

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

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

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2018

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

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND SIX MONTH PERIOD ENDED 30 JUNE 2018

INDEX	PAGE
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONDENSED STATEMENT OF INCOME	3
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY	5
INTERIM CONDENSED STATEMENT OF CASH FLOWS	6
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION	7-38



Aldar Audit Bureau
Abdullah Al-Basri & Co.
Member firm of Grant Thornton International Ltd



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 30 June 2018, and the interim statements of income and comprehensive income for the three month and six month periods then ended, and interim statements of changes in equity and cash flows for the six 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.

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

Bader I. Benmohareb
Certified Public Accountant
License 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
License No. 171

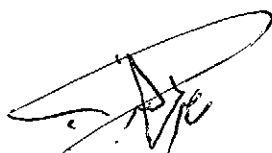
Date: 02 August 2018
Corresponding to: 20 Dhul Al Qadah 1439H



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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at June 30, 2018

	Notes	SAR '000	
		June 30, 2018 - (Unaudited)	December 31, 2017 - (Audited)
ASSETS			
Cash and cash equivalents	4	487,019	830,441
Contributions and re-takaful balances receivable – net	5	579,064	263,285
Re-takaful share of unearned contributions	8.2	98,935	91,709
Re-takaful share of outstanding claims	8.1	425,351	142,473
Re-takaful share of financial liabilities at FVPL		112	114
Deferred policy acquisition costs		56,482	35,789
Financial assets mandatorily measured at FVPL	7(a)	153,868	157,310
Financial assets designated at FVOCI	7(b)	125,603	84,766
Advances and prepayments		45,296	31,710
Financial assets at amortised cost	7(c)	1,718,739	1,369,110
Property and equipment		17,932	18,936
Statutory deposit	6	39,968	39,968
Accrued income on statutory deposit		2,989	2,565
Other assets		23,637	18,171
TOTAL ASSETS		3,774,995	3,086,347
LIABILITIES			
Payable, accruals and other liabilities		128,534	112,274
Provision for zakat and income tax	13	22,389	26,490
Re-takaful balances payable		49,027	66,318
Unearned contributions	8.2	1,466,206	1,304,110
Unearned re-takaful commission income		7,449	7,072
Gross outstanding claims	8.1	1,304,786	893,230
Financial liabilities at FVPL	8.1, 14	41,531	30,595
End-of-service indemnities		12,999	10,283
Payables to SAMA		3,897	3,473
		3,036,818	2,453,845
Accumulated surplus – Takaful operations			
Takaful operations' surplus		43,999	34,442
Fair value reserve	7(b)	(3,570)	-
TOTAL LIABILITIES AND SURPLUS		3,077,247	2,488,287
SHAREHOLDERS' EQUITY			
Share capital	15	400,000	400,000
Statutory reserve		73,148	54,297
Retained earnings		209,405	142,211
Fair value reserve	7(b)	15,195	1,552
Total shareholders' equity		697,748	598,060
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY		3,774,995	3,086,347
COMMITMENTS AND CONTINGENCIES	9	13,135	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 CONDENSED STATEMENT OF INCOME (Unaudited)

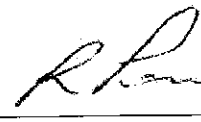
	<i>For the three month period ended</i>		<i>For the six month period ended</i>	
	SAR '000		SAR '000	
	<i>30-Jun-18</i>	<i>30-Jun-17</i>	<i>30-Jun-18</i>	<i>30-Jun-17</i>
REVENUES				
Gross contribution written	638,164	680,080	1,653,849	1,787,292
Re-takaful contributions ceded	(24,306)	(25,809)	(52,091)	(53,754)
Excess of loss expenses	(3,114)	(5,567)	(6,228)	(8,828)
Net contributions written	610,744	648,704	1,595,530	1,724,710
Changes in unearned contributions, net	116,654	37,573	(154,871)	(411,365)
Net contributions earned	727,398	686,277	1,440,659	1,313,345
Re-takaful commissions	2,821	2,647	5,475	6,020
Other underwriting income	2,998	3,208	6,294	7,212
TOTAL REVENUES	733,217	692,132	1,452,428	1,326,577
UNDERWRITING COSTS AND EXPENSES				
Gross claims paid	(498,788)	(545,117)	(1,036,055)	(967,383)
Surrenders and maturities	(1,028)	(357)	(1,680)	(621)
Expenses incurred related to claims	(15,325)	(13,899)	(33,170)	(26,944)
Re-takaful share of claims paid	9,620	6,495	20,590	12,008
Net claims and other benefits paid	(505,521)	(552,878)	(1,050,315)	(982,940)
Changes in outstanding claims, net	17,109	78,491	15,156	71,449
Changes in incurred but not reported claims, net	(99,990)	(108,372)	(143,834)	(211,215)
Net claims and other benefits incurred	(588,402)	(582,759)	(1,178,993)	(1,123,706)
Change in financial liabilities at FVPL	(4,767)	(3,401)	(9,455)	(6,393)
Policy acquisition costs	(24,760)	(23,231)	(58,529)	(40,826)
Other underwriting expenses	(6,369)	(5,254)	(13,881)	(12,741)
TOTAL UNDERWRITING COSTS AND EXPENSES	(624,298)	(614,645)	(1,260,858)	(1,183,666)
NET UNDERWRITING INCOME	108,919	77,487	191,570	142,911
OTHER OPERATING (EXPENSES)/ INCOME				
Allowance for doubtful debts	(9,405)	(1,159)	(10,899)	(2,186)
General and administrative expenses	(61,271)	(39,621)	(115,474)	(75,406)
Commission income on deposits	16,296	4,952	31,523	10,052
Net gains on investments mandatorily measured at FVPL	1,805	1,867	4,329	4,125
Dividend income	1,555	1,451	2,014	2,535
Impairment loss	(50)	(350)	(379)	(416)
Other income	390	605	1,118	1,121
TOTAL OTHER OPERATING EXPENSES	(50,680)	(32,255)	(87,768)	(60,175)
Net income for the period	58,239	45,232	103,802	82,736
Net income for the period attributed to the takaful operations	(5,355)	(4,138)	(9,557)	(7,529)
Net income for the period attributable to the shareholders	52,884	41,094	94,245	75,207
Earnings per share (expressed in SAR per share)				
Basic EPS	17	1.32	1.03	2.36
				1.88



