

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
(UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025**

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

(UNAUDITED)

AS AT JUNE 30, 2025

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El Sayed El Ayouty & Co.
Certified Public Accountants
An Independent Member Firm of Moore Global

THE INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF
WALAA COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)
Kingdom of Saudi Arabia

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of **Walaa Cooperative Insurance Company (the "Company")** as at 30 June 2025, and the related interim condensed statements of income and other comprehensive income for the three and six months periods then ended and changes in shareholders' equity and cash flows for the six months period then ended and a summary of material accounting policies and other explanatory notes ("interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at and for the three and six months periods ended 30 June 2025 of the Company are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

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11 Aug 2025
17 Safar, 1447H



WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		June 30, 2025	December 31, 2024
	Notes	(Unaudited)	(Audited)
		SAR "000"	
Assets			
Cash and cash equivalents	8	516,873	962,268
Short term deposits	8	336,230	296,709
Prepaid expenses and other assets		81,549	86,460
Reinsurance contract assets for non unit-linked business	4.2	680,358	741,129
Reinsurance contract assets for unit-linked business	4.2	-	164
Financial assets for unit-linked insurance contracts		514,788	536,185
Due from shareholders' operations		29,030	1,940
Statutory deposit		127,558	127,558
Accrued income on statutory deposit		3,515	19
Investments	9	1,327,032	1,388,722
Long term deposits		440,907	409,741
Property and equipment, net	13	58,196	50,960
Right of use assets, net	10	20,016	23,183
Intangible assets	12	111,867	116,460
Goodwill	11	76,729	24,415
Total assets		4,324,648	4,765,913
Liabilities and equity			
Liabilities			
Insurance contract liabilities for non unit-linked business	4.1	1,808,365	2,129,850
Insurance contract liabilities for unit-linked business	4.1	518,713	543,959
Reinsurance contract liabilities for non unit-linked business	4.2	4,460	3,302
Reinsurance contract liabilities for unit-linked business	4.2	197	-
Accrued expenses and other liabilities	14	139,411	160,313
Lease liabilities		17,080	21,534
Accrued income on statutory deposit payable to Insurance Authority		3,515	19
Due to insurance operations		29,030	1,940
Provision for zakat and income tax	19	50,278	42,963
Provision for end-of-service benefits (EOSB)		39,524	38,015
Total liabilities		2,610,573	2,941,895
Equity			
Share capital	20	1,275,583	1,275,583
Share premium	20	228,280	228,280
Statutory reserve		92,775	92,775
Fair value reserve for investments measured at fair value	9	122,165	117,149
Retained earnings		490	117,794
Total shareholders' equity		1,719,293	1,831,581
Remeasurement of EOSB related to insurance operations		(7,563)	(7,563)
Minority interest	11	2,345	-
Total equity		1,714,075	1,824,018
Total liabilities and equity		4,324,648	4,765,913

Chief Financial Officer

Chief Executive Officer

Board member

The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

	Notes	Three-month period ended		Six-month period ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		SAR "000"		SAR "000"	
Insurance revenue	5.1	686,813	796,176	1,475,032	1,563,249
Insurance service expenses	5.2	(423,054)	(478,655)	(853,648)	(994,678)
Insurance service results before reinsurance contracts held		263,759	317,521	621,384	568,571
Allocation of reinsurance premiums	5.3	(320,617)	(321,172)	(748,429)	(638,210)
Amounts recoverable from reinsurers for incurred claims	5.4	4,732	9,436	26,538	61,075
Net expenses from reinsurance contracts held		(315,885)	(311,736)	(721,891)	(577,135)
Insurance service results		(52,126)	5,785	(100,507)	(8,564)
Commission income on investments and deposits		22,829	18,482	45,801	39,590
Dividends on investments		4,399	5,839	7,866	9,513
Realized (loss) / gain on investments measured at fair value	9.1	(2,589)	4,284	(8,976)	16,698
Unrealized (loss) / gain on investments measured at fair value	9.1	(5,957)	8,366	(28,600)	15,537
Change in expected credit losses on financial assets		6	14	(1)	9
Net investment income		18,688	36,985	16,090	81,347
Finance expense from insurance contracts issued		(5,441)	(8,531)	(14,731)	(16,072)
Finance income from reinsurance contracts held		3,398	5,088	9,123	10,221
Net insurance finance expenses		(2,043)	(3,443)	(5,608)	(5,851)
Net insurance and investment results		(35,481)	39,327	(90,025)	66,932
Other operating income		2,456	-	2,456	-
Other income		759	758	1,444	21,773
Other operating expenses	7	(11,911)	(13,148)	(21,002)	(19,154)
Net (loss) / income for the period before zakat & tax		(44,177)	26,937	(107,127)	69,551
Zakat and income tax charge for the period	19	(5,000)	(2,500)	(10,000)	(5,250)
Net (loss) / income for the period after zakat & tax		(49,177)	24,437	(117,127)	64,301
- Attributable to minority interest	11	177	-	177	-
- Attributable to shareholders		(49,354)	24,437	(117,304)	64,301
(Loss) / earning per share (expressed in SAR per share) - Restated					
Basic and diluted (loss) / earning per share - Restated	24	(0.39)	0.24	(0.92)	0.63

Weighted average number of ordinary outstanding shares (in thousand shares) - Restated

127,558	101,722	127,558	101,722
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Chief Financial Officer

Chief Executive Officer

Board member

The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

	Notes	Three-month period ended		Six-month period ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		SAR "000"		SAR "000"	
Net (loss) / income for the period		(49,177)	24,437	(117,127)	64,301
Other comprehensive (loss) / income:					
<i>Items that will not be reclassified to consolidated statement of income in subsequent periods</i>					
Net changes in fair value of investments measured at fair value through other comprehensive income (FVOCI)	9.2	-	-	5,016	-
Total comprehensive (loss) / income for the period		(49,177)	24,437	(112,111)	64,301
- Attributable to minority interest	11	177	-	177	-
- Attributable to shareholders		(49,354)	24,437	(112,288)	64,301



Chief Financial Officer



Chief Executive Officer

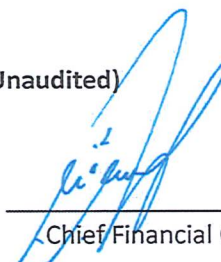


Board member


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WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

	Notes	Share capital	Share premium	Statutory reserve	Fair value reserve for investments	Retained earnings	Total shareholders' equity	Remeasurement of EOSB obligations	Minority Interest	Total equity
SAR "000"										
Balance as at January 1, 2025 (Audited)		1,275,583	228,280	92,775	117,149	117,794	1,831,581	(7,563)	-	1,824,018
Comprehensive loss for the period:										
Net loss for the period attributable to the shareholders		-	-	-	-	(117,304)	(117,304)	-	-	(117,304)
Net income for the period attributable to minority interest		-	-	-	-	-	-	-	177	177
Net changes in fair value of investments measured at FVOCI	9.2	-	-	-	5,016	-	5,016	-	-	5,016
Total comprehensive loss for the period		-	-	-	5,016	(117,304)	(112,288)	-	177	(112,111)
Minority interest arising on acquisition of subsidiary during the period	11	-	-	-	-	-	-	-	2,168	2,168
Balance as at June 30, 2025 (Unaudited)		<u>1,275,583</u>	<u>228,280</u>	<u>92,775</u>	<u>122,165</u>	<u>490</u>	<u>1,719,293</u>	<u>(7,563)</u>	<u>2,345</u>	<u>1,714,075</u>
Balance as at January 1, 2024 (Audited)										
		850,583	193,119	79,915	81,827	66,351	1,271,795	(3,340)	-	1,268,455
Comprehensive income for the period:										
Net income for the period attributable to the shareholders		-	-	-	-	64,301	64,301	-	-	64,301
Total comprehensive income for the period		-	-	-	-	64,301	64,301	-	-	64,301
Balance as at June 30, 2024 (Unaudited)		<u>850,583</u>	<u>193,119</u>	<u>79,915</u>	<u>81,827</u>	<u>130,652</u>	<u>1,336,096</u>	<u>(3,340)</u>	<u>-</u>	<u>1,332,756</u>


 Chief Financial Officer


 Chief Executive Officer


 Board member


The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

Notes	Six-month period ended	
	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)
	SAR "000"	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before zakat and income tax	(107,127)	69,551
Adjustments for non-cash and non-operating items:		
Depreciation of property and equipment	13 3,493	2,739
Depreciation of right of use assets	10 4,039	3,672
Amortization of intangible assets	12 6,100	16,469
Commission income on investments and deposits	(45,801)	(39,590)
Dividends on investments	(7,866)	(9,513)
Realized loss / (gain) on investments measured at fair value	9.1 8,976	(16,698)
Unrealized loss / (gain) on investments measured at fair value	9.1 28,600	(15,537)
Change in expected credit losses on financial assets	8	(9)
Gains on disposal of property and equipment	-	(20,308)
Finance cost on lease assets	447	434
Provision for end-of-service benefits (EOSB)	3,485	3,045
Changes in operating assets and liabilities:		
Insurance contract assets for non unit-linked business	4 -	(25,300)
Insurance contract liabilities for non unit-linked business	4.1 (321,485)	(393,554)
Insurance contract liabilities for unit-linked business	4.1 (25,246)	1,699
Reinsurance contract assets for non unit-linked business	4.2 60,771	110,191
Reinsurance contract assets for unit-linked business	4.2 164	(77)
Reinsurance contract liabilities for non unit-linked business	4.2 1,158	3,518
Reinsurance contract liabilities for unit-linked business	4.2 197	-
Prepaid expenses and other assets	9,473	(8,784)
Accrued expenses and other liabilities	14 (38,758)	18,888
	(419,372)	(299,164)
End-of-service benefits paid	(1,976)	(2,193)
Zakat and income tax paid	19 (2,685)	(17,761)
Net cash used in operating activities	(424,033)	(319,118)


 Chief Financial Officer


 Chief Executive Officer


 Board member


The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

OR THE SIX MONTH PERIOD ENDED JUNE 30, 2025

		Six-month period ended	
		June 30, 2025	June 30, 2024
	Notes	(Unaudited)	(Unaudited)
		SAR "000"	
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets for unit linked insurance contracts, net		21,397	(1,239)
Purchase of investments measured at FVTPL	9.1	(85,271)	(122,367)
Disposals of investments measured at FVTPL	9.1	106,809	89,012
Purchase of investments measured at FVOCI	9.2	(5,624)	(5,625)
Purchase of investments measured at amortized cost	9.3	(125,000)	(96,312)
Disposals of investments measured at amortized cost	9.3	139,868	10,032
Commission income received on investments and deposits		44,143	33,338
Dividends received on investments		7,866	9,513
Additions to short term deposits		(39,525)	127,866
Additions to long term deposits		(31,159)	-
Additions to intangible assets, net	12	(1,507)	(13,828)
Additions of property and equipment, net	13	(10,719)	(3,320)
Cash and cash equivalents acquired through business combination	11	31,325	-
Purchase consideration paid	11	(68,209)	-
Net cash used in investing activities		(15,606)	27,070
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		(5,756)	(5,602)
Net cash used in financing activities		(5,756)	(5,602)
Net change in cash and cash equivalents		(445,395)	(297,650)
Cash and cash equivalents, beginning of the period	8	962,268	512,411
Cash and cash equivalents, end of the period	8	516,873	214,761


 Chief Financial Officer


 Chief Executive Officer


 Board member

The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025**

1. GENERAL

Walaa Cooperative Insurance Company (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), "the Company", was formed pursuant to Royal Decree No. (S/114) dated 02/05/1428H. The Company operates under UNN 7001526578 (formerly Commercial Registration no. 2051034982) dated Jumada II 19, 1428H corresponding to July 4, 2007. The registered address of the Company's head office is as follows:

Walaa Cooperative Insurance Company
Head Office
4513, Adh Dhahran Al Khubar Al Janubiyah
Unit No: 8, Al-Khobar 34621-8615
Kingdom of Saudi Arabia

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance and agency activities. Its principal lines of business include medical, motor, marine, fire, engineering, energy, aviation, casualty insurance and protection & savings both linked and non-linked.

On 2 Jumada II, 1424H, corresponding to July 31, 2003, the Law on the Supervision of Cooperative Insurance Companies (Insurance Law) was promulgated by Royal Decree Number (M/32). On 28 Jumada II, 1429H corresponding to July 2, 2008, Insurance Authority (IA), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license number (TMN/16/20087) to transact insurance activities in Saudi Arabia.

The Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by Insurance Authority (IA), whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

The share capital of the Company as of June 30, 2025 amounted to SAR 1,275.583 million comprising of 127.558 million shares of SAR 10 each (December 31, 2024: SAR 1,275.583 million comprising of 127.558 million shares of SAR 10 each). Refer note 20.

The Company has one subsidiary "Aspire Underwriting Agency Ltd", a Managing General Agent (MGA) based in Dubai International Financial Center (DIFC), UAE, with 88% ownership interest. Refer note 11.

These interim condensed consolidated financial statements comprise the Company and its subsidiary (together referred to as the "Group").

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (IFRS that are endorsed in the Kingdom of Saudi Arabia). These interim condensed consolidated financial statements also comply with Regulations for Companies in the Kingdom of Saudi Arabia and the Group's By-Laws.

On July 23, 2019, the Insurance Authority (IA) instructed the insurance companies in the Kingdom of Saudi Arabia to account for the zakat and income taxes in the statement of income. This aligns with the IFRS and its interpretations as issued by the International Accounting Standards Board (IASB) and as endorsed in the Kingdom of Saudi Arabia.

These interim condensed consolidated financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI) and liabilities for defined benefit obligations. The Group's consolidated statement of financial position is not presented using a current/non-current classification. However, following balances would generally be classified as non-current: investments measured at amortized costs, investments in joint ventures, long term deposits, property and equipment, right of use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposits, lease liabilities, accrued income on statutory deposits payable to Insurance Authority, provision for end-of-service benefits and those balances of insurance and reinsurance contract assets and liabilities that would not be settled within next twelve months. All other assets and liabilities would generally be classified as current.

The interim condensed consolidated statements of financial position, income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 22 of the interim condensed consolidated financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations (the implementing regulations). The implementing regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed consolidated financial statements prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations. (Refer to Note 22 for supplementary disclosures).

As required by the Saudi Arabian Insurance Regulations, the Group maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of the allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

In preparing the Group-level interim condensed consolidated financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for transactions and events in similar circumstances.

The interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2024.

2. BASIS OF PREPARATION (CONTINUED)

(b) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary "Aspire". The financial statements of the subsidiary are prepared for the same reporting period as that of the Company.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and;
- The Group's voting rights and potential voting rights.

The financial statements of the subsidiary are included in the interim condensed consolidated financial statements of the Group from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the minority interests, even if this results in the non-controlling interests having a deficit balance.

Minority Interest

Minority interest is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Elimination of intra-group transactions

Intra-group balances and transactions, and any unrealized income and expenses and cash flows relating to transactions arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Functional and presentation currency

Amounts in these interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands, unless otherwise stated.

(d) Seasonality of operations

There are no seasonal changes that may affect the insurance operations of the Group.

2. BASIS OF PREPARATION (CONTINUED)**(e) Critical accounting judgments, estimates and assumptions**

The preparation of interim condensed consolidated financial statements 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 expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2024.

(1) PAA Eligibility Testing

Eligibility assessment testing to apply PAA on insurance and reinsurance contracts where the contract period is more than one year is the area where management assumptions and assessment are involved.

The Group has calculated a Liability for Remaining Coverage (LRC) and Asset for Remaining Coverage (ARC) for those groups of insurance contracts written and reinsurance contracts held respectively where the coverage period was more than one year except long term life insurance contracts with participation features for which Variable Fee Approach (VFA) has been applied.

The calculation was performed under both simplified approaches i.e., Premium Allocation Approach (PAA) and General Measurement Model (GMM). Upon analysis of the possible differences between LRC and / or ARC applying the PAA and GMM approach, respectively, the Group did not note material differences for contracts with coverage period of more than one year except long term life without participation features. Hence, the Group has reported only long-term life contracts issued under GMM. For the reinsurance contracts held, all the contracts are measured under the PAA except for the long-term life insurance contracts with and without participating feature on which GMM has been applied.

In addition to the above, the Company is participating in industry pool for Inherent defect insurance commonly called as "IDI". One insurance company is working as a leader on behalf of the participating companies. The portfolio is measured by the pool leader at GMM. The Group is taking its share and presenting in these financials at GMM as well.

