

**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 AND SIX MONTH PERIODS ENDED
JUNE 30, 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 AND SIX-MONTH PERIODS
ENDED JUNE 30, 2022

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**Crowe**

Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting
Member Crowe Global



MOORE El Sayed El Ayouty & Co.
Certified Public Accountants

INDEPENDENT AUDITORS' REVIEW REPORT ON 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 30 June 2022 and the related interim condensed statements of income and comprehensive income for the three and six months periods then ended and interim condensed statements of changes in equity and cashflows 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") 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.

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Date: 11 August 2022
corresponding to: 13 Muharram 1444H



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

INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

As at June 30, 2022		SAR '000	
	Notes	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Cash and bank balances	4	251,171	498,996
Contributions and re-takaful / reinsurance balances receivable, net	5	908,836	414,546
Re-takaful / reinsurance share of unearned contributions	9.2	400,840	227,284
Re-takaful / reinsurance share of outstanding claims	9.1 (a)	277,944	207,122
Re-takaful / reinsurance share of claims incurred but not reported	9.1 (a)	148,418	60,387
Re-takaful / reinsurance share of mathematical reserve at fair value through statement of income (FVSI)		31	31
Deferred policy acquisition costs		131,313	109,940
Investments mandatorily measured at fair value through statement of income (FVSI)	8 (a)	604,138	526,904
Investments designated as fair value through other comprehensive income (FVOCI)	8 (b)	418,714	435,284
Investments held at amortised cost	8 (c)	1,916,370	1,889,566
Prepayments and other assets		114,712	88,712
Property and equipment		77,824	83,216
Statutory deposit	7	39,971	39,971
Accrued income on statutory deposit		4,320	3,626
Right-of-use assets	6	51,304	55,733
TOTAL ASSETS		5,345,906	4,641,318
LIABILITIES			
Payables, accruals and other liabilities		222,862	180,208
Re-takaful / reinsurance balances payable		383,202	179,530
Unearned contributions	9.2	1,428,349	1,168,466
Unearned re-takaful / reinsurance commission income		29,877	20,457
Gross outstanding claims	9.1 (a)	597,130	471,282
Claims incurred but not reported	9.1 (a)	880,143	881,625
Contribution deficiency reserve	9.1 (a)	85,771	64,301
Unit linked liabilities at FVSI	9.1 (a), 15	237,096	217,611
End-of-service benefits (EOSB)		25,022	24,635
Provision for zakat and income tax	14	44,792	51,341
Payables to SAMA		9,030	8,336
Lease liabilities		46,502	54,482
		3,989,776	3,322,274
Takaful operations' surplus payable		44,254	48,628
TOTAL LIABILITIES AND ACCUMULATED SURPLUS		4,034,030	3,370,902
EQUITY			
Share capital	16	400,000	400,000
Statutory reserve		189,792	178,186
Retained earnings		641,975	595,551
Remeasurement reserve for EOSB		(7,327)	(7,327)
Fair value reserve - investments designated as FVOCI		87,436	104,006
TOTAL EQUITY		1,311,876	1,270,416
TOTAL LIABILITIES, ACCUMULATED SURPLUS AND EQUITY			
		5,345,906	4,641,318
COMMITMENTS AND CONTINGENCIES			
	10	50,987	40,190

Nabeel Ali Shoaib
Member-Board

Mahmood Salim Dahduli
Chief Executive Officer

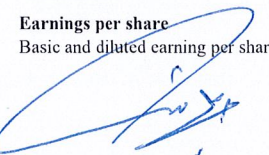


Muhammad Imran Bashir
Chief Financial Officer-Acting

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

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30

		For the three-month period ended		For the six-month period ended	
		SAR '000		SAR '000	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<hr/>					
REVENUES					
Gross contribution written	9.2	966,488	758,104	1,756,148	1,497,747
Re-takaful / reinsurance contributions ceded - domestic	9.2	(1,769)	(5,048)	(2,096)	(7,316)
Re-takaful / reinsurance contributions ceded - foreign	9.2	(293,503)	(220,494)	(504,342)	(316,230)
Excess of loss expenses (XOL)	9.2	(3,251)	(2,677)	(6,501)	(5,354)
Net contributions written	9.2	667,965	529,885	1,243,209	1,168,847
Changes in unearned contributions, net		(88,712)	42,457	(86,327)	(35,006)
Net contributions earned		579,253	572,342	1,156,882	1,133,841
Re-takaful / reinsurance commission income		7,615	9,258	21,629	17,913
Other underwriting income		794	1,572	2,762	2,525
TOTAL REVENUES		587,662	583,172	1,181,273	1,154,279
<hr/>					
UNDERWRITING COSTS AND EXPENSES					
Gross claims paid and loss adjustment expenses		(487,120)	(452,269)	(934,819)	(843,846)
Surrenders and maturities		(14,140)	(5,840)	(23,172)	(11,491)
Expenses incurred related to claims		(7,974)	(7,055)	(19,874)	(17,843)
Re-takaful / reinsurance share of claims paid		57,606	35,326	100,566	49,356
Net claims and other benefits paid		(451,628)	(429,838)	(877,299)	(823,824)
Changes in outstanding claims, net		(49,207)	(18,529)	(55,026)	(30,870)
Changes in incurred but not reported (IBNR) claims, net		77,836	(1,095)	89,513	54,245
Change in contribution deficiency reserve		(8,982)	26,014	(21,470)	(10,267)
Net claims and other benefits incurred		(431,981)	(423,448)	(864,282)	(810,716)
Change in unit linked liabilities at FVSI, net		(13,715)	(16,406)	(29,412)	(26,751)
Policy acquisition costs		(55,740)	(47,544)	(125,984)	(86,745)
Other underwriting expenses		(9,597)	(220)	(17,819)	(7,032)
TOTAL UNDERWRITING COSTS AND EXPENSES		(511,033)	(487,618)	(1,037,497)	(931,244)
NET UNDERWRITING INCOME		76,629	95,554	143,776	223,035
<hr/>					
OTHER OPERATING (EXPENSES)/ INCOME					
Allowance for doubtful debts - contributions and re-takaful / reinsurance balances receivable	5	(9,849)	(2,026)	3,696	(5,852)
General and administrative expenses		(63,149)	(62,462)	(122,973)	(128,150)
Special commission income		14,975	12,530	29,387	24,822
Net gains on investments mandatorily measured at FVSI		2,147	3,500	8,968	6,352
Dividend income		3,427	3,043	6,145	5,579
Reversal of impairment loss on financial assets		68	(72)	(49)	(170)
Other income		-	135	(28)	262
TOTAL OTHER OPERATING EXPENSES		(52,381)	(45,352)	(74,854)	(97,157)
Net income for the period before zakat		24,248	50,202	68,922	125,878
Net income for the period attributable to takaful operations	19.2	(1,853)	(4,525)	(5,775)	(11,695)
Net income for the period before zakat attributable to the shareholders		22,395	45,677	63,147	114,183
Provision for zakat	14	(2,017)	(7,200)	(5,117)	(14,000)
Net income for the period after zakat attributable to the shareholders		20,378	38,477	58,030	100,183
<hr/>					
Earnings per share					
Basic and diluted earning per share	18	0.51	0.96	1.45	2.50
					
