

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

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

**FOR THE THREE MONTH PERIOD ENDED  
MARCH 31, 2019**

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND INDEPENDENT  
AUDITORS' REVIEW REPORT FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2019

INDEX	PAGE
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM STATEMENT OF FINANCIAL POSITION	2
INTERIM STATEMENT OF INCOME	3
INTERIM STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	5
INTERIM STATEMENT OF CASH FLOWS	6
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION	7-36



Aldar Audit Bureau  
Abdullah Al-Basri & Co



Grant Thornton An instinct for growth

## 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 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 other explanatory notes. 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 accounting of zakat and income tax.

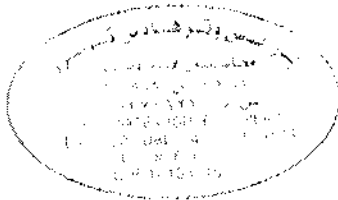
PricewaterhouseCoopers  
P. O. Box 8282  
Riyadh 11482  
Kingdom of Saudi Arabia

Bader T. Benmohareb  
Certified Public Accountant  
Registration No. 471

Aldar Audit Bureau  
Abdullah Al Basri & Co.  
P. O. Box 2195  
Riyadh 11451  
Kingdom of Saudi Arabia

Abdullah M. Al Basri  
Certified Public Accountant  
Registration No. 171

Date: 12 May 2019  
Corresponding to: 7 Ramadan 1440H



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

**INTERIM STATEMENT OF FINANCIAL POSITION**

As at March 31, 2019

		SAR '000	
		March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
	Notes		
<b>ASSETS</b>			
Cash and cash equivalents	4	737,513	492,182
Contributions and re-takaful / reinsurance balances receivable, net	5	473,206	456,575
Re-takaful / reinsurance share of unearned contributions	9.2	82,647	88,458
Re-takaful / reinsurance share of outstanding claims	9.1 (a)	105,111	371,580
Re-takaful / reinsurance share of claims incurred but not reported	9.1 (a)	12,790	13,411
Re-takaful / reinsurance share of mathematical reserve at fair value through statement of income (FVSI)		102	109
Deferred policy acquisition costs		59,931	60,868
Investments mandatorily measured at fair value through statement of income (FVSI)	8 (a)	173,139	163,828
Investments designated as fair value through other comprehensive income (FVOCI)	8 (b)	170,146	155,462
Investments held at amortised cost	8 (c)	1,768,652	1,788,646
Prepayments and other assets		65,022	69,602
Property and equipment		18,135	18,713
Statutory deposit	7	39,969	39,968
Accrued income on statutory deposit		3,659	3,439
Right-of-use assets	6	12,856	-
<b>TOTAL ASSETS</b>		<b>3,722,878</b>	<b>3,722,841</b>
<b>LIABILITIES</b>			
Payable, accruals and other liabilities		138,807	132,108
Re-takaful / reinsurance balances payable		45,187	56,127
Unearned contributions	9.2	1,431,300	1,302,633
Unearned re-takaful / reinsurance commission income		6,155	6,002
Gross outstanding claims	9.1 (a)	338,698	564,096
Claims Incurred but not reported	9.1 (a)	735,930	731,714
Contribution deficiency reserve	9.1 (a)	62,257	9,034
Unit linked liabilities at FVSI	15	62,360	52,336
End-of-service benefits (EOSB)		16,353	15,119
Provision for zakat and income tax	14	38,504	33,689
Payables to SAMA		4,567	4,346
Lease obligations		13,111	-
		<b>2,893,229</b>	<b>2,907,204</b>
Takaful operations' surplus payable		47,353	47,236
<b>TOTAL LIABILITIES AND ACCUMULATED SURPLUS</b>		<b>2,940,582</b>	<b>2,954,440</b>
<b>EQUITY</b>			
Share capital	16	400,000	400,000
Statutory reserve		92,182	91,302
Retained earnings		269,422	270,733
Remeasurement reserve for EOSB		(187)	(187)
Fair value reserve - Investments designated as FVOCI		20,879	6,553
<b>TOTAL EQUITY</b>		<b>782,296</b>	<b>768,401</b>
<b>TOTAL LIABILITIES, ACCUMULATED SURPLUS AND EQUITY</b>		<b>3,722,878</b>	<b>3,722,841</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	10	<b>12,786</b>	<b>14,437</b>



Naser Abdullah Aloufi  
Member-Board



Abdulaziz Mohammed Al Sedeas  
Chief Executive Officer

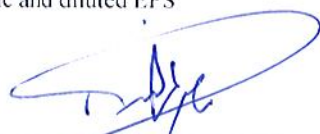


Robert Pereira  
Chief Financial Officer

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

**INTERIM STATEMENT OF INCOME (Unaudited)  
FOR THE THREE MONTH PERIOD ENDED MARCH 31**

	Notes	SAR '000	
		March 31, 2019	March 31, 2018
<b>REVENUES</b>			
Gross contribution written	9.2	843,573	1,015,685
Re-takaful / reinsurance contributions ceded - domestic	9.2	(272)	(600)
Re-takaful / reinsurance contributions ceded - foreign	9.2	(16,228)	(27,185)
Excess of loss expenses (XOL)	9.2	(924)	(3,114)
<b>Net contributions written</b>	9.2	<b>826,149</b>	<b>984,786</b>
Changes in unearned contributions, net		(134,478)	(271,525)
<b>Net contributions earned</b>		<b>691,671</b>	<b>713,261</b>
Re-takaful / reinsurance commission income		2,043	2,654
Other underwriting income		766	3,296
<b>TOTAL REVENUES</b>		<b>694,480</b>	<b>719,211</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>			
Gross claims paid and loss adjustment expenses		(823,446)	(555,112)
Surrenders and maturities		(1,108)	(652)
Re-takaful / reinsurance share of claims paid		296,813	10,970
<b>Net claims and other benefits paid</b>		<b>(527,741)</b>	<b>(544,794)</b>
Changes in outstanding claims, net		(41,073)	(1,953)
Changes in incurred but not reported (IBNR) claims, net		(4,836)	(43,844)
Change in contribution deficiency reserve		(53,223)	-
<b>Net claims and other benefits incurred</b>		<b>(626,873)</b>	<b>(590,591)</b>
Change in unit linked liabilities at FVSI, net		(6,722)	(4,690)
Policy acquisition costs		(26,799)	(33,769)
Other underwriting expenses		(6,955)	(7,511)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>		<b>(667,349)</b>	<b>(636,561)</b>
<b>NET UNDERWRITING INCOME</b>		<b>27,131</b>	<b>82,650</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>			
Allowance for doubtful debts - Contributions and re-takaful / reinsurance balances receivable		(1,254)	(1,494)
General and administrative expenses		(44,148)	(54,204)
Special commission income		18,615	15,227
Net gains on investments mandatorily measured at FVSI		2,891	2,524
Dividend income		871	459
Impairment loss on financial assets		(71)	(329)
Other income		466	728
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>(22,630)</b>	<b>(37,089)</b>
<b>Net income for the period</b>		<b>4,501</b>	<b>45,561</b>
<b>Net income for the period attributed to takaful operations</b>	19	<b>(117)</b>	<b>(4,201)</b>
<b>Net income for the period attributable to the shareholders</b>		<b>4,384</b>	<b>41,360</b>
<b>Earnings per share (EPS)</b>			
Basic and diluted EPS	18	<b>0.11</b>	<b>1.03</b>



