

**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, 2022**

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,
2022

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 EQUITY	5
INTERIM STATEMENT OF CASH FLOWS	6
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION	7-38

**Crowe**

Al Azem, Al Sudairy, Al Shaikh & Partners
CPA's & Consultants
Member Crowe Global



AlKharashi & Co.
Certified Accountants And Auditors

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE 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 condensed statement of financial position of Al Rajhi Company For Cooperative Insurance (the "Company") as at 31 March 2022 and the related interim condensed statements of income, other comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. 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 Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 that are 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 that is endorsed in the Kingdom of Saudi Arabia.

Al Azem, Al Sudairy, Al Shaikh & Partners
P. O. Box 10504
Riyadh 11443
Kingdom of Saudi Arabia

Salman B. Al Sudairy
Certified Public Accountant
License No. 283



AlKharashi and Co. Certified Accountants and Auditors
P. O. Box 8306
Riyadh 11482
Kingdom of Saudi Arabia

Suleiman A. Al-Kharashi
Certified Public Accountant
License No. 91



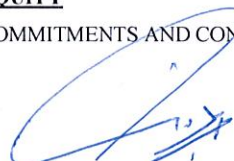
10 May 2022
09 Shawwal 1443H

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

INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

As at March 31, 2022		SAR '000	
	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Cash and bank balances	4	623,425	498,996
Contributions and re-takaful / reinsurance balances receivable, net	5	629,576	414,546
Re-takaful / reinsurance share of unearned contributions	9.2	278,006	227,284
Re-takaful / reinsurance share of outstanding claims	9.1 (a)	244,980	207,122
Re-takaful / reinsurance share of claims incurred but not reported	9.1 (a)	93,895	60,387
Re-takaful / reinsurance share of mathematical reserve at fair value through statement of income (FVSI)		31	31
Deferred policy acquisition costs		119,083	109,940
Investments mandatorily measured at fair value through statement of income (FVSI)	8 (a)	512,805	526,904
Investments designated as fair value through other comprehensive income (FVOCI)	8 (b)	478,411	435,284
Investments held at amortised cost	8 (c)	1,739,575	1,889,566
Prepayments and other assets		100,679	88,712
Property and equipment		80,695	83,216
Statutory deposit	7	39,971	39,971
Accrued income on statutory deposit		3,971	3,626
Right-of-use assets	6	53,319	55,733
TOTAL ASSETS		4,998,422	4,641,318
LIABILITIES			
Payable, accruals and other liabilities		184,180	180,208
Re-takaful / reinsurance balances payable		292,037	179,530
Unearned contributions	9.2	1,216,802	1,168,466
Unearned re-takaful / reinsurance commission income		23,072	20,457
Gross outstanding claims	9.1 (a)	514,959	471,282
Claims Incurred but not reported	9.1 (a)	903,456	881,625
Contribution deficiency reserve	9.1 (a)	76,789	64,301
Unit linked liabilities at FVSI	9.1 (a), 15	242,729	217,611
End-of-service benefits (EOSB)		24,583	24,635
Provision for zakat and income tax	14	54,441	51,341
Payables to SAMA		8,681	8,336
Lease obligations		52,955	54,482
		3,594,684	3,322,274
Takaful operations' surplus payable		52,543	48,628
TOTAL LIABILITIES AND ACCUMULATED SURPLUS		3,647,227	3,370,902
EQUITY			
Share capital	16	400,000	400,000
Statutory reserve		185,716	178,186
Retained earnings		625,673	595,551
Remeasurement reserve for EOSB		(7,327)	(7,327)
Fair value reserve - investments designated as FVOCI		147,133	104,006
TOTAL EQUITY		1,351,195	1,270,416
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND EQUITY		4,998,422	4,641,318
COMMITMENTS AND CONTINGENCIES	10	45,958	40,190



Nabeel Ali Shoaib
Member-Board



Mahmood Salim Dahduli
Chief Executive Officer



Muhammad Imran Bashir
Chief Financial Officer-Acting

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

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

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

		SAR '000	
	Notes	March 31, 2022	March 31, 2021
REVENUES			
Gross contribution written	9.2	789,660	739,643
Re-takaful / reinsurance contributions ceded - domestic	9.2	(327)	(2,268)
Re-takaful / reinsurance contributions ceded - foreign	9.2	(210,839)	(95,736)
Excess of loss expenses (XOL)	9.2	(3,251)	(2,677)
Net contributions written	9.2	575,244	638,962
Changes in unearned contributions, net		2,386	(77,463)
Net contributions earned		577,629	561,499
Re-takaful / reinsurance commission income		14,014	8,655
Other underwriting income		1,968	953
TOTAL REVENUES		593,611	571,107
UNDERWRITING COSTS AND EXPENSES			
Gross claims paid and loss adjustment expenses		(447,701)	(391,577)
Surrenders and maturities		(9,033)	(5,651)
Expenses incurred related to claims		(11,899)	(10,788)
Re-takaful / reinsurance share of claims paid		42,961	14,030
Net claims and other benefits paid		(425,672)	(393,986)
Changes in outstanding claims, net		(5,819)	(12,341)
Changes in incurred but not reported (IBNR) claims, net		11,677	55,340
Change in contribution deficiency reserve		(12,488)	(36,281)
Net claims and other benefits incurred		(432,302)	(387,268)
Change in unit linked liabilities at FVSI, net		(15,697)	(10,345)
Policy acquisition costs		(70,244)	(39,201)
Other underwriting expenses		(8,222)	(6,812)
TOTAL UNDERWRITING COSTS AND EXPENSES		(526,464)	(443,626)
NET UNDERWRITING INCOME		67,147	127,481
OTHER OPERATING (EXPENSES)/ INCOME			
Allowance for doubtful debts - contributions and re-takaful / reinsurance balances receivable	5	13,545	(3,826)
General and administrative expenses		(59,823)	(65,688)
Special commission income		14,412	12,292
Net gains on investments mandatorily measured at FVSI		6,821	2,852
Dividend income		2,718	2,536
Impairment loss on financial assets	8 (d)	(117)	(98)
Other income		(28)	127
TOTAL OTHER OPERATING EXPENSES		(22,473)	(51,805)
Net income for the period before zakat		44,674	75,676
Net income for the period attributable to takaful operations	19.2	(3,922)	(7,170)
Net income for the period before zakat attributable to the shareholders		40,752	68,506
Provision for zakat	14	(3,100)	(6,800)
Net income for the period after zakat attributable to the shareholders		37,652	61,706
Earnings per share			
Basic and diluted earning per share	18	0.94	1.54

Nabeel Ali Shoaib
Member-Board

Mahmood Salim Dahduli
Chief Executive Officer

Muhammad Imran Bashir
Chief Financial Officer-Acting

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

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

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

	Notes	SAR '000	
		March 31, 2022	March 31, 2021
Net income for the period after zakat attributable to the shareholders		37,652	61,706
Other comprehensive income / (loss):			
Items that will not be reclassified to statement of income in subsequent periods			
- Net fair value changes on investments designated as FVOCI	8 (b)	43,127	34,377
<u>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</u>		80,779	96,083