Nabeel Ali Shoaib Member-Board		Mahmood Salim Dahduli Chief Executive Officer		Muhammad Imran Bashir Chief Financial Officer-Acting	

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
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2022

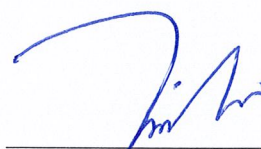
	Notes	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
		SAR '000		SAR '000	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income for the period after zakat attributable to the shareholders		20,378	38,477	58,030	100,183
Other comprehensive (loss) / income:					
Items that will not be reclassified to statement of income in subsequent periods					
- Net fair value changes on investments	8 (b)	(59,697)	21,441	(16,570)	55,818
<u>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</u>		(39,319)	59,918	41,460	156,001



Nabeel Ali Shoaib
Member-Board



Mahmood Salim Dahduli
Chief Executive Officer



Muhammad Imran Bashir
Chief Financial Officer-Acting

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

INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED JUNE 30


	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		-	-	58,030	-	-	58,030
-Net fair value changes on investments designated as FVOCI	19.3	-	-	-	-	(16,570)	(16,570)
		-	-	58,030	-	(16,570)	41,460
Transfer to statutory reserve		-	11,606	(11,606)	-	-	-
Balance as at June 30, 2022		400,000	189,792	641,975	(7,327)	87,436	1,311,876
		Share capital	Statutory reserve	Retained earnings	Remeasurement reserve for EOSB	Fair value reserve - investments designated as	Total
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		-	-	100,183	-	-	100,183
-Net fair value changes on investments designated as FVOCI	19.3	-	-	-	-	55,818	55,818
		-	-	100,183	-	55,818	156,001
Transfer to statutory reserve		-	20,037	(20,037)	-	-	-
Balance as at June 30, 2021		400,000	178,528	596,921	(7,752)	100,685	1,268,382



Nabeel Ali Shoaib
Member-Board



Mahmood Salim Dahduli
Chief Executive Officer



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

**INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022**

		SAR '000	
		June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before zakat		68,922	125,878
Adjustments for non-cash items:			
Depreciation of property and equipment		11,183	6,301
Depreciation of right-of-use assets		4,429	4,425
Allowance for doubtful debts -Contributions and re-takaful / reinsurance balances receivable		5,562	6,124
5	Unrealized (gain) / loss on investments mandatorily measured at FVSI	(13,926)	(16,849)
	Impairment / (Reversal) of impairment loss on financial assets	49	170
	Finance cost	1,345	1,096
	End-of-service benefits liability (EOSB)	3,257	1,737
		80,821	128,882
Changes in operating assets and liabilities:			
Contributions and re-takaful / reinsurance balances receivable		(499,852)	(85,767)
Re-takaful / reinsurance share of unearned contributions		(173,556)	(84,086)
Re-takaful / reinsurance share of outstanding claims		(70,822)	(65,062)
Re-takaful / reinsurance share of claims incurred but not reported		(88,031)	(22,789)
Re-takaful / reinsurance share of mathematical reserve at FVSI		-	(3)
Deferred policy acquisition costs		(21,373)	(25,431)
Prepayments and other assets		(26,000)	1,805
Accrued income on statutory deposit		(694)	(694)
Payable, accruals and other liabilities		42,654	(57,405)
Unit linked liabilities at FVSI		19,485	44,258
Re-takaful / reinsurance balances payable		203,672	85,503
Unearned contributions		259,883	119,092
Unearned re-takaful / reinsurance commission		9,420	10,031
Gross outstanding claims		125,848	95,934
Claims Incurred but not reported		(1,482)	(31,456)
Contribution deficiency reserve		21,470	10,267
Deposit against guarantees		(10,797)	(8,142)
Payables to SAMA		694	694
		(128,660)	115,631
Zakat paid	14	(11,666)	(20,721)
Takaful operations' surplus paid		(10,149)	(3)
End-of-service benefits paid (EOSB)		(2,870)	(4,787)
Net cash generated from operating activities		(153,345)	90,120
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments mandatorily measured at FVSI	8 (a)	(878,218)	(1,335,798)
Disposals of investments mandatorily measured at FVSI	8 (a)	814,910	1,286,023
Purchase of investments designated as FVOCI	8 (b)	-	(28,097)
Disposals of investments designated as FVOCI		-	11,733
Purchase of investments held at amortised cost		(501,853)	(479,769)
Disposal of investments held at amortised cost	8 (c)	475,000	196,243
Additions in property and equipment		(5,791)	(23,611)
Net cash used in from investing activities		(95,952)	(373,276)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability paid		(9,325)	(10,704)
Net cash used in financing activities		(9,325)	(10,704)
Net change in cash and cash equivalents		(258,622)	(293,860)
Cash and cash equivalents, at the beginning of the period	4	454,097	848,112
Cash and cash equivalents, at the end of the period	4	195,475	554,252
NON-CASH INFORMATION			
Changes in fair value of investments designated as FVOCI	8 (b)	(16,570)	55,818

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 and six-month periods ended June 30, 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

The interim condensed financial statements (interim condensed financial information) of the Company as at and for the three-month and six-months periods ended 30 June 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 the Saudi Organization of Certified Public Accountants ("SOCPA").

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 operations (refer note 19); and the other component of the management fee is determined up to 90% of the net surplus, if any, for the period from takaful operations remaining after computing the first component of management fee. The Company is required to distribute the remaining 10% of the net surplus from Takaful operations to policyholders in accordance with the Insurance Law and Implementation Regulations issued by the Saudi Central Bank ("SAMA").

The interim statement of financial position, statements of income, comprehensive income and cash flows of the takaful operations and shareholders' operations which are presented in note 19 of the condensed interim financial information have been provided as supplementary financial information to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the takaful operations and the shareholders' operations. Accordingly, the interim statements of financial position, statements of income, comprehensive income and cash flows prepared for the takaful operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial information in compliance with IFRSs, the balances and transactions of the takaful operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the takaful operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

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

2. BASIS OF PREPARATION (continued)

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 Organisation ("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 those markets, 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 June 30, 2022 for its liability adequacy test. Based on the results, the Company has booked an amount of SR 8 million (December 31, 2021: 16 million) as a contribution deficiency reserve.

Motor technical reserves

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 exiting 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 for the period ended June 30, 2020 and subsequent periods.

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

2. BASIS OF PREPARATION (continued)

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

Motor technical reserves (continued)

The Company has performed a liability adequacy test using current estimates of future cash flows under its insurance contracts at an aggregated level for motor line of business and recorded a Contribution deficiency reserve amounting to SR 74.7 million as at 30 June, 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 and six-month periods ended 30 June 2022. The Company's management continues to monitor the situation closely.