(2) Unit of account

Judgement is involved in the identification of portfolios of contracts, as required by IFRS 17 (that is, having similar risks and being managed together). Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts. A similar grouping assessment is required for reinsurance contracts held. Areas of potential judgements include:

- the determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by IFRS 17; and
- judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For insurance contracts issued which are measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

2. BASIS OF PREPARATION (CONTINUED)

(e) Critical accounting judgments, estimates and assumptions (Continued)

(3) Discount rates

Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). Management uses judgement to assess liquidity characteristics of the liability cash flows.

(4) Methods used to measure the risk adjustment for non-financial risk

Judgement is involved in assessing the most appropriate method to estimate the risk adjustment for non-financial risk and also to choose the most appropriate confidence level to which the risk adjustment for non-financial risk should correspond.

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because risk adjustment represents compensation for uncertainties, estimates are made on the expected favorable and unfavorable outcomes in a way that reflects the Group's degree of risk aversion.

(5) Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical areas, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

2. BASIS OF PREPARATION (CONTINUED)

(e) Critical accounting judgments, estimates and assumptions (Continued)

(6) Measurement of the Expected Credit Loss Allowance (ECL)

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behavior. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk;
- determining the criteria and definition of default;
- choosing appropriate models and assumptions for the measurement of ECL; and
- establishing groups of similar financial assets for the purpose of measuring ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

(7) Fair value of financial instruments

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

(8) Going Concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2024, except as explained below:

(a) New IFRS Standards, IFRIC interpretations and amendments thereof, effective during the period but not adopted by the Group:

Standard interpretation, amendments	Description
Amendment to IFRS-16 - Leases on sale and lease back	These amendments include requirements for sale and leaseback transactions in IFRS-16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cashflows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendment IAS 01- Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.
Amendments to IAS 21 - Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment sets out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.
IFRS S1 - General requirements for disclosure of sustainability-related financial information.	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
IFRS S2 - Climate-related disclosures (subject to endorsement from SOCPA)	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

(b) New IFRS Standards, IFRIC interpretations and amendments thereof, not effective during the period and not early adopted by the Group

Standard interpretation, amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only applies to the gain or loss resulting from the sale of contribution of assets that do not constitute a business as defined in IFRS-3 Business Combinations and the gain or loss resulting from the sale of contribution to an associate or joint venture of assets that constitute a business as defined in IFRS-3 is recognized in full.	Effective date deferred indefinitely
IFRS 18 - Presentation and disclosure in financial statements	The new standard sets out the requirements for presentation and disclosure of financial statements (mainly SOI), aiming to improve the structure and content of the primary financial statements for all entities applying IFRS. This standard will supersede IAS 8.	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 is a voluntary standard for eligible subsidiaries without public accountability wherein the eligible subsidiary applies the requirements of other IFRS Accounting Standards but with reduced disclosure requirements.	January 1, 2027

Note: There is no material impact on the Group's interim condensed consolidated financial statements due to the above changes.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
4. INSURANCE AND REINSURANCE CONTRACTS

An analysis of the amounts presented in the Interim condensed consolidated statement of financial position for insurance and reinsurance contract assets and liabilities by valuation approach (PAA / GMM / VFA) has been included in the tables below:

4.1 Insurance contracts assets and liabilities	Valuation Approach	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR “000”			
Medical	PAA	-	201,100	-	200,054
Motor	PAA	-	500,465	-	540,735
Property	PAA	-	205,394	-	310,213
Energy	PAA	-	103,705	-	241,018
Engineering	PAA	-	292,956	-	308,685
P&S - non unit-linked	PAA	-	107,859	-	101,976
P&C - others	PAA	-	333,592	-	371,495
4.1.1 Total PAA		-	1,745,071	-	2,074,176
P&C - others	GMM	-	62,636	-	55,024
P&S - non unit-linked	GMM	-	658	-	650
P&S - unit-linked	VFA	-	518,713	-	543,959
4.1.2 Total GMM/VFA		-	582,007	-	599,633
Insurance contract Liabilities for non unit-linked business	PAA, GMM	-	1,808,365	-	2,129,850
Insurance contract Liabilities for unit-linked business	VFA	-	518,713	-	543,959
4.2 Reinsurance contracts assets and liabilities	Valuation Approach	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR “000”			
Medical	PAA	-	4,460	-	3,302
Motor	PAA	2,969	-	3,253	-
Property	PAA	170,019	-	70,022	-
Energy	PAA	62,311	-	228,809	-
Engineering	PAA	210,264	-	238,570	-
P&S - non unit-linked	PAA	24,668	-	28,649	-
P&C - others	PAA	169,592	-	132,906	-
4.2.1 Total PAA		639,823	4,460	702,209	3,302
P&C - others	GMM	40,535	-	38,920	-
P&S - unit-linked	GMM	-	197	164	-
4.2.2 Total GMM		40,535	197	39,084	-
Reinsurance contract assets and liabilities for non unit-linked business	PAA, GMM	680,358	4,460	741,129	3,302
Reinsurance contract assets for unit-linked business	GMM	-	197	164	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

An analysis of insurance contracts assets and liabilities by 'Liability for Remaining Coverage' (LFRC) and 'Liability for Incurred Claims' (LIC) along with the breakup of 'Loss Component' (LC) and 'Risk Adjustment' (RA) has been included in the tables below:

4.1.1 Insurance contracts - PAA -
Total

4.1.1 Insurance contracts - PAA - Total	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	885,982	34,338	1,114,088	39,768	2,074,176	949,383	18,386	961,831	38,247	1,967,847
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	885,982	34,338	1,114,088	39,768	2,074,176	949,383	18,386	961,831	38,247	1,967,847
Insurance revenue	(1,467,067)	-	-	-	(1,467,067)	(3,330,738)	-	-	-	(3,330,738)
Incurred claims and other expenses	-	-	890,387	20,743	911,130	-	-	1,848,800	27,524	1,876,324
Losses/(loss reversals) on onerous contracts	-	336	-	-	336	-	15,952	-	-	15,952
Changes to liabilities for incurred claims	-	-	(194,016)	(7,363)	(201,379)	-	-	(207,013)	(26,009)	(233,022)
Insurance acquisition costs	143,244	-	-	-	143,244	327,006	-	-	-	327,006
Insurance service expenses	143,244	336	696,371	13,380	853,331	327,006	15,952	1,641,787	1,515	1,986,260
Insurance service results before reinsurance contracts held	(1,323,823)	336	696,371	13,380	(613,736)	(3,003,732)	15,952	1,641,787	1,515	(1,344,478)
Finance expenses from insurance contracts issued	-	-	16,020	(46)	15,974	-	-	19,483	6	19,489
Total changes in the interim condensed consolidated statement of income	(1,323,823)	336	712,391	13,334	(597,762)	(3,003,732)	15,952	1,661,270	1,521	(1,324,989)
Premium received	1,141,418	-	-	-	1,141,418	3,267,573	-	-	-	3,267,573
Claims and directly attributable expenses paid	-	-	(748,640)	-	(748,640)	-	-	(1,509,013)	-	(1,509,013)
Insurance acquisition expenses paid	(124,121)	-	-	-	(124,121)	(327,242)	-	-	-	(327,242)
Net cash flows for insurance contracts	1,017,297	-	(748,640)	-	268,657	2,940,331	-	(1,509,013)	-	1,431,318
Net closing insurance contract liabilities	579,456	34,674	1,077,839	53,102	1,745,071	885,982	34,338	1,114,088	39,768	2,074,176
Closing insurance contract liabilities	579,456	34,674	1,077,839	53,102	1,745,071	885,982	34,338	1,114,088	39,768	2,074,176
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Medical

4.1.1 Insurance contracts - PAA - Medical	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	62,466	7,509	124,519	5,560	200,054	115,331	18,301	165,856	7,365	306,853
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	62,466	7,509	124,519	5,560	200,054	115,331	18,301	165,856	7,365	306,853
Insurance revenue	(210,777)	-	-	-	(210,777)	(617,012)	-	-	-	(617,012)
Incurred claims and other expenses	-	-	207,582	2,084	209,666	-	-	536,183	3,667	539,850
Losses/(loss reversals) on onerous contracts	-	828	-	-	828	-	(10,792)	-	-	(10,792)
Changes to liabilities for incurred claims	-	-	14,017	(2,123)	11,894	-	-	52,901	(5,474)	47,427
Insurance acquisition costs	37,733	-	-	-	37,733	107,691	-	-	-	107,691
Insurance service expenses	37,733	828	221,599	(39)	260,121	107,691	(10,792)	589,084	(1,807)	684,176
Insurance service results before reinsurance contracts held	(173,044)	828	221,599	(39)	49,344	(509,321)	(10,792)	589,084	(1,807)	67,164
Finance expenses from insurance contracts issued	-	-	1,346	(1)	1,345	-	-	2,994	2	2,996
Total changes in the interim condensed consolidated statement of income	(173,044)	828	222,945	(40)	50,689	(509,321)	(10,792)	592,078	(1,805)	70,160
Premium received	185,857	-	-	-	185,857	561,827	-	-	-	561,827
Claims and directly attributable expenses paid	-	-	(212,651)	-	(212,651)	-	-	(633,415)	-	(633,415)
Insurance acquisition expenses paid	(22,849)	-	-	-	(22,849)	(105,371)	-	-	-	(105,371)
Net cash flows for insurance contracts	163,008	-	(212,651)	-	(49,643)	456,456	-	(633,415)	-	(176,959)
Net closing insurance contract liabilities	52,430	8,337	134,813	5,520	201,100	62,466	7,509	124,519	5,560	200,054
Closing insurance contract liabilities	52,430	8,337	134,813	5,520	201,100	62,466	7,509	124,519	5,560	200,054
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Motor

4.1.1 Insurance contracts - PAA - Motor	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	315,993	26,829	190,396	7,517	540,735	394,696	85	147,084	5,885	547,750
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	315,993	26,829	190,396	7,517	540,735	394,696	85	147,084	5,885	547,750
Insurance revenue	(356,654)	-	-	-	(356,654)	(765,707)	-	-	-	(765,707)
Incurred claims and other expenses	-	-	400,345	4,997	405,342	-	-	673,210	5,998	679,208
Losses/(loss reversals) on onerous contracts	-	(492)	-	-	(492)	-	26,744	-	-	26,744
Changes to liabilities for incurred claims	-	-	(14,568)	(4,295)	(18,863)	-	-	(23,976)	(4,366)	(28,342)
Insurance acquisition costs	58,415	-	-	-	58,415	122,732	-	-	-	122,732
Insurance service expenses	58,415	(492)	385,777	702	444,402	122,732	26,744	649,234	1,632	800,342
Insurance service results before reinsurance contracts held	(298,239)	(492)	385,777	702	87,748	(642,975)	26,744	649,234	1,632	34,635
Finance expenses from insurance contracts issued	-	-	2,268	-	2,268	-	-	2,019	-	2,019
Total changes in the interim condensed consolidated statement of income	(298,239)	(492)	388,045	702	90,016	(642,975)	26,744	651,253	1,632	36,654
Premium received	297,647	-	-	-	297,647	671,373	-	-	-	671,373
Claims and directly attributable expenses paid	-	-	(372,810)	-	(372,810)	-	-	(607,941)	-	(607,941)
Insurance acquisition expenses paid	(55,123)	-	-	-	(55,123)	(107,101)	-	-	-	(107,101)
Net cash flows for insurance contracts	242,524	-	(372,810)	-	(130,286)	564,272	-	(607,941)	-	(43,669)
Net closing insurance contract liabilities	260,278	26,337	205,631	8,219	500,465	315,993	26,829	190,396	7,517	540,735
Closing insurance contract liabilities	260,278	26,337	205,631	8,219	500,465	315,993	26,829	190,396	7,517	540,735
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Property

4.1.1 Insurance contracts - PAA - Property	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	97,486	-	207,155	5,572	310,213	61,093	-	156,077	2,694	219,864
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	97,486	-	207,155	5,572	310,213	61,093	-	156,077	2,694	219,864
Insurance revenue	(327,477)	-	-	-	(327,477)	(479,462)	-	-	-	(479,462)
Incurred claims and other expenses	-	-	63,864	2,909	66,773	-	-	173,204	4,396	177,600
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(47,230)	2,114	(45,116)	-	-	(61,167)	(1,518)	(62,685)
Insurance acquisition costs	13,938	-	-	-	13,938	25,052	-	-	-	25,052
Insurance service expenses	13,938	-	16,634	5,023	35,595	25,052	-	112,037	2,878	139,967
Insurance service results before reinsurance contracts held	(313,539)	-	16,634	5,023	(291,882)	(454,410)	-	112,037	2,878	(339,495)
Finance expenses from insurance contracts issued	-	-	4,468	-	4,468	-	-	3,650	-	3,650
Total changes in the interim condensed consolidated statement of income	(313,539)	-	21,102	5,023	(287,414)	(454,410)	-	115,687	2,878	(335,845)
Premium received	215,106	-	-	-	215,106	520,948	-	-	-	520,948
Claims and directly attributable expenses paid	-	-	(15,239)	-	(15,239)	-	-	(64,609)	-	(64,609)
Insurance acquisition expenses paid	(17,272)	-	-	-	(17,272)	(30,145)	-	-	-	(30,145)
Net cash flows for insurance contracts	197,834	-	(15,239)	-	182,595	490,803	-	(64,609)	-	426,194
Net closing insurance contract liabilities	(18,219)	-	213,018	10,595	205,394	97,486	-	207,155	5,572	310,213
Closing insurance contract liabilities	(18,219)	-	213,018	10,595	205,394	97,486	-	207,155	5,572	310,213
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Energy

4.1.1 Insurance contracts - PAA - Energy	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	118,061	-	119,682	3,275	241,018	143,539	-	91,289	4,560	239,388
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	118,061	-	119,682	3,275	241,018	143,539	-	91,289	4,560	239,388
Insurance revenue	(176,306)	-	-	-	(176,306)	(589,366)	-	-	-	(589,366)
Incurred claims and other expenses	-	-	73,682	3,706	77,388	-	-	109,040	2,960	112,000
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(80,246)	(2,685)	(82,931)	-	-	(66,998)	(4,245)	(71,243)
Insurance acquisition costs	308	-	-	-	308	5,273	-	-	-	5,273
Insurance service expenses	308	-	(6,564)	1,021	(5,235)	5,273	-	42,042	(1,285)	46,030
Insurance service results before reinsurance contracts held	(175,998)	-	(6,564)	1,021	(181,541)	(584,093)	-	42,042	(1,285)	(543,336)
Finance expenses from insurance contracts issued	-	-	1,434	-	1,434	-	-	1,123	-	1,123
Total changes in the interim condensed consolidated statement of income	(175,998)	-	(5,130)	1,021	(180,107)	(584,093)	-	43,165	(1,285)	(542,213)
Premium received	72,984	-	-	-	72,984	560,881	-	-	-	560,881
Claims and directly attributable expenses paid	-	-	(29,672)	-	(29,672)	-	-	(14,772)	-	(14,772)
Insurance acquisition expenses paid	(518)	-	-	-	(518)	(2,266)	-	-	-	(2,266)
Net cash flows for insurance contracts	72,466	-	(29,672)	-	42,794	558,615	-	(14,772)	-	543,843
Net closing insurance contract liabilities	14,529	-	84,880	4,296	103,705	118,061	-	119,682	3,275	241,018
Closing insurance contract liabilities	14,529	-	84,880	4,296	103,705	118,061	-	119,682	3,275	241,018
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Engineering

4.1.1 Insurance contracts - PAA - Engineering	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	215,952	-	89,067	3,666	308,685	150,431	-	95,813	5,076	251,320
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	215,952	-	89,067	3,666	308,685	150,431	-	95,813	5,076	251,320
Insurance revenue	(91,925)	-	-	-	(91,925)	(242,903)	-	-	-	(242,903)
Incurred claims and other expenses	-	-	30,102	1,746	31,848	-	-	60,294	2,159	62,453
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(24,013)	190	(23,823)	-	-	(46,663)	(3,569)	(50,232)
Insurance acquisition costs	11,018	-	-	-	11,018	23,260	-	-	-	23,260
Insurance service expenses	11,018	-	6,089	1,936	19,043	23,260	-	13,631	(1,410)	35,481
Insurance service results before reinsurance contracts held	(80,907)	-	6,089	1,936	(72,882)	(219,643)	-	13,631	(1,410)	(207,422)
Finance expenses from insurance contracts issued	-	-	1,590	-	1,590	-	-	2,365	-	2,365
Total changes in the interim condensed consolidated statement of income	(80,907)	-	7,679	1,936	(71,292)	(219,643)	-	15,996	(1,410)	(205,057)
Premium received	76,039	-	-	-	76,039	316,239	-	-	-	316,239
Claims and directly attributable expenses paid	-	-	(10,811)	-	(10,811)	-	-	(22,742)	-	(22,742)
Insurance acquisition expenses paid	(9,665)	-	-	-	(9,665)	(31,075)	-	-	-	(31,075)
Net cash flows for insurance contracts	66,374	-	(10,811)	-	55,563	285,164	-	(22,742)	-	262,422
Net closing insurance contract liabilities	201,419	-	85,935	5,602	292,956	215,952	-	89,067	3,666	308,685
Closing insurance contract liabilities	201,419	-	85,935	5,602	292,956	215,952	-	89,067	3,666	308,685
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Protection and Savings (P&S) - non-linked