Nabeel Ali Shoaib
Member-Board



Mahmood Salim Dahduli
Chief Executive Officer



Muhammad Imran Bashir
Chief Financial Officer-Acting

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

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

INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE THREE MONTH PERIOD ENDED MARCH 31

Notes	Share capital	Statutory reserve	Retained earnings	Remeasurement reserve for EOSB	Fair value reserve - investments designated as FVOCI	Total
	SAR '000					
Balance as at January 1, 2022	400,000	178,186	595,551	(7,327)	104,006	1,270,416
Total comprehensive income attributable to the shareholders :						
Net income for the period after zakat attributable to the shareholders	-	-	37,652	-	-	37,652
-Net fair value changes on investments designated as FVOCI	19.3	-	-	-	43,127	43,127
	-	-	37,652	-	43,127	80,779
Transfer to statutory reserve	-	7,530	(7,530)	-	-	-
Balance as at March 31, 2022	400,000	185,716	625,673	(7,327)	147,133	1,351,195

	Share capital	Statutory reserve	Retained earnings	Remeasurement reserve for EOSB	Fair value reserve - investments designated as FVOCI	Total
	SAR '000					
Balance as at January 1, 2021	400,000	158,491	516,775	(7,752)	44,867	1,112,381
Total comprehensive income attributable to the shareholders :						
Net income for the period after zakat attributable to the shareholders	-	-	61,706	-	-	61,706
-Net fair value changes on investments designated as FVOCI	-	-	-	-	34,377	34,377
- Remeasurement of EOSB	-	-	-	-	-	-
	-	-	61,706	-	34,377	96,083
Transfer to statutory reserve	-	12,342	(12,342)	-	-	-
Balance as at March 31, 2021	400,000	170,833	566,139	(7,752)	79,244	1,208,464



Nabeel Ali Shoaib
Member-Board



Mahmood Salim Dahduli
Chief Executive Officer



Muhammad Imran Bashir
Chief Financial Officer-Acting

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

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

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

		SAR '000	
		March 31, 2022	March 31, 2021
Notes			
CASH FLOWS FROM OPERATING ACTIVITIES			
		44,674	75,676
Adjustments for non-cash items:			
		5,490	3,546
		2,414	1,761
	5	(13,269)	3,826
		(12,137)	(5,973)
	8 (d)	117	98
		726	627
		1,120	1,202
		29,135	80,763
Changes in operating assets and liabilities:			
		(201,761)	11,154
		(50,722)	1,284
		(37,858)	(13,716)
		(33,508)	(5,324)
		-	(3)
		(9,143)	(24,384)
		(11,967)	3,107
		(345)	(345)
		-	2
		3,972	(46,686)
		25,118	17,565
		112,507	(40,435)
		48,336	76,179
		2,615	3,136
		43,677	26,057
		21,831	(50,016)
		12,488	36,281
		(5,768)	(1,771)
		345	345
		(51,048)	73,193
	14	-	(1,422)
		(7)	-
		(1,172)	(1,783)
		(52,227)	69,988
CASH FLOWS FROM INVESTING ACTIVITIES			
	8 (a)	(502,698)	(626,276)
	8 (a)	528,934	637,145
	8 (b)	-	(28,097)
	8 (b)	-	11,733
		-	1,528
	8 (c)	(50,000)	(258,500)
	8 (c)	200,000	-
		(2,969)	(13,870)
		173,267	(276,337)
CASH FLOWS FROM FINANCING ACTIVITIES			
		(2,254)	(651)
		(2,254)	(651)
		118,786	(207,002)
	4	454,097	848,112
	4	572,883	641,110

NON-CASH INFORMATION

Changes in fair value of investments designated as FVOCI	8 (b)	43,127	34,377
--	-------	--------	--------

Nabeel Ali Shoaib
Member-Board

Mahmood Salim Dahduli
Chief Executive Officer

Muhammad Imran Bashir
Chief Financial Officer-Acting

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 three month period ended March 31, 2022

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 / re-insurance 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 Central Bank ("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.

Statement of compliance

These interim condensed financial statements (interim condensed financial information) of the Company as at and for the three months period ended 31 March 2022 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia (KSA), and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA)."

Notes to the interim condensed financial information
For the three month period ended March 31, 2022

2. BASIS OF PREPARATION

(a) Basis of presentation

The interim condensed financial information does not include all of the information required and should be read in conjunction with the annual financial statement as of and for the year ended December 31, 2021. This interim condensed financial information is expressed in Saudi Arabian Riyals (SAR) and is rounded off to the nearest thousand.

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 statement of income (FVSI), financial assets measured at fair value through other comprehensive income (FVOCI), financial liabilities measured at fair value through statement of income (FVSI), and end of service benefits (EOSB) at present value.

The Company's interim 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 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 manages 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 SAMA.

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

2. BASIS OF PREPARATION (continued)

(a) Basis of presentation (continued)

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 this 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 were the same as those that applied to the financial statements for the year ended 31 December 2021. Further, the Company has considered the following:

On 11 March 2020, the World Health Organization ("WHO") declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.

In response to the spread of the Covid-19 virus in the country where the Company operates and its consequential disruption to the social and economic activities in the market, the Company's management has proactively assessed its impacts on its operations and has taken a series of proactive and preventative measures and processes to ensure:

- the health and safety of its employees and the wider community where it is operating
- the continuity of its business throughout the Kingdom is protected and kept intact.

The major impact of Covid-19 pandemic is seen in medical and motor line of business as explained below. As with any estimate, the projections and likelihoods of occurrence are underpinned by significant judgment and rapidly evolving situation and uncertainties surrounding the duration and severity of the pandemic, and therefore, the actual outcomes may be different to those projected. The impact of such uncertain economic environment is judgmental, and the Company will continue to reassess its position and the related impact on a regular basis.

Medical technical reserves

Based on the management's assessment, the management believes that the Government's decision to assume the medical treatment costs for both Saudi citizens and expatriates has helped in reducing any unfavourable impact. During the lockdown, the Company saw a decline in medical reported claims (majorly elective and non-chronic treatment claims) which resulted in a drop in claims experience. However, subsequent to the lifting of lockdown since June 21, 2020, the Company is experiencing a surge in claims which is in line with the expectations of the Company's management. The Company's management has duly considered the impact of surge in claims in the current estimate of future contractual cashflows of the insurance contracts in force as at March 31, 2022 for its liability adequacy test. Based on the results, the Company has booked an amount of SR 12.6 million (December 31, 2021: SR 16.0 million) as a contribution deficiency reserve.