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

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4. CASH AND BANK BALANCES

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

SAR'000	Takaful operations	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Bank balances and cash	185,497	431,362
Cash and cash equivalents in the statement of cash flows	185,497	431,362
Deposits against letters of guarantee	50,987	40,190
Cash and bank balances	236,484	471,552

SAR'000	Shareholders' operations	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Bank balances and cash	11,893	23,809
Cash balance with Al Rajhi Capital	(1,915)	(1,074)
Cash and cash equivalents in the statement of cash flow	9,978	22,735
Cash at banks (statutory deposit income)	4,709	4,709
Cash and bank balances	14,687	27,444
Total	251,171	498,996

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

Receivables comprise amounts due from the following:

SAR'000	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Policyholders	512,890	174,381
Brokers and agents	238,238	174,992
Related parties	160,878	97,335
Receivables from re-takaful / re-insurance	68,119	33,565
	980,125	480,273
Provision for doubtful receivables	(71,289)	(65,727)
Contributions and re-takaful / reinsurance balances receivable – net	908,836	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	(4,296)	(133)	(4,429)
Balance at June 30, 2022	51,304	-	51,304
Balance at December 31, 2021	55,600	133	55,733

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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.

8. INVESTMENTS

Investments are classified as follows:

SAR'000	Notes	Takaful operations	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
- Investments mandatorily measured at FVSI (mutual funds)	8 (a)	493,353	431,121
- Investments designated as FVOCI (equity shares)	8 (b)	28,306	33,893
- Investments held at amortised cost (deposits and sukuks)	8 (c)	1,596,540	1,519,723
Total		2,118,199	1,984,737

SAR'000		Shareholders' operations	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
- Investments mandatorily measured at FVSI (mutual funds)	8 (a)	110,785	95,783
- Investments designated as FVOCI (equity shares)	8 (b)	390,408	401,391
- Investments held at amortised cost (deposits and sukuks)	8 (c)	319,830	369,843
Total		821,023	867,017

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8. INVESTMENTS (continued)

Movement in the investment balance is as follows:

a) Investments mandatorily measured at FVSI (mutual funds)

	Takaful operations	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
SAR'000		
At the beginning of the period / year	431,121	461,621
Purchased during the period / year	710,718	1,546,008
Sold during the period / year	(662,137)	(1,603,023)
Net change in fair values during the period / year	13,651	26,515
At the end of the period / year	493,353	431,121
	Shareholders' operations	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
SAR'000		
At the beginning of the period / year	95,783	72,098
Purchased during the period / year	167,500	807,162
Sold during the period / year	(152,773)	(783,886)
Net change in fair values during the period / year	275	409
At the end of the period / year	110,785	95,783
Total	604,138	526,904

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8. INVESTMENTS (continued)

b) Investments designated as FVOCI (equity shares)

SAR'000	Takaful operations	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	33,893	30,107
Changes in fair value of investments	(5,587)	3,786
Closing balance	28,306	33,893

SAR'000	Shareholders' operations	
	June 30, 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
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	(10,983)	55,353
Closing balance of equity shares portfolio	390,408	401,391
Portfolio balance with Al Rajhi Capital at the end of the period	382,866	393,849
Equity - unlisted shares	7,542	7,542
At the end of the period / year	390,408	401,391
Total	418,714	435,284

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8. INVESTMENTS (continued)

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

Investments in Murabaha deposits and Sukuk 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 Sukuk 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	
	June 30,	December 31,
	2022	2021
	(Unaudited)	(Audited)
At the beginning of the period / year		
Murabaha deposits	1,100,000	1,040,000
Sukuk	420,630	189,834
Purchases	376,853	492,022
Disposals / maturities	(300,000)	(201,226)
At the end of the period / year, gross	1,597,483	1,520,630
Less: Impairment loss	(943)	(907)
At the end of the period / year, net	1,596,540	1,519,723

SAR'000	SAR' 000	
	Shareholders' operations	
	June 30,	December 31,
	2022	2021
	(Unaudited)	(Audited)
At the beginning of the period / year		
Murabaha deposits	100,000	100,000
Sukuk	269,966	50,075
Purchased during the period / year	125,000	339,965
Maturities during the period / year	(175,000)	(120,074)
At the end of the period / year, gross	319,966	369,966
Less: Impairment loss	(136)	(123)
At the end of the period / year, net	319,830	369,843
Total	1,916,370	1,889,566

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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

June 30, 2022 (Unaudited)					
Financial statement line item	Stage 1	Stage 2	Stage 3	Total	December 31, 2021
	12-month ECL	Lifetime ECL	Lifetime ECL		
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Bank balances and cash	236,484	-	-	236,484	471,552
Investments held at amortised cost	1,597,483	-	-	1,597,483	1,520,630
Gross carrying amount	1,833,967	-	-	1,833,967	1,992,182
Loss allowance	(943)	-	-	(943)	(907)
Carrying amount	1,833,024	-	-	1,833,024	1,991,275

June 30, 2022 (Unaudited)					
Credit grade	Stage 1	Stage 2	Stage 3	Total	December 31, 2020
	12-month ECL	Lifetime ECL	Lifetime ECL		
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Investment grade	1,833,967	-	-	1,833,967	1,992,182
Non investment grade	-	-	-	-	-
Gross carrying amount	1,833,967	-	-	1,833,967	1,992,182
Loss allowance	(943)	-	-	(943)	(907)
Carrying amount	1,833,024	-	-	1,833,024	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.

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8. INVESTMENTS (continued)

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

ii) Shareholders' operations

Financial statement line item	June 30, 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	14,687	-	-	14,687	27,444
Investments held at amortised cost	319,966	-	-	319,966	369,966
Statutory deposit	40,000	-	-	40,000	40,000
Gross carrying amount	374,653	-	-	374,653	437,410
Loss allowance	(136)	-	-	(136)	(151)
Carrying amount	374,517	-	-	374,517	437,259

Credit grade	June 30, 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	374,653	-	-	374,653	437,410
Non investment grade	-	-	-	-	-
Gross carrying amount	374,653	-	-	374,653	437,410
Loss allowance	(136)	-	-	(136)	(151)
Carrying amount	374,517	-	-	374,517	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.

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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	216	-	-	216
Net re-measurement of loss allowance	-	-	-	-
Financial assets derecognised during the period	(180)	-	-	(180)
Write-offs	-	-	-	-
Total loss allowance for the period	36	-	-	36
Loss allowance as at June 30, 2022	943	-	-	943

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	90	-	-	90
Net re-measurement of loss allowance	-	-	-	-
Financial assets derecognised during the period	(76)	-	-	(76)
Write-offs	-	-	-	-
Total loss allowance for the period	14	-	-	14
Loss allowance as at June 30, 2022	165	-	-	165

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9. TECHNICAL RESERVES

9.1 Net outstanding claims and reserves

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

SAR'000	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Outstanding claims	756,866	599,732
Less: Realizable value of salvage and subrogation	(159,736)	(128,450)
	597,130	471,282
Claims incurred but not reported	880,143	881,625
Contribution deficiency reserve	85,771	64,301
	1,563,044	1,417,208
Unit linked liabilities at FVSI	237,096	217,611
	1,800,140	1,634,819
Less:		
Re-takaful / reinsurance share of outstanding claims	277,944	207,122
Re-takaful / reinsurance share of claims incurred but not reported	148,418	60,387
	426,362	267,509
Net outstanding claims and reserves	1,373,778	1,367,310

9.2 Movement in unearned contributions

Movement in unearned contributions comprise of the following:

SAR'000	Six month period ended June 30, 2022 (Unaudited)			
	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	1,756,148	(506,438)	(6,501)	1,243,209
Contribution earned during the period	(1,496,265)	332,882	6,501	(1,156,882)
Balance at the end of the period	1,428,349	(400,840)	-	1,027,509

SAR'000	Year ended December 31, 2021 (Audited)			
	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

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10. COMMITMENTS AND CONTINGENCIES

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

SAR'000	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Letters of guarantee	50,987	40,190
Total	50,987	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.