Naser Abdullah Aloufi
Member-Board



Abdulaziz Mohammed Al Sedeas
Chief Executive Officer



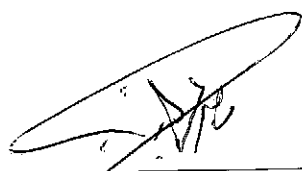
Robert Pereira
Chief Financial Officer

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 CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	<i>For the three month period ended</i>		<i>For the six month period ended</i>	
	SAR '000		SAR '000	
	<i>30-Jun-18</i>	<i>30-Jun-17</i>	<i>30-Jun-18</i>	<i>30-Jun-17</i>
Net income for the period	58,239	45,232	103,802	82,736
Other comprehensive income / (loss)				
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>				
- Net gains / (losses) on equity investments designated at fair value through other comprehensive income	6,523	226	10,073	(1,679)
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>	64,762	45,458	113,875	81,057
Total comprehensive income attributed to the takaful operations	4,859	4,138	5,987	7,529
Total comprehensive income for the period attributable to the shareholders	59,903	41,320	107,888	73,528



Naser Abdullah Aloufi
Member-Board



Abdulaziz Mohammed Al Sedeas
Chief Executive Officer



Robert Pereira
Chief Financial Officer

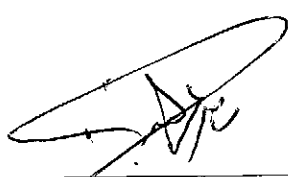
The accompanying notes 1 to 20 form an integral part of these interim condensed financial information.

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018
(SAR in '000')

	Note	Share capital	Statutory reserve	Retained earnings	Fair value reserve	Total
Balance as at 1 January 2018 (audited)		400,000	54,297	142,211	1,552	598,060
Total comprehensive income:						
Net income for the period		-	-	94,245	-	94,245
Net gains on investments designated as fair through value through other comprehensive income	18	-	-	-	13,643	13,643
		-	-	94,245	13,643	107,888
Transfer to statutory reserve		-	18,851	(18,851)	-	-
Provision for zakat and tax	13	-	-	(8,200)	-	(8,200)
Balance as at 30 June 2018 (unaudited)		400,000	73,148	209,405	15,195	697,748

		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		-	-	75,207	-	75,207
Net loss on investments designated as fair through value through other comprehensive income	18	-	-	-	(1,679)	(1,679)
		-	-	75,207	(1,679)	73,528
Transfer to statutory reserve		-	15,041	(15,041)	-	-
Provision for zakat and tax		-	-	(5,750)	-	(5,750)
Balance as at 30 June 2017 (unaudited)		400,000	32,766	65,829	(1,679)	496,916



Naser Abdullah Aloufi
Member-Board



Abdulaziz Mohammed Al Sedeas
Chief Executive Officer



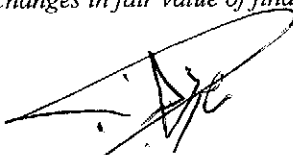
Robert Pereira
Chief Financial Officer


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 CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30,**

	Note	June 30, 2018	June 30, 2017
		SAR '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		103,802	82,736
Adjustments for non-cash items:			
Depreciation of property and equipment		3,880	3,966
Allowance for doubtful debts		10,899	2,187
Unrealized gain on investments		(1,686)	(1,169)
Impairment of investments		379	416
Provision for end-of-service indemnities		3,112	1,627
		120,386	89,763
Changes in operating assets and liabilities:			
Contributions and re-takaful receivable		(326,678)	(248,663)
Re-takaful share of unearned contributions		(7,226)	(7,633)
Re-takaful share of outstanding claims		(282,878)	(61,824)
Re-takaful share of financial liabilities at FVPL		2	(15)
Deferred policy acquisition costs		(20,693)	(17,444)
Advances and prepayments		(13,586)	(4,267)
Other assets		(5,466)	6,922
Accrued income on statutory deposit		(424)	(455)
Payable, accruals and other liabilities		16,260	3,550
Financial liabilities at FVPL		10,936	6,935
Re-takaful balances payable		(17,291)	20,147
Unearned contributions		162,096	418,999
Unearned re-takaful commission		377	802
Outstanding claims		411,556	201,591
Deposit against guarantees		(138)	(1,050)
Payables to SAMA		424	454
		47,657	407,812
End-of-service indemnities paid		(396)	(544)
Zakat paid	13	(12,301)	(7,401)
Net cash generated from operating activities		34,960	399,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in financial assets measured at FVPL		(1,046,872)	(989,218)
Disposals in financial assets measured at FVPL		1,052,000	952,018
Additions in equity investments designated at FVOCI		(71,349)	(40,115)
Disposals in equity investments designated at FVOCI		43,938	44,381
Movement in cash balance in equity share portfolio		(3,353)	(4,260)
Additions in financial assets at amortised cost		(580,000)	(465,109)
Disposals in financial assets at amortised cost		230,000	990,000
Additions in property and equipment		(2,876)	(3,375)
Net cash (used in) / generated from investing activities		(378,512)	484,322
Net change in cash and cash equivalents		(343,552)	884,189
Cash and cash equivalents, beginning of the period	4	816,779	461,265
Cash and cash equivalents, end of the period	4	473,227	1,345,454
NON-CASH INFORMATION			
<i>Changes in fair value of financial assets at FVOCI</i>		10,073	(1,679)


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 Six-months period ended June 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 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 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 (refer note 18); and

2. BASIS OF PREPARATION (continued)

(a) Basis of presentation (continued)

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 condensed 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 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 condensed 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 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 condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial information 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 do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 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 31 December 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 1 January 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 1 January 2018 in equity. IFRS-15 does not have a material impact on the financial statement of the 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 1 January 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.
- 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.

4. CASH AND CASH EQUIVALENTS

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

	Takaful operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
SAR'000		
Bank balances and cash	80,142	316,460
Deposits maturing within 3 months from the acquisition date	200,000	250,000
Cash and cash equivalents in the statement of cash flow	280,142	566,460
Less : Impairment loss	(153)	(175)
Cash and cash equivalents, net	279,989	566,285
Deposits against letters of guarantee	13,135	12,997
Total	293,124	579,282
	Shareholders' operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
SAR'000		
Bank balances and cash	63,085	319
Deposits maturing within 3 months from the acquisition date	130,000	250,000
Cash and cash equivalents in the statement of cash flow	193,085	250,319
Less : Impairment loss	(98)	(68)
Cash and cash equivalents, net	192,987	250,251
Cash at banks (statutory deposit income)	908	908
Total	193,895	251,159
Total	487,019	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	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Policyholders	223,205	107,328
Brokers and agents	69,110	44,879
Related parties (note 12)	325,637	143,801
Receivables from re-takaful	10,497	5,763
	628,449	301,771
Provision for doubtful receivables	(49,385)	(38,486)
Contributions and re-takaful balances receivable – net	579,064	263,285