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

2. BASIS OF PREPARATION

b) Critical accounting judgments, estimates and assumptions (continued)

Motor technical reserves (continued)

In response to the Covid-19 pandemic, SAMA issued a circular 189 (the “circular”) dated 08 May 2020 to all insurance companies in the Kingdom of Saudi Arabia. Amongst other things, the circular instructed insurance companies to extend the period of validity of all existing retail motor insurance policies by further two months as well as providing a two-month additional coverage for all new retail motor policies written within one month of this circular.

The Management, in conjunction with its appointed actuary, deliberated on a variety of internal factors and concluded, that the Company considers the extension of two months in existing motor policies as new policy and record a premium deficiency reserve based on the expected claims for the extended 2 months period.

For new retail motor policies issued as per above circular, the premium is earned over the period of 12 month as the impact of earnings over the period of coverage. i.e 14 month are not considered significant by the management as no significant policies were written during that period.

The Company has performed a liability adequacy test using current estimates of future cash flows under its insurance contracts at segmented level for motor line of business and recorded a Contribution deficiency reserve amounting to SR 61.6 million as at 31 March, 2022 (31 December, 2021: SR 46.4 million)

Financial assets

The Company has performed an assessment in accordance with its accounting policy due to the Covid-19 pandemic to determine the impact of expected credit losses (“ECL”) on its financial assets. These current events and the prevailing economic condition may require the Company to revise certain inputs and assumptions used for the determination of expected credit losses (“ECL”). These would primarily revolve around either adjusting macroeconomic factors used by the Company in estimation of expected credit losses (and or) revisions to the scenario probabilities currently being used by the Company in ECL estimation.

Based on these assessments, the Company’s management believes that the Covid-19 pandemic has had no material effects on Company’s reported results for the three-month period ended 31 March 2022. The Company’s management will continue to reassess its position and the related impact on a regular basis.

Credit risk management

The Company has strengthened its credit risk management policies to address the fast changing and evolving risks posed by the current circumstances. These include review of credit concentrations at granular economic sector, region, counterparty level and take appropriate action where required. Based on the review, the Company has identified that certain sectors like government contractors, airlines, retail sector and hospitality industry being impacted significantly by the Covid-19 pandemic and lower oil prices.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions adopted in the preparation of this interim condensed financial information are consistent with those described in the annual financial statements for the year ended December 31, 2021

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

4. CASH AND BANK BALANCES

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

	Takaful operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
SAR'000		
Bank balances and cash	400,188	431,362
Deposits maturing within 3 months from the acquisition date	100,000	-
Cash and cash equivalents in the statement of cash flows	500,188	431,362
Less : Impairment loss	(72)	-
Cash and cash equivalents	500,116	431,362
Deposits against letters of guarantee	45,958	40,190
Cash and bank balances	546,074	471,552
	Shareholders' operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
SAR'000		
Bank balances and cash	(817)	23,809
Deposits maturing within 3 months from the acquisition date	75,000	-
Cash balance with Al Rajhi Capital	(1,487)	(1,074)
Cash and cash equivalents in the statement of cash flows	72,696	22,735
Less : Impairment loss	(54)	-
Cash and cash equivalents	72,642	22,735
Cash at banks (statutory deposit income)	4,709	4,709
Cash and bank balances	77,351	27,444
Total	623,425	498,996

5. CONTRIBUTIONS AND RE-TAKAFUL / RE-INSURANCE BALANCES RECEIVABLE - NET

Receivables comprise amounts due from the following:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
SAR'000		
Policyholders	258,448	174,381
Brokers and agents	206,442	174,992
Related parties	162,689	97,335
Receivables from re-takaful / re-insurance	54,455	33,565
	682,034	480,273
Provision for doubtful receivables	(52,458)	(65,727)
Contributions and re-takaful / re-insurance balances receivable – net	629,576	414,546

6. RIGHT -OF-USE ASSETS

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

	Offices	Equipments	Total
Balance at January 1, 2022	55,600	133	55,733
Additions	-	-	-
Depreciation / amortization	(2,281)	(133)	(2,414)
Balance at March 31, 2022	53,319	-	53,319
Balance at December 31, 2021	55,600	133	55,733

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

7. STATUTORY DEPOSIT

Statutory deposit amounting to SAR 40 million (December 2021: 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 Central Bank ("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 (2021: SAR 0.03 million)

8. INVESTMENTS

Investments are classified as follows:

SAR'000	Notes	Takaful operations	
		March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
- Investments mandatorily measured at FVSI (mutual	8 (a)	432,341	431,121
- Investments designated as FVOCI (equity shares)	8 (b)	34,203	33,893
- Investments held at amortised cost (deposits and sukuks)	8 (c)	1,469,709	1,519,723
Total		1,936,253	1,984,737

* The above investments include Unit linked investments of SAR 239.83 mn. (December 31, 2021: SAR 214.18 mn).

SAR'000		Shareholders' operations	
		March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
- Investments mandatorily measured at FVSI (mutual funds)	8 (a)	80,464	95,783
- Investments designated as FVOCI (equity shares)	8 (b)	444,208	401,391
- Investments held at amortised cost (deposits and sukuks)	8 (c)	269,866	369,843
Total		794,538	867,017

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)

SAR'000

At the beginning of the period / year
Purchased during the period / year
Sold during the period / year
Net change in fair values during the period / year
At the end of the period / year

Takaful operations	
March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
431,121	461,621
415,198	1,546,008
(426,081)	(1,603,023)
12,103	26,515
432,341	431,121

SAR'000

At the beginning of the period / year
Purchased during the period / year
Sold during the period / year
Net change in fair values during the period / year
At the end of the period / year

Shareholders' operations	
March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
95,783	72,098
87,500	807,162
(102,853)	(783,886)
34	409
80,464	95,783

Total

512,805	526,904
----------------	----------------

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

8. INVESTMENTS (continued)

b) Investments designated as FVOCI (equity shares)

SAR'000	Takaful operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	33,893	30,107
Changes in fair value of investments	310	3,786
Closing balance	34,203	33,893
SAR'000	Shareholders' operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year		
Balance of equity shares portfolio with Al Rajhi Capital	393,849	288,799
Cash balance with Al Rajhi Capital	-	-
Equity - unlisted shares	7,542	7,542
Total at the beginning of the period / year	401,391	296,341
Movement during the period / year		
Purchased during the period / year	-	65,023
Sold during the period / year	-	(15,326)
Net change in fair values during the period / year	42,817	55,353
Net change in cash balance with Al Rajhi Capital	-	-
Closing balance of equity shares portfolio	444,208	401,391
Portfolio balance with Al Rajhi Capital at the end of the period	436,666	393,849
Equity - unlisted shares	7,542	7,542
At the end of the period / year	444,208	401,391
Total	478,411	435,284

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

8. INVESTMENTS (continued)

c) Investments held at amortised cost (deposits and sukuks)

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 period /year is set out below:

SAR'000	SAR' 000	
	Takaful operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year		
Murabaha deposits	1,100,000	1,040,000
Sukuk	420,630	189,834
Purchases	50,000	492,022
Disposals / maturities	(100,000)	(201,226)
At the end of the period / year, gross	1,470,630	1,520,630
Less: Impairment loss	(921)	(907)
At the end of the period / year, net	1,469,709	1,519,723