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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
June 30, 2022 (Unaudited)					
Financial assets measured at fair value					
- Investments mandatorily measured at FVSI	604,138	-	604,138	-	604,138
- Investments designated as FVOCI – Quoted securities	411,172	411,172	-	-	411,172
- Investments designated as FVOCI – Unquoted securities	7,542	-	-	7,542	7,542
	1,022,852	411,172	604,138	7,542	1,022,852
Financial assets not measured at fair value					
- Cash and bank balances	251,171	-	-	-	251,171
- Investments held at amortised cost	1,916,370	-	-	-	1,916,370
- Statutory deposit	39,971	-	-	-	39,971
- Other assets	30,013	-	-	-	30,013
	2,237,525	-	-	-	2,237,525
		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	526,904	458,232	68,672	-	526,904
- Investments designated as FVOCI – Quoted securities	427,742	427,742	-	-	427,742
- Investments designated as FVOCI – Unquoted securities	7,542	-	-	7,542	7,542
	962,188	885,974	68,672	7,542	962,188
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
	2,455,165	-	-	-	2,455,165

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

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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
June 30, 2022 (Unaudited)					
Financial liabilities measured at fair value					
- Unit linked liabilities at FVSI	237,096	-	237,096	-	237,096
	237,096	-	237,096	-	237,096

	Fair value				
SAR'000s	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
	217,611	-	217,611	-	217,611

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 June 30, 2022	7,542

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

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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 June 30, 2022 and December 31, 2021, its total revenues, expenses, and net income for period ended, are as follows:

	For the three month period ended June 30, 2022 (Unaudited)				
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	13,571	163,413	4,932	33,929	215,845
Very small	-	17,140	-	-	17,140
Small	-	11,742	-	-	11,742
Medium	1,842	19,250	4	-	21,096
Corporate	239,157	112,682	217,991	130,835	700,665
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>254,570</u>	<u>324,227</u>	<u>222,927</u>	<u>164,764</u>	<u>966,488</u>
	For the three month period ended June 30, 2021 (Unaudited)				
Customers' category	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	12,690	155,205	2,188	26,766	196,848
Very small	1,416	-	-	-	1,416
Small	6,025	55,614	959	-	62,598
Medium	8,631	24,999	6,566	-	40,197
Corporate	43,485	176,858	206,742	29,960	457,045
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	<u>72,247</u>	<u>412,676</u>	<u>216,455</u>	<u>56,726</u>	<u>758,104</u>

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12. OPERATING SEGMENTS (continued)

**For the six month period ended June 30, 2022
(Unaudited)**

Customers' category					
			Property & casualty	Protection & Savings	Total
	Medical	Motor	SAR'000		
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	27,678	307,388	7,047	66,228	408,341
Very small	1,852	17,140	-	-	18,992
Small	7,879	59,691	-	-	67,570
Medium	14,805	34,141	39	-	48,985
Corporate	311,103	281,602	376,077	243,478	1,212,260
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	363,317	699,962	383,163	309,706	1,756,148

**For the six month period ended June 30, 2021
(Unaudited)**

Customers' category					
			Property & casualty	Protection & Savings	Total
	Medical	Motor	SAR'000		
<u>GROSS CONTRIBUTION WRITTEN</u>					
Retail	19,570	445,160	3,017	49,456	517,202
Very small	3,325	-	-	-	3,325
Small	14,146	57,379	959	-	72,484
Medium	18,130	53,621	6,637	-	78,389
Corporate	82,724	392,526	294,117	56,980	826,347
<u>TOTAL GROSS CONTRIBUTION WRITTEN</u>	137,895	948,686	304,730	106,436	1,497,747

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12. OPERATING SEGMENTS (continued)

As at June 30, 2022 (Unaudited)						
Operating segments	Takaful operations					
	Medical	Motor	Property & Casualty	Protection & Savings	Total - Takaful operations	Shareholders' operations
SAR'000						
Assets:						
Cash and bank balances	-	-	-	-	236,484	14,687
Contributions and re-takaful / reinsurance balances receivable – net	-	-	-	-	908,836	-
Re-takaful / reinsurance share of unearned contributions	-	3,579	379,620	17,641	400,840	-
Re-takaful / reinsurance share of outstanding claims	-	11,717	115,970	150,257	277,944	-
Re-takaful / reinsurance share of claims incurred but not reported	-	-	42,743	105,675	148,418	-
Deferred policy acquisition costs	13,818	100,458	16,644	393	131,313	-
Investments mandatorily measured at FVSI	-	-	-	-	493,353	110,785
Investments designated as FVOCI	-	-	-	-	28,306	390,408
Investments held at amortised cost	-	-	-	-	1,596,540	319,830
Right-of-use assets	-	-	-	-	-	51,305
Unallocated assets	-	-	-	-	(363,721)	600,578
Total assets	13,818	115,754	554,977	273,966	3,858,313	1,487,593
Liabilities:						
Unearned contributions	343,066	666,567	392,613	26,103	1,428,349	-
Unearned re-takaful / reinsurance commission	-	13	29,864	-	29,877	-
Gross outstanding claims	17,531	262,070	123,432	194,097	597,130	-
Claims incurred but not reported	154,965	532,686	51,164	141,328	880,143	-
Contribution deficiency reserve	8,152	74,689	2,797	133	85,771	-
Lease obligations	-	-	-	-	46,502	55,080
Unallocated liabilities, equity and surplus	-	-	-	-	790,541	1,432,513
Total liabilities, accumulated surplus and equity	523,714	1,536,025	599,870	361,661	3,858,313	1,487,593
						5,345,906

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12. OPERATING SEGMENTS (continued)

As at December 31, 2021
(Audited)

	Takaful operations					Shareholders' operations	Total
	Medical	Motor	Property & casualty	Protection & Savings	Total - Takaful operations		
Operating segments							
					SAR '000		
Assets:							
Cash and bank balances	-	-	-	-	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	-	-	-	-	-	55,732	55,732
Unallocated assets	-	-	-	-	(293,609)	509,166	215,557
Total assets	8,691	111,933	337,311	146,798	3,181,959	1,459,359	4,641,318
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

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12. OPERATING SEGMENTS (continued)