6. STATUTORY DEPOSIT

Statutory deposit amounting to SR 40 million (31 December 2016: 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	Takaful operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
- Financial assets mandatorily measured at FVPL	137,576	124,829
- Financial assets designated at FVOCI	27,468	-
- Financial assets at amortised cost	1,553,752	1,284,094
Total	1,718,796	1,408,923
	Shareholders' operations	
SAR'000	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
- Financial assets mandatorily measured at FVPL	16,292	32,481
- Financial assets designated at FVOCI	98,135	84,766
- Financial assets at amortised cost	164,987	85,016
Total	279,414	202,263

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

7. INVESTMENTS (continued)

Movement in the investment balance is as follows:

a) Financial assets mandatorily measured at FVPL

SAR'000	Takaful operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year	124,829	13,101
Reclassification of investment from AFS to FVPL	-	15,096
Purchased during the period / year	746,131	2,392,671
Sold during the period / year	(735,000)	(2,297,000)
Net change in fair values during the period / year	1,616	961
At the end of the period / year	137,576	124,829
	Shareholders' operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year	32,481	82,047
Reclassification of equity investments from FVPL to FVOCI	-	(82,047)
Reclassification of investment from AFS to FVPL	-	84,380
Purchased during the period / year	300,741	552,486
Sold during the period / year	(317,000)	(604,474)
Net change in fair values during the period / year	70	89
At the end of the period / year	16,292	32,481
Total	153,868	157,310

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

7. INVESTMENTS (continued)

b) Financial assets designated at FVOCI

SAR'000	Takaful operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Opening balance	-	-
Purchases	31,038	-
Disposals	-	-
Impairment of investments	-	-
Changes in fair value of investments	(3,570)	-
Closing balance	27,468	-
	Shareholders' operations	
SAR'000	June 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	40,311	62,139
Sold during the period / year	(43,938)	(60,472)
Net change in fair values during the period / year	13,643	1,552
Net change in cash balance with Al Rajhi Capital	3,353	(2,423)
Closing balance of equity shares portfolio	98,135	84,766
Portfolio balance with Al Rajhi Capital at the end of the period	87,261	78,738
Cash balance with Al Rajhi Capital	3,331	(22)
Equity - unlisted shares	7,543	6,050
At the end of the period / year	98,135	84,766
Total	125,603	84,766

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	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year:		
Murabaha deposits	1,234,094	655,000
Sukuk	50,000	50,000
Purchases	370,000	1,535,000
Disposals/Maturities	(100,000)	(955,000)
At the end of the period / year, gross	1,554,094	1,285,000
Less: Impairment loss	(342)	(906)
At the end of the period / year, net	1,553,752	1,284,094
SAR'000	Shareholders' operations	
	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
At the beginning of the year	85,016	180,000
Purchased during the period / year	210,000	330,109
Maturities during the period / year	(130,000)	(425,035)
At the end of the period / year, gross	165,016	85,074
Less: Impairment loss	(29)	(58)
At the end of the period / year, net	164,987	85,016
Total	1,718,739	1,369,110

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	June 30, 2018 (Unaudited)			Total SR'000	December 31, 2017
	Stage 1	Stage 2	Stage 3		(Audited)
	12-month	Lifetime	Lifetime		SR'000
	ECL	ECL	ECL		
	SR'000	SR'000	SR'000	SR'000	SR'000
Bank balances and cash	293,277	-	-	293,277	579,457
Financial assets at amortised cost	1,555,000	-	-	1,555,000	1,285,000
Gross carrying amount	1,848,277	-	-	1,848,277	1,864,457
Loss allowance	(1,401)	-	-	(1,401)	(1,081)
Carrying amount	1,846,876	-	-	1,846,876	1,863,376

Credit grade	June 30, 2018 (Unaudited)			Total SR'000	December 31, 2017
	Stage 1	Stage 2	Stage 3		(Audited)
	12-month	Lifetime	Lifetime		SR'000
	ECL	ECL	ECL		
	SR'000	SR'000	SR'000	SR'000	SR'000
Investment grade	1,848,277	-	-	1,848,277	1,864,457
Standard monitoring	-	-	-	-	-
Special monitoring	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	1,848,277	-	-	1,848,277	1,864,457
Loss allowance	(1,401)	-	-	(1,401)	(1,081)
Carrying amount	1,846,876	-	-	1,846,876	1,863,376

7. INVESTMENTS (continued)

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

ii) Shareholders' operations

Financial statement line item	June 30, 2018 (Unaudited)				December 31, 2017 (Audited)
	Stage 1	Stage 2	Stage 3	Total	SR'000
	12-month ECL SR'000	Lifetime ECL SR'000	Lifetime ECL SR'000		
Bank balances and cash	193,993	-	-	193,993	251,227
Financial assets at amortised cost	165,074	-	-	165,074	85,074
Statutory deposits	40,000	-	-	40,000	40,000
Gross carrying amount	399,067	-	-	399,067	376,301
Loss allowance	(217)	-	-	(217)	(158)
Carrying amount	398,850	-	-	398,850	376,143

Credit grade	June 30, 2018 (Unaudited)				December 31, 2017 (Audited)
	Stage 1	Stage 2	Stage 3	Total	SR'000
	12-month ECL SR'000	Lifetime ECL SR'000	Lifetime ECL SR'000		
Investment grade	399,067	-	-	399,067	376,301
Standard monitoring	-	-	-	-	-
Special monitoring	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	399,067	-	-	399,067	376,301
Loss allowance	(217)	-	-	(217)	(158)
Carrying amount	398,850	-	-	398,850	376,143

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

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 as at 1 January 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	516	-	-	516
Net re-measurement of loss allowance	196	-	-	196
Financial assets derecognised during the period	(392)	-	-	(392)
Write-offs	-	-	-	-
Total loss allowance for the period	320	-	-	320
Loss allowance as at June 30, 2018	1,401	-	-	1,401

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 as at 1 January 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	211	-	-	211
Net re-measurement of loss allowance	5	-	-	5
Financial assets derecognised during the year	(157)	-	-	(157)
Write-offs	-	-	-	-
Total loss allowance for the period	59	-	-	59
Loss allowance as at June 30, 2018	217	-	-	217