SAR'000	SAR' 000	
	Shareholders' operations	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
At the beginning of the period / year		
Murabaha deposits	100,000	100,000
Sukuk	269,966	50,075
Purchased during the period / year	-	339,965
Maturities during the period / year	(100,000)	(120,074)
At the end of the period / year, gross	269,966	369,966
Less: Impairment loss	(100)	(123)
At the end of the period / year, net	269,866	369,843
Total	1,739,575	1,889,566

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

8. 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	March 31, 2022 (Unaudited)				December 31,
	Stage 1	Stage 2	Stage 3	Total	2021
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	SAR'000	SAR'000
Bank balances	SAR'000 546,074	SAR'000 -	SAR'000 -	546,074	471,552
Investments held at amortised cost	1,470,630	-	-	1,470,630	1,520,630
Gross carrying amount	2,016,704	-	-	2,016,704	1,992,182
Loss allowance	(993)	-	-	(993)	(907)
Carrying amount	2,015,711	-	-	2,015,711	1,991,275

Credit grade	March 31, 2022 (Unaudited)				December 31,
	Stage 1	Stage 2	Stage 3	Total	2021
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	SAR'000	SAR'000
Investment grade	SAR'000 2,016,704	SAR'000 -	SAR'000 -	2,016,704	1,992,182
Gross carrying amount	2,016,704	-	-	2,016,704	1,992,182
Loss allowance	(993)	-	-	(993)	(907)
Carrying amount	2,015,711	-	-	2,015,711	1,991,275

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)

8. INVESTMENTS (continued)

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

ii) Shareholders' operations

Financial statement line item	March 31, 2022 (Unaudited)				December 31, 2021
	Stage 1 12-month ECL SAR'000	Stage 2 Lifetime ECL SAR'000	Stage 3 Lifetime ECL SAR'000	Total SAR'000	SAR'000
Bank balances	77,405	-	-	77,405	27,444
Investments held at amortised cost	269,966	-	-	269,966	369,966
Statutory deposit	40,000	-	-	40,000	40,000
Gross carrying amount	387,371	-	-	387,371	437,410
Loss allowance	(183)	-	-	(183)	(151)
Carrying amount	387,188	-	-	387,188	437,259

Credit grade	March 31, 2022 (Unaudited)				December 31, 2021
	Stage 1 12-month ECL SAR'000	Stage 2 Lifetime ECL SAR'000	Stage 3 Lifetime ECL SAR'000	Total SAR'000	SAR'000
Investment grade	387,371	-	-	387,371	437,410
Gross carrying amount	387,371	-	-	387,371	437,410
Loss allowance	(183)	-	-	(183)	(151)
Carrying amount	387,188	-	-	387,188	437,259

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)

8. 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 SAR'000	Stage 2 Lifetime ECL SAR'000	Stage 3 Lifetime ECL SAR'000	Total SAR'000
Loss allowance as at January 1, 2022	907	-	-	907
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	108	-	-	108
Net re-measurement of loss allowance	-	-	-	-
Financial assets derecognised during the period	(22)	-	-	(22)
Write-offs	-	-	-	-
Total loss allowance for the period / year	86	-	-	86
Loss allowance as at March 31, 2022	993	-	-	993

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
Loss allowance as at January 1, 2022	151	-	-	151
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	54	-	-	54
Net re-measurement of loss allowance	-	-	-	-
Financial assets derecognised during the period / year	(22)	-	-	(22)
Write-offs	-	-	-	-
Total loss allowance for the period / year	32	-	-	32
Loss allowance as at March 31, 2022	183	-	-	183

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, 2022 (Unaudited)	December 31, 2021 (Audited)
Outstanding claims	680,463	599,732
Less: Realizable value of salvage and subrogation	(165,504)	(128,450)
	514,959	471,282
Claims incurred but not reported	903,456	881,625
Contribution deficiency reserve	76,789	64,301
	1,495,204	1,417,208
Unit linked liabilities at FVSI	242,729	217,611
	1,737,933	1,634,819
Less:		
Re-takaful / reinsurance share of outstanding claims	244,980	207,122
Re-takaful / reinsurance share of claims incurred but not reported	93,895	60,387
	338,875	267,509
Net outstanding claims and reserves	1,399,058	1,367,310

9.2 Movement in unearned contributions

Movement in unearned contributions comprise of the following:

Three month period ended March 31, 2022 (Unaudited)				
SAR'000	Gross	Re-takaful (Reinsurance)	XOL	Net
Balance at the beginning of the period	1,168,466	(227,284)	-	941,182
Contribution written during the period	789,660	(211,166)	(3,251)	575,244
Contribution earned during the period	(741,324)	160,444	3,251	(577,630)
Balance at the end of the period	1,216,802	(278,006)	-	938,796
Year ended December 31, 2021 (Audited)				
SAR'000	Gross	Re-takaful (Reinsurance)	XOL	Net
Balance at the beginning of the year	1,204,917	(210,423)	-	994,494
Contribution written during the year	2,759,590	(541,156)	(10,707)	2,207,727
Contribution earned during the year	(2,796,041)	524,295	10,707	(2,261,039)
Balance at the end of the year	1,168,466	(227,284)	-	941,182

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

10. COMMITMENTS AND CONTINGENCIES

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

SAR'000	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Letters of guarantee	45,958	40,190
Total	45,958	40,190

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 forecast 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)**

11. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy (continued)

a. Carrying amounts and fair value (continued)

	Fair value				
SAR'000s	Carrying value	Level 1	Level 2	Level 3	Total
March 31, 2022 (Unaudited)					
Financial assets measured at fair value					
- Investments mandatorily measured at FVSI	512,805	-	512,805	-	512,805
- Investments designated as FVOCI – Quoted securities	470,869	470,869	-	-	470,869
- Investments designated as FVOCI – Unquoted securities	7,542	-	-	7,542	7,542
	991,216	470,869	512,805	7,542	991,216

Financial assets not measured at fair value

- Cash and cash equivalents	623,425	-	-	-	623,425
- Investments held at amortised cost	1,739,575	-	-	-	1,739,575
- Statutory deposit	39,971	-	-	-	39,971
- Other assets	22,308	-	-	-	22,308
	<u>2,425,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,425,279</u>

	Fair value				
SAR'000s	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2021 (Audited)					
Financial assets measured at fair value					
- Investments mandatorily measured at FVSI	533,719	-	533,719	-	533,719
- Investments designated as FVOCI – Quoted securities	318,906	318,906	-	-	318,906
- Investments designated as FVOCI – Unquoted securities	7,542	-	-	7,542	7,542
	860,167	318,906	533,719	7,542	860,167

Financial assets not measured at fair value

- Cash and cash equivalents	498,996	-	-	-	498,996
- Investments held at amortised cost	1,889,566	-	-	-	1,889,566
- Statutory deposits at amortised cost	39,971	-	-	-	39,971
- Other assets	26,632	-	-	-	26,632
	<u>2,455,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,455,165</u>

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)**

11. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy (continued)

a. Carrying amounts and fair value (continued)

SAR'000s	Fair value				
	Carrying value	Level 1	Level 2	Level 3	Total
March 31, 2022 (Unaudited)					
Financial liabilities measured at fair value					
- Unit linked liabilities at FVSI	242,729	-	242,729	-	242,729
	<u>242,729</u>	<u>-</u>	<u>242,729</u>	<u>-</u>	<u>242,729</u>

SAR'000s	Fair value				
	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2021 (Audited)					
Financial liabilities measured at fair value					
- Unit linked liabilities at FVSI	217,611	-	217,611	-	217,611
	<u>217,611</u>	<u>-</u>	<u>217,611</u>	<u>-</u>	<u>217,611</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.