For the three month period ended June 30, 2022					
(Unaudited)					
Operating segments	Medical	Motor	Property & Casualty	Protection & Savings	Total
SAR'000					
<u>REVENUES</u>					
Gross contributions written	254,570	324,227	222,927	164,764	966,488
Re-takaful / reinsurance contributions ceded	-	(861)	(214,881)	(79,530)	(295,272)
Excess of loss expenses (XOL)	-	(1,843)	(1,408)	-	(3,251)
Net contributions written	254,570	321,523	6,638	85,234	667,965
Changes in unearned contributions, net	(137,598)	46,566	3,880	(1,560)	(88,712)
Net contributions earned	116,972	368,089	10,518	83,674	579,253
Re-takaful / reinsurance commission income	-	214	7,401	-	7,615
Other underwriting income	-	688	16	90	794
<u>TOTAL REVENUES</u>	116,972	368,991	17,935	83,764	587,662
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(75,432)	(339,484)	(12,894)	(59,310)	(487,120)
Surrender and maturities	-	-	-	(14,140)	(14,140)
Expenses incurred related to claims	(1,102)	(6,872)	-	-	(7,974)
Re-takaful / reinsurance share of claims paid	-	-	12,506	45,100	57,606
Net claims and other benefits paid	(76,534)	(346,356)	(388)	(28,350)	(451,628)
Changes in outstanding claims, net	(4,747)	(38,181)	(450)	(5,829)	(49,207)
Changes in incurred but not reported (IBNR) claims, net	(17,778)	100,967	4,938	(10,291)	77,836
Contribution deficiency reserve	4,486	(13,081)	(1,050)	663	(8,982)
Net claims and other benefits incurred	(94,573)	(296,651)	3,050	(43,807)	(431,981)
Change in unit linked liabilities at FVSI, net	-	-	-	(13,715)	(13,715)
Policy acquisition costs	(4,335)	(39,444)	(1,833)	(10,128)	(55,740)
Other underwriting expenses	(3,981)	(2,579)	(1,739)	(1,298)	(9,597)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(102,889)	(338,674)	(522)	(68,948)	(511,033)
NET UNDERWRITING INCOME	14,083	30,317	17,413	14,816	76,629
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable					(9,849)
General and administrative expenses					(63,149)
Special commission income					14,975
Net gains on investments mandatorily measured					2,147
Dividend income					3,427
Impairment loss on financial assets					68
Other income					-
<u>NET INCOME FOR THE PERIOD BEFORE ZAKAT</u>					24,248

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12. OPERATING SEGMENTS (continued)

For the three month period ended June 30, 2021					
(Unaudited)					
Operating segments	Medical	Motor	Property & casualty	Protection & Savings	Total
	SAR'000				
<u>REVENUES</u>					
Gross contributions written	72,247	412,676	216,455	56,726	758,104
Re-takaful / reinsurance contributions ceded	-	(5,846)	(198,800)	(20,896)	(225,542)
Excess of loss expenses (XOL)	-	(1,623)	(1,054)	-	(2,677)
Net contributions written	72,247	405,207	16,601	35,830	529,885
Changes in unearned contributions. net	(3,223)	54,656	(8,382)	(594)	42,457
Net contributions earned	69,024	459,863	8,219	35,236	572,342
Re-takaful / reinsurance commission income	-	(285)	9,543	-	9,258
Other underwriting income	-	737	16	819	1,572
<u>TOTAL REVENUES</u>	69,024	460,315	17,778	36,055	583,172
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(60,973)	(349,501)	(4,759)	(37,036)	(452,269)
Surrender and maturities	-	-	-	(5,840)	(5,840)
Expenses incurred related to claims	62	(7,117)	-	-	(7,055)
Re-takaful / reinsurance share of claims paid	-	3,358	4,178	27,790	35,326
Net claims and other benefits paid	(60,911)	(353,260)	(581)	(15,086)	(429,838)
Changes in outstanding claims, net	(2,839)	(8,730)	(281)	(6,679)	(18,529)
Changes in incurred but not reported (IBNR) claims, net	(3,098)	7,383	(373)	(5,007)	(1,095)
Change in contribution deficiency reserve	6,238	20,960	(600)	(584)	26,014
Net claims and other benefits incurred	(60,610)	(333,647)	(1,835)	(27,356)	(423,448)
Change in unit linked liabilities at FVSI	-	-	-	(16,406)	(16,406)
Policy acquisition costs	(5,580)	(37,326)	(2,432)	(2,206)	(47,544)
Other underwriting expenses	(985)	2,957	(1,730)	(462)	(220)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(67,175)	(368,016)	(5,997)	(46,430)	(487,618)
NET UNDERWRITING INCOME	1,849	92,299	11,781	(10,375)	95,554
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable					(2,026)
General and administrative expenses					(62,462)
Special commission income					12,530
Net gains on investments mandatorily measured at FVSI					3,500
Dividend income					3,043
Reversal of impairment loss on financial assets					(72)
Other income					135
<u>NET INCOME FOR THE PERIOD BEFORE ZAKAT</u>					50,202

12. OPERATING SEGMENTS (continued)

For the six month period ended June 30, 2022 (Unaudited)					
Operating segments	Medical	Motor	Property & Casualty	Protection & Savings	Total
	SAR'000				
<u>REVENUES</u>					
Gross contributions written	363,317	699,962	383,163	309,706	1,756,148
Re-takaful / reinsurance contributions ceded	-	496	(365,386)	(141,548)	(506,438)
Excess of loss expenses (XOL)	-	(3,686)	(2,815)	-	(6,501)
Net contributions written	363,317	696,772	14,962	168,158	1,243,209
Changes in unearned contributions, net	(153,411)	61,699	6,098	(713)	(86,327)
Net contributions earned	209,906	758,471	21,060	167,445	1,156,882
Re-takaful / reinsurance commission income	-	1,326	20,303	-	21,629
Other underwriting income	-	1,507	25	1,230	2,762
<u>TOTAL REVENUES</u>	209,906	761,304	41,388	168,675	1,181,273
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(140,307)	(669,668)	(14,323)	(110,521)	(934,819)
Surrender and maturities	-	-	-	(23,172)	(23,172)
Expenses incurred related to claims	(1,957)	(17,889)	(28)	-	(19,874)
Re-takaful / reinsurance share of claims paid	-	2,739	13,441	84,386	100,566
Net claims and other benefits paid	(142,264)	(684,818)	(910)	(49,307)	(877,299)
Changes in outstanding claims, net	(6,626)	(31,714)	(509)	(16,177)	(55,026)
Changes in incurred but not reported (IBNR) claims, net	(26,038)	137,995	1,231	(23,675)	89,513
Contribution deficiency reserve	7,805	(28,304)	(1,567)	596	(21,470)
Net claims and other benefits incurred	(167,123)	(606,841)	(1,755)	(88,563)	(864,282)
Change in unit linked liabilities at FVSI, net	-	-	-	(29,412)	(29,412)
Policy acquisition costs	(8,658)	(94,191)	(6,669)	(16,466)	(125,984)
Other underwriting expenses	(5,534)	(6,689)	(2,726)	(2,870)	(17,819)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(181,315)	(707,721)	(11,150)	(137,311)	(1,037,497)
NET UNDERWRITING INCOME	28,591	53,583	30,238	31,364	143,776
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable					3,696
General and administrative expenses					(122,973)
Special commission income					29,387
Net gains on investments mandatorily measured at FVSI					8,968
Dividend income					6,145
Reversal of impairment loss on financial assets					(49)
Other income					(28)
<u>NET INCOME FOR THE PERIOD BEFORE ZAKAT</u>					68,922