4.1.1 Insurance contracts - PAA - Protection and Savings (P&S) - non-linked	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	(94,584)	-	189,452	7,108	101,976	(54,464)	-	144,669	6,450	96,655
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	(94,584)	-	189,452	7,108	101,976	(54,464)	-	144,669	6,450	96,655
Insurance revenue	(73,104)	-	-	-	(73,104)	(202,480)	-	-	-	(202,480)
Incurred claims and other expenses	-	-	71,993	3,356	75,349	-	-	189,925	5,340	195,265
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(18,889)	(2,990)	(21,879)	-	-	(15,639)	(4,682)	(20,321)
Insurance acquisition costs	4,467	-	-	-	4,467	9,450	-	-	-	9,450
Insurance service expenses	4,467	-	53,104	366	57,937	9,450	-	174,286	658	184,394
Insurance service results before reinsurance contracts held	(68,637)	-	53,104	366	(15,167)	(193,030)	-	174,286	658	(18,086)
Finance expenses from insurance contracts issued	-	-	2,584	-	2,584	-	-	3,158	-	3,158
Total changes in the interim condensed consolidated statement of income	(68,637)	-	55,688	366	(12,583)	(193,030)	-	177,444	658	(14,928)
Premium received	115,899	-	-	-	115,899	162,973	-	-	-	162,973
Claims and directly attributable expenses paid	-	-	(91,862)	-	(91,862)	-	-	(132,661)	-	(132,661)
Insurance acquisition expenses paid	(5,571)	-	-	-	(5,571)	(10,063)	-	-	-	(10,063)
Net cash flows for insurance contracts	110,328	-	(91,862)	-	18,466	152,910	-	(132,661)	-	20,249
Net closing insurance contract liabilities	(52,893)	-	153,278	7,474	107,859	(94,584)	-	189,452	7,108	101,976
Closing insurance contract liabilities	(52,893)	-	153,278	7,474	107,859	(94,584)	-	189,452	7,108	101,976
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Property and Casualty (P&C) - others

4.1.1 Insurance contracts - PAA - Property and Casualty (P&C) - others	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	170,608	-	193,817	7,070	371,495	138,757	-	161,043	6,217	306,017
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	170,608	-	193,817	7,070	371,495	138,757	-	161,043	6,217	306,017
Insurance revenue	(230,824)	-	-	-	(230,824)	(433,808)	-	-	-	(433,808)
Incurred claims and other expenses	-	-	42,819	1,945	44,764	-	-	106,944	3,004	109,948
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(23,087)	2,426	(20,661)	-	-	(45,471)	(2,155)	(47,626)
Insurance acquisition costs	17,365	-	-	-	17,365	33,548	-	-	-	33,548
Insurance service expenses	17,365	-	19,732	4,371	41,468	33,548	-	61,473	849	95,870
Insurance service results before reinsurance contracts held	(213,459)	-	19,732	4,371	(189,356)	(400,260)	-	61,473	849	(337,938)
Finance expenses from insurance contracts issued	-	-	2,330	(45)	2,285	-	-	4,174	4	4,178
Total changes in the interim condensed consolidated statement of income	(213,459)	-	22,062	4,326	(187,071)	(400,260)	-	65,647	853	(333,760)
Insurance pool portfolio transition impact	-	-	-	-	-	-	-	-	-	-
Premium received	177,886	-	-	-	177,886	473,332	-	-	-	473,332
Claims and directly attributable expenses paid	-	-	(15,595)	-	(15,595)	-	-	(32,873)	-	(32,873)
Insurance acquisition expenses paid	(13,123)	-	-	-	(13,123)	(41,221)	-	-	-	(41,221)
Net cash flows for insurance contracts	164,763	-	(15,595)	-	149,168	432,111	-	(32,873)	-	399,238
Net closing insurance contract liabilities	121,912	-	200,284	11,396	333,592	170,608	-	193,817	7,070	371,495
Closing insurance contract liabilities	121,912	-	200,284	11,396	333,592	170,608	-	193,817	7,070	371,495
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - GMM/VFA -
Total

4.1.2 Insurance contracts - GMM/VFA -	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
Total	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	592,858	951	5,514	310	599,633	579,549	2,898	4,137	240	586,824
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	592,858	951	5,514	310	599,633	579,549	2,898	4,137	240	586,824
Expected claims expenses	849	-	-	-	849	(1,784)	-	-	-	(1,784)
Expected directly attributable expenses	(908)	-	-	-	(908)	(5,030)	-	-	-	(5,030)
Loss component run off	(1,628)	-	-	-	(1,628)	(3,351)	-	-	-	(3,351)
Expected other insurance service expenses	(3,542)	-	-	-	(3,542)	(131)	-	-	-	(131)
Change in risk adjustment for non-financial risk	(36)	-	-	-	(36)	(25)	-	-	-	(25)
CSM recognized during the period	(2,107)	-	-	-	(2,107)	(2,309)	-	-	-	(2,309)
Recovery of insurance acquisition cash flows	(593)	-	-	-	(593)	(1,212)	-	-	-	(1,212)
Insurance revenue	(7,965)	-	-	-	(7,965)	(13,842)	-	-	-	(13,842)
Incurred claims and other expenses	-	-	4	4	8	-	-	4,752	237	4,989
Losses/(loss reversals) on onerous contracts	-	(117)	-	-	(117)	-	(1,826)	-	-	(1,826)
Changes to liabilities for incurred claims	-	-	(115)	(52)	(167)	-	-	(1,638)	(192)	(1,830)
Insurance acquisition costs	593	-	-	-	593	1,211	-	-	-	1,211
Surrenders and maturities	(65,993)	-	65,993	-	-	(119,031)	-	119,031	-	-
Insurance service expenses	(65,400)	(117)	65,882	(48)	317	(117,820)	(1,826)	122,145	45	2,544
Insurance service results before reinsurance contracts held	(73,365)	(117)	65,882	(48)	(7,648)	(131,662)	(1,826)	122,145	45	(11,298)
Finance expenses from insurance contracts issued	(1,253)	(1)	5	6	(1,243)	2,555	(121)	(381)	25	2,078
Total changes in the interim condensed consolidated statement of income	(74,618)	(118)	65,887	(42)	(8,891)	(129,107)	(1,947)	121,764	70	(9,220)
Changes in fair value of unit-linked investments	13,491	-	-	-	13,491	50,832	-	-	-	50,832
Insurance pool portfolio transition impact	-	-	-	-	-	(106)	-	-	-	(106)
Premium received	44,690	-	-	-	44,690	92,294	-	-	-	92,294
Claims and directly attributable expenses paid	-	-	(66,677)	-	(66,677)	-	-	(120,387)	-	(120,387)
Insurance acquisition expenses paid	(239)	-	-	-	(239)	(604)	-	-	-	(604)
Net cash flows for insurance contracts	44,451	-	(66,677)	-	(22,226)	91,690	-	(120,387)	-	(28,697)
Net closing insurance contract liabilities	576,182	833	4,724	268	582,007	592,858	951	5,514	310	599,633
Closing insurance contract liabilities	576,182	833	4,724	268	582,007	592,858	951	5,514	310	599,633
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - GMM -
Property and Casualty (P&C) - others

4.1.2 Insurance contracts - GMM - Property and Casualty (P&C) - others	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	52,924	-	2,066	34	55,024	33,011	-	994	-	34,005
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	52,924	-	2,066	34	55,024	33,011	-	994	-	34,005
Expected claims expenses	894	-	-	-	894	(1,700)	-	-	-	(1,700)
Expected directly attributable expenses	-	-	-	-	-	-	-	-	-	-
Loss component run off	-	-	-	-	-	-	-	-	-	-
Expected other insurance service expenses	(3,671)	-	-	-	(3,671)	(492)	-	-	-	(492)
Change in risk adjustment for non-financial risk	(10)	-	-	-	(10)	(11)	-	-	-	(11)
CSM recognized during the period	(196)	-	-	-	(196)	(210)	-	-	-	(210)
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-
Insurance revenue	(2,983)	-	-	-	(2,983)	(2,413)	-	-	-	(2,413)
Incurred claims and other expenses	-	-	4	4	8	-	-	1,843	24	1,867
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	205	(8)	197	-	-	-	-	-
Insurance acquisition costs	-	-	-	-	-	-	-	-	-	-
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	-	-	209	(4)	205	-	-	1,843	24	1,867
Insurance service results before reinsurance contracts held	(2,983)	-	209	(4)	(2,778)	(2,413)	-	1,843	24	(546)
Finance expenses from insurance contracts issued	(1,261)	-	(55)	-	(1,316)	2,549	-	(574)	10	1,985
Total changes in the interim condensed consolidated statement of income	(4,244)	-	154	(4)	(4,094)	136	-	1,269	34	1,439
Insurance pool portfolio transition impact	-	-	-	-	-	(106)	-	-	-	(106)
Premium received	12,156	-	-	-	12,156	19,883	-	-	-	19,883
Claims and directly attributable expenses paid	-	-	(450)	-	(450)	-	-	(197)	-	(197)
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	12,156	-	(450)	-	11,706	19,883	-	(197)	-	19,686
Net closing insurance contract liabilities	60,836	-	1,770	30	62,636	52,924	-	2,066	34	55,024
Closing insurance contract liabilities	60,836	-	1,770	30	62,636	52,924	-	2,066	34	55,024
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - GMM -
Protection and Savings (P&S) - non-linked

4.1.2 Insurance contracts - GMM - Protection and Savings (P&S) - non-linked	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	546	3	94	7	650	495	3	69	5	572
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	546	3	94	7	650	495	3	69	5	572
Expected claims expenses	(45)	-	-	-	(45)	(84)	-	-	-	(84)
Expected directly attributable expenses	(8)	-	-	-	(8)	(17)	-	-	-	(17)
Loss component run off	-	-	-	-	-	-	-	-	-	-
Expected other insurance service expenses	-	-	-	-	-	-	-	-	-	-
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	(51)	-	-	-	(51)	(116)	-	-	-	(116)
Recovery of insurance acquisition cash flows	(1)	-	-	-	(1)	(1)	-	-	-	(1)
Insurance revenue	(105)	-	-	-	(105)	(218)	-	-	-	(218)
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(1)	1	-	-	-	20	2	22
Insurance acquisition costs	1	-	-	-	1	-	-	-	-	-
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	1	-	(1)	1	1	-	-	20	2	22
Insurance service results before reinsurance contracts held	(104)	-	(1)	1	(104)	(218)	-	20	2	(196)
Finance expenses from insurance contracts issued	8	-	2	-	10	6	-	5	-	11
Total changes in the interim condensed consolidated statement of income	(96)	-	1	1	(94)	(212)	-	25	2	(185)
Premium received	102	-	-	-	102	264	-	-	-	264
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	-	(1)	-	-	-	(1)
Net cash flows for insurance contracts	102	-	-	-	102	263	-	-	-	263
Net closing insurance contract liabilities	552	3	95	8	658	546	3	94	7	650
Closing insurance contract liabilities	552	3	95	8	658	546	3	94	7	650
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - VFA -
Protection and Savings (P&S) - linked

4.1.2 Insurance contracts - VFA - Protection and Savings (P&S) - linked	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening insurance contract liabilities	539,388	948	3,354	269	543,959	546,043	2,895	3,074	235	552,247
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	539,388	948	3,354	269	543,959	546,043	2,895	3,074	235	552,247
Expected claims expenses	-	-	-	-	-	-	-	-	-	-
Expected directly attributable expenses	(900)	-	-	-	(900)	(5,013)	-	-	-	(5,013)
Loss component run off	(1,628)	-	-	-	(1,628)	(3,351)	-	-	-	(3,351)
Expected other insurance service expenses	129	-	-	-	129	361	-	-	-	361
Change in risk adjustment for non-financial risk	(26)	-	-	-	(26)	(14)	-	-	-	(14)
CSM recognized during the period	(1,860)	-	-	-	(1,860)	(1,983)	-	-	-	(1,983)
Recovery of insurance acquisition cash flows	(592)	-	-	-	(592)	(1,211)	-	-	-	(1,211)
Insurance revenue	(4,877)	-	-	-	(4,877)	(11,211)	-	-	-	(11,211)
Incurred claims and other expenses	-	-	-	-	-	-	-	2,909	213	3,122
Losses/(loss reversals) on onerous contracts	-	(117)	-	-	(117)	-	(1,826)	-	-	(1,826)
Changes to liabilities for incurred claims	-	-	(319)	(45)	(364)	-	-	(1,658)	(194)	(1,852)
Insurance acquisition costs	592	-	-	-	592	1,211	-	-	-	1,211
Surrenders and maturities	(65,993)	-	65,993	-	-	(119,031)	-	119,031	-	-
Insurance service expenses	(65,401)	(117)	65,674	(45)	111	(117,820)	(1,826)	120,282	19	655
Insurance service results before reinsurance contracts held	(70,278)	(117)	65,674	(45)	(4,766)	(129,031)	(1,826)	120,282	19	(10,556)
Finance expenses from insurance contracts issued	-	(1)	58	6	63	-	(121)	188	15	82
Total changes in the interim condensed consolidated statement of income	(70,278)	(118)	65,732	(39)	(4,703)	(129,031)	(1,947)	120,470	34	(10,474)
Changes in fair value of unit-linked investments	13,491	-	-	-	13,491	50,832	-	-	-	50,832
Premium received	32,432	-	-	-	32,432	72,147	-	-	-	72,147
Claims and directly attributable expenses paid	-	-	(66,227)	-	(66,227)	-	-	(120,190)	-	(120,190)
Insurance acquisition expenses paid	(239)	-	-	-	(239)	(603)	-	-	-	(603)
Net cash flows for insurance contracts	32,193	-	(66,227)	-	(34,034)	71,544	-	(120,190)	-	(48,646)
Net closing insurance contract liabilities	514,794	830	2,859	230	518,713	539,388	948	3,354	269	543,959
Closing insurance contract liabilities	514,794	830	2,859	230	518,713	539,388	948	3,354	269	543,959
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

An analysis of reinsurance contracts assets / liabilities by 'Assets for Remaining Coverage' (AFRC) & 'Assets for Amounts Recoverable on Incurred Claims' (AIC) along with the breakup of 'Loss Recovery Component' (LRC) and 'Risk Adjustment' (RA) has been included in the tables below:

4.2.1 Reinsurance contracts - PAA -
Total

	excluding LRC	LRC	excluding RA	RA	Total	excluding LRC	LRC	excluding RA	RA	Total
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	(7,443)	-	688,294	21,358	702,209	111,067	-	632,922	23,235	767,224
Opening reinsurance contract (liabilities)	(10,892)	-	7,261	329	(3,302)	-	-	-	-	-
Net opening reinsurance contract assets	(18,335)	-	695,555	21,687	698,907	111,067	-	632,922	23,235	767,224
Allocation of reinsurance premiums	(746,303)	-	-	-	(746,303)	(1,574,874)	-	-	-	(1,574,874)
Incurred claims and other expenses	-	-	175,571	9,554	185,125	-	-	408,278	12,291	420,569
Changes to AIC for past services	-	-	(162,444)	3,962	(158,482)	-	-	(227,491)	(13,840)	(241,331)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	2,664	-	2,664
Amounts recoverable from reinsurance for incurred claims	-	-	13,127	13,516	26,643	-	-	183,451	(1,549)	181,902
Net (expenses) / income from reinsurance contracts held	(746,303)	-	13,127	13,516	(719,660)	(1,574,874)	-	183,451	(1,549)	(1,392,972)
Finance income from reinsurance contracts held	-	-	10,012	(3)	10,009	-	-	11,470	1	11,471
Total changes in the interim condensed consolidated statement of income	(746,303)	-	23,139	13,513	(709,651)	(1,574,874)	-	194,921	(1,548)	(1,381,501)
Premium paid	724,834	-	-	-	724,834	1,554,048	-	-	-	1,554,048
Claims recovered	-	-	(53,247)	-	(53,247)	-	-	(132,288)	-	(132,288)
Fixed commission received	(25,480)	-	-	-	(25,480)	(108,576)	-	-	-	(108,576)
Net cash flows for reinsurance contracts	699,354	-	(53,247)	-	646,107	1,445,472	-	(132,288)	-	1,313,184
Net closing reinsurance contract assets	(65,284)	-	665,447	35,200	635,363	(18,335)	-	695,555	21,687	698,907
Closing reinsurance contract assets	(53,113)	-	658,044	34,892	639,823	(7,443)	-	688,294	21,358	702,209
Closing reinsurance contract (liabilities)	(12,171)	-	7,403	308	(4,460)	(10,892)	-	7,261	329	(3,302)