Naser Abdullah Aloufi  
Member-Board



Abdulaziz Mohammed Al Sedeas  
Chief Executive Officer



Robert Pereira  
Chief Financial Officer

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

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

	Notes	SAR '000	
		March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Net income for the period		4,501	45,561
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to statement of income in subsequent periods</b>			
- Net fair value changes on investments designated as FVOCI			
- Takaful operations	8 (b)	962	(3,073)
- Shareholder's operations	8 (b)	13,364	6,623
<b><u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u></b>		<b>18,827</b>	<b>49,111</b>
<b>Total comprehensive income attributed to takaful operations</b>		<b>1,079</b>	<b>1,128</b>
<b>Total comprehensive income for the period attributable to the shareholders</b>		<b>17,748</b>	<b>47,983</b>



Naser Abdullah Aloufi  
Member-Board



Abdulaziz Mohammed Al Sedeas  
Chief Executive Officer



Robert Pereira  
Chief Financial Officer

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

**INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31**  
**(SAR in '000')**

	Notes	Share capital	Statutory reserve	Retained earnings	Remeasurement reserve for EOSB	Fair value reserve - Investments designated as FVOCI	Total
<b>Balance as at January 1, 2019</b>		<b>400,000</b>	<b>91,302</b>	<b>270,733</b>	<b>(187)</b>	<b>6,553</b>	<b>768,401</b>
Total comprehensive income							
Net income for the period		-	-	4,384	-	-	4,384
-Net fair value changes on investments designated as FVOCI	19,3	-	-	-	-	14,326	14,326
		-	-	4,384	-	14,326	18,710
Transfer to statutory reserve		-	880	(880)	-	-	-
Provision for zakat and income tax		-	-	(4,815)	-	-	(4,815)
<b>Balance as at March 31, 2019</b>		<b>400,000</b>	<b>92,182</b>	<b>269,422</b>	<b>(187)</b>	<b>20,879</b>	<b>782,296</b>
		Share capital	Statutory reserve	Retained earnings	Remeasurement reserve for EOSB	Fair value reserve - Investments designated as FVOCI	Total
<b>Balance as at January 1, 2018</b>		<b>400,000</b>	<b>54,297</b>	<b>142,211</b>	<b>-</b>	<b>1,552</b>	<b>598,060</b>
Total comprehensive income:							
Net income for the period		-	-	41,360	-	-	41,360
-Net fair value changes on investments designated as FVOCI	19,3	-	-	-	-	3,550	3,550
		-	-	41,360	-	3,550	44,910
Transfer to statutory reserve		-	8,272	(8,272)	-	-	-
Provision for zakat and income tax		-	-	(3,800)	-	-	(3,800)
<b>Balance as at March 31, 2018</b>		<b>400,000</b>	<b>62,569</b>	<b>171,499</b>	<b>-</b>	<b>5,102</b>	<b>639,170</b>



Naser Abdullah Aloufi  
Member-Board



Abdulaziz Mohammed Al Sedeas  
Chief Executive Officer




Robert Pereira  
Chief Financial Officer

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

**INTERIM STATEMENT OF CASH FLOWS (Unaudited)  
FOR THE THREE MONTH PERIOD ENDED MARCH 31,**

	Notes	SAR '000	
		Mar 31, 2019	Mar 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period		4,501	45,561
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment		2,200	1,984
Depreciation of right-of-use assets		1,114	
Allowance for doubtful debts -Contributions and re-takaful / reinsurance balances receivable		1,254	732
Unrealized gain on investments mandatorily measured at FVSI		(3,288)	(453)
Impairment loss on financial assets		71	329
Provision for end-of-service benefits (EOSB)		1,701	1,309
		<u>7,553</u>	<u>49,462</u>
<b>Changes in operating assets and liabilities:</b>			
Contributions and re-takaful / reinsurance balances receivable		(17,885)	(366,768)
Re-takaful / reinsurance share of unearned contributions		5,811	(9,554)
Re-takaful / reinsurance share of outstanding claims		266,469	16,592
Re-takaful / reinsurance share of claims incurred but not reported		621	9,086
Re-takaful / reinsurance share of mathematical reserve at FVSI		7	2
Deferred policy acquisition costs		937	(23,309)
Prepayments and other assets		4,580	8,393
Right-of-use assets		(13,970)	-
Accrued income on statutory deposit		(220)	(201)
Payable, accruals and other liabilities		6,697	80,329
Other reserves		-	3,404
Unit linked liabilities at FVSI		10,024	5,195
Re-takaful / reinsurance balances payable		(10,940)	(21,538)
Unearned contributions		128,667	281,079
Unearned re-takaful / reinsurance commission		153	873
Gross outstanding claims		(225,398)	(14,638)
Claims Incurred but not rported		4,216	34,757
Contribution deficiency reserve		53,223	-
Lease obligations		13,111	-
Deposit against guarantees		1,651	-
Payables to SAMA		221	202
		<u>235,528</u>	<u>53,366</u>
End-of-service benefits paid		(467)	(144)
<b>Net cash generated from operating activities</b>		<u>235,061</u>	<u>53,222</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments mandatorily measured at FVSI		(547,075)	(589,680)
Disposals of investments mandatorily measured at FVSI		541,052	585,793
Purchase of investments designated as FVOCI		-	(55,602)
Disposals of investments designated as FVOCI		-	25,026
Movement in cash balance in equity share portfolio		(358)	(912)
Purchase of investments held at amortised cost		(500,000)	(230,000)
Disposal of investments held at amortised cost		520,000	-
Additions in property and equipment		(1,622)	(797)
<b>Net cash generated from / (used in) investing activities</b>		<u>11,997</u>	<u>(266,172)</u>
Net change in cash and cash equivalents		247,058	(212,950)
Cash and cash equivalents, at beginning of the period	4	476,940	816,779
<b>Cash and cash equivalents, at end of the period</b>	4	<u>723,998</u>	<u>603,829</u>
<b>NON-CASH INFORMATION</b>			
Changes in fair value of investments designated as FVOCI		14,326	3,550



Naser Abdullah Aloufi  
Member-Board



Abdulaziz Mohammed Al Sedeas  
Chief Executive Officer



Robert Pereira  
Chief Financial Officer



**Notes to the interim condensed financial information  
For the three month period ended March 31, 2019**

**1. GENERAL**

Al Rajhi Company for Cooperative Insurance (a Saudi Joint Stock Company incorporated in Kingdom of Saudi Arabia), "the Company", was formed pursuant to Royal Decree No. (M/35) dated Jumada al thani 27, 1429, (January 1, 2008). The Company operates under Commercial Registration no. 1010270371 dated Rajab 5, 1430 corresponding to June 28, 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 takaful operations and all related activities including re-takaful and agency activities. Its principal lines of business include motor, medical, protection & savings, marine, fire, engineering and casualty insurance.

On July 31, 2003, corresponding to Jumada al thani 2, 1424, 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. On April 20, 2004, corresponding to Rabi' al-awwal 1, 1425, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32).

As a commitment from the Company for its activities to be in compliance with Islamic Shari'a legislations, since its inception, the Company has established a Shari'a Authority to review and approve the activities and the products of the Company.

**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 - "Leases" 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 earnings.

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 benefits 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.

## **2. BASIS OF PREPARATION**

### **(a) Basis of presentation (continued)**

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 19). 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'

(refer note 19); 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 19 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, 2018.

### **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, 2018.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Lease terms range from 2 to 10 years for offices, vehicles and equipments. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is measured at amortized cost using the incremental borrowing cost. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### IFRS 16: Leases ("IFRS 16")

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases.

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. Right-of-use assets and lease obligations of SAR 13.8 million were recorded as of January 1, 2019, with no net impact on retained earnings. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019, the rate applied is 6.15%

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

The Company has elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously assessed under IAS 17 and IFRIC 4. The Company applied the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 1, 2019.

