUES						
Gross contributions written	2,357,236	-	2,357,236	2,529,621	-	2,529,621
Re-takaful contributions ceded - domestic	(1,819)	-	(1,819)	(997)	-	(997)
Re-takaful contributions ceded - foreign	(78,331)	-	(78,331)	181,520	-	(81,520)
Excess of loss expenses -- foreign	(9,341)	-	(9,341)	(11,652)	-	(11,652)
Net contributions written	2,267,745	-	2,267,745	2,435,452	-	2,435,452
Changes in unearned contributions, net	(98,717)	-	(98,717)	(403,192)	-	(403,192)
Net contributions earned	2,169,028	-	2,169,028	2,032,260	-	2,032,260
Re-takaful commissions	11,181	-	11,181	8,798	-	8,798
Other underwriting income	6,912	-	6,912	10,218	-	10,218
TOTAL REVENUES	2,187,121	-	2,187,121	2,051,276	-	2,051,276
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(1,587,966)	-	(1,587,966)	(1,413,735)	-	(1,413,735)
Surrenders and maturities	(2,601)	-	(2,601)	(1,198)	-	(1,198)
Expenses incurred related to claims	(48,790)	-	(48,790)	(42,240)	-	(42,240)
Reinsurers' share of claims paid	84,526	-	84,526	13,872	-	13,872
Net claims and other benefits paid	(1,554,831)	-	(1,554,831)	(1,443,301)	-	(1,443,301)
Changes in outstanding claims, net	(3,471)	-	(3,471)	21,873	-	21,873
Changes in incurred but not reported claims, net	(161,133)	-	(161,133)	(294,902)	-	(294,902)
Net claims and other benefits incurred	(1,719,435)	-	(1,719,435)	(1,716,330)	-	(1,716,330)
Other technical reserves	(14,775)	-	(14,775)	(10,243)	-	(10,243)
Policy acquisition costs	(84,711)	-	(84,711)	(65,386)	-	(65,386)
Other underwriting expenses	(22,203)	-	(22,203)	(17,842)	-	(17,842)
TOTAL UNDERWRITING COSTS AND EXPENSES	(1,841,124)	-	(1,841,124)	(1,809,801)	-	(1,809,801)
NET UNDERWRITING INCOME	345,997	-	345,997	241,475	-	241,475
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts	(43,773)	-	(43,773)	(3,448)	-	(3,448)
Management fee for administration of takaful operations	(172,267)	172,267	-	(120,227)	120,227	-
Management fee for administration of takaful operations	-	(172,267)	(172,267)	-	(120,227)	(120,227)
Commission income on deposits	41,782	5,967	47,749	15,793	3,396	19,189
Net gains on investments mandatorily measured at FVPI	5,081	1,715	6,796	3,779	1,948	5,727
Dividend income	-	3,413	3,413	-	3,545	3,545
(Impairment loss) / Reversal of impairment loss	(317)	(5)	(322)	(158)	20	(138)
Other income	-	1,711	1,711	-	1,514	1,514
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(169,493)	12,801	(156,692)	(104,261)	10,423	(93,838)
NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE	176,504	12,801	189,305	137,214	10,423	147,637
Management fee attributable to shareholders' operations	(158,854)	158,854	-	(123,493)	123,493	-
NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE	17,650	171,655	189,305	13,721	133,916	147,637