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Medical

4.2.1 Reinsurance contracts - PAA - Medical	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	-	-	-	-	-	(8,472)	-	8,490	374	392
Opening reinsurance contract (liabilities)	(10,892)	-	7,261	329	(3,302)	-	-	-	-	-
Net opening reinsurance contract assets	(10,892)	-	7,261	329	(3,302)	(8,472)	-	8,490	374	392
Allocation of reinsurance premiums	(1,204)	-	-	-	(1,204)	(2,447)	-	-	-	(2,447)
Incurred claims and other expenses	-	-	-	-	-	-	-	3,732	176	3,908
Changes to AIC for past services	-	-	1,466	(21)	1,445	-	-	(711)	(221)	(932)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	1,466	(21)	1,445	-	-	3,021	(45)	2,976
Net (expenses) / income from reinsurance contracts held	(1,204)	-	1,466	(21)	241	(2,447)	-	3,021	(45)	529
Finance income from reinsurance contracts held	-	-	51	-	51	-	-	67	-	67
Total changes in the interim condensed consolidated statement of income	(1,204)	-	1,517	(21)	292	(2,447)	-	3,088	(45)	596
Premium paid	(76)	-	-	-	(76)	40	-	-	-	40
Claims recovered	-	-	(1,375)	-	(1,375)	-	-	(4,317)	-	(4,317)
Fixed commission received	1	-	-	-	1	(13)	-	-	-	(13)
Net cash flows for reinsurance contracts	(75)	-	(1,375)	-	(1,450)	27	-	(4,317)	-	(4,290)
Net closing reinsurance contract assets	(12,171)	-	7,403	308	(4,460)	(10,892)	-	7,261	329	(3,302)
Closing reinsurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing reinsurance contract (liabilities)	(12,171)	-	7,403	308	(4,460)	(10,892)	-	7,261	329	(3,302)

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Motor

4.2.1 Reinsurance contracts - PAA - Motor	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	(1,272)	-	4,328	197	3,253	(107)	-	7,910	308	8,111
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(1,272)	-	4,328	197	3,253	(107)	-	7,910	308	8,111
Allocation of reinsurance premiums	(112)	-	-	-	(112)	(1,237)	-	-	-	(1,237)
Incurred claims and other expenses	-	-	-	-	-	-	-	1,925	21	1,946
Changes to AIC for past services	-	-	732	28	760	-	-	(4,031)	(132)	(4,163)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	732	28	760	-	-	(2,106)	(111)	(2,217)
Net (expenses) / income from reinsurance contracts held	(112)	-	732	28	648	(1,237)	-	(2,106)	(111)	(3,454)
Finance income from reinsurance contracts held	-	-	30	-	30	-	-	62	-	62
Total changes in the interim condensed consolidated statement of income	(112)	-	762	28	678	(1,237)	-	(2,044)	(111)	(3,392)
Premium paid	(124)	-	-	-	(124)	87	-	-	-	87
Claims recovered	-	-	(616)	-	(616)	-	-	(1,538)	-	(1,538)
Fixed commission received	(222)	-	-	-	(222)	(15)	-	-	-	(15)
Net cash flows for reinsurance contracts	(346)	-	(616)	-	(962)	72	-	(1,538)	-	(1,466)
Net closing reinsurance contract assets	(1,730)	-	4,474	225	2,969	(1,272)	-	4,328	197	3,253
Closing reinsurance contract assets	(1,730)	-	4,474	225	2,969	(1,272)	-	4,328	197	3,253
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Property

4.2.1 Reinsurance contracts - PAA - Property	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	(172,432)	-	236,343	6,111	70,022	(33,805)	-	172,701	2,826	141,722
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(172,432)	-	236,343	6,111	70,022	(33,805)	-	172,701	2,826	141,722
Allocation of reinsurance premiums	(306,264)	-	-	-	(306,264)	(430,632)	-	-	-	(430,632)
Incurred claims and other expenses	-	-	54,019	2,735	56,754	-	-	156,157	4,296	160,453
Changes to AIC for past services	-	-	(43,020)	2,836	(40,184)	-	-	(56,670)	(1,011)	(57,681)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	1,946	-	1,946
Amounts recoverable from reinsurance for incurred claims	-	-	10,999	5,571	16,570	-	-	101,433	3,285	104,718
Net (expenses) / income from reinsurance contracts held	(306,264)	-	10,999	5,571	(289,694)	(430,632)	-	101,433	3,285	(325,914)
Finance income from reinsurance contracts held	-	-	4,507	-	4,507	-	-	3,473	-	3,473
Total changes in the interim condensed consolidated statement of income	(306,264)	-	15,506	5,571	(285,187)	(430,632)	-	104,906	3,285	(322,441)
Premium paid	402,943	-	-	-	402,943	333,957	-	-	-	333,957
Claims recovered	-	-	(8,082)	-	(8,082)	-	-	(41,264)	-	(41,264)
Fixed commission received	(9,677)	-	-	-	(9,677)	(41,952)	-	-	-	(41,952)
Net cash flows for reinsurance contracts	393,266	-	(8,082)	-	385,184	292,005	-	(41,264)	-	250,741
Net closing reinsurance contract assets	(85,430)	-	243,767	11,682	170,019	(172,432)	-	236,343	6,111	70,022
Closing reinsurance contract assets	(85,430)	-	243,767	11,682	170,019	(172,432)	-	236,343	6,111	70,022
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Energy

4.2.1 Reinsurance contracts - PAA - Energy	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	105,529	-	119,994	3,286	228,809	131,648	-	92,206	4,610	228,464
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	105,529	-	119,994	3,286	228,809	131,648	-	92,206	4,610	228,464
Allocation of reinsurance premiums	(170,324)	-	-	-	(170,324)	(582,568)	-	-	-	(582,568)
Incurred claims and other expenses	-	-	70,382	3,566	73,948	-	-	107,986	2,973	110,959
Changes to AIC for past services	-	-	(78,102)	(2,663)	(80,765)	-	-	(67,688)	(4,297)	(71,985)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(7,720)	903	(6,817)	-	-	40,298	(1,324)	38,974
Net (expenses) / income from reinsurance contracts held	(170,324)	-	(7,720)	903	(177,141)	(582,568)	-	40,298	(1,324)	(543,594)
Finance income from reinsurance contracts held	-	-	1,423	-	1,423	-	-	1,124	-	1,124
Total changes in the interim condensed consolidated statement of income	(170,324)	-	(6,297)	903	(175,718)	(582,568)	-	41,422	(1,324)	(542,470)
Premium paid	41,085	-	-	-	41,085	558,968	-	-	-	558,968
Claims recovered	-	-	(31,010)	-	(31,010)	-	-	(13,634)	-	(13,634)
Fixed commission received	(855)	-	-	-	(855)	(2,519)	-	-	-	(2,519)
Net cash flows for reinsurance contracts	40,230	-	(31,010)	-	9,220	556,449	-	(13,634)	-	542,815
Net closing reinsurance contract assets	(24,565)	-	82,687	4,189	62,311	105,529	-	119,994	3,286	228,809
Closing reinsurance contract assets	(24,565)	-	82,687	4,189	62,311	105,529	-	119,994	3,286	228,809
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Engineering

4.2.1 Reinsurance contracts - PAA - Engineering	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	133,844	-	101,064	3,662	238,570	58,149	-	104,336	4,911	167,396
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	133,844	-	101,064	3,662	238,570	58,149	-	104,336	4,911	167,396
Allocation of reinsurance premiums	(76,594)	-	-	-	(76,594)	(205,588)	-	-	-	(205,588)
Incurred claims and other expenses	-	-	21,090	1,395	22,485	-	-	48,759	2,054	50,813
Changes to AIC for past services	-	-	(19,547)	625	(18,922)	-	-	(44,754)	(3,303)	(48,057)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	718	-	718
Amounts recoverable from reinsurance for incurred claims	-	-	1,543	2,020	3,563	-	-	4,723	(1,249)	3,474
Net (expenses) / income from reinsurance contracts held	(76,594)	-	1,543	2,020	(73,031)	(205,588)	-	4,723	(1,249)	(202,114)
Finance income from reinsurance contracts held	-	-	1,471	-	1,471	-	-	2,144	-	2,144
Total changes in the interim condensed consolidated statement of income	(76,594)	-	3,014	2,020	(71,560)	(205,588)	-	6,867	(1,249)	(199,970)
Premium paid	55,301	-	-	-	55,301	324,803	-	-	-	324,803
Claims recovered	-	-	(4,572)	-	(4,572)	-	-	(10,139)	-	(10,139)
Fixed commission received	(7,475)	-	-	-	(7,475)	(43,520)	-	-	-	(43,520)
Net cash flows for reinsurance contracts	47,826	-	(4,572)	-	43,254	281,283	-	(10,139)	-	271,144
Net closing reinsurance contract assets	105,076	-	99,506	5,682	210,264	133,844	-	101,064	3,662	238,570
Closing reinsurance contract assets	105,076	-	99,506	5,682	210,264	133,844	-	101,064	3,662	238,570
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Protection and Savings (P&S) - non-linked

4.2.1 Reinsurance contracts - PAA - Protection and Savings (P&S) - non-linked	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	(32,666)	-	59,237	2,078	28,649	(49,820)	-	108,391	5,025	63,596
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(32,666)	-	59,237	2,078	28,649	(49,820)	-	108,391	5,025	63,596
Allocation of reinsurance premiums	(12,523)	-	-	-	(12,523)	(26,719)	-	-	-	(26,719)
Incurred claims and other expenses	-	-	8,601	625	9,226	-	-	23,349	699	24,048
Changes to AIC for past services	-	-	(11,408)	478	(10,930)	-	-	(17,927)	(3,646)	(21,573)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(2,807)	1,103	(1,704)	-	-	5,422	(2,947)	2,475
Net (expenses) / income from reinsurance contracts held	(12,523)	-	(2,807)	1,103	(14,227)	(26,719)	-	5,422	(2,947)	(24,244)
Finance income from reinsurance contracts held	-	-	771	-	771	-	-	1,449	-	1,449
Total changes in the interim condensed consolidated statement of income	(12,523)	-	(2,036)	1,103	(13,456)	(26,719)	-	6,871	(2,947)	(22,795)
Premium paid	14,993	-	-	-	14,993	44,558	-	-	-	44,558
Claims recovered	-	-	(4,983)	-	(4,983)	-	-	(56,025)	-	(56,025)
Fixed commission received	(535)	-	-	-	(535)	(685)	-	-	-	(685)
Net cash flows for reinsurance contracts	14,458	-	(4,983)	-	9,475	43,873	-	(56,025)	-	(12,152)
Net closing reinsurance contract assets	(30,731)	-	52,218	3,181	24,668	(32,666)	-	59,237	2,078	28,649
Closing reinsurance contract assets	(30,731)	-	52,218	3,181	24,668	(32,666)	-	59,237	2,078	28,649
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Property and Casualty (P&C) - others

4.2.1 Reinsurance contracts - PAA - Property and Casualty (P&C) - others	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	(40,446)	-	167,328	6,024	132,906	13,474	-	138,888	5,181	157,543
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(40,446)	-	167,328	6,024	132,906	13,474	-	138,888	5,181	157,543
Allocation of reinsurance premiums	(179,282)	-	-	-	(179,282)	(325,683)	-	-	-	(325,683)
Incurred claims and other expenses	-	-	21,479	1,233	22,712	-	-	66,370	2,072	68,442
Changes to AIC for past services	-	-	(12,565)	2,679	(9,886)	-	-	(35,710)	(1,230)	(36,940)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	8,914	3,912	12,826	-	-	30,660	842	31,502
Net (expenses) / income from reinsurance contracts held	(179,282)	-	8,914	3,912	(166,456)	(325,683)	-	30,660	842	(294,181)
Finance income from reinsurance contracts held	-	-	1,759	(3)	1,756	-	-	3,151	1	3,152
Total changes in the interim condensed consolidated statement of income	(179,282)	-	10,673	3,909	(164,700)	(325,683)	-	33,811	843	(291,029)
Premium paid	210,712	-	-	-	210,712	291,635	-	-	-	291,635
Claims recovered	-	-	(2,609)	-	(2,609)	-	-	(5,371)	-	(5,371)
Fixed commission received	(6,717)	-	-	-	(6,717)	(19,872)	-	-	-	(19,872)
Net cash flows for reinsurance contracts	203,995	-	(2,609)	-	201,386	271,763	-	(5,371)	-	266,392
Net closing reinsurance contract assets	(15,733)	-	175,392	9,933	169,592	(40,446)	-	167,328	6,024	132,906
Closing reinsurance contract assets	(15,733)	-	175,392	9,933	169,592	(40,446)	-	167,328	6,024	132,906
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.2 Reinsurance contracts - GMM -
Total

4.2.2 Reinsurance contracts - GMM -	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
Total	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	37,131	2	1,905	46	39,084	21,259	392	961	42	22,654
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	37,131	2	1,905	46	39,084	21,259	392	961	42	22,654
Expected claims recoverable	(413)	-	-	-	(413)	(485)	-	-	-	(485)
Change in risk adjustment for non-financial risk	(2)	-	-	-	(2)	(2)	-	-	-	(2)
Experience adjustments	(1,619)	-	-	-	(1,619)	1,109	-	-	-	1,109
CSM recognized during the period	(92)	-	-	-	(92)	(17)	-	-	-	(17)
Allocation of reinsurance premiums	(2,126)	-	-	-	(2,126)	605	-	-	-	605
Incurred claims and other expenses	-	-	193	-	193	-	-	815	-	815
Loss recovery component for onerous contracts	-	(1)	-	-	(1)	-	(402)	-	-	(402)
Changes to AIC for past services	-	-	(286)	(11)	(297)	-	-	96	1	97
Amounts recoverable from reinsurance for incurred claims	-	(1)	(93)	(11)	(105)	-	(402)	911	1	510
Net (expenses) / income from reinsurance contracts held	(2,126)	(1)	(93)	(11)	(2,231)	605	(402)	911	1	1,115
Finance income from reinsurance contracts held	(847)	-	(40)	1	(886)	1,387	12	121	3	1,523
Total changes in the interim condensed consolidated statement of income	(2,973)	(1)	(133)	(10)	(3,117)	1,992	(390)	1,032	4	2,638
Premium paid	5,460	-	-	-	5,460	16,368	-	-	-	16,368
Claims recovered	-	-	(114)	-	(114)	-	-	(88)	-	(88)
Fixed commission received	(975)	-	-	-	(975)	(2,488)	-	-	-	(2,488)
Net cash flows for reinsurance contracts	4,485	-	(114)	-	4,371	13,880	-	(88)	-	13,792
Net closing reinsurance contract assets	38,643	1	1,658	36	40,338	37,131	2	1,905	46	39,084
Closing reinsurance contract assets	39,335	-	1,200	-	40,535	37,131	2	1,905	46	39,084
Closing reinsurance contract (liabilities)	(692)	1	458	36	(197)	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.2.2 Reinsurance contracts - GMM -
Property and Casualty (P&C) - others**