**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	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Outstanding claims	640,650	411,085
Less: Realizable value of salvage and subrogation	(125,419)	(131,959)
	<u>515,231</u>	<u>279,126</u>
Claims incurred but not reported	789,555	614,104
	<u>1,304,786</u>	<u>893,230</u>
Other technical reserves	41,531	30,595
	<u>1,346,317</u>	<u>923,825</u>
Less:		
Re-takaful share of outstanding claims	348,600	97,339
Re-takaful share of claims incurred but not reported	76,751	45,134
	<u>425,351</u>	<u>142,473</u>
Net outstanding claims and reserves	<u><u>920,966</u></u>	<u><u>781,352</u></u>

8.2 Movement in unearned contributions

Movement in unearned contributions comprise of the following:

SAR'000	Six months ended June 30, 2018 (Unaudited)		
	Gross	Re-takaful	Net
Balance as at the beginning of the period	1,304,110	(91,709)	1,212,401
Contribution written during the period	1,653,849	(52,091)	1,601,758
Contribution earned during the period	(1,491,753)	44,865	(1,446,888)
Balance as at the end of the period	<u>1,466,206</u>	<u>(98,935)</u>	<u>1,367,271</u>
	Year ended December 31, 2017 (Audited)		
	Gross	Re-takaful	Net
Balance as 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 as at the end of the year	<u>1,304,110</u>	<u>(91,709)</u>	<u>1,212,401</u>

9. COMMITMENTS AND CONTINGENCIES

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

SAR'000	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Letters of guarantee	13,135	12,997
Total	13,135	12,997

b) The Company is subject to legal proceedings in the ordinary course of 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 advantages accessible market for the asset or liability

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

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

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	
June 30, 2018 (Unaudited)					
Financial assets measured at fair value					
- Financial assets measured at FVPL	153,868	85,415	-	68,453	153,868
- Financial assets at FVOCI – Quoted securities	118,060	118,060	-	-	118,060
- Financial assets at FVOCI – Unquoted securities	7,543	-	-	7,543	7,543
	279,471	203,475	-	75,996	279,471
Financial assets not measured at fair value					
- Cash and cash equivalents	487,019	-	-	-	487,019
- Financial assets amortised cost	1,718,739	-	-	-	1,718,739
- Statutory deposits at amortised cost	39,968	-	-	-	39,968
- Other assets	23,637	-	-	-	23,637
	2,269,363	-	-	-	2,269,363

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 securities	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.

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

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	
June 30, 2018 (Unaudited)					
Financial liabilities measured at fair value					
- Financial liabilities at FVPL	41,531	41,531	-	-	41,531
	<u>41,531</u>	<u>41,531</u>	<u>-</u>	<u>-</u>	<u>41,531</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 June 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 June 30, 2018	<u>7,543</u>

10. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

i) Level 3 fair values (continued)

Reconciliation of Level 3 fair values

Takaful operations

SAR'000s	Financial assets mandatorily measured at FVPL
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

SAR'000s	Financial assets at FVOCI – Unquoted securities
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 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 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 June 30, 2018 and December 31, 2017, its total revenues, expenses, and net income for the the three and six month periods then ended, are as follows:

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

11. OPERATING SEGMENTS (continued)

As at June 30, 2018
(Unaudited)

Operating segments	Takaful operations					Total - Takaful operations	Shareholders' operations	Total
	Medical	Motor	Property & casualty	Protection & Savings	SAR'000			
Assets								
Cash and cash equivalents	-	-	-	-	-	293,124	193,895	487,019
Contributions and re-takaful balances receivable – net	-	-	-	-	-	579,064	-	579,064
Re-takaful share of unearned contributions	-	33,709	63,433	1,793	-	98,935	-	98,935
Re-takaful share of outstanding claims	-	29,796	384,512	11,043	-	425,351	-	425,351
Deferred policy acquisition costs	23,288	29,174	3,623	397	-	56,482	-	56,482
Financial assets mandatorily measured at FVPL	-	-	-	-	-	137,576	16,292	153,868
Financial assets designated at FVOCI	-	-	-	-	-	27,468	98,135	125,603
Financial assets at amortised cost	-	-	-	-	-	1,553,752	164,987	1,718,739
Unallocated assets	-	-	-	-	-	(163,087)	293,021	129,934
Total assets	23,288	92,679	451,568	13,233	-	3,008,665	766,330	3,774,995
Liabilities								
Unearned contributions	281,902	1,102,961	77,620	3,723	-	1,466,206	-	1,466,206
Unearned re-takaful commission	-	-	7,449	-	-	7,449	-	7,449
Outstanding claims	119,516	780,401	389,937	14,932	-	1,304,786	-	1,306,786
Unallocated liabilities and surplus	-	-	-	-	-	230,224	766,330	996,554
Total liabilities and surplus	401,418	1,883,362	475,006	18,655	-	3,008,665	766,330	3,774,995

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

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 FVPL	-	-	-	-	-	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	306,235	1,684,276	198,960	14,941	-	2,416,264	670,083	3,086,347

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

11. OPERATING SEGMENTS (continued)

For the three months ended June 30, 2018

(Unaudited)

Operating segments	Medical	Motor	Property & casualty SAR'000	Protection & Savings	Total
REVENUES					
Gross contributions written	174,637	422,904	22,051	18,572	638,164
Re-takaful contributions ceded	165	(6,544)	(15,185)	(2,742)	(24,306)
Excess of loss expenses	-	(2,533)	(581)	-	(3,114)
Net contributions written	174,802	413,827	6,285	15,830	610,744
Changes in unearned contributions, net	(44,244)	157,783	1,642	1,473	116,654
Net contributions earned	130,558	571,610	7,927	17,303	727,398
Re-takaful commissions	-	72	2,749	-	2,821
Other underwriting income	(1)	2,588	92	319	2,998
TOTAL REVENUES	130,557	574,270	10,768	17,622	733,217
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(92,180)	(409,923)	(10,103)	(1,907)	(514,113)
Surrender and maturities	-	-	-	(1,028)	(1,028)
Re-takaful' share of claims paid	-	945	7,288	1,387	9,620
Net claims paid	(92,180)	(408,978)	(2,815)	(1,548)	(505,521)
Changes in outstanding claims	(9,533)	(73,120)	515	(743)	(82,881)
Net claims incurred	(101,713)	(482,098)	(2,300)	(2,291)	(588,402)
Policy acquisition costs	(7,679)	(13,301)	(2,092)	(1,688)	(24,760)
Other underwriting expenses / other technical reserve	(2,219)	(3,705)	(644)	(4,568)	(11,136)
TOTAL UNDERWRITING COSTS AND EXPENSES	(111,611)	(499,104)	(5,036)	(8,547)	(624,298)
NET UNDERWRITING INCOME	18,946	75,166	5,732	9,075	108,919
OTHER OPERATING EXPENSES					
Allowance for doubtful debts	(2,516)	(6,366)	(32)	(491)	(9,405)
Management fee for administration of takaful operations	(14,789)	(34,523)	(3,451)	(8,508)	(61,271)
Commission income on deposits	-	-	-	-	16,296
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	1,805
Dividend income	-	-	-	-	1,555
Impairment loss	-	-	-	-	(50)
Other income	-	-	-	-	390
NET INCOME FOR THE PERIOD					58,239