Shareholders' operations

SAR'000s	Financial assets at FVOCI – Unquoted securities
Balance at January 1, 2022	7,542
Balance at March 31, 2022	7,542

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

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

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 Board of directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the interim 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, 2021.

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 / re-insurance 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 March 31, 2022 and December 31, 2021, its total revenues, expenses, and net income for period ended, are as follows:

For the three month period ended March 31, 2022 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	14,107	143,975	2,115	32,299	192,496
Very small	1,852	-	-	-	1,852
Small	7,879	47,949	-	-	55,828
Medium	12,963	14,891	35	-	27,889
Corporate	71,946	168,920	158,086	112,643	511,595
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>108,747</u>	<u>375,735</u>	<u>160,236</u>	<u>144,942</u>	<u>789,660</u>
For the three month period ended March 31, 2021 (Unaudited)					
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
SAR'000					
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	6,880	289,955	829	22,690	320,354
Very small	1,909	-	-	-	1,909
Small	8,121	1,765	-	-	9,886
Medium	9,499	28,622	71	-	38,192
Corporate	39,239	215,668	87,375	27,020	369,302
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>65,648</u>	<u>536,010</u>	<u>88,275</u>	<u>49,710</u>	<u>739,643</u>

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

12. OPERATING SEGMENTS (continued)

As at March 31, 2022
(Unaudited)

Operating segments	Takaful operations					Total - Takaful operations	Shareholders' operations	Total
	Medical	Motor	Property & Casualty	Protection & Savings				
	SAR'000							
Assets:								
Cash and cash equivalents					546,074	77,351		623,425
Contributions and re-takaful / reinsurance balances receivable – net					629,576	-		629,576
Re-takaful / reinsurance share of unearned contributions	-	4,332	259,358	14,316	278,006	-		278,006
Re-takaful / reinsurance share of outstanding claims	-	11,889	103,520	129,571	244,980	-		244,980
Re-takaful / reinsurance share of claims incurred but not reported	-	-	25,613	68,282	93,895	-		93,895
Deferred policy acquisition costs	10,676	97,652	10,753	2	119,083	-		119,083
Investments mandatorily measured at FVSI					432,341	80,464		512,805
Investments designated as FVOCI					34,203	444,208		478,411
Investments held at amortised cost					1,469,709	269,866		1,739,575
Right-of-use assets					-	53,319		53,319
Unallocated assets					(388,863)	614,210		225,347
Total assets	10,676	113,873	399,244	212,171	3,459,004	1,539,418		4,998,422
Liabilities:								
Unearned contributions	205,468	713,886	276,231	21,217	1,216,802	-		1,216,802
Unearned re-takaful / reinsurance commission	-	12	23,060	-	23,072	-		23,072
Gross outstanding claims	12,784	224,061	110,533	167,581	514,959	-		514,959
Claims incurred but not reported	137,187	633,653	38,972	93,644	903,456	-		903,456
Contribution deficiency reserve	12,638	61,608	1,747	796	76,789	-		76,789
Lease obligations	-	-	-	-	-	52,955		52,955
Unallocated liabilities, equity and surplus					1,177,137	1,486,464		2,663,601
Total liabilities, accumulated surplus and equity	368,077	1,633,220	450,543	283,238	3,912,215	1,539,419		5,451,634

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

12. OPERATING SEGMENTS (continued)

As at December 31, 2021
(Audited)

Operating segments	Takaful operations					Total - Takaful operations	Shareholders' operations	Total
	Medical	Motor	Property & casualty	Protection & Savings				
	SAR '000							
Assets:								
Cash and cash equivalents	-	-	-	-	-	471,552	27,444	498,996
Contributions and re-takaful / reinsurance balances receivable – net	-	-	-	-	-	414,546	-	414,546
Re-takaful / reinsurance share of unearned contributions	-	5,473	205,789	16,022	-	227,284	-	227,284
Re-takaful / reinsurance share of outstanding claims	-	11,001	99,688	96,433	-	207,122	-	207,122
Re-takaful / reinsurance share of claims incurred but not reported	-	2,325	24,484	33,578	-	60,387	-	60,387
Deferred policy acquisition costs	8,691	93,134	7,350	765	-	109,940	-	109,940
Investments mandatorily measured at FVSI	-	-	-	-	-	431,121	95,783	526,904
Investments designated as FVOCI	-	-	-	-	-	33,893	401,391	435,284
Investments held at amortised cost	-	-	-	-	-	1,519,723	369,843	1,889,566
Right-of-use assets	-	-	-	-	-	-	55,733	55,733
Unallocated assets	-	-	-	-	-	(293,609)	509,166	215,557
Total assets	8,691	111,933	337,311	146,798	-	3,181,959	1,459,360	4,641,319
Liabilities:								
Unearned contributions	189,655	730,161	224,879	23,771	-	1,168,466	-	1,168,466
Unearned re-takaful / reinsurance commission	-	45	20,412	-	-	20,457	-	20,457
Gross outstanding claims	10,905	229,640	106,641	124,096	-	471,282	-	471,282
Claims incurred but not reported	128,927	673,006	34,136	45,556	-	881,625	-	881,625
Contribution deficiency reserve	15,957	46,385	1,230	729	-	64,301	-	64,301
Lease obligations	-	-	-	-	-	-	54,482	54,482
Unallocated liabilities, equity and surplus	-	-	-	-	-	575,828	1,404,877	1,980,705
Total liabilities, accumulated surplus and equity	345,444	1,679,237	387,298	194,152	-	3,181,959	1,459,359	4,641,318