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

**Interim condensed statement of income (Unaudited)
(For the three month period ended)**

	SAR *000					
	September 30, 2018			September 30, 2017		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
<u>REVENUES</u>						
Gross contributions written	703,387	-	703,387	742,329	-	742,329
Re-takaful contributions ceded - domestic	(775)	-	(775)	180	-	180
Re-takaful contributions ceded - foreign	(27,284)	-	(27,284)	(28,943)	-	(28,943)
Excess of loss expenses - foreign	(3,114)	-	(3,114)	(2,824)	-	(2,824)
Net contributions written	672,214	-	672,214	710,742	-	710,742
Changes in unearned contributions, net	56,154	-	56,154	8,173	-	8,173
Net contributions earned	728,368	-	728,368	718,915	-	718,915
Re-takaful commissions	5,706	-	5,706	2,778	-	2,778
Other underwriting income	618	-	618	3,006	-	3,006
<u>TOTAL REVENUES</u>	734,692	-	734,692	724,699	-	724,699
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(551,911)	-	(551,911)	(452,579)	-	(452,579)
Surrenders and maturities	(921)	-	(921)	(576)	-	(576)
Expenses incurred related to claims	(15,620)	-	(15,620)	(9,070)	-	(9,070)
Reinsurers' share of claims paid	63,936	-	63,936	1,864	-	1,864
Net claims and other benefits paid	(504,516)	-	(504,516)	(460,361)	-	(460,361)
Changes in outstanding claims, net	(18,627)	-	(18,627)	(48,575)	-	(48,575)
Changes in incurred but not reported claims, net	(17,298)	-	(17,298)	(83,687)	-	(83,687)
Net claims and other benefits incurred	(540,441)	-	(540,441)	(592,623)	-	(592,623)
Other technical reserves	(5,320)	-	(5,320)	3,850	-	3,850
Policy acquisition costs	(26,182)	-	(26,182)	(24,560)	-	(24,560)
Other underwriting expenses	(8,322)	-	(8,322)	(12,802)	-	(12,802)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(580,265)	-	(580,265)	(626,135)	-	(626,135)
NET UNDERWRITING INCOME	154,427	-	154,427	98,564	-	98,564
<u>OTHER OPERATING (EXPENSES)/ INCOME</u>						
Allowance for doubtful debts	(32,874)	-	(32,874)	(1,262)	-	(1,262)
Management fee for administration of takaful operations	(56,793)	56,793	-	(44,821)	44,821	-
Management fee for administration of takaful operations	-	(56,793)	(56,793)	-	(44,821)	(44,821)
Commission income on deposits	14,606	1,620	16,226	8,218	919	9,137
Net gains on investments mandatorily measured at FVPI	1,563	904	2,467	966	636	1,602
Dividend income	-	1,399	1,399	-	1,010	1,010
Reversal of impairment loss	4	54	58	259	19	278
Other income	-	593	593	-	393	393
<u>TOTAL OTHER OPERATING (EXPENSES)/ INCOME</u>	(73,494)	4,570	(68,924)	(36,640)	2,977	(33,663)
<u>NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE</u>	80,933	4,570	85,503	61,924	2,977	64,901
Management fee attributable to shareholders' operations	(72,840)	72,840	-	(55,731)	55,731	-
<u>NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE</u>	8,093	77,410	85,503	6,192	58,708	64,901

AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

Interim condensed statement of comprehensive income (Unaudited)

	For the three month period ended September 30, (Unaudited)					
	SAR '000					
	2018			2017		
Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total	
Net income after attribution of management fee to shareholders' operations	8,093	77,410	85,503	6,192	58,708	64,901
Other comprehensive income / (loss)						
Items that will not be reclassified to interim condensed statement of income in subsequent periods						
- Net (losses) / gains on equity investments designated at fair value through other comprehensive income	(2,576)	(1,066)	(3,642)	-	3,902	3,902
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,517	76,344	81,861	6,192	62,610	68,803

	For the nine month period ended September 30, (Unaudited)					
	SAR '000					
	2018			2017		
Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total	
Net income after attribution of management fee to shareholders' operations	17,650	171,655	189,305	13,721	133,916	147,637
Other comprehensive income / (loss)						
Items that will not be reclassified to interim condensed statement of income in subsequent periods						
- Net (losses) / gains on equity investments designated at fair value through other comprehensive income	(6,146)	12,577	6,431	-	2,223	2,223
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,504	184,232	195,736	13,721	136,139	149,860

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

Interim condensed statement of cash flows (Unaudited)