12. OPERATING SEGMENTS (continued)

For the six month period ended June 30, 2021 (Unaudited)					
Operating segments	Medical	Motor	Property & Casualty	Protection & Savings	Total
			SAR'000		
<u>REVENUES</u>					
Gross contributions written	137,895	948,686	304,730	106,436	1,497,747
Re-takaful / reinsurance contributions ceded	-	(5,727)	(279,142)	(38,677)	(323,546)
Excess of loss expenses (XOL)	-	(3,246)	(2,108)	-	(5,354)
Net contributions written	137,895	939,713	23,480	67,759	1,168,847
Changes in unearned contributions, net	(6,766)	(19,909)	(6,803)	(1,528)	(35,006)
Net contributions earned	131,129	919,804	16,677	66,231	1,133,841
Re-takaful / reinsurance commission income	-	163	17,750	-	17,913
Other underwriting income	(10)	949	33	1,553	2,525
<u>TOTAL REVENUES</u>	131,119	920,916	34,460	67,784	1,154,279
<u>UNDERWRITING COSTS AND EXPENSES</u>					
Gross claims paid and loss adjustment expenses	(124,642)	(658,482)	(6,185)	(54,537)	(843,846)
Surrender and maturities	-	-	-	(11,491)	(11,491)
Expenses incurred related to claims	(435)	(17,408)	-	-	(17,843)
Re-takaful / reinsurance share of claims paid	-	3,358	5,265	40,733	49,356
Net claims and other benefits paid	(125,077)	(672,532)	(920)	(25,295)	(823,824)
Changes in outstanding claims, net	(2,265)	(19,051)	(1,556)	(7,998)	(30,870)
Changes in incurred but not reported (IBNR) claims, net	(2,385)	63,707	(176)	(6,901)	54,245
Contribution deficiency reserve	3,383	(12,135)	(931)	(584)	(10,267)
Net claims and other benefits incurred	(126,344)	(640,011)	(3,583)	(40,778)	(810,716)
Change in unit linked liabilities at FVSI, net	-	-	-	(26,751)	(26,751)
Policy acquisition costs	(9,770)	(65,645)	(6,930)	(4,400)	(86,745)
Other underwriting expenses	(1,759)	(1,854)	(2,421)	(998)	(7,032)
<u>TOTAL UNDERWRITING COSTS AND EXPENSES</u>	(137,873)	(707,510)	(12,934)	(72,927)	(931,244)
NET UNDERWRITING INCOME	(6,754)	213,406	21,526	(5,143)	223,035
<u>OTHER OPERATING EXPENSES</u>					
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable					(5,852)
General and administrative expenses					(128,150)
Special commission income					24,822
Net gains on investments mandatorily measured at FVSI					6,352
Dividend income					5,579
Reversal of impairment loss on financial assets					(170)
Other income					262
<u>NET INCOME FOR THE PERIOD BEFORE ZAKAT</u>					125,878

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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	
	June 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SAR'000			
<u>Major shareholders</u>				
Gross contribution written	273,571	343,086	148,724	95,806
Claims paid	309,189	217,342	-	-
Claims incurred and notified during the period	391,239	213,227	(319,345)	(101,720)
Reimbursement from related party	-	-	-	-
Bank Balance	-	-	143,478	255,485
Investment in shares of Al Rajhi Banking and Investment Corporation	-	-	60,112	64,575
<u>Entities controlled, jointly controlled or significantly influenced by related parties</u>				
Gross contribution written	19,596	19,509	12,154	1,529
Claims paid	127	8	-	-
Claims incurred and notified during the period	29,046	7,179	(38,598)	(9,679)
Investments managed by affiliates	2,703	3,498	394,775	292,003
Income received from sale of investment in Al Rajhi Capital commodity fund	1,577	3,146	-	-
Investment management fee paid to Al Rajhi Capital	1,507	1,695	-	-

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

	For the period ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	SAR'000	
Salaries and other allowances	2,783	2,697
End of service benefits	1,006	1,845
	3,789	4,542
Shariah committee remuneration	105	120

14. ZAKAT AND INCOME TAX

A summary of Movement in the Zakat and income tax accrued during the six month period ended 30 June 2022 and the year ended 31 December 2021 are as follows:

	June 30, 2022 (Unaudited) SR '000	December 31, 2021 (Audited) SR '000
Balance at beginning of the year	51,341	47,904
Provided during the period / year	5,117	24,158
Payments during the period / year	(11,666)	(20,721)
Balance at end of the period / year	44,792	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 2021.

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 assesment 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:

	June 30, 2022 (Unaudited) SR '000	December 31, 2021 (Audited) SR '000
At the beginning of the period / year	217,611	141,093
Net changes in reserve during the period / year	8,746	50,860
Net change in fair values during the period / year	10,739	25,658
At the end of the period / year	237,096	217,611

16. SHARE CAPITAL

The authorized, issued and paid up share capital of the Company was SAR 400 million at June 30, 2022 (December 31, 2021 SAR 400 million) consisting of 40 million shares (December 31, 2021: 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, 2022 (Unaudited)		
	Authorized and issued No. of shares	SAR'000	Paid up
Al Rajhi Insurance Co. Ltd. (Bahrain)	10,600,000	106,000	106,000
Al Rajhi Banking and Investment Corporation	9,000,000	90,000	90,000
Others	20,400,000	204,000	204,000
	40,000,000	400,000	400,000

	December 31, 2020 (Audited)		
	Authorized and issued No. of Shares	SAR'000	Paid up
Al Rajhi Insurance Co. Ltd. (Bahrain)	10,600,000	106,000	106,000
Al Rajhi Banking and Investment Corporation	9,000,000	90,000	90,000
Oman Insurance Company - Dubai	2,400,000	24,000	24,000
Others	18,000,000	180,000	180,000
	40,000,000	400,000	400,000

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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 June 30, 2022 consists of paid-up share capital of SAR 400 million, statutory reserves of SAR 189.8 million and retained earnings of SAR 641.9 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

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 period ended June 30, 2022 and year ended December 31, 2021 is calculated by dividing the net income for the period/year attributable to the equity holders by 40 million shares. There were no dilutive potential shares in issue as at June 30, 2022 and December 31, 2021.