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

12. OPERATING SEGMENTS (continued)

	For the three month period ended March 31, 2022 (Unaudited)				
Operating segments	Medical	Motor	Property & Casualty	Protection & Savings	Total
	SAR'000				
REVENUES					
Gross contributions written	108,747	375,735	160,236	144,942	789,660
Re-takaful / reinsurance contributions ceded	-	1,356	(150,505)	(62,018)	(211,166)
Excess of loss expenses (XOL)	-	(1,843)	(1,408)	-	(3,251)
Net contributions written	108,747	375,249	8,324	82,924	575,244
Changes in unearned contributions, net	(15,813)	15,133	2,218	847	2,386
Net contributions earned	92,934	390,382	10,541	83,772	577,629
Re-takaful / reinsurance commission income	-	1,112	12,902	-	14,014
Other underwriting income	-	819	8	1,140	1,968
TOTAL REVENUES	92,934	392,313	23,452	84,912	593,611
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(64,876)	(330,184)	(1,429)	(51,213)	(447,701)
Surrender and maturities	-	-	-	(9,033)	(9,033)
Expenses incurred related to claims	(854)	(11,017)	(28)	-	(11,899)
Re-takaful / reinsurance share of claims paid	-	2,739	936	39,286	42,961
Net claims and other benefits paid	(65,730)	(338,462)	(521)	(20,959)	(425,672)
Changes in outstanding claims, net	(1,879)	6,467	(59)	(10,348)	(5,819)
Changes in incurred but not reported (IBNR) claims, net	(8,260)	37,028	(3,707)	(13,384)	11,677
Contribution deficiency reserve	3,319	(15,223)	(517)	(67)	(12,488)
Net claims and other benefits incurred	(72,549)	(310,191)	(4,804)	(44,758)	(432,302)
Change in unit linked liabilities at FVSI, net	-	-	-	(15,697)	(15,697)
Policy acquisition costs	(4,322)	(54,747)	(4,836)	(6,339)	(70,244)
Other underwriting expenses	(1,552)	(4,110)	(988)	(1,571)	(8,222)
TOTAL UNDERWRITING COSTS AND EXPENSES	(78,424)	(369,047)	(10,628)	(68,365)	(526,464)
NET UNDERWRITING (LOSS) / INCOME	14,510	23,266	12,823	16,547	67,147
OTHER OPERATING EXPENSES					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	-	-	-	-	13,545
General and administrative expenses	-	-	-	-	(59,823)
Special commission income	-	-	-	-	14,412
Net gains on investments mandatorily measured at FVSI	-	-	-	-	6,821
Dividend income	-	-	-	-	2,718
Impairment loss on financial assets	-	-	-	-	(117)
Other income	-	-	-	-	(28)
NET INCOME FOR THE PERIOD BEFORE ZAKAT					44,674

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

12. OPERATING SEGMENTS (continued)

	For the three month period ended March 31, 2021				
	(Unaudited)				
Operating segments	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
REVENUES					
Gross contributions written	65,648	536,010	88,275	49,710	739,643
Re-takaful / reinsurance contributions ceded	-	119	(80,342)	(17,781)	(98,004)
Excess of loss expenses (XOL)	-	(1,623)	(1,054)	-	(2,677)
Net contributions written	65,648	534,506	6,879	31,929	638,962
Changes in unearned contributions, net	(3,543)	(74,565)	1,579	(934)	(77,463)
Net contributions earned	62,105	459,941	8,458	30,995	561,499
Re-takaful / reinsurance commission income	-	448	8,207	-	8,655
Other underwriting income	(10)	212	17	734	953
TOTAL REVENUES	62,095	460,601	16,682	31,729	571,107
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses	(63,669)	(308,981)	(1,426)	(17,501)	(391,577)
Surrender and maturities	-	-	-	(5,651)	(5,651)
Expenses incurred related to claims	(497)	(10,291)	-	-	(10,788)
Re-takaful / reinsurance share of claims paid	-	-	1,087	12,943	14,030
Net claims and other benefits paid	(64,166)	(319,272)	(339)	(10,209)	(393,986)
Changes in outstanding claims, net	574	(10,322)	(1,274)	(1,319)	(12,341)
Changes in incurred but not reported (IBNR) claims, net	713	56,324	197	(1,894)	55,340
Change in contribution deficiency reserve	(2,855)	(33,095)	(331)	-	(36,281)
Net claims and other benefits incurred	(65,734)	(306,365)	(1,747)	(13,422)	(387,268)
Change in unit linked liabilities at FVSI	-	-	-	(10,345)	(10,345)
Policy acquisition costs	(4,190)	(28,319)	(4,498)	(2,194)	(39,201)
Other underwriting expenses	(774)	(4,811)	(691)	(536)	(6,812)
TOTAL UNDERWRITING COSTS AND EXPENSES	(70,698)	(339,495)	(6,936)	(26,497)	(443,626)
NET UNDERWRITING INCOME	(8,603)	121,106	9,746	5,232	127,481
OTHER OPERATING EXPENSES					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	-	-	-	-	(3,826)
General and administrative expenses	-	-	-	-	(65,688)
Special commission income	-	-	-	-	12,292
Net gains on investments mandatorily measured at FVSI	-	-	-	-	2,852
Dividend income	-	-	-	-	2,536
Impairment loss on financial assets	-	-	-	-	(98)
Other income	-	-	-	-	127
NET INCOME FOR THE PERIOD BEFORE ZAKAT					75,676

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

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, 2022 (Unaudited)	March 31, 2021 (Unaudited)	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
	SAR'000			
<u>Major shareholders</u>				
Gross contribution written	159,610	165,629	139,260	95,806
Claims paid	135,330	98,706	-	-
Claims incurred and notified during the period	151,155	103,044	(253,120)	(151,155)
Reimbursement from related party	-	-	-	-
Bank Balance	-	-	361,263	255,485
Investment in shares of Al Rajhi Banking and Investment Corporation	-	-	73,137	64,575
<u>Entities controlled, jointly controlled or significantly influenced by related parties</u>				
Gross contribution written	19,590	19,211	23,429	1,529
Claims paid	127	8	-	-
Claims incurred and notified during the period	551	131	(10,102)	(9,679)
Investments managed by affiliates	1,127	1,116	309,339	292,003
Income received from sale of investment in Al Rajhi Capital commodity fund	1,158	1,354	-	-
Investment management fee paid to Al Rajhi Capital Company	801	867	-	-

Company have transactions with Fursan travels (associate) with respect to expenses for SAR 0.13 mn (2021 - SAR 0.17 mn). However balances receivables/payable amounting to SAR 0.06 mn (2021 - SAR 0.03)

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

	For the period ended	
	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
	SAR'000	
Salaries and other allowances	1,465	1,341
End of service benefits	1,129	4,221
	2,594	5,562
Shariah committee remuneration	45	45

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

14. PROVISION FOR ZAKAT AND INCOME TAX

A summary of Movement in the Zakat and income tax accrued during the three month period ended 31 March 2022 and the year ended 31 December 2021 are as follows:

	Zakat payable	
	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
	SR '000	SR '000
Balance at beginning of the year	51,341	47,904
Provided during the period / year	3,100	24,158
Payments during the period / year	-	(20,721)
Balance at end of the period / year	54,441	51,341

Status of assessments

The Company had filed zakat and income tax returns with the Zakat, Tax and Customs Authority ("ZATCA") for the years from 2010 to 2020.