4.2.2 Reinsurance contracts - GMM - Property and Casualty (P&C) - others	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	37,606	-	1,314	-	38,920	22,117	-	426	-	22,543
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	37,606	-	1,314	-	38,920	22,117	-	426	-	22,543
Expected claims recoverable	(129)	-	-	-	(129)	61	-	-	-	61
Change in risk adjustment for non-financial risk	(2)	-	-	-	(2)	(2)	-	-	-	(2)
Experience adjustments	(1,619)	-	-	-	(1,619)	1,109	-	-	-	1,109
CSM recognized during the period	(170)	-	-	-	(170)	(106)	-	-	-	(106)
Allocation of reinsurance premiums	(1,920)	-	-	-	(1,920)	1,062	-	-	-	1,062
Incurred claims and other expenses	-	-	193	-	193	-	-	815	-	815
Loss recovery component for onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	(244)	-	(244)	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(51)	-	(51)	-	-	815	-	815
Net (expenses) / income from reinsurance contracts held	(1,920)	-	(51)	-	(1,971)	1,062	-	815	-	1,877
Finance income from reinsurance contracts held	(836)	-	(50)	-	(886)	1,413	-	86	-	1,499
Total changes in the interim condensed consolidated statement of income	(2,756)	-	(101)	-	(2,857)	2,475	-	901	-	3,376
Premium paid	5,460	-	-	-	5,460	15,502	-	-	-	15,502
Claims recovered	-	-	(13)	-	(13)	-	-	(13)	-	(13)
Fixed commission received	(975)	-	-	-	(975)	(2,488)	-	-	-	(2,488)
Net cash flows for reinsurance contracts	4,485	-	(13)	-	4,472	13,014	-	(13)	-	13,001
Net closing reinsurance contract assets	39,335	-	1,200	-	40,535	37,606	-	1,314	-	38,920
Closing reinsurance contract assets	39,335	-	1,200	-	40,535	37,606	-	1,314	-	38,920
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.2.2 Reinsurance contracts - GMM -
Protection and Savings (P&S) - linked**

4.2.2 Reinsurance contracts - GMM - Protection and Savings (P&S) - linked	For the period ended June 30, 2025 (Unaudited)					For the year ended December 31, 2024 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR “000”					SAR “000”				
Opening reinsurance contract assets	(475)	2	591	46	164	(858)	392	535	42	111
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(475)	2	591	46	164	(858)	392	535	42	111
Expected claims recoverable	(284)	-	-	-	(284)	(546)	-	-	-	(546)
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
Experience adjustments	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	78	-	-	-	78	89	-	-	-	89
Allocation of reinsurance premiums	(206)	-	-	-	(206)	(457)	-	-	-	(457)
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-
Loss recovery component for onerous contracts	-	(1)	-	-	(1)	-	(402)	-	-	(402)
Changes to AIC for past services	-	-	(42)	(11)	(53)	-	-	96	1	97
Amounts recoverable from reinsurance for incurred claims	-	(1)	(42)	(11)	(54)	-	(402)	96	1	(305)
Net (expenses) / income from reinsurance contracts held	(206)	(1)	(42)	(11)	(260)	(457)	(402)	96	1	(762)
Finance income from reinsurance contracts held	(11)	-	10	1	-	(26)	12	35	3	24
Total changes in the interim condensed consolidated statement of income	(217)	(1)	(32)	(10)	(260)	(483)	(390)	131	4	(738)
Premium paid	-	-	-	-	-	866	-	-	-	866
Claims recovered	-	-	(101)	-	(101)	-	-	(75)	-	(75)
Fixed commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	-	-	(101)	-	(101)	866	-	(75)	-	791
Net closing reinsurance contract assets	(692)	1	458	36	(197)	(475)	2	591	46	164
Closing reinsurance contract assets	-	-	-	-	-	(475)	2	591	46	164
Closing reinsurance contract (liabilities)	(692)	1	458	36	(197)	-	-	-	-	-

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.3 An analysis of measurement components of insurance and reinsurance contract assets and liabilities i.e. 'Estimates of Present Value of Future Cash Flows' (PVFCF), 'Risk Adjustment' (RA) and 'Contractual Service Margin' (CSM) for the contracts measured under the GMM - VFA has been included in the below tables:

4.3.1 Insurance contracts - GMM/VFA	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR “000”				SAR “000”			
Opening insurance contract liabilities	499,136	3,091	97,406	599,633	532,510	1,664	52,650	586,824
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	499,136	3,091	97,406	599,633	532,510	1,664	52,650	586,824
Changes that relate to current services	31,085	(36)	(2,107)	28,942	(4,149)	211	(1,760)	(5,698)
Changes that relate to future services	(45,890)	721	8,741	(36,428)	(49,016)	1,237	43,986	(3,793)
Changes that relate to past services	(114)	(48)	-	(162)	(1,639)	(168)	-	(1,807)
Insurance service results before reinsurance contracts held	(14,919)	637	6,634	(7,648)	(54,804)	1,280	42,226	(11,298)
Finance expenses from insurance contracts	(3,382)	4	2,135	(1,243)	(599)	147	2,530	2,078
Total changes in interim condensed consolidated statement of income	(18,301)	641	8,769	(8,891)	(55,403)	1,427	44,756	(9,220)
Changes in fair value of unit-linked investments	13,491	-	-	13,491	50,832	-	-	50,832
Insurance pool portfolio transition impact	-	-	-	-	(106)	-	-	(106)
Premium received	44,690	-	-	44,690	92,294	-	-	92,294
Claims and directly attributable expenses paid	(66,677)	-	-	(66,677)	(120,387)	-	-	(120,387)
Insurance acquisition expenses paid	(239)	-	-	(239)	(604)	-	-	(604)
Net cash flows for insurance contracts	(22,226)	-	-	(22,226)	(28,697)	-	-	(28,697)
Net closing insurance contract liabilities	472,100	3,732	106,175	582,007	499,136	3,091	97,406	599,633
Closing insurance contract liabilities	472,100	3,732	106,175	582,007	499,136	3,091	97,406	599,633
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.1 Insurance contracts - GMM -
P&C - others

	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	(2,669)	2,442	55,251	55,024	(2,735)	1,332	35,408	34,005
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	(2,669)	2,442	55,251	55,024	(2,735)	1,332	35,408	34,005
Changes that relate to current services	33,665	(10)	(196)	33,459	1,409	12	339	1,760
Changes that relate to future services	(46,166)	741	8,986	(36,439)	(20,608)	946	17,332	(2,330)
Changes that relate to past services	206	(4)	-	202	-	24	-	24
Insurance service result before reinsurance contracts held	(12,295)	727	8,790	(2,778)	(19,199)	982	17,671	(546)
Finance expenses from insurance contracts	(2,707)	(10)	1,401	(1,316)	(315)	128	2,172	1,985
Total changes in interim condensed consolidated statement of income	(15,002)	717	10,191	(4,094)	(19,514)	1,110	19,843	1,439
Insurance pool portfolio transition impact	-	-	-	-	(106)	-	-	(106)
Premium received	12,156	-	-	12,156	19,883	-	-	19,883
Claims and directly attributable expenses paid	(450)	-	-	(450)	(197)	-	-	(197)
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	11,706	-	-	11,706	19,686	-	-	19,686
Net closing insurance contract liabilities	(5,965)	3,159	65,442	62,636	(2,669)	2,442	55,251	55,024
Closing insurance contract liabilities	(5,965)	3,159	65,442	62,636	(2,669)	2,442	55,251	55,024
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.1 Insurance contracts - GMM -
P&S - non-linked

	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	23	9	618	650	86	5	481	572
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	23	9	618	650	86	5	481	572
Changes that relate to current services	(53)	-	(51)	(104)	(102)	-	(116)	(218)
Changes that relate to future services	(60)	-	60	-	(242)	2	241	1
Changes that relate to past services	-	-	-	-	19	2	-	21
Insurance service result before reinsurance contracts held	(113)	-	9	(104)	(325)	4	125	(196)
Finance expenses from insurance contracts	1	-	9	10	(1)	-	12	11
Total changes in interim condensed consolidated statement of income	(112)	-	18	(94)	(326)	4	137	(185)
Premium received	102	-	-	102	264	-	-	264
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	(1)	-	-	(1)
Net cash flows for insurance contracts	102	-	-	102	263	-	-	263
Net closing insurance contract liabilities	13	9	636	658	23	9	618	650
Closing insurance contract liabilities	13	9	636	658	23	9	618	650
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.1 Insurance contracts - VFA -
P&S - linked

	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	501,782	640	41,537	543,959	535,159	327	16,761	552,247
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	501,782	640	41,537	543,959	535,159	327	16,761	552,247
Changes that relate to current services	(2,527)	(26)	(1,860)	(4,413)	(5,456)	199	(1,983)	(7,240)
Changes that relate to future services	336	(20)	(305)	11	(28,166)	289	26,413	(1,464)
Changes that relate to past services	(320)	(44)	-	(364)	(1,658)	(194)	-	(1,852)
Insurance service result before reinsurance contracts held	(2,511)	(90)	(2,165)	(4,766)	(35,280)	294	24,430	(10,556)
Finance expenses from insurance contracts	(676)	14	725	63	(283)	19	346	82
Total changes in interim condensed consolidated statement of income	(3,187)	(76)	(1,440)	(4,703)	(35,563)	313	24,776	(10,474)
Changes in fair value of unit-linked investments	13,491	-	-	13,491	50,832	-	-	50,832
Premium received	32,432	-	-	32,432	72,147	-	-	72,147
Claims and directly attributable expenses paid	(66,227)	-	-	(66,227)	(120,190)	-	-	(120,190)
Insurance acquisition expenses paid	(239)	-	-	(239)	(603)	-	-	(603)
Net cash flows for insurance contracts	(34,034)	-	-	(34,034)	(48,646)	-	-	(48,646)
Net closing insurance contract liabilities	478,052	564	40,097	518,713	501,782	640	41,537	543,959
Closing insurance contract liabilities	478,052	564	40,097	518,713	501,782	640	41,537	543,959
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.2 Reinsurance contracts - GMM -

Total	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
	Estimates of	Risk Adjustment	Contractual Service	Total	Estimates of	Risk Adjustment	Contractual Service	Total
	PVFCF	(RA)	Margin (CSM)		PVFCF	(RA)	Margin (CSM)	
	SAR “000”				SAR “000”			
Opening reinsurance contract assets	7,594	1,962	29,528	39,084	(4,072)	(1,169)	27,895	22,654
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	7,594	1,962	29,528	39,084	(4,072)	(1,169)	27,895	22,654
Changes that relate to current services	8,469	(2)	(92)	8,375	37,393	1,814	(2,687)	36,520
Changes that relate to future services	(16,850)	872	5,662	(10,316)	(39,485)	1,252	2,731	(35,502)
Changes that relate to past services	(279)	(11)	-	(290)	96	1	-	97
Net (expenses) / income from reinsurance contracts held	(8,660)	859	5,570	(2,231)	(1,996)	3,067	44	1,115
Finance income from reinsurance contracts held	(1,782)	(7)	903	(886)	(130)	64	1,589	1,523
Total changes in interim condensed consolidated statement of income	(10,442)	852	6,473	(3,117)	(2,126)	3,131	1,633	2,638
Premium paid	5,460	-	-	5,460	16,368	-	-	16,368
Claims recovered	(114)	-	-	(114)	(88)	-	-	(88)
Fixed commission received	(975)	-	-	(975)	(2,488)	-	-	(2,488)
Net cash flows for reinsurance contracts	4,371	-	-	4,371	13,792	-	-	13,792
Net closing reinsurance contract assets	1,523	2,814	36,001	40,338	7,594	1,962	29,528	39,084
Closing reinsurance contract assets	1,064	2,778	36,693	40,535	7,594	1,962	29,528	39,084
Closing reinsurance contract (liabilities)	459	36	(692)	(197)	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.2 Reinsurance contracts - GMM -
P&C - others

	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening reinsurance contract assets	7,002	1,916	30,002	38,920	(4,608)	(1,211)	28,362	22,543
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	7,002	1,916	30,002	38,920	(4,608)	(1,211)	28,362	22,543
Changes that relate to current services	8,753	(2)	(170)	8,581	37,939	1,814	(2,776)	36,977
Changes that relate to future services	(17,134)	872	5,947	(10,315)	(39,165)	1,252	2,813	(35,100)
Changes that relate to past services	(237)	-	-	(237)	-	-	-	-
Net (expenses) / income from reinsurance contracts held	(8,618)	870	5,777	(1,971)	(1,226)	3,066	37	1,877
Finance income from reinsurance contracts held	(1,792)	(8)	914	(886)	(165)	61	1,603	1,499
Total changes in interim condensed consolidated statement of income	(10,410)	862	6,691	(2,857)	(1,391)	3,127	1,640	3,376
Premium paid	5,460	-	-	5,460	15,502	-	-	15,502
Claims recovered	(13)	-	-	(13)	(13)	-	-	(13)
Fixed commission received	(975)	-	-	(975)	(2,488)	-	-	(2,488)
Net cash flows for reinsurance contracts	4,472	-	-	4,472	13,001	-	-	13,001
Net closing reinsurance contract assets	1,064	2,778	36,693	40,535	7,002	1,916	30,002	38,920
Closing reinsurance contract assets	1,064	2,778	36,693	40,535	7,002	1,916	30,002	38,920
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.2 Reinsurance contracts - GMM -
P&S - linked

	For the period ended June 30, 2025 (Unaudited)				For the year ended December 31, 2024 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening reinsurance contract assets	592	46	(474)	164	536	42	(467)	111
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	592	46	(474)	164	536	42	(467)	111
Changes that relate to current services	(284)	-	78	(206)	(546)	-	89	(457)
Changes that relate to future services	284	-	(285)	(1)	(320)	-	(82)	(402)
Changes that relate to past services	(42)	(11)	-	(53)	96	1	-	97
Net (expenses) / income from reinsurance contracts held	(42)	(11)	(207)	(260)	(770)	1	7	(762)
Finance income from reinsurance contracts held	10	1	(11)	-	35	3	(14)	24
Total changes in interim condensed consolidated statement of income	(32)	(10)	(218)	(260)	(735)	4	(7)	(738)
Premium paid	-	-	-	-	866	-	-	866
Claims recovered	(101)	-	-	(101)	(75)	-	-	(75)
Fixed commission received	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	(101)	-	-	(101)	791	-	-	791
Net closing reinsurance contract assets	459	36	(692)	(197)	592	46	(474)	164
Closing reinsurance contract assets	-	-	-	-	592	46	(474)	164
Closing reinsurance contract (liabilities)	459	36	(692)	(197)	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.4 Impact of new contracts issued during the period for the contracts measured under the GMM/VFA valuation approaches:

	For the three-month period ended June 30, 2025 (Unaudited)			For the three-month period ended June 30, 2024 (Unaudited)		
	Non-onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	76	70	146	3,722	25	3,747
Claims and other directly attributable expenses	60	12	72	7,162	20	7,182
Estimates of the present value of future cash outflows	136	82	218	10,884	45	10,929
Estimates of the present value of future cash inflows	(335)	-	(335)	(18,447)	(4)	(18,451)
Risk adjustment for non-financial risk	2	1	3	348	-	348
Contractual service margin (CSM)	197	(83)	114	7,215	(37)	7,178
Increase in insurance contract liabilities from the new contracts issued	-	-	-	-	4	4

	For the six-month period ended June 30, 2025 (Unaudited)			For the six-month period ended June 30, 2024 (Unaudited)		
	Non-onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	3,672	190	3,862	3,874	43	3,917
Claims and other directly attributable expenses	1,338	30	1,368	7,445	43	7,488
Estimates of the present value of future cash outflows	5,010	220	5,230	11,319	86	11,405
Estimates of the present value of future cash inflows	(11,847)	-	(11,847)	(19,228)	(13)	(19,241)
Risk adjustment for non-financial risk	364	2	366	351	-	351
Contractual service margin (CSM)	6,473	(83)	6,390	7,558	(37)	7,521
Increase in insurance contract liabilities from the new contracts issued	-	139	139	-	36	36

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.5 For contracts measured under the GMM/VFA valuation approaches, insurance revenue and the 'Contractual Service Margin' (CSM) movement by transition methods is as below:

- New contracts issued and contracts measured under the full retrospective approach at transition (Full retrospective)
- Contracts measured under the modified retrospective approach at transition (Modified retrospective)
- Contracts measured under the fair value approach at transition (Fair value)

	For the three-month period ended June 30, 2025 (Unaudited)				For the three-month period ended June 30, 2025 (Unaudited)			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	1,458	1,289	(278)	2,469	2,612	261	762	3,635
CSM at the beginning of the period	92,643	5,178	9,216	107,037	51,495	1,180	290	52,965
CSM recognized during the period for services provided	(556)	(369)	(27)	(952)	(384)	(31)	(11)	(426)
Changes in estimates that adjust the CSM	(137)	(177)	(96)	(410)	43	56	15	114
Contracts initially recognized during the period	114	-	-	114	7,178	-	-	7,178
Finance expenses from insurance contracts	205	310	(129)	386	185	1	17	203
Total amount recognized in the statement of income	(374)	(236)	(252)	(862)	7,022	26	21	7,069
CSM at the end of the period	92,269	4,942	8,964	106,175	58,517	1,206	311	60,034
	For the six-month period ended June 30, 2025 (Unaudited)				For the six-month period ended June 30, 2024 (Unaudited)			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	5,919	1,541	505	7,965	4,381	535	1,556	6,472
CSM at the beginning of the period	82,576	9,425	5,405	97,406	51,213	1,131	306	52,650
CSM recognized during the period for services provided	(1,314)	(510)	(283)	(2,107)	(738)	(61)	(21)	(820)
Changes in estimates that adjust the CSM	2,828	(275)	(202)	2,351	257	134	(8)	383
Contracts initially recognized during the period	6,390	-	-	6,390	7,521	-	-	7,521
Finance expenses from insurance contracts	1,789	322	24	2,135	264	2	34	300
Total amount recognized in the statement of income	9,693	(463)	(461)	8,769	7,304	75	5	7,384
CSM at the end of the period	92,269	8,962	4,944	106,175	58,517	1,206	311	60,034