The following table reconciles the Company's operating lease obligations at December 31, 2018, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019:

Operating lease commitments at December 31, 2018	80,356
Discounted using the incremental borrowing rate at January 1, 2019	(1,078)
Recognition exemptions / not yet commenced	(65,468)
<b>Lease obligations recognized at January 1, 2019</b>	<b>13,810</b>

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

**4. CASH AND CASH EQUIVALENTS**

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

	<b>Takaful operations</b>	
	<b>March 31, 2019</b> (Unaudited)	<b>December 31, 2018</b> (Audited)
<b>SAR'000</b>		
Bank balances and cash	252,126	205,425
Deposits maturing within 3 months from the acquisition date	300,000	150,000
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>552,126</b>	<b>355,425</b>
Less : Impairment loss	(180)	(65)
<b>Cash and bank balances, net</b>	<b>551,946</b>	<b>355,360</b>
Deposits against letters of guarantee	12,787	14,437
<b>Total</b>	<b>564,733</b>	<b>369,797</b>
	<b>Shareholders' operations</b>	
	<b>March 31, 2019</b> (Unaudited)	<b>December 31, 2018</b> (Audited)
<b>SAR'000</b>		
Bank balances and cash	171,872	71,515
Deposits maturing within 3 months from the acquisition date	-	50,000
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>171,872</b>	<b>121,515</b>
Less : Impairment loss	-	(38)
<b>Cash and bank balances, net</b>	<b>171,872</b>	<b>121,477</b>
Cash at banks (statutory deposit income)	908	908
<b>Total</b>	<b>172,780</b>	<b>122,385</b>
<b>Total</b>	<b>737,513</b>	<b>492,182</b>

**5. CONTRIBUTIONS AND RE-TAKAFUL BALANCES RECEIVABLE - NET**

Receivables comprise amounts due from the following:

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>SAR'000</b>		
Policyholders	159,121	224,746
Brokers and agents	77,740	47,858
Related parties	234,516	253,255
Receivables from re-takaful / reinsurance	81,285	8,918
	<b>552,662</b>	<b>534,777</b>
Provision for doubtful receivables	(79,456)	(78,202)
Contributions and re-takaful / reinsurance balances receivable - net	<b>473,206</b>	<b>456,575</b>

**6. RIGHT -OF-USE ASSETS**

The following table presents the right-of-use assets for the Company:

	<b>Offices</b>	<b>Vehicles</b>	<b>Equipments</b>	<b>Total</b>
Balance at January 1, 2019	10,422	1,872	1,717	14,011
Depreciation/ Amortization	(926)	(119)	(110)	(1,155)
<b>Balance at March 31, 2019</b>	<b>9,496</b>	<b>1,753</b>	<b>1,607</b>	<b>12,856</b>

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

**7. STATUTORY DEPOSIT**

Statutory deposit amounting to SAR 40 million (December 2018: SAR 40 million) kept with a local bank, 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 SAR 0.03 million,(2018: SAR 0.03 million)

**8. INVESTMENTS**

Investments are classified as follows:

SAR'000	Notes	Takaful operations	
		March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
- Investments mandatorily measured at FVSI (mutual funds)	8 (a)	141,455	129,853
- Investments designated as FVOCI (equity shares)	8 (b)	26,289	25,327
- Investments held at amortised cost (deposits and sukuk)	8 (c)	1,383,823	1,703,637
<b>Total</b>		<b>1,551,567</b>	<b>1,858,817</b>

SAR'000	Notes	Shareholders' operations	
		March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
- Investments mandatorily measured at FVSI (mutual funds)	8 (a)	31,684	33,975
- Investments designated as FVOCI (equity shares)	8 (b)	143,857	130,135
- Investments held at amortised cost (deposits and sukuk)	8 (c)	384,829	85,009
<b>Total</b>		<b>560,370</b>	<b>249,119</b>

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

**8. INVESTMENTS (continued)**

Movement in the investment balance is as follows:

**a) Investments mandatorily measured at FVSI (mutual funds)**

	<b>Takaful operations</b>	
	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>SAR'000</b>		
At the beginning of the period / year	129,853	124,829
Purchased during the period / year	332,075	1,215,073
Sold during the period / year	(323,776)	(1,211,077)
Net change in fair values during the year	3,303	1,028
At the end of the period / year	<b>141,455</b>	<b>129,853</b>
	<b>Shareholders' operations</b>	
	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>SAR'000</b>		
At the beginning of the period / year	33,975	32,481
Purchased during the period / year	215,000	545,000
Sold during the period / year	(217,276)	(543,712)
Net change in fair values during the period / year	(15)	206
At the end of the period / year	<b>31,684</b>	<b>33,975</b>
<b>Total</b>	<b>173,139</b>	<b>163,828</b>

8. INVESTMENTS (continued)

b) Investments designated as FVOCI (equity shares)

SAR'000	Takaful operations	
	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Opening balance	25,327	-
Purchases	-	31,038
Changes in fair value of investments	962	(5,711)
<b>Closing balance</b>	<b>26,289</b>	<b>25,327</b>
SAR'000	Shareholders' operations	
	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
At the beginning of the period / year		
Balance of equity shares portfolio with Al Rajhi Capital	122,507	78,738
Cash balance with Al Rajhi Capital	86	(22)
Equity - unlisted shares	7,542	6,050
Total at the beginning of the period / year	130,135	84,766
<b>Movement during the period / year</b>		
Purchased during the period / year	-	94,448
Sold during the period / year	-	(59,899)
Net change in fair values during the period / year	13,364	10,712
Net change in cash balance with Al Rajhi Capital	358	108
Closing balance of equity shares portfolio	143,857	130,135
Portfolio balance with Al Rajhi Capital at the end of the period	135,871	122,507
Cash balance with Al Rajhi Capital	444	86
Equity - unlisted shares	7,542	7,542
At the end of the period / year	143,857	130,135
<b>Total</b>	<b>170,146</b>	<b>155,462</b>

**8. INVESTMENTS (continued)**

**e) Investments held at amortised cost (deposits and sukuk)**

Investments in Murabaha deposits and Sukuks are classified as investments 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 year is set out below:

SAR'000	Takaful operations	
	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
At the beginning of the period / year		
Murabaha deposits	1,655,000	1,235,000
Sukuk	50,000	50,000
Purchases	200,000	1,090,000
Disposals / Maturities	(520,000)	(670,000)
At the end of the period / year, gross	1,385,000	1,705,000
Less: Impairment loss	(1,177)	(1,363)
At the end of the period / year, net	1,383,823	1,703,637
SAR'000	Shareholders' operations	
	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
At the beginning of the period / year		
Murabaha deposits	65,000	85,074
Sukuk	20,074	-
Purchased during the period / year	300,000	280,000
Maturities during the period / year	-	(280,000)
At the end of the period / year, gross	385,074	85,074
Less: Impairment loss	(245)	(65)
At the end of the period / year, net	384,829	85,009
<b>Total</b>	<b>1,768,652</b>	<b>1,788,646</b>



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

March 31, 2019  
(Unaudited)

Financial statement line item	Stage 1	Stage 2	Stage 3	Total	December 31,
	12-month ECL	Lifetime ECL	Lifetime ECL		2018
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Bank balances	564,913	-	-	564,913	368,648
Investments held at amortised cost	1,385,000	-	-	1,385,000	1,705,000
<b>Gross carrying amount</b>	<b>1,949,913</b>	<b>-</b>	<b>-</b>	<b>1,949,913</b>	<b>2,073,648</b>
Loss allowance	(1,357)	-	-	(1,357)	(1,428)
<b>Carrying amount</b>	<b>1,948,556</b>	<b>-</b>	<b>-</b>	<b>1,948,556</b>	<b>2,072,220</b>

March 31, 2019  
(Unaudited)

Credit grade	Stage 1	Stage 2	Stage 3	Total	December 31,
	12-month ECL	Lifetime ECL	Lifetime ECL		2018
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Investment grade	1,949,913	-	-	1,949,913	2,073,648
Non investment grade	-	-	-	-	-
<b>Gross carrying amount</b>	<b>1,949,913</b>	<b>-</b>	<b>-</b>	<b>1,949,913</b>	<b>2,073,648</b>
Loss allowance	(1,357)	-	-	(1,357)	(1,428)
<b>Carrying amount</b>	<b>1,948,556</b>	<b>-</b>	<b>-</b>	<b>1,948,556</b>	<b>2,072,220</b>

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

Investment grade includes those investments having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. Non investment grade represents un-rated exposures.