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

11. OPERATING SEGMENTS (continued)

For the three months ended June 30, 2017
(Unaudited)

	Medical	Motor	Property & casualty SAR'000	Protection & Savings	Total
<u>REVENUES</u>					
Gross contributions written	130,672	506,560	30,116	12,732	680,080
Re-takaful contributions ceded	-	(330)	(23,244)	(2,235)	(25,809)
Excess of loss expenses	-	(5,194)	(373)	-	(5,567)
Net contributions written	130,672	501,036	6,499	10,497	648,704
Changes in unearned contributions, net	(59,823)	99,603	(2,053)	(154)	37,573
Net contributions earned	70,849	600,639	4,446	10,343	686,277
Re-takaful commissions	-	94	2,553	-	2,647
Other underwriting income	-	3,010	34	164	3,208
<u>TOTAL REVENUES</u>	<u>70,849</u>	<u>603,743</u>	<u>7,033</u>	<u>10,507</u>	<u>692,132</u>
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(40,602)	(513,395)	(5,019)	-	(559,016)
Surrender and maturities	-	-	-	(357)	(357)
Reinsurers' share of claims paid	-	1,817	4,678	-	6,495
Net claims paid	(40,602)	(511,578)	(341)	(357)	(552,878)
Changes in outstanding claims	(12,977)	(16,027)	(1,019)	142	(29,881)
Net claims incurred	(53,579)	(527,605)	(1,360)	(215)	(582,759)
Policy acquisition costs	(4,038)	(15,877)	(2,091)	(1,222)	(23,231)
Other underwriting expenses	(1,829)	(3,203)	(160)	(3,463)	(8,655)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	<u>(59,446)</u>	<u>(546,685)</u>	<u>(3,614)</u>	<u>(4,900)</u>	<u>(614,645)</u>
NET UNDERWRITING INCOME	11,403	57,058	3,419	5,607	77,487
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts	(465)	(681)	(13)	-	(1,159)
Management fee for administration of takaful operations	(7,533)	(24,243)	(2,837)	(5,008)	(39,621)
Commission income on deposits	-	-	-	-	4,952
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	1,867
Dividend income	-	-	-	-	1,451
Impairment loss	-	-	-	-	(350)
Other income	-	-	-	-	605
<u>NET INCOME FOR THE PERIOD</u>					<u>45,232</u>

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

11. OPERATING SEGMENTS (continued)

Operating segments	For the six month period ended June 30, 2018				Total
	Medical	Motor	(Unaudited) Property & casualty SAR'000	Protection & Savings	
<u>REVENUES</u>					
Gross contributions written	321,543	1,237,540	57,130	37,636	1,653,849
Re-takaful contributions ceded	165	(6,929)	(39,574)	(5,753)	(52,091)
Excess of loss expenses	-	(5,063)	(1,165)	-	(6,228)
Net contributions written	321,708	1,225,548	16,391	31,883	1,595,530
Changes in unearned contributions, net	(77,084)	(74,033)	(2,565)	(1,189)	(154,871)
Net contributions earned	244,624	1,151,515	13,826	30,694	1,440,659
Re-takaful commissions	-	178	5,297	-	5,475
Other underwriting income	(4)	5,383	133	782	6,294
<u>TOTAL REVENUES</u>	244,620	1,157,076	19,256	31,476	1,452,428
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(178,693)	(867,635)	(20,285)	(2,612)	(1,069,225)
Surrender and maturities	-	-	-	(1,680)	(1,680)
Re-takaful' share of claims paid	-	2,027	16,621	1,942	20,590
Net claims paid	(178,693)	(865,608)	(3,664)	(2,350)	(1,050,315)
Changes in outstanding claims	(18,100)	(111,916)	2,707	(1,369)	(128,678)
Net claims incurred	(196,793)	(977,524)	(957)	(3,719)	(1,178,993)
Policy acquisition costs	(17,200)	(33,795)	(3,709)	(3,825)	(58,529)
Other underwriting expenses / other technical reserve	(4,567)	(8,570)	(830)	(9,369)	(23,336)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(218,560)	(1,019,889)	(5,496)	(16,913)	(1,260,858)
NET UNDERWRITING INCOME	26,060	137,187	13,760	14,563	191,570
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts	(2,992)	(7,059)	(52)	(796)	(10,899)
Management fee for administration of takaful operations	(27,349)	(65,230)	(6,959)	(15,936)	(115,474)
Commission income on deposits	-	-	-	-	31,523
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	4,329
Dividend income	-	-	-	-	2,014
Impairment loss	-	-	-	-	(379)
Other income	-	-	-	-	1,118
<u>NET INCOME FOR THE PERIOD</u>					103,802

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

11. OPERATING SEGMENTS (continued)

	For the six month period ended June 30, 2017 (Unaudited)				Total
	Medical	Motor	Property & casualty SAR'000	Protection & Savings	
REVENUES					
Gross contributions written	228,832	1,468,533	67,387	22,540	1,787,292
Re-takaful contributions ceded	-	(1,612)	(47,994)	(4,148)	(53,754)
Excess of loss expenses	(250)	(7,831)	(747)	-	(8,828)
Net contributions written	228,582	1,459,090	18,646	18,392	1,724,710
Changes in unearned contributions, net	(103,782)	(296,947)	(10,359)	(277)	(411,365)
Net contributions earned	124,800	1,162,143	8,287	18,115	1,313,345
Re-takaful commissions	-	395	5,625	-	6,020
Other underwriting income	-	6,829	61	322	7,212
TOTAL REVENUES	124,800	1,169,367	13,973	18,437	1,326,577
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(87,061)	(897,778)	(6,781)	(2,707)	(994,327)
Surrender and maturities	-	-	-	(621)	(621)
Reinsurers' share of claims paid	213	3,686	5,983	2,126	12,008
Net claims paid	(86,848)	(894,092)	(798)	(1,202)	(982,940)
Changes in outstanding claims	(14,315)	(123,513)	(2,014)	76	(140,766)
Net claims incurred	(101,163)	(1,018,605)	(2,812)	(1,126)	(1,123,706)
Policy acquisition costs	(5,599)	(29,839)	(3,266)	(2,122)	(40,826)
Other underwriting expenses	(3,325)	(9,061)	(401)	(6,347)	(19,134)
TOTAL UNDERWRITING COSTS AND EXPENSES	(110,087)	(1,057,505)	(6,479)	(9,595)	(1,183,666)
NET UNDERWRITING INCOME	14,713	111,862	7,494	8,842	142,911
OTHER OPERATING EXPENSES					
Allowance for doubtful debts	(600)	(1,416)	(10)	(160)	(2,186)
Management fee for administration of takaful operations	(14,217)	(46,152)	(5,530)	(9,507)	(75,406)
Commission income on deposits	-	-	-	-	10,052
Net gains on investments mandatorily measured at fair value through profit or loss	-	-	-	-	4,125
Dividend income	-	-	-	-	2,535
Impairment loss	-	-	-	-	(416)
Other income	-	-	-	-	1,121
NET INCOME FOR THE PERIOD					82,736