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

5. INSURANCE SERVICE RESULT	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SAR "000"		SAR "000"	
5.1 Insurance revenue				
<i>Contracts measured under GMM/VFA:</i>				
Expected claims expenses	22	879	(849)	907
Expected directly attributable expenses	444	1,277	908	2,606
Loss component run off	801	846	1,628	1,719
Expected other insurance service expenses	(63)	(98)	3,542	(195)
Change in risk adjustment for non-financial risk	13	4	36	8
CSM recognized during the period	952	424	2,107	818
Recovery of insurance acquisition cash flows	300	303	593	609
Insurance revenue from contracts measured under GMM/VFA	2,469	3,635	7,965	6,472
<i>Contracts measured under PAA:</i>				
Premiums earned	689,208	793,632	1,480,612	1,561,626
Change in expected credit losses	(4,864)	(1,091)	(13,545)	(4,849)
Insurance revenue from contracts measured under PAA	684,344	792,541	1,467,067	1,556,777
Total insurance revenue	686,813	796,176	1,475,032	1,563,249
5.2 Insurance service expenses				
Incurred claims and other expenses	(423,036)	(439,000)	(911,138)	(962,118)
(Losses) / Loss reversals on onerous contracts	(157)	2,207	(219)	5,828
Changes to liabilities for incurred claims for past services	72,554	44,659	201,546	135,640
Insurance acquisition costs	(72,415)	(86,100)	(143,837)	(173,607)
Surplus distribution expense	-	(421)	-	(421)
Total Insurance Service Expenses	(423,054)	(478,655)	(853,648)	(994,678)
Insurance service results before reinsurance contracts held	263,759	317,521	621,384	568,571

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
5. INSURANCE SERVICE RESULT (CONTINUED)

	Three-month period ended		Six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SAR "000"		SAR "000"	
5.3 Allocation of reinsurance (RI)				
<i>Contracts measured under GMM/VFA:</i>				
Expected claims recoverable	(141)	122	(413)	(29)
Change in risk adjustment for non-financial risk	-	-	(2)	-
Experience adjustments	-	-	(1,619)	-
CSM recognized during the period	36	57	(92)	78
Allocation of RI premiums from contracts measured under GMM/VFA	(105)	179	(2,126)	49
<i>Contracts measured under PAA:</i>				
Reinsurance premiums expense	(338,709)	(341,037)	(780,470)	(676,034)
Reinsurance commissions earned	18,197	19,686	34,167	37,775
Allocation of RI premiums from contracts measured under PAA	(320,512)	(321,351)	(746,303)	(638,259)
Total allocation of reinsurance premiums	(320,617)	(321,172)	(748,429)	(638,210)
5.4 Amounts recoverable from				
Incurred claims and other expenses	64,459	80,976	185,318	208,059
Losses recovered on onerous contracts	(1)	(47)	(1)	(146)
Change in amounts recoverable for incurred claims for past services	(59,726)	(74,157)	(158,779)	(149,502)
Change in profit commission/sliding scale commission	-	2,664	-	2,664
Total amounts recoverable from reinsurers for incurred claims	4,732	9,436	26,538	61,075
Net expenses from reinsurance contracts held	(315,885)	(311,736)	(721,891)	(577,135)
Insurance service results	(52,126)	5,785	(100,507)	(8,564)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****6. GROSS WRITTEN PREMIUM**

Analysis of gross written premium (GWP) is as follows:

	For the three-month period ended June 30, 2025 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individuals	Total
	SAR “000”					
Medical	4,977	5,247	9,555	27,720	34,606	82,105
Motor	1,023	1,461	15,090	15,510	76,080	109,164
Property	141	2,956	61,301	12,088	309	76,795
Energy	-	-	-	822	-	822
Engineering	20	398	16,178	8,562	-	25,158
P&S - non-linked	-	2,295	35,401	12,150	38	49,884
P&S - linked	-	-	-	-	15,883	15,883
P&C - others	1,310	3,018	17,699	40,708	20,984	83,719
Total	7,471	15,375	155,224	117,560	147,900	443,530

	For the three-month period ended June 30, 2024 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individuals	Total
	SAR “000”					
Medical	12,745	8,036	43,232	39,679	23,065	126,757
Motor	864	3,378	5,925	24,261	56,202	90,630
Property	320	3,022	4,646	9,956	-	17,944
Energy	-	-	515	485,890	-	486,405
Engineering	768	748	26,305	30,580	-	58,401
P&S - non-linked	4,616	1,219	10,448	42,663	38	58,984
P&S - linked	-	-	-	-	18,299	18,299
P&C - others	792	4,257	17,777	57,624	5,246	85,696
Total	20,105	20,660	108,848	690,653	102,850	943,116

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
6. GROSS WRITTEN PREMIUM (CONTINUED)

	For the six-month period ended June 30, 2025 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individual	Total
	SAR “000”					
Medical	14,347	15,957	23,464	48,852	42,988	145,608
Motor	1,631	4,948	34,111	32,645	208,359	281,694
Property	257	4,439	47,033	29,293	851	81,873
Energy	-	-	-	39,195	-	39,195
Engineering	81	2,184	26,695	82,272	-	111,232
P&S - non-linked	266	3,009	58,975	24,542	64	86,856
P&S - linked	-	-	-	-	32,432	32,432
P&C - others	2,499	6,315	43,525	101,344	33,427	187,110
Total	19,081	36,852	233,803	358,143	318,121	966,000

	For the six-month period ended June 30, 2024 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individual	Total
	SAR “000”					
Medical	27,501	16,882	61,653	102,636	65,227	273,899
Motor	1,686	6,699	17,460	34,462	157,261	217,568
Property	529	4,057	12,658	26,433	-	43,677
Energy	-	1,204	989	508,418	-	510,611
Engineering	836	12,571	47,513	186,048	-	246,968
P&S - non-linked	4,831	1,229	14,135	88,466	37	108,698
P&S - linked	-	-	-	-	35,683	35,683
P&C - others	1,886	10,369	31,759	100,154	9,868	154,036
Total	37,269	53,011	186,167	1,046,617	268,076	1,591,140

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****7. EXPENSE ALLOCATION ANALYSIS**

Following is the breakdown of expenses incurred during the period by category:

Common general and administrative expenses

Salaries and Staff Cost

Depreciation and amortization

Information Technology Cost

Communication

Occupancy Cost (Rent, Lease Of Office Space)

Travel expenses

Marketing, Advertising And Promotion

Other Expenses

Total

Three-month period ended		Six-month period ended	
June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SAR "000"		SAR "000"	
37,123	34,004	74,609	64,500
6,822	8,326	13,631	16,210
5,053	3,222	6,372	6,746
3,911	3,118	7,685	6,220
1,492	1,540	2,953	2,705
769	830	1,296	1,411
700	344	1,507	1,264
5,467	7,457	12,145	21,403
61,337	58,841	120,198	120,459

Allocation of common general and administrative expenses is as below:

Reported as a part of insurance service expenses as other directly attributable expenses allocated to insurance operations

Other operating expenses

Total

49,426	45,693	99,196	101,305
11,911	13,148	21,002	19,154
61,337	58,841	120,198	120,459

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

8. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS
(a) Cash and cash equivalents:

Cash and cash equivalents comprise the following:

	Insurance operations		Shareholders' operations		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Cash and bank balances	310,924	568,216	49,718	309,179	360,642	877,395
Money market deposits	15,469	84,885	140,768	-	156,237	84,885
ECL on cash and cash equivalents	(4)	(10)	(2)	(2)	(6)	(12)
Total	326,389	653,091	190,484	309,177	516,873	962,268

(b) Short term deposits:

Short term deposits are placed with counterparties that have credit ratings equivalent to A+ to A- as accredited by renowned credit rating agencies. Short term deposits are placed with local and licensed foreign banks' branches in Kingdom of Saudi Arabia for a period greater than three months and less than or equal to 1 year from the date of original acquisition. The Commission Income is earned at competitive rates prevailing in the market. The carrying amounts of these short-term deposits are reasonably approximate to the fair value at the statement of financial position date.

9. INVESTMENTS

Investments are classified as follows:

	Insurance operations		Shareholders' operations		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Investments measured at FVTPL	9.1	-	-	479,449	538,563	479,449
Investments measured at FVOCI	9.2	-	-	138,512	127,872	138,512
Investments measured at amortized cost	9.3	131,757	141,564	564,714	568,123	696,471
Investment in joint venture	9.4	-	-	12,600	12,600	12,600
Total		131,757	141,564	1,195,275	1,247,158	1,327,032

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

9. INVESTMENTS (CONTINUED)
9.1 Investments measured at fair value through statement of income (FVTPL)
(a) The breakdown of financial assets measured at FVTPL is as follows:

	Domestic		International		Total	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Investment in listed equities	279,201	294,827	3,150	4,858	282,351	299,685
Investment in Funds	145,376	190,158	51,722	48,720	197,098	238,878
Total	424,577	484,985	54,872	53,578	479,449	538,563

(b) The movement in investments measured at FVTPL is as follows:

	Insurance operations		Shareholders' operations		Total	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Opening balance	-	-	538,563	484,537	538,563	484,537
Purchases	-	-	85,271	245,558	85,271	245,558
Disposals	-	-	(106,809)	(240,076)	(106,809)	(240,076)
Realized (loss) / gain on disposals	-	-	(8,976)	43,892	(8,976)	43,892
Unrealized (loss) / gain due to changes in fair value	-	-	(28,600)	4,652	(28,600)	4,652
Closing balance	-	-	479,449	538,563	479,449	538,563

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

9. INVESTMENTS (CONTINUED)

9.2 Investments measured at fair value through statement of comprehensive income (FVOCI)

(a) The breakdown of financial assets measured at FVOCI is as follows:

	Domestic		International		Total	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Non-listed equities:						
- Najm	127,263	122,247	-	-	127,263	122,247
- Others	-	-	11,249	5,625	11,249	5,625
Total	127,263	122,247	11,249	5,625	138,512	127,872

(b) The movement in investments measured at FVOCI is as follows:

	Insurance operations		Shareholders' operations		Total	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Opening balance	-	-	127,872	86,925	127,872	86,925
Purchases	-	-	5,624	5,625	5,624	5,625
Changes in fair value of investments	-	-	5,016	35,322	5,016	35,322
Closing balance	-	-	138,512	127,872	138,512	127,872

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

9. INVESTMENTS (CONTINUED)
9.3 Investments measured at amortized cost

(a) The breakdown of investments measured at amortized cost after considering accrued commission income and ECL adjustments is as follows:

	Domestic		International		Total	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Sukuks	696,471	709,687	-	-	696,471	709,687
Total	696,471	709,687	-	-	696,471	709,687

(b) The movement in investments measured at amortized cost is as follows:

	Insurance operations		Shareholders' operations		Total	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Opening balance	141,564	141,378	568,123	403,662	709,687	545,040
Purchases	-	-	125,000	170,738	125,000	170,738
Maturity / Disposals	(9,868)	-	(130,000)	(10,032)	(139,868)	(10,032)
Commission income	2,303	4,881	13,301	18,091	15,604	22,972
Commissions collected	(2,499)	(5,258)	(12,032)	(14,707)	(14,531)	(19,965)
Amortization of discount / (premium), net	257	561	328	370	585	931
Expected credit loss adjustments	-	2	(6)	1	(6)	3
Closing balance	131,757	141,564	564,714	568,123	696,471	709,687

9.4 Investment in Joint Venture

During the year 2024, the Company invested SAR 12.6 million for a 42% interest in a joint venture to support its business operations. The joint venture has not yet started its operations as of the current reporting date.

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The Group has lease contracts for buildings used in its operations. Leases of these buildings generally have lease terms between 1 and 5 years. The Group is restricted from assigning and subleasing the leased assets.

Following are the details of right-of-use assets recognized and the movements during the period:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SAR "000"	
Cost:		
Opening balance	30,919	14,549
Acquired through business combination	1,834	-
Additions	218	26,449
Disposals	-	(10,079)
Closing balance	32,971	30,919
Accumulated depreciation		
Opening balance	7,736	10,319
Acquired through business combination	1,180	-
Charge for the period / year	4,039	7,496
Disposals	-	(10,079)
Closing balance	12,955	7,736
Net book value of right of use assets		
Closing balance	20,016	23,183

11. GOODWILL

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SAR "000"	
Goodwill recognized on acquisition of :		
(a) MetLife AIG ANB Cooperative Insurance Company (MAA)	24,415	24,415
(b) Aspire Underwriting Agency Ltd (ASPIRE)	52,314	-
Closing balance	76,729	24,415

(a) Acquisition of MAA

The Company has recognized goodwill amounting to SAR 24.415 million after the merger with MetLife AIG ANB Cooperative Insurance Company (MAA). During the year ended December 31, 2020, the shareholders in the EGM held on January 27, 2020 corresponding to 2 Jumada II 1441H approved the proposed merger of the Company and MAA to be effected by way of a merger pursuant to Articles 191, 192, and 193 of the Companies Law issued under Royal Decree No. M3 dated 28/1/1437H (corresponding to 10/11/2015G), through the issuance of 0.6577614444444444 new shares in the Company for each share in MAA subject to the terms and conditions of the Merger Agreement. The purchase consideration was determined to be SAR 191.566 million which consisted of the issuance of 11,839,706 new shares to the shareholders of MAA.

The Company undertook a comprehensive purchase price allocation after the acquisition as required and has recognized the goodwill as a result thereof. The goodwill with indefinite life is reviewed annually and assessed the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related.

Impairment assessment is done annually by the end of each year. Based on the recent impairment assessment conducted for 2024, goodwill was not impaired as at December 31, 2024.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****11. GOODWILL (CONTINUED)****(b) Acquisition of ASPIRE**

During the period, the Company acquired 88% ownership of Aspire Underwriting Agency Ltd (ASPIRE), a Managing General Agent (MGA) based in Dubai International Financial Center (DIFC), UAE. The acquisition is in line with Walaa's interest to expand and diversify its inward reinsurance business. The estimated investment is approximately SAR 68 million and the transaction is expected to make significant impact in Walaa financials starting from end of the 4th quarter of the year 2025.

The Company signed a binding offer letter on April 10, 2025 to acquire 8,800 shares representing 88% stake of Aspire for a value of SAR 68.21 million, payable in cash.

The Company and ASPIRE received required approvals from Insurance Authority (IA) and Dubai Financial Services Authority (DFSA) respectively before the acquisition date i.e. May 15, 2025.

Identifiable assets acquired and liabilities assumed

The following table summarizes the provisional fair values of assets acquired, and liabilities assumed at the date of acquisition:

	May 15, 2025
	SAR "000"
ASSETS	
Cash and cash equivalents	31,325
Security deposits	96
Receivables, net	52,395
Prepaid expenses and other assets	4,571
Fixed assets	10
Right of use assets	654
TOTAL ASSETS	89,051
LIABILITIES	
Current liabilities	70,538
Non-current liabilities	450
TOTAL LIABILITIES	70,988
ASPIRE's NET ASSETS AS AT ACQUISITION DATE	18,063
-Share of minority interest (12%)	2,168
-Share of the Company (Walaa) (88%)	15,895

The minority interest in the acquiree has been measured at the proportionate share of the acquiree's identifiable net assets, resulting in the recognition of goodwill based on the partial goodwill method. Accordingly, only the parent company's share of goodwill has been recognized in these interim condensed consolidated financial statements.

	May 15, 2025
	SAR "000"
Purchase Consideration	68,209
Walaa's share of net assets as at acquisition date (88%)	(15,895)
Provisional goodwill arising from the acquisition	52,314

The purchase consideration was determined to be SAR 68.209 million which was settled in cash. This resulted in a provisional goodwill amounting to SAR 52.314 million. Due diligence and expenses incidental to the acquisition transaction, amounting to SAR 0.13 million, are included in 'Other operating expenses' in these interim condensed consolidated statement of income.