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

ii) Shareholders' operations

Financial statement line item	March 31, 2019 (Unaudited)			December 31, 2018	
	Stage 1	Stage 2	Stage 3	Total	
	12-month ECL SAR'000	Lifetime ECL SAR'000	Lifetime ECL SAR'000	SAR'000	SAR'000
Bank balances	172,780	-	-	172,780	122,385
Investments held at amortised cost	385,074	-	-	385,074	85,074
Statutory deposit	40,000	-	-	40,000	40,000
<b>Gross carrying amount</b>	<b>597,854</b>	<b>-</b>	<b>-</b>	<b>597,854</b>	<b>247,459</b>
Loss allowance	(276)	-	-	(276)	(134)
<b>Carrying amount</b>	<b>597,578</b>	<b>-</b>	<b>-</b>	<b>597,578</b>	<b>247,325</b>

Credit grade	March 31, 2019 (Unaudited)			December 31, 2018	
	Stage 1	Stage 2	Stage 3	Total	
	12-month ECL SAR'000	Lifetime ECL SAR'000	Lifetime ECL SAR'000	SAR'000	SAR'000
Investment grade	597,854	-	-	597,854	247,459
Non investment grade	-	-	-	-	-
<b>Gross carrying amount</b>	<b>597,854</b>	<b>-</b>	<b>-</b>	<b>597,854</b>	<b>247,459</b>
Loss allowance	(276)	-	-	(276)	(134)
<b>Carrying amount</b>	<b>597,578</b>	<b>-</b>	<b>-</b>	<b>597,578</b>	<b>247,325</b>

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

Investment Grade includes those investments having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. Non investment grade represents un-rated exposures.

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

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 SAR'000	Stage 2 Lifetime ECL SAR'000	Stage 3 Lifetime ECL SAR'000	Total SAR'000
<b>Loss allowance as at January 1, 2019</b>	<b>1,428</b>	-	-	<b>1,428</b>
<b>Movements with the statement of income</b>				
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	207	-	-	207
Net re-measurement of loss allowance	-	-	-	-
Financial assets derecognised during the period	(278)	-	-	(278)
Write-offs	-	-	-	-
Total loss allowance for the period/ year	(71)	-	-	(71)
<b>Loss allowance as at March 31, 2019</b>	<b>1,357</b>	-	-	<b>1,357</b>

ii) Shareholders' operations:

	Stage 1 12-month ECL SAR'000	Stage 2 Lifetime ECL SAR'000	Stage 3 Lifetime ECL SAR'000	Total SAR'000
<b>Loss allowance as at January 1, 2019</b>	<b>134</b>	-	-	<b>134</b>
<b>Movements with the statement of income</b>				
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	180	-	-	180
Net re-measurement of loss allowance	-	-	-	-
Financial assets derecognised during the period/ year	(38)	-	-	(38)
Write-offs	-	-	-	-
Total loss allowance for the period/ year	142	-	-	142
<b>Loss allowance as at March 31, 2019</b>	<b>276</b>	-	-	<b>276</b>

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

**9. TECHNICAL RESERVES**

**9.1 Net outstanding claims and reserves**

a) Net outstanding claims and reserves comprise of the following:

SAR'000	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Outstanding claims	444,122	677,569
Less: Realizable value of salvage and subrogation	(105,423)	(113,173)
	<u>338,699</u>	<u>564,096</u>
Claims incurred but not reported	735,929	731,714
Contribution deficiency reserve	62,257	9,034
	<u>1,136,885</u>	<u>1,304,844</u>
Unit linked liabilities at FVSI	62,360	52,336
	<u>1,199,245</u>	<u>1,357,180</u>
Less:		
Re-takaful share of outstanding claims	105,111	371,580
Re-takaful share of claims incurred but not reported	12,790	13,411
	<u>117,901</u>	<u>384,991</u>
<b>Net outstanding claims and reserves</b>	<b><u>1,081,344</u></b>	<b><u>972,189</u></b>

**9.2 Movement in unearned contributions**

Movement in unearned contributions comprise of the following:

SAR'000	Three months ended March 31, 2019 (Unaudited)			
	Gross	Re-takaful (Reinsurance)	XOL	Net
Balance at the beginning of the period	1,302,633	(88,458)	-	1,214,175
Contribution written during the period	843,573	(16,500)	(924)	826,149
Contribution earned during the period	(714,906)	22,311	924	(691,671)
Balance at the end of the period	<u>1,431,300</u>	<u>(82,647)</u>	-	<u>1,348,653</u>
	Year ended December 31, 2018 (Audited)			
SAR'000	Gross	Re-takaful (Reinsurance)	XOL	Net
Balance at the beginning of the year	1,304,110	(91,709)	-	1,212,401
Contribution written during the year	2,973,594	(95,594)	(14,997)	2,863,003
Contribution earned during the year	(2,975,071)	98,845	14,997	(2,861,229)
Balance at the end of the year	<u>1,302,633</u>	<u>(88,458)</u>	-	<u>1,214,175</u>

## 10. COMMITMENTS AND CONTINGENCIES

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

SAR'000	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Letters of guarantee	12,787	14,437
<b>Total</b>	<b>12,787</b>	<b>14,437</b>

b) The Company enters into takaful contracts and is subject to legal proceedings in the normal course of business. While it is not practicable to forecasted or determine the final results of all the pending and threatened legal proceedings, management does not believe that any such proceedings (including litigation) that are in progress at reporting date will have a material effect on its results and financial position.

## 11. 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

### 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.

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

**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	
<b>March 31, 2019 (Unaudited)</b>					
<b>Financial assets measured at fair value</b>					
- Investments mandatorily measured at FVSI	173,139	173,139	-	-	173,139
- Investments designated as FVOCI - Quoted securities	162,604	162,604	-	-	162,604
- Investments designated as FVOCI - Unquoted securities	7,542	-	-	7,542	7,542
	<b>343,285</b>	<b>335,743</b>	<b>-</b>	<b>7,542</b>	<b>343,285</b>
<b>Financial assets not measured at fair value</b>					
- Cash and cash equivalents	737,513	-	-	-	737,513
- Investments held at amortised cost	1,768,652	-	-	-	1,768,652
- Statutory deposit	39,969	-	-	-	39,969
- Other assets	14,933	-	-	-	14,933
	<b>2,561,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,561,067</b>

SAR'000s	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>December 31, 2018 (Audited)</b>					
<b>Financial assets measured at fair value</b>					
- Investments mandatorily measured at FVSI	163,828	163,828	-	-	163,828
- Investments designated as FVOCI - Quoted securities	147,920	147,920	-	-	147,920
- Investments designated as FVOCI - Unquoted securities	7,542	-	-	7,542	7,542
	<b>319,290</b>	<b>311,748</b>	<b>-</b>	<b>7,542</b>	<b>319,290</b>
<b>Financial assets not measured at fair value</b>					
- Cash and cash equivalents	491,033	-	-	-	491,033
- Investments held at amortised cost	1,788,646	-	-	-	1,788,646
- Statutory deposits at amortised cost	39,969	-	-	-	39,969
- Other assets	21,680	-	-	-	21,680
	<b>2,341,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,341,328</b>