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19. SUPPLEMENTARY INFORMATION
19.1 Interim Statement of financial position

	SAR '000				
	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations
ASSETS:					
Cash and bank balances	236,484	14,687	251,171	471,552	27,444
Contributions and re-takaful / reinsurance balances receivable - net	908,836	-	908,836	414,546	-
Re-takaful / reinsurance share of unearned contributions	400,840	-	400,840	227,284	-
Re-takaful / reinsurance share of outstanding claims	277,944	-	277,944	207,122	-
Re-takaful / reinsurance share of claims incurred but not reported	148,418	-	148,418	60,387	-
Re-takaful / reinsurance share of mathematical reserve at FVSI	31	-	31	31	-
Deferred policy acquisition costs	131,313	-	131,313	109,940	-
Investments mandatorily measured at FVSI	493,353	110,785	604,138	431,121	95,783
Investments designated as FVOCI	28,306	390,408	418,714	33,893	401,391
Due (to)/ from shareholders' / takaful operations	(439,966)	439,966	-	(358,969)	358,969
Investments held at amortised cost	1,596,540	319,830	1,916,370	1,519,723	369,843
Prepayments and other assets	76,214	38,498	114,712	65,329	23,383
Property and equipment	-	77,824	77,824	-	83,216
Statutory deposit	-	39,971	39,971	-	39,971
Accrued income on statutory deposit	-	4,320	4,320	-	3,626
Right-of-use assets	-	51,304	51,304	-	55,733
TOTAL ASSETS	3,858,313	1,487,593	5,345,906	3,181,959	1,459,359
					4,641,318

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19. SUPPLEMENTARY INFORMATION (continued)

19.1 Interim Statement of financial position (continued)

	SAR '000		
	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)
	Takaful operations	Shareholders' operations	Total

Takaful operations' surplus payable

TOTAL LIABILITIES AND ACCUMULATED SURPLUS

EQUITY:

Share capital

Statutory reserve

Retained earnings

Remeasurement reserve for EOSB

Fair value reserve - Investments designated as FVOCI

TOTAL EQUITY

TOTAL LIABILITIES, ACCUMULATED SURPLUS AND EQUITY

	-	400,000	400,000	-	400,000	400,000
	-	189,792	189,792	-	178,186	178,186
	-	641,975	641,975	-	595,551	595,551
	-	(7,327)	(7,327)	-	(7,327)	(7,327)
	(2,731)	90,167	87,436	2,855	101,151	104,006
	(2,731)	1,314,607	1,311,876	2,855	1,267,561	1,270,416
	3,858,313	1,487,593	5,345,906	3,181,959	1,459,359	4,641,318

COMMITMENTS AND CONTINGENCIES

50,987	-	50,987	40,190	-	40,190
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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					
	June 30, 2022			June 30, 2021		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
REVENUES						
Gross contributions written	966,488	-	966,488	758,104	-	758,104
Re-takaful / reinsurance contributions ceded - domestic	(1,769)	-	(1,769)	(5,048)	-	(5,048)
Re-takaful / reinsurance contributions ceded - foreign	(293,503)	-	(293,503)	(220,494)	-	(220,494)
Excess of loss expenses – foreign	(3,251)	-	(3,251)	(2,677)	-	(2,677)
Net contributions written	667,965	-	667,965	529,885	-	529,885
Changes in unearned contributions, net	(88,712)	-	(88,712)	42,457	-	42,457
Net contributions earned	579,253	-	579,253	572,342	-	572,342
Re-takaful / reinsurance commission income	7,615	-	7,615	9,258	-	9,258
Other underwriting income	794	-	794	1,572	-	1,572
TOTAL REVENUES	587,662	-	587,662	583,172	-	583,172
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid and loss adjustment expenses	(487,120)	-	(487,120)	(452,269)	-	(452,269)
Surrenders and maturities	(14,140)	-	(14,140)	(5,840)	-	(5,840)
Expenses incurred related to claims	(7,974)	-	(7,974)	(7,055)	-	(7,055)
Reinsurers' share of claims paid	57,606	-	57,606	35,326	-	35,326
Net claims and other benefits paid	(451,628)	-	(451,628)	(429,838)	-	(429,838)
Changes in outstanding claims, net	(49,207)	-	(49,207)	(18,529)	-	(18,529)
Changes in incurred but not reported (IBNR) claims, net	77,836	-	77,836	(1,095)	-	(1,095)
Change in contribution deficiency reserve	(8,982)	-	(8,982)	26,014	-	26,014
Net claims and other benefits incurred	(431,981)	-	(431,981)	(423,448)	-	(423,448)
Change in unit linked liabilities at FVSI, net	(13,715)	-	(13,715)	(16,406)	-	(16,406)
Policy acquisition costs	(55,740)	-	(55,740)	(47,544)	-	(47,544)
Other underwriting expenses	(9,597)	-	(9,597)	(220)	-	(220)
TOTAL UNDERWRITING COSTS AND EXPENSES	(511,033)	-	(511,033)	(487,618)	-	(487,618)
NET UNDERWRITING INCOME	76,629	-	76,629	95,554	-	95,554
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts - contribution and re-takaful / reinsurance balances receivable	(9,849)	-	(9,849)	(2,026)	-	(2,026)
Management fee for administration of takaful operations	(63,149)	63,149	-	(62,462)	62,462	-
General and administrative expenses	-	(63,149)	(63,149)	-	(62,462)	(62,462)
Special commission income	13,010	1,965	14,975	11,479	1,051	12,530
Net gains on investments mandatorily measured at FVSI	1,838	309	2,147	2,831	669	3,500
Dividend income	-	3,427	3,427	-	3,043	3,043
Reversal of impairment loss on financial assets	50	18	68	(130)	58	(72)
Other income	-	-	-	-	135	135
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(58,100)	5,719	(52,381)	(50,308)	4,956	(45,352)
NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE	18,529	5,719	24,248	45,246	4,956	50,202
Management fee attributable to shareholders' operations	(16,676)	16,676	-	(40,721)	40,721	-
NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE	1,853	22,395	24,248	4,525	45,677	50,202
Provision for zakat	-	(2,017)	(2,017)	-	(7,200)	(7,200)
Net income for the period after zakat	1,853	20,378	22,231	4,525	38,477	43,002

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

19. SUPPLEMENTARY INFORMATION (continued)

19.2 Interim Statement of income (continued)

(For the six month period ended)