11. GOODWILL (CONTINUED)

This acquisition has been accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations, with the Company identified as the acquirer and ASPIRE as the acquiree. The Company has initially recognized the acquired assets and assumed liabilities at their provisional fair values as of the acquisition date. These provisional values are subject to adjustment, if necessary, within the measurement period of up to twelve months from the acquisition date, as permitted by the Standard.

In line with IFRS 3 requirements, these interim condensed consolidated financial statements include the full financial results of the acquiree from the acquisition date onward. The interim condensed consolidated statement of income reflects a net income of SAR 1.479 million generated by the acquiree during the post-acquisition period.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****12. INTANGIBLES**

Intangibles assets comprise of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SAR "000"	
Intangible assets recognized after the merger with MAA		
(1) Customer Contract ('ALICO')	5,454	5,454
(2) Customer Relationship	2,832	2,832
(3) Product Licenses (Protection & Savings)	24,847	24,847
Intangibles assets recognized after the merger with SABB Takaful		
(4) Individual Life	52,670	52,670
(5) General Takaful	4,831	4,831
Total intangible assets acquired through mergers	90,634	90,634
Other intangible assets (IT software, etc.)	91,524	90,016
Total intangible assets	182,158	180,650
Accumulated amortization on intangible assets	(70,291)	(64,190)
Net intangible assets	111,867	116,460

(1) Customer Contract ('ALICO')

The Company exercised purchase price allocation to identify intangibles after the acquisition of MetLife AIG ANB (MAA) and resultant to that exercise, Customer contract (ALICO) was identified as an intangible. As a result of acquisition of MAA, the Company acquired Saudi run-off portfolio of American Life Insurance Company "ALICO" which was transferred initially to MAA on April 1st, 2015 as per the portfolio transfer agreement entered between MetLife ALICO and MAA and was 100% reinsured back to MetLife under a quota-share reinsurance agreement. This portfolio includes long term life protection, savings insurance products and personal accident policies. As per the terms of the portfolio transfer agreement and the quota-share reinsurance agreement, the Company is entitled to a reinsurance commission at an agreed rate and reimbursement of all expenses related to administration of the portfolio. The management has employed "Multi Period Excess Earning Method" for valuing the contractual customer relationship and is considered to have a useful life of 83 years based on the run-off of the customer portfolio.

(2) Customer Relationship

IAS 38 specifies that if an entity can evidence that it can control economic benefits from non-contractual relationships, those customer relationships are identified as separable and can be recognized as an intangible asset. Arab National Bank ("has a relationship and was also 30% stakeholder of MAA) has historically contributed a consistent revenue stream for MAA with various insurance agreements. Hence, the relationship has been regarded to represent a Customer Relationship intangible based on the purchase price allocation exercised after the acquisition of MetLife AIG ANB (MAA). The management has employed "Multi Period Excess Earning Method" for valuing the non-contractual customer relationship and is considered to have a useful life of 6 years.

12. INTANGIBLES (CONTINUED)**(3) Product Licenses (Protection & Savings)**

As a result of the acquisition of MetLife AIG ANB "MAA", Walaa acquired the Protection & Savings Insurance License. This license has been identified as an intangible asset. This life insurance intangible was valued using the "Multi Period Excess Earning Method" from the Protection & savings Line of Business for valuing product licenses. This is considered to be an intangible asset with an indefinite life and will therefore be subject to the annual impairment assessments.

Impairment assessment is done annually by the end of each year. Based on the recent impairment assessment conducted for 2024, product license was not impaired as at December 31, 2024.

(4) Individual Life

Individual life intangible was recognized based on the purchase price allocation exercise after the acquisition of SABB Takaful Insurance Company. As a result of acquisition of SABB Takaful, the Company acquired the Individual Life insurance segment which comprises of Unit Linked Insurance Policies "ULIP" (Regular Saving, Simple Saving, Education, Retirement and Single Premium). SABB Bank in the past has consistently generated revenues for SABB Takaful. The relationship has been spanning for more than 10 years, hence considered as a customer relationship with an estimated useful life of 10 years.

Historically, SABB Takaful was able to achieve 76% of its budgeted revenue. Hence, considered the same for FY23 and FY24 and 5% y-o-y growth from FY25 onwards. The Individual life insurance policies have been valued using the "Multi-Period Excess Earning Method". Contributory asset charges "CAC", which include working capital "WC" charge and Assembled Workforce have been adjusted with the underwriting income to arrive at the Excess Earnings. Since the working capital and capex are minimal, the CAC do not have material impact on the cash-flows. An EBIT margin of 5.7% has been considered based on the historical EBIT margin of individual life insurance contracts. A discount factor of 16.6% (WACC + 1%) has been used to discount the excess earnings to arrive at the value of the intangible.

(5) General Takaful

General Takaful Customer Relationship intangible was also recognized based on the purchase price allocation exercise after the acquisition of SABB Takaful Insurance Company. General Takaful insurance policies consist of policies relating to marine, property, accident and liability, which have a life of one year. Average tenure of the customer relationship with SABB Takaful, for General Takaful insurance policies is between 10 and 12 years, hence it can be assumed that the estimated useful life of the customer relationship is 10 years. A 0.7% y-o-y growth rate has been assumed based on the historical growth of General Takaful contracts.

An EBIT margin of 9.7% has been considered based on the historical EBIT margins on these policies.

Customer relationship intangible is valued using the "Multi-Period Excess Earning Method". Contributory Asset charges which include Working Capital charge and Assembled Workforce have been adjusted with the underwriting income to arrive at the Excess Earnings. Since the working capital and capex are minimal, the CAC do not have a material impact on the cash flows. A discount factor of 16.6% (WACC+1%) has been used to discount the Excess Earnings to arrive at the value of the customer relationship intangible.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****13. PROPERTY AND EQUIPMENT, NET**

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SAR "000"	
Land	35,463	35,463
Furniture and fixtures	34,400	25,394
IT equipment	35,184	33,354
Vehicles	708	633
Total assets	105,755	94,844
Accumulated depreciation	(47,559)	(43,884)
Property and equipment, net	58,196	50,960

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SAR "000"	
Accrued expenses	25,085	25,719
Uncleared cheques	11,370	11,370
VAT payable to ZATCA, net	6,515	20,412
Contributions payable to GOSI	857	944
Payables to suppliers and service providers	70,381	72,983
Other liabilities	25,203	28,885
Total	139,411	160,313

15. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SAR "000"	
Letters of Guarantee	15,859	18,214

- (a) The Group has submitted these bank guarantees to various parties which are fully covered by margin deposits amounting to SAR 15.86 million (2024: SAR 18.21 million).
- (b) The Group, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Group's management, based on independent legal advice, believes that the outcome of court cases will not have a material impact on the Group's income or financial condition.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous accessible market for the asset or liability.

The management assessed that cash and short-term deposits, premium and reinsurance receivables, receivables from related parties, trade and other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Determination of fair value and fair value hierarchy

The Group 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.

Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value. The Group used 'Discounted Cash Flow' method to identify fair value of level 3 unquoted investments, which implies some judgement related to the future income and the applicable discount rates.

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
June 30, 2025					
(Unaudited)					
Financial assets measured at fair value					
Investments measured at FVTPL	479,449	282,351	87,387	109,711	479,449
Investment measured at FVOCI	138,512	-	-	138,512	138,512
Total	617,961	282,351	87,387	248,223	617,961
SAR "000"					
December 31, 2024					
(Audited)					
Financial assets measured at fair value					
Investments measured at FVTPL	538,563	337,155	54,268	147,140	538,563
Investment measured at FVOCI	127,872	-	-	127,872	127,872
Total	666,435	337,155	54,268	275,012	666,435

Transfer between the levels

During the period, there were no transfers into or out of each level.

17. OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's chief executive officer in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the chief executive officer is measured in a manner consistent with that in the income statement. Segment assets and liabilities comprise operating assets and liabilities.

Segment assets do not include cash and cash equivalents, short term deposits, prepaid expenses and other assets, due from shareholders' operations, investments, long term deposits, property and equipment, right of use assets and intangible assets. Accordingly, these are included in unallocated assets.

Segment liabilities do not include accrued expenses and other liabilities, lease liabilities, due to shareholders' operations and provision for end-of-service benefits (EOSB). Accordingly, these 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.

Segments do not include shareholders' assets and liabilities and equity. Hence, these are presented under unallocated assets / liabilities accordingly.

The segment information provided to the Group's Chief Executive Officer for the reportable segments for the Group's total assets and liabilities as at June 30, 2025 and December 31, 2024, its total revenues, expenses, and net income for the three-month and six-month periods ended June 30, 2025 and June 30, 2024 are as follows:

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of financial position

	Medical	Motor	Property	Energy	Engineering	Protection and Savings (P&S) - Non-Linked	P&S - Linked	Property and Casualty (P&C) - Others	Total insurance operations	Shareholders' operations	Total
	SAR "000"										
As at June 30, 2025											
(Unaudited)											
Assets											
Reinsurance contract assets for non unit-linked business	-	2,969	170,019	62,311	210,264	24,668	-	210,127	680,358	-	680,358
Financial assets for unit- linked insurance contracts	-	-	-	-	-	-	514,788	-	514,788	-	514,788
Unallocated assets	-	-	-	-	-	-	-	-	1,298,175	1,831,327	3,129,502
Total assets	-	2,969	170,019	62,311	210,264	24,668	514,788	210,127	2,493,321	1,831,327	4,324,648
Liabilities and equity											
Insurance contract liabilities for non unit-linked business	201,100	500,465	205,394	103,705	292,956	108,517	-	396,228	1,808,365	-	1,808,365
Insurance contract liabilities for unit-linked business	-	-	-	-	-	-	518,713	-	518,713	-	518,713
Reinsurance contract liabilities for non unit-linked business	4,460	-	-	-	-	-	-	-	4,460	-	4,460
Reinsurance contract liabilities for unit-linked business	-	-	-	-	-	-	197	-	197	-	197
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	161,586	1,831,327	1,992,913
Total liabilities and shareholders' equity	205,560	500,465	205,394	103,705	292,956	108,517	518,910	396,228	2,493,321	1,831,327	4,324,648

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of financial position (Continued)

	Medical	Motor	Property	Energy	Engineering	Protection and Savings (P&S) - Non-Linked SAR "000"	P&S - Linked	Property and Casualty (P&C) - Others	Total insurance operations	Shareholders' operations	Total
As at December 31, 2024 (Audited)											
Assets											
Reinsurance contract assets for non unit-linked business	-	3,253	70,022	228,809	238,570	28,649	-	171,826	741,129	-	741,129
Reinsurance contract assets for unit-linked business	-	-	-	-	-	-	164	-	164	-	164
Financial assets for unit- linked insurance contracts	-	-	-	-	-	-	536,185	-	536,185	-	536,185
Unallocated assets	-	-	-	-	-	-	-	-	1,611,187	1,877,248	3,488,435
Total assets	-	3,253	70,022	228,809	238,570	28,649	536,349	171,826	2,888,665	1,877,248	4,765,913
Liabilities and equity											
Insurance contract liabilities for non unit-linked business	200,054	540,735	310,213	241,018	308,685	102,626	-	426,519	2,129,850	-	2,129,850
Insurance contract liabilities for unit-linked business	-	-	-	-	-	-	543,959	-	543,959	-	543,959
Reinsurance contract liabilities for non unit-linked business	3,302	-	-	-	-	-	-	-	3,302	-	3,302
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	211,554	1,877,248	2,088,802
Total liabilities and shareholders' equity	203,356	540,735	310,213	241,018	308,685	102,626	543,959	426,519	2,888,665	1,877,248	4,765,913

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income

For the three-month period ended June 30, 2025 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	95,865	184,251	175,497	28,275	48,627	40,477	2,421	111,400	-	686,813
Insurance service expenses	(132,794)	(220,117)	(22,999)	3,776	(6,180)	(31,279)	(381)	(13,080)	-	(423,054)
Insurance service results before reinsurance contracts held	(36,929)	(35,866)	152,498	32,051	42,447	9,198	2,040	98,320	-	263,759
Allocation of reinsurance premiums	(586)	(39)	(163,222)	(25,595)	(40,793)	(6,745)	(105)	(83,532)	-	(320,617)
Amounts recoverable from reinsurers for incurred claims	866	7	11,413	(5,139)	(433)	(2,177)	68	127	-	4,732
Net expenses from reinsurance contracts held	280	(32)	(151,809)	(30,734)	(41,226)	(8,922)	(37)	(83,405)	-	(315,885)
Insurance service results	(36,649)	(35,898)	689	1,317	1,221	276	2,003	14,915	-	(52,126)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	22,829	22,829
Dividends on investments	-	-	-	-	-	-	-	-	4,399	4,399
Realized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(2,589)	(2,589)
Unrealized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(5,957)	(5,957)
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	6	6
Net investment income	-	-	-	-	-	-	-	-	18,688	18,688
Finance expense from insurance contracts issued	(298)	(731)	(2,011)	(316)	(630)	(841)	(33)	(581)	-	(5,441)
Finance income from reinsurance contracts held	-	-	1,949	309	559	228	(1)	354	-	3,398
Net insurance finance expenses	(298)	(731)	(62)	(7)	(71)	(613)	(34)	(227)	-	(2,043)
Net insurance and investment results	(36,947)	(36,629)	627	1,310	1,150	(337)	1,969	14,688	18,688	(35,481)
Other operating income										2,456
Other income										759
Other operating expenses										(11,911)
Net loss for the period before zakat & tax										(44,177)
Zakat and income tax charge for the period										(5,000)
Net loss for the period after zakat & tax										(49,177)
- Attributable to minority interest										177
- Attributable to shareholders										(49,354)

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

For the three-month period ended June 30, 2024 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	172,458	195,650	66,493	145,246	68,838	52,649	2,678	92,164	-	796,176
Insurance service expenses	(215,309)	(172,193)	(9,646)	(202)	5,589	(47,643)	(386)	(38,865)	-	(478,655)
Insurance service results before reinsurance contracts held	(42,851)	23,457	56,847	145,044	74,427	5,006	2,292	53,299	-	317,521
Allocation of reinsurance premiums	(620)	(119)	(54,153)	(141,696)	(56,822)	(7,122)	(108)	(60,532)	-	(321,172)
Amounts recoverable from reinsurers for incurred claims	1,646	788	1,438	(1,901)	(11,250)	(6,027)	(3)	24,745	-	9,436
Net expenses from reinsurance contracts held	1,026	669	(52,715)	(143,597)	(68,072)	(13,149)	(111)	(35,787)	-	(311,736)
Insurance service results	(41,825)	24,126	4,132	1,447	6,355	(8,143)	2,181	17,512	-	5,785
Commission income on investments and deposits	-	-	-	-	-	-	-	-	18,482	18,482
Dividends on investments	-	-	-	-	-	-	-	-	5,839	5,839
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	4,284	4,284
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	8,366	8,366
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	14	14
Net investment income	-	-	-	-	-	-	-	-	36,985	36,985
Finance expense from insurance contracts issued	(1,572)	(1,161)	(1,360)	(720)	(830)	(1,352)	(10)	(1,526)	-	(8,531)
Finance income from reinsurance contracts held	67	62	1,398	729	782	929	5	1,116	-	5,088
Net insurance finance expenses	(1,505)	(1,099)	38	9	(48)	(423)	(5)	(410)	-	(3,443)
Net insurance and investment results	(43,330)	23,027	4,170	1,456	6,307	(8,566)	2,176	17,102	36,985	39,327
Other operating income										-
Other income										758
Other operating expenses										(13,148)
Net income for the period before zakat & tax										26,937
Zakat and income tax charge for the period										(2,500)
Net income for the period after zakat & tax										24,437
- Attributable to minority interest										-
- Attributable to shareholders										24,437