	SAR '000				
	nine month ended September 30, 2018		nine month ended September 30, 2017		Total
	Takaful operations	Shareholders' operations	Total	Takaful operations	
	17,650	171,655	189,305	13,721	147,637
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period after attribution of management fee					
Adjustments for non-cash items:					
Depreciation of property and equipment	-	5,846	5,846	-	6,001
Management fee for administration of takaful operations	172,267	(172,267)	-	120,227	(120,227)
Management fee attributable to shareholders' operations	158,854	(158,854)	-	123,493	(123,493)
Allowance for doubtful debts	43,773	-	43,773	3,448	-
Unrealized gain on investments	(1,900)	(61)	(1,961)	(875)	(229)
Impairment of investments	317	5	322	158	(20)
Provision for end-of-service indemnities	-	3,634	3,634	-	1,151
	390,960	(150,042)	240,918	260,172	(102,901)
Changes in operating assets and liabilities:					
Contributions and re-takaful receivable	(354,254)	-	(354,254)	(118,012)	-
Re-takaful share of unearned contributions	(10,941)	-	(10,941)	(16,819)	-
Re-takaful share of outstanding claims	(216,274)	-	(216,274)	(83,207)	-
Re-takaful share of financial liabilities at FVPL	5	-	5	(46)	(46)
Deferred policy acquisition costs	(20,845)	-	(20,845)	(14,600)	-
Advances and prepayments	361	(14,934)	(14,573)	3,844	(3,222)
Other assets	(2,404)	-	(2,404)	2,021	(683)
Accrued income- statutory deposit	-	(648)	(648)	-	-
Payable to SAMA	-	648	648	-	682
Payable, accruals and other liabilities	50,570	2,221	52,791	22,633	6,073
Financial liabilities at FVPL	10,558	-	10,558	11,164	-
Re-takaful balances payable	(9,598)	-	(9,598)	29,421	-
Unearned contributions	109,657	-	109,657	420,011	-
Unearned re-takaful commission	223	-	223	559	-
	(354,254)	(150,042)	(504,296)	(118,012)	(118,012)
	(10,941)	-	(10,941)	(16,819)	(16,819)
	(216,274)	-	(216,274)	(83,207)	(83,207)
	5	-	5	(46)	(46)
	(20,845)	-	(20,845)	(14,600)	(14,600)
	361	(14,934)	(14,573)	3,844	622
	(2,404)	-	(2,404)	2,021	1,338
	-	(648)	(648)	-	-
	-	648	648	-	682
	50,570	2,221	52,791	22,633	28,706
	10,558	-	10,558	11,164	11,164
	(9,598)	-	(9,598)	29,421	29,421
	109,657	-	109,657	420,011	420,011
	223	-	223	559	559

**AL RAJHI COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)**

	SAR '000					
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
	nine month ended September 30, 2018	nine month ended September 30, 2017	nine month ended September 30, 2018	nine month ended September 30, 2017	nine month ended September 30, 2017	nine month ended September 30, 2017
Outstanding claims	380,878	-	380,878	356,235	-	356,235
Deposit against letters of guarantee	(284)	-	(284)	(1,709)	-	(1,709)
Management fee (paid) / received	378,562	(162,755)	165,807	871,667	(100,051)	771,616
Zakat paid	(343,709)	343,709	-	(169,553)	169,553	-
End-of-service indemnities paid	-	(12,301)	(12,301)	-	(7,401)	(7,401)
End-of-service indemnities paid	-	(590)	(590)	-	(880)	(880)
Net cash (used in) / generated from operating activities	(15,147)	168,063	152,916	702,114	61,221	763,335
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions in financial assets measured at FVPL	(974,403)	(484,911)	(1,459,314)	(1,555,207)	(212,500)	(1,767,707)
Disposals in financial assets measured at FVPL	962,017	507,758	1,469,775	1,515,721	215,270	1,730,991
Additions in equity investments designated at FVOCI	(31,038)	(94,448)	(125,486)	-	(53,650)	(53,650)
Disposals in equity investments designated at FVOCI	-	59,899	59,899	-	52,690	52,690
Movement in cash balance in equity share portfolio	-	35	35	-	1,068	1,068
Additions in financial assets at amortised cost	(790,000)	(280,000)	(1,070,000)	(1,100,000)	(265,109)	(1,365,109)
Disposals in financial assets at amortised cost	220,000	130,000	350,000	855,000	425,000	1,280,000
Additions in property and equipment	-	(4,348)	(4,348)	-	(4,873)	(4,873)
Net cash (used in) / generated from investing activities	(613,424)	(166,015)	(779,439)	(284,486)	157,896	(126,590)
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / (to) shareholders / takaful operations	205,251	(205,251)	-	-	-	-
Net cash generated from / (used in) financing activities	205,251	(205,251)	-	-	-	-
Net change in cash and cash equivalents	(423,320)	(203,203)	(626,523)	417,628	219,117	636,745
Cash and cash equivalents, beginning of the period	566,460	250,319	816,779	376,925	84,340	461,265
Cash and cash equivalents, end of the period	143,140	47,116	190,256	794,553	303,457	1,098,010
NON-CASH INFORMATION						
Changes in fair value of financial assets at FVOCI	(6,146)	12,577	6,431	-	2,223	2,223

19. COMPARATIVE FIGURES

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

20. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information has been approved by the Board of Directors, on 14 Safer 1440H, corresponding October 23, 2018.