ZATCA has issued assessments for the years 2015 to 2018, demanding an additional Zakat as assessed by them amounting to SAR 11.73 million pertains to these years. The Company paid an amount of SAR 1.42 million and has filed objections for SAR 10.31 million with the authority. Further ZATCA issued initial assessment for the years 2019 & 2020, demanding additional assessed amount of SAR 10.31 million and SAR 12.1 million respectively. The company paid 10% of the assessed amounts and appealed against the additional assessed amounts in full for those years.

Based on the appeals and as per the update from tax consultant, the Company does not expect any negative outcome from the additional assessed amounts.

15. UNIT LINKED LIABILITIES AT FVSI

The movement during the period / year in financial liabilities at fair value through statement of income is set out below:

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
	SAR'000	SAR'000
At the beginning of the period / year	217,611	141,093
Net changes in reserve during the period / year	15,697	50,860
Net change in fair values during the period / year	9,421	25,658
At the end of the period / year	242,729	217,611

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

16. SHARE CAPITAL

The authorized, issued and paid up capital of the Company was SAR 400 million at March 31, 2021 (December 31, 2020: SAR 400 million) consisting of 40 million shares (December 31, 2020: 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, 2022 (Unaudited)		
	Authorized and issued	Paid up
	No. of shares	SAR'000
Al Rajhi Insurance Co. Ltd. (Bahrain)	10,600,000	106,000
Al Rajhi Banking and Investment Corporation	9,000,000	90,000
Others	20,400,000	204,000
	40,000,000	400,000

December 31, 2021 (Audited)		
	Authorized and issued	Paid up
	No. of Shares	SAR'000
Al Rajhi Insurance Co. Ltd. (Bahrain)	10,600,000	106,000
Al Rajhi Banking and Investment Corporation	9,000,000	90,000
Others	20,400,000	204,000
	40,000,000	400,000

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, 2022 consists of paid-up share capital of SAR 400 million, statutory reserves of SAR 185.7 million and retained earnings of SAR 625.7 million (December 31, 2021: paid-up share capital of SAR 400 million, statutory reserves of SAR 178.2 million and retained earnings of SAR 595.5 million.) in the statement of financial position

17. CAPITAL MANAGEMENT (continued)

The Company's management, through various scenario analysis as required by the regulator, has assessed the potential of the Covid-19 pandemic by performing stress testing for various variables like: gross premium growth, increase in employee cost, YTD loss ratio, outstanding premium provisions etc. and the related impact on the revenue, profitability, loss ratio and solvency ratio. The Company's management has concluded that based on the stress testing performed the solvency margin of the Company can be impacted $\pm 1\%$ to 5%. As with any forecasts, the projections and likelihoods of occurrence are underpinned by significant judgements and uncertainties and, therefore, the actual outcomes may be different to those projected. As the situation is fluid and rapidly evolving, the Company will continue to reassess its position and the related impact on a regular basis.

18. EARNINGS PER SHARE

Earnings per share for the periods ended March 31, 2022 and March 31, 2021 are 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, 2022 and March 31, 2021.

**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, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
ASSETS:						
Cash and bank balances	546,074	77,351	623,425	471,552	27,444	498,996
Contributions and re-takaful / reinsurance balances receivable - net	629,576	-	629,576	414,546	-	414,546
Re-takaful / reinsurance share of unearned contributions	278,006	-	278,006	227,284	-	227,284
Re-takaful / reinsurance share of outstanding claims	244,980	-	244,980	207,122	-	207,122
Re-takaful / reinsurance share of outstanding claims IBNR	93,895	-	93,895	60,387	-	60,387
Re-takaful / reinsurance share of mathematical reserve at FVSI	31	-	31	31	-	31
Deferred policy acquisition costs	119,083	-	119,083	109,940	-	109,940
Investments mandatorily measured at FVSI	432,341	80,464	512,805	431,121	95,783	526,904
Investments designated as FVOCI	34,203	444,208	478,411	33,893	401,391	435,284
Due (to)/ from shareholders' / takaful operations	(453,209)	453,209	-	(358,969)	358,969	-
Investments held at amortised cost	1,469,709	269,866	1,739,575	1,519,723	369,843	1,889,566
Prepayments and other assets	64,315	36,364	100,679	65,329	23,383	88,712
Property and equipment	-	80,695	80,695	-	83,216	83,216
Statutory deposit	-	39,971	39,971	-	39,971	39,971
Accrued income on statutory deposit	-	3,971	3,971	-	3,626	3,626
Right-of-use assets	-	53,319	53,319	-	55,733	55,733
TOTAL ASSETS	3,459,004	1,539,418	4,998,422	3,181,959	1,459,359	4,641,318

**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, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
LIABILITIES:						
Payable, accruals and other liabilities	133,451	50,729	184,180	127,204	53,004	180,208
Re-takaful / reinsurance balances payable	292,037	-	292,037	179,530	-	179,530
Unearned contributions	1,216,802	-	1,216,802	1,168,466	-	1,168,466
Unearned re-takaful / reinsurance commission income	23,072	-	23,072	20,457	-	20,457
Gross outstanding claims	514,959	-	514,959	471,282	-	471,282
Claim Incurred but not reported	903,456	-	903,456	881,625	-	881,625
Contribution deficiency reserve	76,789	-	76,789	64,301	-	64,301
Unit linked liabilities at FVSI	242,729	-	242,729	217,611	-	217,611
End-of-service benefits	-	24,583	24,583	-	24,635	24,635
Provision for zakat and income tax	-	54,441	54,441	-	51,341	51,341
Payables to SAMA	-	8,681	8,681	-	8,336	8,336
Lease obligations	-	52,955	52,955	-	54,482	54,482
	3,403,295	191,389	3,594,684	3,130,476	191,798	3,322,274
Takaful operations' surplus payable	52,543	-	52,543	48,628	-	48,628
TOTAL LIABILITIES AND ACCUMULATED SURPLUS	3,455,838	191,389	3,647,227	3,179,104	191,798	3,370,902
EQUITY:						
Share capital	-	400,000	400,000	-	400,000	400,000
Statutory reserve	-	185,716	185,716	-	178,186	178,186
Retained earnings	-	625,673	625,673	-	595,551	595,551
Remeasurement reserve for EOSB	-	(7,327)	(7,327)	-	(7,327)	(7,327)
Fair value reserve - Investments designated as FVOCI	3,166	143,967	147,133	2,855	101,151	104,006
TOTAL EQUITY	3,166	1,348,029	1,351,195	2,855	1,267,561	1,270,416
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND EQUITY	3,459,004	1,539,418	4,998,422	3,181,959	1,459,359	4,641,318
COMMITMENTS AND CONTINGENCIES	45,958	-	45,958	40,190	-	40,190

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

19. SUPPLEMENTARY INFORMATION (continued)

19.2 Interim statement of income

(For the three month period ended)