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

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

**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	
<b>March 31, 2019 (Unaudited)</b>					
<b>Financial liabilities measured at fair value</b>					
- Unit linked liabilities at FVSI	62,360	62,360	-	-	62,360
	62,360	62,360	-	-	62,360

SAR'000s	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>December 31, 2018 (Audited)</b>					
<b>Financial liabilities measured at fair value</b>					
- Unit linked liabilities at FVSI	52,336	52,336	-	-	52,336
	52,336	52,336	-	-	52,336

**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.

**Shareholders' operations**

SAR'000s	Financial assets at FVOCI – Unquoted securities
Balance at January 1, 2019	7,542
Purchases	-
Sales	-
Gain / loss included in statement of income	-
Gain / loss included in OCI	-
Balance at March 31, 2019	7,542

The fair value of unquoted securities at level 3 is not materially different than its cost price.

## 12. 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 Chief Executive Officer as his function as key 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 condensed 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 surplus or deficit since December 31, 2018.

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

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 March 31, 2019 and December 31, 2018, its total revenues, expenses, and net income for year ended, are as follows:

For the three month ended March 31, 2019 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR*000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	6,234	113,559	1,371	10,754	131,918
Very small	35,501	3,550	-	-	39,051
Small	27,624	4,038	-	-	31,662
Medium	51,648	5,871	3	-	57,522
Corporate	71,871	483,437	16,372	11,741	583,421
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>192,877</u>	<u>610,455</u>	<u>17,746</u>	<u>22,495</u>	<u>843,573</u>
For the three month ended March 31, 2018 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR*000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	1,031	121,588	689	7,779	131,088
Very small	22,207	2,339	-	-	24,546
Small	17,280	2,660	-	-	19,940
Medium	32,307	3,868	-	-	36,175
Corporate	74,080	684,181	34,390	11,285	803,936
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>146,905</u>	<u>814,637</u>	<u>35,079</u>	<u>19,065</u>	<u>1,015,685</u>



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

As at March 31, 2019  
(Unaudited)

	Takaful operations					Total	
	Medical	Motor	Property & casualty	Protection & Savings	Total - Takaful operations		
Operating segments	SAR '000					Shareholders' operations	Total
<b>Assets:</b>							
Cash and cash equivalents	-	-	-	-	564,733	172,780	737,513
Contributions and re-takaful / reinsurance balances receivable net	-	-	-	-	473,206	-	473,206
Re-takaful / reinsurance share of unearned contributions	-	35,671	45,782	1,194	82,647	-	82,647
Re-takaful / reinsurance share of outstanding claims	-	11,668	89,168	4,275	105,111	-	105,111
Re-takaful / reinsurance share of claims incurred but not reported	-	-	4,926	7,864	12,790	-	12,790
Deferred policy acquisition costs	26,658	29,750	3,274	249	59,931	-	59,931
Investments mandatorily measured at FVSI	-	-	-	-	141,455	31,684	173,139
Investments designated as FVOCI	-	-	-	-	26,289	143,857	170,146
Investments held at amortised cost	-	-	-	-	1,383,823	384,829	1,768,652
Right-of-use assets	-	-	-	-	-	49,637	49,637
Unallocated assets	-	-	-	-	(16,132)	106,238	90,106
<b>Total assets</b>	<b>26,658</b>	<b>77,089</b>	<b>143,150</b>	<b>13,582</b>	<b>2,833,853</b>	<b>889,025</b>	<b>3,722,878</b>
<b>Liabilities:</b>							
Unearned contributions	371,119	999,062	56,609	4,510	1,431,300	-	1,431,300
Unearned re-takaful / reinsurance commission	-	1,439	4,716	-	6,155	-	6,155
Gross outstanding claims	81,731	158,229	92,590	6,148	338,698	-	338,698
Claims incurred but not reported	122,654	593,930	6,565	12,781	735,930	-	735,930
Contribution deficiency reserve	59,691	-	2,566	-	62,257	-	62,257
Lease obligations	-	-	-	-	-	13,111	13,111
Unallocated liabilities and surplus	-	-	-	-	259,513	875,914	1,135,427
<b>Total liabilities and surplus</b>	<b>635,195</b>	<b>1,752,660</b>	<b>163,046</b>	<b>23,439</b>	<b>2,833,853</b>	<b>889,025</b>	<b>3,722,878</b>

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

As at December 31, 2018  
(Audited)

Operating segments	Takaful operations					Total - Takaful operations	Shareholders' operations	Total
	Medical	Motor	Property casualty & Savings	Protection & Savings	Total - Takaful operations			
	SAR'000							
Assets:								
Cash and cash equivalents	-	-	-	-	369,797	122,385	492,182	
Contributions and re-takaful / reinsurance balances receivable – net	-	-	-	-	456,575	-	456,575	
Re-takaful / reinsurance share of unearned contributions	-	35,746	51,231	1,481	88,458	-	88,458	
Re-takaful / reinsurance share of outstanding claims	-	10,019	358,843	2,718	371,580	-	371,580	
Re-takaful / reinsurance share of claims incurred but not reported	-	-	6,496	6,915	13,411	-	13,411	
Deferred policy acquisition costs	28,845	28,359	3,253	411	60,868	-	60,868	
Investments mandatorily measured at FVSI	-	-	-	-	129,853	33,975	163,828	
Investments designated as FVOCI	-	-	-	-	25,327	130,135	155,462	
Investments held at amortised cost	-	-	-	-	1,703,637	85,009	1,788,646	
Unallocated assets	-	-	-	-	(361,994)	493,825	131,831	
Total assets	28,845	74,124	419,823	11,525	2,857,512	865,329	3,722,841	
Liabilities:								
Unearned contributions	361,798	873,955	62,485	4,395	1,302,633	-	1,302,633	
Unearned re-takaful / reinsurance commission	-	-	6,002	-	6,002	-	6,002	
Gross outstanding claims	39,582	158,399	362,230	3,885	564,096	-	564,096	
Claims incurred but not reported	92,105	620,331	8,277	11,001	731,714	-	731,714	
Contribution deficiency reserve	9,034	-	-	-	9,034	-	9,034	
Unallocated liabilities and surplus	-	-	-	-	244,033	865,329	1,109,362	
Total liabilities, accumulated surplus and equity	502,519	1,652,685	438,994	19,281	2,857,512	865,329	3,722,841	