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

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 period ended		Balance receivable / (payable) as at	
	June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
	SAR'000			
Major shareholders				
Gross contribution written	573,218	706,526	307,366	121,017
Claims paid	504,253	520,767	(1,418)	(3,743)
Claims incurred and notified during the period	383,619	561,048	(156,146)	(146,500)
Reimbursement from / (expenses paid) on behalf of related party	340	-	-	340
Bank Balance	-	-	75,764	289,236
Investment in shares of Al Rajhi Bank			18,167	13,679
Entities controlled, jointly controlled or significantly influenced by related parties				
Gross contribution written	23,034	18,905	18,271	22,784
Claims paid	20,203	33,991	-	(1,148)
Claims incurred and notified during the period	286,483	35,893	(266,513)	(14,478)
Investments managed by affiliates	14,205	37,200	100,995	88,857
Income received from sale of investment in Al Rajhi Capital commodity fund	2,830	2,114	-	-
Investment management fee paid to Al Rajhi Capital	1,457	1,024	-	-

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

	June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)
	SAR'000	
Salaries and other allowances	3,084	2,980
End of service indemnities	2,487	1,855
	5,571	4,833
Shariah committee remuneration	195	150

**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 the management.

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

	June 30, 2018 (Unaudited) SR'000	December 31, 2017 (Unaudited) SR'000
At the beginning of the year	26,490	18,391
Provided during the period / year	8,200	15,500
Payments during the period / year	(12,301)	(7,401)
Balance at the end of the period / year	22,389	26,490

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:

	June 30, 2018 (Unaudited) SR'000	December 31, 2017 (Unaudited) SR'000
At the beginning of the year	30,595	14,196
Net changes in reserve during the period / year	9,455	15,438
Net change in fair values during the period / year	1,481	961
At the end of the period / year	41,531	30,595

15. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 400 million at June 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.

	June 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
	40,000,000	400,000	400,000
		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
	40,000,000	400,000	400,000

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 June 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
(A SAUDI JOINT STOCK COMPANY)

18. SUPPLEMENTARY INFORMATION

Interim condensed financial information

	SAR '000					
	June 30, 2018 - (Unaudited)		December 31, 2017 (Audited)			
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
ASSETS						
Cash and cash equivalents	293,124	193,895	487,019	579,282	251,159	830,441
Contributions and re-takaful balances receivable - net	579,064	-	579,064	263,285	-	263,285
Re-takaful share of unearned contributions	98,935	-	98,935	91,709	-	91,709
Re-takaful share of outstanding claims	425,351	-	425,351	142,473	-	142,473
Re-takaful share of financial liabilities at FVPL	112	-	112	114	-	114
Deferred policy acquisition costs	56,482	-	56,482	35,789	-	35,789
Financial assets mandatorily measured at FVPL	137,576	16,292	153,868	124,829	32,481	157,310
Financial assets designated at FVOCI	27,468	98,135	125,603	-	84,766	84,766
Due (to)/ from shareholders' / takaful operations	(202,429)	202,429	-	(139,387)	139,387	-
Advances and prepayments	15,593	29,703	45,296	15,905	15,805	31,710
Financial assets at amortised cost	1,553,752	164,987	1,718,739	1,284,094	85,016	1,369,110
Property and equipment	-	17,932	17,932	-	18,936	18,936
Statutory deposit	-	39,968	39,968	-	39,968	39,968
Accrued income on statutory deposit	-	2,989	2,989	-	2,565	2,565
Other assets	23,637	-	23,637	18,171	-	18,171
TOTAL ASSETS	3,008,665	766,330	3,774,995	2,416,264	670,083	3,086,347

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

Interim condensed financial information

	SAR '000					
	June 30, 2018 - (Unaudited)		December 31, 2017 - (Audited)			
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
<u>LIABILITIES</u>						
Payable, accruals and other liabilities	99,237	29,297	128,534	80,497	31,777	112,274
Provision for zakat and income tax	-	22,389	22,389	-	26,490	26,490
Re-takaful balances payable	49,027	-	49,027	66,318	-	66,318
Unearned contributions	1,466,206	-	1,466,206	1,304,110	-	1,304,110
Unearned re-takaful commission income	7,449	-	7,449	7,072	-	7,072
Gross outstanding claims	1,304,786	-	1,304,786	893,230	-	893,230
Financial liabilities at FVPL	41,531	-	41,531	30,595	-	30,595
End-of-service indemnities	-	12,999	12,999	-	10,283	10,283
Payables to SAMA	-	3,897	3,897	-	3,473	3,473
	2,968,236	68,582	3,036,818	2,381,822	72,023	2,453,845
Accumulated surplus – Takaful operations						
Takaful operations' surplus	43,999	-	43,999	34,442	-	34,442
Fair value reserve	(3,570)	-	(3,570)	-	-	-
TOTAL LIABILITIES AND SURPLUS	3,008,665	68,582	3,077,247	2,416,264	72,023	2,488,287
<u>SHAREHOLDERS' EQUITY</u>						
Share capital	-	400,000	400,000	-	400,000	400,000
Statutory reserve	-	73,148	73,148	-	54,297	54,297
Retained earnings	-	209,405	209,405	-	142,211	142,211
Fair value reserve	-	15,195	15,195	-	1,552	1,552
TOTAL EQUITY	-	697,748	697,748	-	598,060	598,060
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND SHAREHOLDERS' EQUITY	3,008,665	766,330	3,774,995	2,416,264	670,083	3,086,347
COMMITMENTS AND CONTINGENCIES	13,135	-	13,135	12,997	-	12,997