	SAR '000					
	March 31, 2022			March 31, 2021		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
REVENUES						
Gross contributions written	789,660	-	789,660	739,643	-	739,643
Re-takaful / reinsurance contributions ceded - domestic	(327)	-	(327)	(2,268)	-	(2,268)
Re-takaful / reinsurance contributions ceded - foreign	(210,839)	-	(210,839)	(95,736)	-	(95,736)
Excess of loss expenses – foreign	(3,251)	-	(3,251)	(2,677)	-	(2,677)
Net contributions written	575,244	-	575,244	638,962	-	638,962
Changes in unearned contributions, net	2,386	-	2,386	(77,463)	-	(77,463)
Net contributions earned	577,629	-	577,629	561,499	-	561,499
Re-takaful / reinsurance commission income	14,014	-	14,014	8,655	-	8,655
Other underwriting income	1,968	-	1,968	953	-	953
TOTAL REVENUES	593,611	-	593,611	571,107	-	571,107
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid and loss adjustment expenses	(447,701)	-	(447,701)	(391,577)	-	(391,577)
Surrenders and maturities	(9,033)	-	(9,033)	(5,651)	-	(5,651)
Expenses incurred related to claims	(11,899)	-	(11,899)	(10,788)	-	(10,788)
Reinsurers' share of claims paid	42,961	-	42,961	14,030	-	14,030
Net claims and other benefits paid	(425,672)	-	(425,672)	(393,986)	-	(393,986)
Changes in outstanding claims, net	(5,819)	-	(5,819)	(12,341)	-	(12,341)
Changes in incurred but not reported (IBNR) claims, net	11,677	-	11,677	55,340	-	55,340
Change in contribution deficiency reserve	(12,488)	-	(12,488)	(36,281)	-	(36,281)
Net claims and other benefits incurred	(432,302)	-	(432,302)	(387,268)	-	(387,268)
Change in unit linked liabilities at FVSI, net	(15,697)	-	(15,697)	(10,345)	-	(10,345)
Policy acquisition costs	(70,244)	-	(70,244)	(39,201)	-	(39,201)
Other underwriting expenses	(8,222)	-	(8,222)	(6,812)	-	(6,812)
TOTAL UNDERWRITING COSTS AND EXPENSES	(526,464)	-	(526,464)	(443,626)	-	(443,626)
NET UNDERWRITING INCOME	67,147	-	67,147	127,481	-	127,481
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	13,545	-	13,545	(3,826)	-	(3,826)
Management fee for administration of takaful operations	(59,823)	59,823	-	(65,688)	65,688	-
General and administrative expenses	-	(59,823)	(59,823)	-	(65,688)	(65,688)
Special commission income	12,644	1,768	14,412	11,471	821	12,292
Net gains on investments mandatorily measured at FVSI	5,794	1,027	6,821	2,097	755	2,852
Dividend income	-	2,718	2,718	-	2,536	2,536
Reversal / (Impairment loss) of impairment loss	(86)	(31)	(117)	168	(266)	(98)
Other income	-	(28)	(28)	-	127	127
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(27,927)	5,454	(22,473)	(55,778)	3,973	(51,805)
NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE	39,220	5,454	44,674	71,703	3,973	75,676
Management fee attributable to shareholders' operations	(35,298)	35,298	-	(64,533)	64,533	-
NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE	3,922	40,752	44,674	7,170	68,506	75,676
Provision for zakat	-	(3,100)	(3,100)	-	(6,800)	(6,800)
Net income for the period after zakat	3,922	37,652	41,574	7,170	61,706	68,876

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

19. SUPPLEMENTARY INFORMATION (continued)

19.3 Interim statement of comprehensive income

	For the three month period ended					
	(Unaudited)					
	SAR '000					
	March 31, 2022			March 31, 2021		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
Net income after attribution of management fee to shareholders' operations	3,922	37,652	41,574	7,170	61,706	68,876
Other comprehensive income / (loss) :						
Items that will not be reclassified to statement of income in subsequent periods						
- Net change in fair value in investments designated as FVOCI	310	42,817	43,127	900	33,477	34,377
 Total comprehensive income / (loss) for the period	 4,232	 80,469	 84,701	 8,070	 95,183	 103,253
 Reconciliation:						
Less: Net income attributable to takaful operations			(3,922)			(7,170)
Total comprehensive income / (loss) for the period			80,779			96,083

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

36

**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	Total
	March 31, 2022			March 31, 2021		
Gross outstanding claims	43,677	-	43,677	26,057	-	26,057
Claims Incurred but not reported	21,831	-	21,831	(50,016)	-	(50,016)
Contribution deficiency reserve	12,488	-	12,488	36,281	-	36,281
Deposit against letters of guarantee	(5,768)	-	(5,768)	(1,771)	-	(1,771)
	8,830	(59,878)	(51,048)	124,683	(51,490)	73,193
Management fee (paid) / received	(881)	881	-	(533,451)	533,451	-
Takaful operations' surplus paid	(7)	-	(7)	(2)	-	-
Zakat paid	-	-	-	-	(1,422)	(1,422)
End-of-service benefits paid	-	(1,172)	(1,172)	-	(1,783)	(1,783)
Net cash generated from / (used in) operating activities	7,943	(60,169)	(52,227)	(408,770)	478,756	69,988
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments mandatorily measured at FVSI	(415,198)	(87,500)	(502,698)	(496,114)	(130,162)	(626,276)
Disposals of investments mandatorily measured at FVSI	426,081	102,853	528,934	493,968	143,177	637,145
Purchase of investments designated as FVOCI	-	-	-	-	(28,097)	(28,097)
Disposals of investments designated as FVOCI	-	-	-	-	11,733	11,733
Movement in cash balance in equity share portfolio	-	-	-	-	1,528	1,528
Purchase of investments held at amortised cost	(50,000)	-	(50,000)	(143,501)	(114,999)	(258,500)
Disposal of investments held at amortised cost	100,000	100,000	200,000	-	-	-
Additions in property and equipment	-	(2,969)	(2,969)	-	(13,870)	(13,870)
Net cash generated from / (used in) investing activities	60,883	112,384	173,267	(145,647)	(130,690)	(276,337)
CASH FLOWS FROM FINANCING ACTIVITIES						
Lease liability paid	-	(2,254)	(2,254)	-	(651)	(651)
Net cash used in financing activities	-	(2,254)	(2,254)	-	(651)	(651)
Net change in cash and cash equivalents	68,826	49,961	118,786	(554,417)	347,415	(207,002)
Cash and cash equivalents, beginning of the period	431,362	22,735	454,097	810,564	37,548	848,112
Cash and cash equivalents, end of the period	500,188	72,696	572,883	256,147	384,963	641,110
NON-CASH INFORMATION						
Changes in fair value of investments designated as FVOCI	310	42,817	43,127	900	33,477	34,377

20. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors of the Company, on Ramadan 26, 1443, corresponding April 27, 2022.