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

For the three months ended March 31, 2019 (Unaudited)					
Operating segments	Medical	Motor	Property & Casualty	Protection & Savings	Total
SAR'000					
<b>REVENUES</b>					
Gross contributions written	192,877	610,455	17,746	22,495	843,573
Re-takaful / reinsurance contributions ceded		(1,158)	(12,071)	(3,271)	(16,500)
Excess of loss expenses (XOL)	-	(1,071)	147	-	(924)
<b>Net contributions written</b>	<b>192,877</b>	<b>608,226</b>	<b>5,822</b>	<b>19,224</b>	<b>826,149</b>
Changes in unearned contributions, net	(9,321)	(125,183)	428	(402)	(134,478)
<b>Net contributions earned</b>	<b>183,556</b>	<b>483,043</b>	<b>6,250</b>	<b>18,822</b>	<b>691,671</b>
Re-takaful / reinsurance commission income	-	230	1,813	-	2,043
Other underwriting income	-	240	83	443	766
<b>TOTAL REVENUES</b>	<b>183,556</b>	<b>483,513</b>	<b>8,146</b>	<b>19,265</b>	<b>694,480</b>
<b>UNDERWRITING COSTS AND</b>					
Gross claims paid and loss adjustment expenses	(163,633)	(363,614)	(293,426)	(2,773)	(823,446)
Surrender and maturities	-	-	-	(1,108)	(1,108)
Re-takaful / reinsurance share of claims paid	-	2,718	292,469	1,626	296,813
<b>Net claims and other benefits paid</b>	<b>(163,633)</b>	<b>(360,896)</b>	<b>(957)</b>	<b>(2,255)</b>	<b>(527,741)</b>
Changes in outstanding claims, net	(42,149)	1,819	(37)	(706)	(41,073)
Changes in incurred but not reported (IBNR) claims, net	(30,549)	26,401	142	(830)	(4,836)
Contribution deficiency reserve	(50,657)	-	(2,566)	-	(53,223)
<b>Net claims and other benefits incurred</b>	<b>(286,988)</b>	<b>(332,676)</b>	<b>(3,418)</b>	<b>(3,791)</b>	<b>(626,873)</b>
Change in unit linked liabilities at FVSI, net	-	-	-	(6,722)	(6,722)
Policy acquisition costs	(15,345)	(8,259)	(1,829)	(1,366)	(26,799)
Other underwriting expenses	(3,330)	(3,871)	358	(112)	(6,955)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(305,663)</b>	<b>(344,806)</b>	<b>(4,889)</b>	<b>(11,991)</b>	<b>(667,349)</b>
<b>NET UNDERWRITING INCOME</b>	<b>(122,107)</b>	<b>138,707</b>	<b>3,257</b>	<b>7,274</b>	<b>27,131</b>
<b>OTHER OPERATING EXPENSES</b>					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	-	-	-	-	(1,254)
General and administrative expenses	-	-	-	-	(44,148)
Special commission income	-	-	-	-	18,615
Net gains on investments mandatorily measured at FVSI	-	-	-	-	2,891
Dividend income	-	-	-	-	871
Impairment loss on financial assets	-	-	-	-	(71)
Other income	-	-	-	-	466
<b>NET INCOME FOR THE PERIOD</b>					<b>4,501</b>

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

For the three months ended March 31, 2018 (Unaudited)					
Operating segments	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<b>REVENUES</b>					
Gross contributions written	116,906	814,636	35,079	19,064	1,015,685
Re-takaful / reinsurance contributions ceded	-	(385)	(21,389)	(3,011)	(27,785)
Excess of loss expenses (XOL)	-	(2,530)	(584)	-	(3,114)
Net contributions written	146,906	811,721	10,106	16,053	984,786
Changes in unearned contributions, net	(32,840)	(231,816)	(1,207)	(2,662)	(271,525)
Net contributions earned	114,066	579,905	5,899	13,391	713,261
Re-takaful / reinsurance commission income	-	106	2,518	-	2,654
Other underwriting income	(3)	2,795	41	463	3,296
<b>TOTAL REVENUES</b>	<b>114,063</b>	<b>582,806</b>	<b>8,488</b>	<b>13,854</b>	<b>719,211</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>					
Gross claims paid and loss adjustment expenses	(86,513)	(457,712)	(10,182)	(705)	(555,112)
Surrender and maturities	-	-	-	(652)	(652)
Re-takaful / reinsurance share of claims paid	-	1,082	9,333	555	10,970
Net claims and other benefits paid	(86,513)	(456,630)	(849)	(802)	(544,794)
Changes in outstanding claims, net	4,624	(8,058)	1,774	(293)	(1,953)
Changes in incurred but not reported (IBNR) claims, net	(13,191)	(30,738)	418	(333)	(43,844)
Change in contribution deficiency reserve	-	-	-	-	-
Net claims and other benefits incurred	(95,080)	(495,426)	1,343	(1,428)	(590,591)
Change in unit linked liabilities at FVSI	-	-	-	(1,690)	(1,690)
Policy acquisition costs	(9,521)	(20,494)	(1,617)	(2,137)	(33,769)
Other underwriting expenses	(2,348)	(4,865)	(186)	(112)	(7,511)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(106,949)</b>	<b>(520,785)</b>	<b>(460)</b>	<b>(8,367)</b>	<b>(636,561)</b>
<b>NET UNDERWRITING INCOME</b>	<b>7,114</b>	<b>62,021</b>	<b>8,028</b>	<b>5,487</b>	<b>82,650</b>
<b>OTHER OPERATING EXPENSES</b>					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	(476)	(693)	(20)	(305)	(1,494)
General and administrative expenses	(12,560)	(30,708)	(3,508)	(7,428)	(54,204)
Special commission income	-	-	-	-	15,227
Net gains on investments mandatorily measured at FVSI	-	-	-	-	2,524
Dividend income	-	-	-	-	459
Impairment loss on financial assets	-	-	-	-	(329)
Other income	-	-	-	-	728
<b>NET INCOME FOR THE PERIOD</b>					<b>45,561</b>

### 13. 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 period ended		Balance receivable / (payable) as at	
	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
	SAR'000			
<b>Major shareholders</b>				
Gross contribution written	210,308	279,411	232,202	249,872
Claims paid	177,482	275,267	(3,910)	(2,172)
Claims incurred and notified during the period	147,470	246,984	(117,989)	(148,001)
Reimbursement from related party	-	340	-	-
Bank Balance	-	-	398,561	274,705
Investment in shares of Al Rajhi Banking and Investment Corporation	-	(6)	32,087	25,901
<b>Entities controlled, jointly controlled or significantly influenced by related parties</b>				
Gross contribution written	203	9,163	2,314	3,382
Claims paid	274,533	10,106	-	-
Claims incurred and notified during the period	(322)	10,319	(1,100)	(277,417)
Investments managed by affiliates	1,927	3,887	105,885	95,500
Income received from sale of investment in Al Rajhi Capital commodity fund	1,948	1,151	-	-
Investment management fee paid to Al Rajhi Capital	764	802	-	-

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

	For the period ended	
	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
	SAR'000	
Salaries and other allowances	1,783	1,513
End of service benefits	2,670	600
	<b>4,453</b>	<b>2,113</b>
Shariah committee remuneration	60	74

#### 14. ZAKAT AND INCOME TAX

##### 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 to recover the additional paid zakat against the additional zakat assessment of SAR 1.852 million raised by the GAZT. The appeal is still pending, accordingly no receivable is recorded or contingent asset is disclosed.

#### 15. UNIT LINKED LIABILITIES AT FVSI

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

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
	SAR'000	SAR'000
At the beginning of the year	52,336	30,595
Net changes in reserve during the period/ year	6,715	20,784
Net change in fair values during the period/ year	3,309	957
At the end of the period/ year	<u>62,360</u>	<u>52,336</u>

#### 16. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 400 million at March 31, 2019 (December 31, 2018: SAR 400 million) consisting of 40 million shares (December 31, 2018: 40 million shares) of SAR 10 each.

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

	March 31, 2019		
	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 Banking and Investment Corporation	9,000,000	90,000	90,000
Oman Insurance Company - 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>

	December 31, 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 Banking and Investment Corporation	9,000,000	90,000	90,000
Oman Insurance Company - 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>

#### **17. 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.

The operations of the Company are subject to local regulatory requirements within the jurisdiction where it is incorporated. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

The Company maintains its capital as per guidelines laid out by SAMA in Article 66 table 3 and 4 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained. According to the said Article, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:

Minimum Capital Requirement of SAR 200 million

Premium Solvency Margin

Claims Solvency Margin

The Company is in compliance with all externally imposed capital requirements with sound solvency margin. The capital structure of the Company as at March 31, 2019 consists of paid-up share capital of SAR 400 million, statutory reserves of SAR 92.2 million and retained earnings of SAR 269.4 million (December 31, 2018: paid-up share capital of SAR 400 million, statutory reserves of SAR 91.3 million and retained earnings of SAR 270.7 million.) in the statement of financial position

#### **18. EARNINGS PER SHARE ("EPS")**

Earnings per share for the period ended March 31, 2019 and year ended December 31, 2018 is calculated by dividing the net income for the period attributable to the equity holders by 40 million shares. There were no dilutive potential shares in issue as at March 31, 2019 and December 31, 2018.