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					
	June 30, 2018			June 30, 2017		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
<u>REVENUES</u>						
Gross contributions written	638,164	-	638,164	680,080	-	680,080
Re-takaful contributions ceded - domestic	(444)	-	(444)	(417)	-	(417)
Re-takaful contributions ceded - foreign	(23,862)	-	(23,862)	(25,392)	-	(25,392)
Excess of loss expenses – foreign	(3,114)	-	(3,114)	(5,567)	-	(5,567)
Net contributions written	610,744	-	610,744	648,704	-	648,704
Changes in unearned contributions, net	116,654	-	116,654	37,573	-	37,573
Net contributions earned	727,398	-	727,398	686,277	-	686,277
Re-takaful commissions	2,821	-	2,821	2,647	-	2,647
Other underwriting income	2,998	-	2,998	3,208	-	3,208
TOTAL REVENUES	733,217	-	733,217	692,132	-	692,132
<u>UNDERWRITING COSTS AND EXPENSES</u>						
Gross claims paid	(498,788)	-	(498,788)	(545,117)	-	(545,117)
Surrenders and maturities	(1,028)	-	(1,028)	(357)	-	(357)
Expenses incurred related to claims	(15,325)	-	(15,325)	(13,899)	-	(13,899)
Reinsurers' share of claims paid	9,620	-	9,620	6,495	-	6,495
Net claims and other benefits paid	(505,521)	-	(505,521)	(552,878)	-	(552,878)
Changes in outstanding claims, net	17,109	-	17,109	78,491	-	78,491
Changes in incurred but not reported claims, net	(99,990)	-	(99,990)	(108,372)	-	(108,372)
Net claims and other benefits incurred	(588,402)	-	(588,402)	(582,759)	-	(582,759)
Other technical reserves	(4,767)	-	(4,767)	(3,401)	-	(3,401)
Policy acquisition costs	(24,760)	-	(24,760)	(23,231)	-	(23,231)
Other underwriting expenses	(6,369)	-	(6,369)	(5,254)	-	(5,254)
TOTAL UNDERWRITING COSTS AND EXPENSES	(624,298)	-	(624,298)	(614,645)	-	(614,645)
NET UNDERWRITING INCOME	108,919	-	108,919	77,487	-	77,487
<u>OTHER OPERATING (EXPENSES)/ INCOME</u>						
Allowance for doubtful debts	(9,405)	-	(9,405)	(1,159)	-	(1,159)
Management fee for administration of takaful operations	(61,271)	61,271	-	(39,621)	39,621	-
General and administrative expenses	-	(61,271)	(61,271)	-	(39,621)	(39,621)
Commission income on deposits	13,937	2,359	16,296	3,769	1,183	4,952
Net gains on investments mandatorily measured at FVPL	1,394	411	1,805	1,285	582	1,867
Dividend income	-	1,555	1,555	-	1,451	1,451
Impairment loss	(23)	(27)	(50)	(381)	31	(350)
Other income	-	390	390	-	605	605
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(55,368)	4,688	(50,680)	(36,107)	3,852	(32,255)
<u>NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE</u>						
	53,551	4,688	58,239	41,380	3,852	45,232
Management fee attributable to shareholders' operations	(48,196)	48,196	-	(37,242)	37,242	-
NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE	5,355	52,884	58,239	4,138	41,094	45,232

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

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

	SAR '000					
	June 30, 2018			June 30, 2017		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
REVENUES						
Gross contributions written	1,653,849	-	1,653,849	1,787,292	-	1,787,292
Re-takaful contributions ceded - domestic	(1,044)	-	(1,044)	(817)	-	(817)
Re-takaful contributions ceded - foreign	(51,047)	-	(51,047)	(52,937)	-	(52,937)
Excess of loss expenses – foreign	(6,228)	-	(6,228)	(8,828)	-	(8,828)
Net contributions written	1,595,530	-	1,595,530	1,724,710	-	1,724,710
Changes in unearned contributions, net	(154,871)	-	(154,871)	(411,365)	-	(411,365)
Net contributions earned	1,440,659	-	1,440,659	1,313,345	-	1,313,345
Re-takaful commissions	5,475	-	5,475	6,020	-	6,020
Other underwriting income	6,294	-	6,294	7,212	-	7,212
TOTAL REVENUES	1,452,428	-	1,452,428	1,326,577	-	1,326,577
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid	(1,036,055)	-	(1,036,055)	(967,383)	-	(967,383)
Surrenders and maturities	(1,680)	-	(1,680)	(621)	-	(621)
Expenses incurred related to claims	(33,170)	-	(33,170)	(26,944)	-	(26,944)
Reinsurers' share of claims paid	20,590	-	20,590	12,008	-	12,008
Net claims and other benefits paid	(1,050,315)	-	(1,050,315)	(982,940)	-	(982,940)
Changes in outstanding claims, net	15,156	-	15,156	71,449	-	71,449
Changes in incurred but not reported claims, net	(143,834)	-	(143,834)	(212,215)	-	(212,215)
Net claims and other benefits incurred	(1,178,993)	-	(1,178,993)	(1,123,706)	-	(1,123,706)
Other technical reserves	(9,455)	-	(9,455)	(6,393)	-	(6,393)
Policy acquisition costs	(58,529)	-	(58,529)	(40,826)	-	(40,826)
Other underwriting expenses	(13,881)	-	(13,881)	(12,741)	-	(12,741)
TOTAL UNDERWRITING COSTS AND EXPENSES	(1,260,858)	-	(1,260,858)	(1,183,666)	-	(1,183,666)
NET UNDERWRITING INCOME	191,570	-	191,570	142,911	-	142,911
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts	(10,899)	-	(10,899)	(2,186)	-	(2,186)
Management fee for administration of takaful operations	(115,474)	115,474	-	(75,406)	75,406	-
General and administrative expenses	-	(115,474)	(115,474)	-	(75,406)	(75,406)
Commission income on deposits	27,176	4,347	31,523	7,575	2,477	10,052
Net gains on investments mandatorily measured at FVPL	3,518	811	4,329	2,813	1,312	4,125
Dividend income	-	2,014	2,014	-	2,535	2,535
Impairment loss	(320)	(59)	(379)	(417)	1	(416)
Other income	-	1,118	1,118	-	1,121	1,121
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(95,999)	8,231	(87,768)	(67,621)	7,446	(60,175)
NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE	95,571	8,231	103,802	75,290	7,446	82,736
Management fee attributable to shareholders' operations	(86,014)	86,014	-	(67,761)	67,761	-
NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE	9,557	94,245	103,802	7,529	75,207	82,736