	SAR '000					
	June 30, 2021			June 30, 2021		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
REVENUES						
Gross contributions written	1,756,148	-	1,756,148	1,497,747	-	1,497,747
Re-takaful / reinsurance contributions ceded - domestic	(2,096)	-	(2,096)	(7,316)	-	(7,316)
Re-takaful / reinsurance contributions ceded - foreign	(504,342)	-	(504,342)	(316,230)	-	(316,230)
Excess of loss expenses – foreign	(6,501)	-	(6,501)	(5,354)	-	(5,354)
Net contributions written	1,243,209	-	1,243,209	1,168,847	-	1,168,847
Changes in unearned contributions, net	(86,327)	-	(86,327)	(35,006)	-	(35,006)
Net contributions earned	1,156,882	-	1,156,882	1,133,841	-	1,133,841
Re-takaful / reinsurance commission income	21,629	-	21,629	17,913	-	17,913
Other underwriting income	2,762	-	2,762	2,525	-	2,525
TOTAL REVENUES	1,181,273	-	1,181,273	1,154,279	-	1,154,279
UNDERWRITING COSTS AND EXPENSES						
Gross claims paid and loss adjustment expenses	(934,819)	-	(934,819)	(843,846)	-	(843,846)
Surrenders and maturities	(23,172)	-	(23,172)	(11,491)	-	(11,491)
Expenses incurred related to claims	(19,874)	-	(19,874)	(17,843)	-	(17,843)
Reinsurers' share of claims paid	100,566	-	100,566	49,356	-	49,356
Net claims and other benefits paid	(877,299)	-	(877,299)	(823,824)	-	(823,824)
Changes in outstanding claims, net	(55,026)	-	(55,026)	(30,870)	-	(30,870)
Changes in incurred but not reported (IBNR) claims	89,513	-	89,513	54,245	-	54,245
Change in contribution deficiency reserve	(21,470)	-	(21,470)	(10,267)	-	(10,267)
Net claims and other benefits incurred	(864,282)	-	(864,282)	(810,716)	-	(810,716)
Change in unit linked liabilities at FVSI, net	(29,412)	-	(29,412)	(26,751)	-	(26,751)
Policy acquisition costs	(125,984)	-	(125,984)	(86,745)	-	(86,745)
Other underwriting expenses	(17,819)	-	(17,819)	(7,032)	-	(7,032)
TOTAL UNDERWRITING COSTS AND EXPENSES	(1,037,497)	-	(1,037,497)	(931,244)	-	(931,244)
NET UNDERWRITING INCOME	143,776	-	143,776	223,035	-	223,035
OTHER OPERATING (EXPENSES)/ INCOME						
Allowance for doubtful debts - contribution and retakaful / reinsurance balances receivable	3,696	-	3,696	(5,852)	-	(5,852)
Management fee for administration of takaful operations	(122,973)	122,973	-	(128,150)	128,150	-
General and administrative expenses	-	(122,973)	(122,973)	-	(128,150)	(128,150)
Special commission income	25,653	3,734	29,387	22,950	1,872	24,822
Net gains on investments mandatorily measured at FVSI	7,632	1,336	8,968	4,928	1,424	6,352
Dividend income	-	6,145	6,145	-	5,579	5,579
Reversal of impairment loss on financial assets	(35)	(14)	(49)	38	(208)	(170)
Other income	-	(28)	(28)	-	262	262
TOTAL OTHER OPERATING (EXPENSES)/ INCOME	(86,027)	11,173	(74,854)	(106,086)	8,929	(97,157)
NET INCOME FOR THE PERIOD BEFORE ATTRIBUTION OF MANAGEMENT FEE	57,749	11,173	68,922	116,949	8,929	125,878
Management fee attributable to shareholders' operations	(51,974)	51,974	-	(105,254)	105,254	-
NET INCOME FOR THE PERIOD AFTER ATTRIBUTION OF MANAGEMENT FEE	5,775	63,147	68,922	11,695	114,183	125,878
Provision for zakat	-	(5,117)	(5,117)	-	(14,000)	(14,000)
Net income for the period after zakat	5,775	58,030	63,805	11,695	100,183	111,878

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					
	June 30, 2022			June 30, 2021		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
Net income after attribution of management fee to shareholders' operations	1,853	20,378	22,231	4,525	38,477	43,002
Other comprehensive (loss) / income :						
Items that will not be reclassified to statement of income in subsequent periods						
- Net change in fair value in investments designated as FVOCI	(5,897)	(53,800)	(59,697)	5,866	15,575	21,441
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(4,044)	(33,422)	(37,466)	10,391	54,052	64,443

Reconciliation:

Less: Net income attributable to takaful operation	(1,853)	(4,525)
Total comprehensive (loss) / income for the period	(39,319)	59,918

	For the six month period ended					
	(Unaudited)					
	SAR '000					
	June 30, 2022			June 30, 2021		
	Takaful operations	Shareholders' operations	Total	Takaful operations	Shareholders' operations	Total
Net income after attribution of management fee to shareholders' operations	5,775	58,030	63,805	11,695	100,183	111,878
Other comprehensive (loss) / income:						
Items that will not be reclassified to statement of income in subsequent periods						
- Net change in fair value in investments designated as FVOCI	(5,587)	(10,983)	(16,570)	6,766	49,052	55,818
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	188	47,047	47,235	18,461	149,235	167,696

Reconciliation:

Less: Net income attributable to takaful operation	(5,775)	(11,695)
Total comprehensive income for the period	41,460	156,001

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

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**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
	June 30, 2022	June 30, 2022		June 30, 2021	June 30, 2021
Gross outstanding claims	125,848	-	125,848	95,934	-
Claims Incurred but not reported	(1,482)	-	(1,482)	(31,456)	-
Contribution deficiency reserve	21,470	-	21,470	10,267	-
Deposit against letters of guarantee	(10,797)	-	(10,797)	(8,142)	-
	(16,334)	(112,326)	(128,660)	240,078	(124,449)
Management fee (paid) / received	(93,948)	93,948	-	(533,451)	533,451
Zakat paid	-	(11,666)	(11,666)	-	(20,721)
Takaful operations' surplus paid	(10,149)	-	(10,149)	(3)	-
End-of-service benefits paid (EOSB)	-	(2,870)	(2,870)	-	(4,787)
Net cash generated from operating activities	(120,431)	(32,914)	(153,345)	(293,376)	383,494
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments mandatorily measured at FVSI	(710,718)	(167,500)	(878,218)	(866,636)	(469,162)
Disposals of investments mandatorily measured at FVSI	662,137	152,773	814,910	861,806	424,217
Purchase of investments designated as FVOCI	-	-	-	-	(28,097)
Disposals of investments designated as FVOCI	-	-	-	-	11,733
Movement in cash balance in equity share portfolio	-	-	-	-	-
Purchase of investments held at amortised cost	(376,853)	(125,000)	(501,853)	(314,770)	(164,999)
Disposal of investments held at amortised cost	300,000	175,000	475,000	176,169	20,074
Additions in property and equipment	-	(5,791)	(5,791)	-	(23,611)
Net cash (used in) / generated from investing activities	(125,434)	29,482	(95,952)	(143,431)	(229,845)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease liability paid	-	(9,325)	(9,325)	-	(10,704)
Net cash generated from / (used in) financing activities	-	(9,325)	(9,325)	-	(10,704)
Net change in cash and cash equivalents	(245,865)	(12,757)	(258,622)	(436,807)	142,945
Cash and cash equivalents, beginning of the period	431,362	22,735	454,097	810,564	37,548
Cash and cash equivalents, end of the period	185,497	9,978	195,475	373,757	180,493
NON-CASH INFORMATION					
Changes in fair value of investments designated as FVOCI	(5,587)	(10,983)	(16,570)	6,766	49,052
					55,818

20. APPROVAL OF THE FINANCIAL STATEMENTS

These Interim condensed financial information were approved by the Board of Directors of the Company, on Muharram 10, 1444, corresponding August 8, 2022.