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

19. SUPPLEMENTARY INFORMATION  
19.1 Interim Statement of financial position

	SAR '000					
	March 31, 2019 - (Unaudited)		December 31, 2018 (Audited)			
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
<b>ASSETS:</b>						
Cash and cash equivalents	564,733	172,780	737,513	369,797	122,385	492,182
Contributions and re-takaful / reinsurance balances receivable - net	473,206	-	473,206	456,575	-	456,575
Re-takaful / reinsurance share of unearned contributions	82,647	-	82,647	88,458	-	88,458
Re-takaful / reinsurance share of outstanding claims	105,111	-	105,111	371,580	-	371,580
Re-takaful / reinsurance share of outstanding claims IBNR	12,790	-	12,790	13,411	-	13,411
Re-takaful / reinsurance share of mathematical reserve at FVSI	102	-	102	109	-	109
Deferred policy acquisition costs	59,931	-	59,931	60,868	-	60,868
Investments mandatorily measured at FVSI	141,455	31,684	173,139	129,853	33,975	163,828
Investments designated as FVOCI	26,289	143,857	170,146	25,327	130,135	155,462
Due (to)/ from shareholders / takaful operations	(45,202)	45,202	-	(401,888)	401,888	-
Investments held at amortised cost	1,383,823	384,829	1,768,652	1,703,637	85,009	1,788,646
Prepayments and other assets	28,968	36,054	65,022	39,785	29,817	69,602
Property and equipment	-	18,135	18,135	-	18,713	18,713
Statutory deposit	-	39,969	39,969	-	39,968	39,968
Accrued income on statutory deposit	-	3,659	3,659	-	3,439	3,439
Right-of-use assets	-	12,856	12,856	-	-	-
<b>TOTAL ASSETS</b>	<b>2,833,853</b>	<b>889,025</b>	<b>3,722,878</b>	<b>2,857,512</b>	<b>865,329</b>	<b>3,722,841</b>



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

19. SUPPLEMENTARY INFORMATION (continued)  
19.1 Interim Statement of financial position (continued)

	SAR '000					
	March 31, 2019 - (Unaudited)		December 31, 2018 (Audited)			
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
<b>LIABILITIES:</b>						
Payable, accruals and other liabilities	109,362	29,445	138,807	94,045	38,063	132,108
Provision for zakat and income tax	-	38,504	38,504	-	33,689	33,689
Re-takaful / reinsurance balances payable	45,187	-	45,187	56,127	-	56,127
Unearned contributions	1,431,300	-	1,431,300	1,302,633	-	1,302,633
Unearned re-takaful / reinsurance commission income	6,155	-	6,155	6,002	-	6,002
Gross outstanding claims	338,698	-	338,698	564,096	-	564,096
Claim Incurred but not reported	735,930	-	735,930	731,714	-	731,714
Contribution deficiency reserve	62,257	-	62,257	9,034	-	9,034
Unit linked liabilities at FVSI	62,360	-	62,360	52,336	-	52,336
End-of-service benefits	-	16,353	16,353	-	15,119	15,119
Payables to SAMIA	-	4,567	4,567	-	4,346	4,346
Lease obligations	-	13,111	13,111	-	-	-
	2,791,249	101,980	2,893,229	2,815,987	91,217	2,907,204
Takaful operations' surplus payable	47,353	-	47,353	47,236	-	47,236
<b>TOTAL LIABILITIES AND ACCUMULATED SURPLUS</b>	2,838,602	101,980	2,940,582	2,863,223	91,217	2,954,440
<b>EQUITY:</b>						
Share capital	-	400,000	400,000	-	400,000	400,000
Statutory reserve	-	92,182	92,182	-	91,302	91,302
Retained earnings	-	269,422	269,422	-	270,733	270,733
Remeasurement reserve for EOSB	-	(187)	(187)	-	(187)	(187)
Fair value reserve - Investments designated as FVOCI	(4,749)	25,628	20,879	(5,711)	12,264	6,553
<b>TOTAL EQUITY</b>	(4,749)	787,045	782,296	(5,711)	774,112	768,401
<b>TOTAL LIABILITIES, ACCUMULATED SURPLUS AND EQUITY</b>	2,833,853	889,025	3,722,878	2,857,512	865,329	3,722,841
COMMITMENTS AND CONTINGENCIES	12,786	-	12,786	14,437	-	14,437

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

**19. SUPPLEMENTARY INFORMATION (continued)**

**19.2 Interim Statement of income**

	SAR '000					
	March 31, 2019			March 31, 2018		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
<b>REVENUES</b>						
Gross contributions written	843,573	-	843,573	1,015,685	-	1,015,685
Re-takaful / reinsurance contributions ceded - domestic	(272)	-	(272)	(600)	-	(600)
Re-takaful / reinsurance contributions ceded - foreign	(16,228)	-	(16,228)	(27,185)	-	(27,185)
Excess of loss expenses – foreign	(924)	-	(924)	(3,114)	-	(3,114)
<b>Net contributions written</b>	<b>826,149</b>	<b>-</b>	<b>826,149</b>	<b>984,786</b>	<b>-</b>	<b>984,786</b>
Changes in unearned contributions, net	(134,478)	-	(134,478)	(271,525)	-	(271,525)
<b>Net contributions earned</b>	<b>691,671</b>	<b>-</b>	<b>691,671</b>	<b>713,261</b>	<b>-</b>	<b>713,261</b>
Re-takaful / reinsurance commission income	2,043	-	2,043	2,654	-	2,654
Other underwriting income	766	-	766	3,296	-	3,296
<b>TOTAL REVENUES</b>	<b>694,480</b>	<b>-</b>	<b>694,480</b>	<b>719,211</b>	<b>-</b>	<b>719,211</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid and loss adjustment expenses	(823,446)	-	(823,446)	(537,267)	-	(537,267)
Surrenders and maturities	(1,108)	-	(1,108)	(652)	-	(652)
Expenses incurred related to claims	-	-	-	(17,845)	-	(17,845)
Reinsurers' share of claims paid	296,813	-	296,813	10,970	-	10,970
<b>Net claims and other benefits paid</b>	<b>(527,741)</b>	<b>-</b>	<b>(527,741)</b>	<b>(544,794)</b>	<b>-</b>	<b>(544,794)</b>
Changes in outstanding claims, net	(41,073)	-	(41,073)	(1,953)	-	(1,953)
Changes in incurred but not reported (IBNR) claims, net	(4,836)	-	(4,836)	(43,844)	-	(43,844)
Change in contribution deficiency reserve	(53,223)	-	(53,223)	-	-	-
<b>Net claims and other benefits incurred</b>	<b>(626,873)</b>	<b>-</b>	<b>(626,873)</b>	<b>(590,591)</b>	<b>-</b>	<b>(590,591)</b>
Change in unit linked liabilities at FVSI, net	(6,722)	-	(6,722)	(4,690)	-	(4,690)
Policy acquisition costs	(26,799)	-	(26,799)	(33,769)	-	(33,769)
Other underwriting expenses	(6,955)	-	(6,955)	(7,511)	-	(7,511)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(667,349)</b>	<b>-</b>	<b>(667,349)</b>	<b>(636,561)</b>	<b>-</b>	<b>(636,561)</b>
<b>NET UNDERWRITING INCOME</b>	<b>27,131</b>	<b>-</b>	<b>27,131</b>	<b>82,650</b>	<b>-</b>	<b>82,650</b>
<b>OTHER OPERATING (EXPENSES)/ INCOME</b>						
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	(1,254)	-	(1,254)	(1,494)	-	(1,494)
Management fee for administration of takaful operations	(44,148)	44,148	-	(54,204)	54,204	-
General and administrative expenses	-	(44,148)	(44,148)	-	(54,204)	(54,204)
Special commission income	17,189	1,426	18,615	13,239	1,988	15,227
Net gains on investments mandatorily measured at FVSI	2,182	709	2,891	2,113	411	2,524
Dividend income	-	871	871	-	459	459
Reversal / (Impairment loss) of impairment loss	71	(142)	(71)	(297)	(32)	(329)
Other income	-	466	466	-	728	728
<b>TOTAL OTHER OPERATING (EXPENSES)/ INCOME</b>	<b>(25,960)</b>	<b>3,330</b>	<b>(22,630)</b>	<b>(40,643)</b>	<b>3,554</b>	<b>(37,089)</b>
<b>NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE</b>	<b>1,171</b>	<b>3,330</b>	<b>4,501</b>	<b>42,007</b>	<b>3,554</b>	<b>45,561</b>
Management fee attributable to shareholders' operations	(1,054)	1,054	-	(37,806)	37,806	-
<b>NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE</b>	<b>117</b>	<b>4,384</b>	<b>4,501</b>	<b>4,201</b>	<b>41,360</b>	<b>45,561</b>