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

Interim condensed statement of comprehensive income (Unaudited)

	For the three month period ended June 30, (Unaudited)					
	SAR '000					
	2018			2017		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
Net income for the period	5,355	52,884	58,239	4,138	41,094	45,232
Other comprehensive income / (loss)						
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>						
- Net (losses) / gains on equity investments designated at fair value through other comprehensive income	(497)	7,020	6,523	-	226	226
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>	4,858	59,904	64,762	4,138	41,320	45,458

	For the six month period ended June 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	9,557	94,245	103,802	7,529	75,207	82,736
Other comprehensive income/(loss)						
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>						
- Net (losses) / gains on equity investments designated at fair value through other comprehensive income	(3,570)	13,643	10,073	-	(1,679)	(1,679)
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>	5,987	107,888	113,875	7,529	73,528	81,057

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

Interim condensed statement of cash flows (Unaudited)

SAR '000

	Takaful Operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
	June 30, 2018			June 30, 2017		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period after attribution of management fee	9,557	94,245	103,802	7,529	75,207	82,736
Adjustments for non-cash items:						
Depreciation of property and equipment	-	3,880	3,880	-	3,966	3,966
Management fee for administration of takaful operations	115,474	(115,474)	-	75,406	(75,406)	-
Management fee attributable to shareholders' operations	86,014	(86,014)	-	67,761	(67,761)	-
Allowance for doubtful debts	10,899	-	10,899	2,187	-	2,187
Unrealized gain on investments	(1,616)	(70)	(1,686)	(444)	(725)	(1,169)
Impairment of investments	320	59	379	417	(1)	416
Provision for end-of-service indemnities		3,112	3,112	-	1,627	1,627
	220,648	(100,262)	120,386	152,856	(63,093)	89,763
<u>Changes in operating assets and liabilities:</u>						
Contributions and re-takaful receivable	(326,678)	-	(326,678)	(248,663)	-	(248,663)
Re-takaful share of unearned contributions	(7,226)	-	(7,226)	(7,633)	-	(7,633)
Re-takaful share of outstanding claims	(282,878)	-	(282,878)	(61,824)	-	(61,824)
Re-takaful share of financial liabilities at FVPL	2	-	2	(15)	-	(15)
(Deferred policy acquisition costs	(20,693)	-	(20,693)	(17,444)	-	(17,444)
Advances and prepayments	312	(13,898)	(13,586)	228	(4,495)	(4,267)
Other assets	(5,466)	-	(5,466)	6,922	-	6,922
Accrued income- statutory deposit	-	(424)	(424)	-	(455)	(455)
Payable to SAMA	-	424	424	-	454	454
Payable, accruals and other liabilities	18,740	(2,480)	16,260	5,143	(1,593)	3,550
Financial liabilities at FVPL	10,936	-	10,936	6,935	-	6,935
Re-takaful balances payable	(17,291)	-	(17,291)	20,147	-	20,147
Unearned contributions	162,096	-	162,096	418,999	-	418,999
Unearned re-takaful commission	377	-	377	802	-	802

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

SAR '000

	Shareholders' operations			Takaful operations			Shareholders' operations		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
	June 30, 2018	June 30, 2018		June 30, 2017	June 30, 2017		June 30, 2017	June 30, 2017	
Outstanding claims	411,556	-	411,556	201,591	-	201,591	-	-	201,591
Deposit against letters of guarantee	(138)	--	(138)	(1,050)	-	(1,050)	-	-	(1,050)
Management fee (paid) / received	164,296	(116,639)	47,658	476,994	(69,182)	407,812	(69,182)	(69,182)	407,812
Zakat paid	(343,709)	343,709	-	(169,553)	169,553	-	169,553	169,553	-
End-of-service indemnities paid	-	(12,301)	(12,301)	-	(7,401)	(7,401)	(7,401)	(7,401)	(7,401)
Net cash (used in) / generated from operating activities	-	(396)	(396)	-	(544)	(544)	(544)	(544)	(544)
	(179,413)	214,373	34,960	307,441	92,426	399,867	307,441	92,426	399,867
CASH FLOWS FROM INVESTING ACTIVITIES									
Additions in financial assets measured at FVPL	(746,131)	(300,741)	(1,046,872)	(861,718)	(127,500)	(989,218)	(861,718)	(127,500)	(989,218)
Disposals in financial assets measured at FVPL	735,000	317,000	1,052,000	866,604	85,414	952,018	866,604	85,414	952,018
Additions in equity investments designated at FVOCI	(31,038)	(40,311)	(71,349)	-	(40,115)	(40,115)	-	(40,115)	(40,115)
Disposals in equity investments designated at FVOCI	-	43,938	43,938	-	44,381	44,381	-	44,381	44,381
Movement in cash balance in equity share portfolio	-	(3,353)	(3,353)	-	(4,260)	(4,260)	-	(4,260)	(4,260)
Additions in financial assets at amortised cost	(370,000)	(210,000)	(580,000)	(200,000)	(265,109)	(465,109)	(200,000)	(265,109)	(465,109)
Disposals in financial assets at amortised cost	100,000	130,000	230,000	655,000	335,000	990,000	655,000	335,000	990,000
Additions in property and equipment	-	(2,876)	(2,876)	-	(3,375)	(3,375)	-	(3,375)	(3,375)
Net cash (used in) / generated from investing activities	(312,169)	(66,343)	(378,512)	459,886	24,436	484,322	459,886	24,436	484,322
CASH FLOWS FROM FINANCING ACTIVITIES									
Due from / (to) shareholders / takaful operations	205,264	(205,264)	-	-	-	-	-	-	-
Net cash (used in) / generated from financing activities	205,264	(205,264)	-	-	-	-	-	-	-
Net change in cash and cash equivalents	(286,318)	(57,234)	(343,552)	767,327	116,862	884,189	767,327	116,862	884,189
Cash and cash equivalents, beginning of the period	566,460	250,319	816,779	376,925	84,340	461,265	376,925	84,340	461,265
Cash and cash equivalents, end of the period	280,142	193,085	473,227	1,144,252	201,202	1,345,454	1,144,252	201,202	1,345,454
NON-CASH INFORMATION									
Changes in fair value of financial assets at FVOCI	(3,570)	13,643	10,073	-	(1,679)	(1,679)	-	(1,679)	(1,679)

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 10, Dhul Qadah 1439H, corresponding July 23, 2018.