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

**19. SUPPLEMENTARY INFORMATION (continued)**

**19.3 Interim Statement of comprehensive income**

	SAR '000					
	March 31, 2019			March 31, 2018		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
Net income after attribution of management fee to shareholders' operations	117	4,384	4,501	4,201	41,360	45,561
<b>Other comprehensive income / (loss) :</b>						
<b>Items that will not be reclassified to statement of income in subsequent periods</b>						
- Net change in fair value in investments designated as FVOCI	962	13,364	14,326	(3,073)	6,623	3,550
<b><u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u></b>	<b>1,079</b>	<b>17,748</b>	<b>18,827</b>	<b>1,128</b>	<b>47,983</b>	<b>49,111</b>

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

19. SUPPLEMENTARY INFORMATION (continued)  
19.4 Interim Statement of cash flows

	SAR '000				
	March 31, 2019		March 31, 2018		Total
	Tabakaful operations	Shareholders' operations	Total	Tabakaful operations	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the year after attribution of management fee	117	4,384	4,501	4,201	41,360
Adjustments for non-cash items:					
Depreciation of property and equipment	-	2,200	2,200	-	1,984
Depreciation of right-of-use assets	-	1,114	1,114	-	-
Management fee for administration of takaful operations	44,148	(44,148)	-	54,204	(54,204)
Management fee attributable to shareholders' operations	1,054	(1,054)	-	37,806	(37,806)
Allowance for doubtful debts - contribution and retakaful / reinsurance balances receivable	1,254	-	1,254	732	-
Unrealized gain on investments mandatorily measured at FVSI	(3,303)	15	(3,288)	(448)	(5)
Reversal Impairment of impairment of investments held at amortised cost	(71)	142	71	297	32
Provision for end-of-service benefits	-	1,701	1,701	-	1,309
	43,199	(35,646)	7,553	96,792	(47,330)
Changes in operating assets and liabilities:					
Contributions and re-takaful balances receivable	(17,885)	-	(17,885)	(366,768)	-
Re-takaful / reinsurance share of unearned contributions	5,811	-	5,811	(9,554)	-
Re-takaful / reinsurance share of outstanding claims	266,469	-	266,469	16,592	-
Re-takaful / reinsurance share of claims incurred but not reported	621	-	621	9,086	-
Re-takaful / reinsurance share of financial liabilities at FVSI	7	-	7	2	2
Deferred policy acquisition costs	937	-	937	(23,309)	-
Prepayments and other assets	10,817	(6,237)	4,580	7,219	1,174
Other assets	-	-	-	-	-
Right-of-use assets	-	(13,970)	(13,970)	-	-
Other reserves	-	-	-	3,404	-
Accrued income on statutory deposit	-	(220)	(220)	-	(201)
Payable to SAMIA	-	221	221	-	202
Payable, accruals and other liabilities	15,316	(8,619)	6,697	79,702	627
Financial liabilities at FVSI	10,024	-	10,024	5,195	-
Re-takaful / reinsurance balances payable	(10,940)	-	(10,940)	(21,538)	-
Unearned contributions	128,667	-	128,667	281,079	-
Unearned re-takaful / reinsurance commission	153	-	153	873	-

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

19. SUPPLEMENTARY INFORMATION (continued)  
19.4 Interim Statement of cash flows (continued)

	SAR '000				
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations
	March 31, 2019		March 31, 2018		
Gross outstanding claims	(225,398)	-	(225,398)	(14,638)	-
Claims incurred but not reported	4,216	-	4,216	34,757	-
Contribution deficiency reserve	53,223	-	53,223	-	-
Lease obligations	-	13,111	13,111	-	-
Deposit against letters of guarantee	1,651	-	1,651	-	-
Management fee (paid) / received	286,888	(51,360)	235,528	98,894	(45,528)
Zakat paid	-	-	-	(343,709)	343,709
Takaful operations' surplus paid	-	-	-	-	-
End-of-service benefits paid	-	(467)	(467)	-	-
<b>Net cash generated from operating activities</b>	<b>286,888</b>	<b>(51,827)</b>	<b>235,061</b>	<b>(244,815)</b>	<b>298,037</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments mandatorily measured at FVSI	(332,075)	(215,000)	(547,075)	(389,680)	(200,000)
Disposals of investments mandatorily measured at FVSI	323,776	217,276	541,052	394,199	191,594
Purchase of investments designated as FVOCI	-	-	-	(31,037)	(24,565)
Disposals of investments designated as FVOCI	-	-	-	-	25,026
Movement in cash balance in equity share portfolio	-	(358)	(358)	-	(912)
Purchase of investments held at amortised cost	(200,000)	(300,000)	(500,000)	(100,000)	(130,000)
Disposal of investments held at amortised cost	520,000	-	520,000	-	-
Additions in property and equipment	-	(1,622)	(1,622)	-	(797)
<b>Net cash generated from / (used in) investing activities</b>	<b>311,701</b>	<b>(299,704)</b>	<b>11,997</b>	<b>(126,518)</b>	<b>(139,654)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Due (to) / from shareholders / takaful operations	(401,889)	401,889	-	204,322	(204,322)
<b>Net cash generated from / (used in) financing activities</b>	<b>(401,889)</b>	<b>401,889</b>	<b>-</b>	<b>204,322</b>	<b>(204,322)</b>
Net change in cash and cash equivalents	196,700	50,358	247,058	(167,011)	(45,939)
Cash and cash equivalents, beginning of the period	355,425	121,515	476,940	566,460	250,319
<b>Cash and cash equivalents, end of the period</b>	<b>552,125</b>	<b>171,873</b>	<b>723,998</b>	<b>399,449</b>	<b>204,380</b>
<b>NON-CASH INFORMATION</b>					
Changes in fair value of investments designated as FVOCI	962	13,364	14,326	(3,073)	6,623
					5,550

**20. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors of the Company, on sha'ban 27, 1440, corresponding May 2, 2019.