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

For the six-month period ended June 30, 2025 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	210,777	356,654	327,477	176,306	91,925	73,209	4,877	233,807	-	1,475,032
Insurance service expenses	(260,121)	(444,402)	(35,595)	5,235	(19,043)	(57,938)	(111)	(41,673)	-	(853,648)
Insurance service results before reinsurance contracts held	(49,344)	(87,748)	291,882	181,541	72,882	15,271	4,766	192,134	-	621,384
Allocation of reinsurance premiums	(1,204)	(112)	(306,264)	(170,324)	(76,594)	(12,523)	(206)	(181,202)	-	(748,429)
Amounts recoverable from reinsurers for incurred claims	1,445	760	16,570	(6,817)	3,563	(1,704)	(54)	12,775	-	26,538
Net expenses from reinsurance contracts held	241	648	(289,694)	(177,141)	(73,031)	(14,227)	(260)	(168,427)	-	(721,891)
Insurance service results	(49,103)	(87,100)	2,188	4,400	(149)	1,044	4,506	23,707	-	(100,507)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	45,801	45,801
Dividends on investments	-	-	-	-	-	-	-	-	7,866	7,866
Realized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(8,976)	(8,976)
Unrealized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(28,600)	(28,600)
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	(1)	(1)
Net investment income	-	-	-	-	-	-	-	-	16,090	16,090
Finance expense from insurance contracts issued	(1,345)	(2,268)	(4,468)	(1,434)	(1,590)	(2,594)	(63)	(969)	-	(14,731)
Finance income from reinsurance contracts held	51	30	4,507	1,423	1,471	771	-	870	-	9,123
Net insurance finance (expenses)/ income	(1,294)	(2,238)	39	(11)	(119)	(1,823)	(63)	(99)	-	(5,608)
Net insurance and investment results	(50,397)	(89,338)	2,227	4,389	(268)	(779)	4,443	23,608	16,090	(90,025)
Other operating income										2,456
Other income										1,444
Other operating expenses										(21,002)
Net loss for the period before zakat & tax										(107,127)
Zakat and income tax charge for the period										(10,000)
Net loss for the period after zakat & tax										(117,127)
- Attributable to minority interest										177
- Attributable to shareholders										(117,304)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

For the six-month period ended June 30, 2024 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	334,851	396,520	147,787	285,680	118,983	95,316	5,442	178,670	-	1,563,249
Insurance service expenses	(409,598)	(370,972)	(11,503)	(48,577)	(22,432)	(75,233)	(571)	(55,792)	-	(994,678)
Insurance service results before reinsurance contracts held	(74,747)	25,548	136,284	237,103	96,551	20,083	4,871	122,878	-	568,571
Allocation of reinsurance premiums	(1,230)	(304)	(123,709)	(281,288)	(100,541)	(14,107)	(238)	(116,793)	-	(638,210)
Amounts recoverable from reinsurers for incurred claims	1,314	(1,064)	(5,496)	44,052	7,944	(5,476)	(54)	19,855	-	61,075
Net expenses from reinsurance contracts held	84	(1,368)	(129,205)	(237,236)	(92,597)	(19,583)	(292)	(96,938)	-	(577,135)
Insurance service results	(74,663)	24,180	7,079	(133)	3,954	500	4,579	25,940	-	(8,564)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	39,590	39,590
Dividends on investments	-	-	-	-	-	-	-	-	9,513	9,513
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	16,698	16,698
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	15,537	15,537
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	9	9
Net investment income	-	-	-	-	-	-	-	-	81,347	81,347
Finance expense from insurance contracts issued	(2,381)	(1,606)	(3,215)	(1,123)	(2,089)	(2,156)	(21)	(3,481)	-	(16,072)
Finance income from reinsurance contracts held	67	62	3,104	1,124	1,953	1,188	8	2,715	-	10,221
Net insurance finance expenses	(2,314)	(1,544)	(111)	1	(136)	(968)	(13)	(766)	-	(5,851)
Net insurance and investment results	(76,977)	22,636	6,968	(132)	3,818	(468)	4,566	25,174	81,347	66,932
Other operating income										-
Other income										21,773
Other operating expenses										(19,154)
Net income for the period before zakat & tax										69,551
Zakat and income tax charge for the period										(5,250)
Net income for the period after zakat & tax										64,301
- Attributable to minority interest										-
- Attributable to shareholders										64,301

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****18. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders, directors and key management personnel of the Group, 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 Group'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 six-month period ended		Net balance receivable / (payable) as at	
	June 30, 2025	June 30, 2024	June 30, 2025	December 31, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	SAR "000"		SAR "000"	
Insurance premium written / receivable from:				
-Board of directors and related parties	5,870	5,547	3,209	8,533
-Key management personnel	17	14	-	-
-Major shareholders and related parties	2,265	4,494	2,662	715
Claims paid and payable to:				
-Board of directors and related parties	3,191	1,820	(8,243)	(10,577)
-Key management personnel	-	5	-	-
-Major shareholders and related parties	1,768	3,300	(16,137)	(25,042)
Other business with board of directors and related parties	651	1,697	(360)	(396)
Policy acquisition costs with major shareholders and related parties	1,167	2,345	(2,126)	(5,708)
Rebate income from major shareholders and related parties	835	959	128	1,374

Remuneration and compensation of BOD Members and Top Executives

The following table shows the annual salaries, remuneration and allowances obtained by the Board members and 5 top executives for the period:

	Jun 30, 2025 (Unaudited)		Jun 30, 2024 (Unaudited)	
	BOD members (non-executive)	Top Executives including the CEO and CFO	BOD members (non-executive)	Top Executives including the CEO and CFO
	SAR "000"		SAR "000"	
Salaries, allowances and other benefits	-	4,385	-	3,829
Annual remuneration and other charges	2,752	-	2,750	-
End of service provision for the period	-	1,850	-	903
Total	2,752	6,235	2,750	4,732

19. ZAKAT, INCOME TAX AND VAT

The Group has filed its zakat and income tax return with Zakat, Tax, and Customs Authority (ZATCA) up to the year ended December 31, 2024, and obtained the required certificate from ZATCA that is valid up to April 30, 2026.

(a) Status of assessments**Zakat and income tax:**

In 2020, the Company received zakat and tax assessments for the year 2014 and for the years 2015, 2017 and 2018 claiming an additional zakat and tax liability amounting to SAR 5.9 million and SAR 9.3 million respectively. The Company appealed against these assessments to General Secretariat of Tax Committees (GSTC). However, during 2023, the internal settlement committee offered an amount of SAR 9.2 million for the years 2014, 2017 and 2018 to close the appeal. The Company accepted the offer and paid the settlement amount in 2024 as a full and final settlement.

For 2015 appeal, the GSTC issued a decision rejecting the Company's appeal in full and requested the Company to pay the initial assessment amount of SAR 2.59 million. The Company submitted a reconsideration request which got rejected, thus, the Company paid the amount of SAR 2.59 million in 2024, and the case was closed.

During the year 2023, the Company submitted documents required by ZATCA for the years 2021 and 2022 and is awaiting ZATCA's response.

During June 2024, the Company received zakat and income tax audit request from ZATCA for year 2023 for which the Company submitted the documents required and is awaiting ZATCA's response.

Also, during June 2024, the Company received withholding tax audit request from ZATCA for tax period of December 2023. The Company submitted the documents required and is awaiting ZATCA's response.

Indirect tax (VAT):

During the year 2023, the Company submitted documents required by ZATCA for the years 2021 and 2022. In September 2024, the Company received the assessment order claiming an additional liability of SAR 24.3. The total amount, including the disputed amount, was paid to benefit from the penalty waiver initiative, and all penalties associated with the assessment results were successfully cancelled. In November 2024, the Company accepted an amount of SAR 8.3 million and filed an objection for SAR 16 million, which was related to reinsurance commissions for non-residents. In January 2025, ZATCA accepted the appeal to re-audit for which the Company submitted all the requirements and the results came in May 2025 by reducing the amounts to SAR 14.7 million. The Company submitted an appeal on the re-audit results in June 2025 and is currently awaiting ZATCA's response.

During September 2024, the Company received VAT audit request from ZATCA for year 2023 for which the Company submitted the required documents. In June 2025, the Company received audit results claiming an additional liability of SAR 0.88 million. The Company has accepted the differences and decided to pay the required amounts in due course.

19. ZAKAT, INCOME TAX AND VAT (CONTINUED)

(a) Status of assessments (Continued)

Status of assessments for SABB Takaful:

(merged in 2022, refer note 20)

Zakat and income tax:

During the year 2018, ZATCA issued zakat and tax assessments for years from 2011 to 2014. The Company filed an objection against the ZATCA assessments. Since ZATCA rejected the objection, the Company filed an appeal to GSTC. During the year 2023, the case reached to the final level of appeal, and the decision was in the Company's favor and the Company paid SAR 0.77 million. In March 2024, ZATCA re-studied the GSTC ruling which resulted in a credit balance in favor of the Company amounting to SAR 1.39 million, and the case was closed.

During the year 2024, the ZATCA finalized zakat and tax assessments for the years 2021 and 2022 (short period till the date of merger) with no differences on the Company, and the case was closed.

Indirect tax (VAT):

During the year 2024, the Company submitted documents required by ZATCA for the years 2021 and 2022, for which the results came during June 2024 claiming additional differences amounting to SAR 0.01 million which is settled against the credit balance of the Company.

Status of assessments for MetLife:

(merged in 2020, refer note 20)

Zakat and income tax:

The Company submitted documents required by ZATCA for the years 2018 and 2019 for which results came with no differences for year 2018 and minor differences for year 2019 amounted to SAR 0.02 million which was settled in August 2024, and the case was closed.

(b) Provision for zakat and income tax

Provision for zakat has been made at 2.5776% of the higher of approximate zakat base or adjusted net income and 2.5% on adjusted net income attributable to the Saudi shareholders of the Group. Income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Group.

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The following is the shareholding percentage for computation as at the end of the period/ year. Actual percentage might vary at the time of computation and submission of zakat and tax return.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Shareholding subject to zakat	90.71 %	89.32 %
Shareholding subject to income tax	9.29 %	10.68 %

20. SHARE CAPITAL

The authorized, issued and paid-up capital of the Group as at June 30, 2025 amounted to SAR 1,275.6 million comprising 127.56 million shares of SAR 10 each (December 31, 2024: SAR 1,275.6 million comprising 127.56 million shares of SAR 10 each).

In the year 2015, the Company increased its share capital from SAR 200 million to SAR 400 million, by issuing 20 million right shares to its existing shareholders, which were offered at an exercise price of SAR 12 per share. This resulted in a share premium less issuance cost amounting to SAR 30.1 million.

The Company's Board of Directors in their meeting held on October 29, 2017 corresponding to 9 Safar 1439H recommended to Extraordinary General Assembly Meeting to increase share capital of the Company by issuing 4 million bonus shares which was approved by Extraordinary General Assembly on May 29, 2018 corresponding to 14 Ramadan 1439H. This resulted in an increase in share capital from SAR 400 million to SAR 440 million.

The Company's Board of Directors in their meeting held on April 8, 2019 (corresponding to 3 Sha'ban 1440H) recommended to the Extraordinary General Assembly to increase share capital of the Company. The Extraordinary General Assembly approved to increase share capital of the Company from SAR 440 million to SAR 528 million by issuing one bonus share for every five existing shares owned by the shareholder. The increase in share capital is through capitalization of retained earnings of SAR 88 million. The increase in share capital was approved by the shareholders in their meeting held on May 21, 2019 (Corresponding to 16 Ramadan 1440H).

The Board of Directors in their meeting held on September 29, 2019 (corresponding to 30 Muharram 1441H) resolved to increase the share capital from SAR 528 million to SAR 646.40 million by issuing 11,839,706 ordinary shares to merge MetLife AIG ANB Cooperative Insurance Company (MAA) into the Company and transferring all of MAA's assets and liabilities to the Company through a securities exchange offer. The merger was successfully completed and shares issued accordingly during 2020. The fair value of 11,839,706 shares of the Company was determined on the basis of closing market price of the Company's ordinary shares of SAR 16.18 per share on the Tadawul on the last trading date prior to the acquisition date of February 29, 2020. Issue costs which were directly attributable to the issue of the shares were not material. As a result, there was an increase in share capital and share premium amounting to SAR 118.40 million and SAR 73.17 million, respectively.

The shareholders in the EGM held on September 15, 2022 (corresponding to 19 Safar 1444H) approved the merger of SABB Takaful Company into the Company in accordance with the provisions of Articles 191, 192 and 193 of the Companies Law by issuing 0.6005476176470590 new shares in the Company against each share in SABB Takaful Company (SABB Takaful) ("Merger Transaction"), in accordance with the terms and conditions of the merger agreement.

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The purchase consideration was determined to be SAR 294.028 million which was settled by issuing 20,418,619 new shares of the Company to the shareholders of SABB Takaful at the Company's market price of SAR 14.4 per share at the effective date of merger.

The Board of Directors in their meeting held on September 17, 2023 (corresponding to 03 Rabi Al Awwal 1445H) recommended to increase share capital by offering right issue with an additional amount of SAR 425 million to support growth plan of the Company and maintain its solvency margin.

During the year 2024, the Board of Directors after discussing the Rights Issue with the financial advisor, decided on February 25, 2024 (corresponding to 15/8/1445H) to amend its recommendation to the Extraordinary General Assembly regarding the increase of the Company's capital by offering of Rights Issue and change the offering amount to SAR 467.5 million instead of SAR 425 million, through offering a total of 42.5 million ordinary shares of a nominal value of SAR 10 per share, with an offer price of SAR 11 per share. Capital Market Authority (CMA) approved the application of the proposed Rights Issue on August 5, 2024 (corresponding 1 Safar 1446H).

The Extra Ordinary General Assembly of the shareholders approved the right issue in the meeting held on November 26, 2024 (corresponding to 24 Jumada Al Awwal 1446H). After receiving all the required approvals, the right issue was successfully completed in December 25, 2024.

Shareholding structure of the Company

	June 30, 2025 (Unaudited)		
	Authorized and issued		Paid up
	No. of Shares	SAR "000"	
Saudi British Bank	19,903,597	199,036	199,036
Others	107,654,728	1,076,547	1,076,547
Total	127,558,325	1,275,583	1,275,583

	December 31, 2024 (Audited)		
	Authorized and issued		Paid up
	No. of Shares	SAR "000"	
Saudi British Bank	19,903,597	199,036	199,036
Others	107,654,728	1,076,547	1,076,547
Total	127,558,325	1,275,583	1,275,583

21. 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 dividend paid to shareholders or issue shares.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
22. SUPPLEMENTARY INFORMATION

Interim condensed statement of financial position	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
Assets						
Cash and cash equivalents	326,389	190,484	516,873	653,091	309,177	962,268
Short term deposits	254,968	81,262	336,230	246,710	49,999	296,709
Prepaid expenses and other assets	65,424	16,125	81,549	79,979	6,481	86,460
Reinsurance contract assets for non unit-linked business	680,358	-	680,358	741,129	-	741,129
Reinsurance contract assets for unit-linked business	-	-	-	164	-	164
Financial assets for unit-linked insurance contracts	514,788	-	514,788	536,185	-	536,185
Due from shareholders' operations	29,030	-	29,030	1,940	-	1,940
Statutory deposit	-	127,558	127,558	-	127,558	127,558
Accrued income on statutory deposit	-	3,515	3,515	-	19	19
Investments	131,757	1,195,275	1,327,032	141,564	1,247,158	1,388,722
Long term deposits	410,680	30,227	440,907	409,741	-	409,741
Property and equipment, net	22,724	35,472	58,196	15,497	35,463	50,960
Right of use assets, net	19,195	821	20,016	23,183	-	23,183
Intangible assets	38,007	73,860	111,867	39,482	76,978	116,460
Goodwill	-	76,729	76,729	-	24,415	24,415
Total assets	2,493,320	1,831,328	4,324,648	2,888,665	1,877,248	4,765,913
Liabilities and equity						
Liabilities						
Insurance contract liabilities for non unit-linked business	1,808,365	-	1,808,365	2,129,850	-	2,129,850
Insurance contract liabilities for unit-linked business	518,713	-	518,713	543,959	-	543,959
Reinsurance contract liabilities for non unit-linked business	4,460	-	4,460	3,302	-	3,302
Reinsurance contract liabilities for unit-linked business	197	-	197	-	-	-
Accrued expenses and other liabilities	113,690	25,721	139,411	160,071	242	160,313
Lease liabilities	16,437	643	17,080	21,534	-	21,534
Accrued income payable to IA	-	3,515	3,515	-	19	19
Due to insurance operations	-	29,030	29,030	-	1,940	1,940
Provision for zakat and income tax	-	50,278	50,278	-	42,963	42,963
Provision for end-of-service benefits	39,021	503	39,524	37,512	503	38,015
Total liabilities	2,500,883	109,690	2,610,573	2,896,228	45,667	2,941,895
Equity						
Share capital	-	1,275,583	1,275,583	-	1,275,583	1,275,583
Share premium	-	228,280	228,280	-	228,280	228,280
Statutory reserve	-	92,775	92,775	-	92,775	92,775
Fair value reserve for investments	-	122,165	122,165	-	117,149	117,149
Retained earnings	-	490	490	-	117,794	117,794
Total shareholders' equity	-	1,719,293	1,719,293	-	1,831,581	1,831,581
Remeasurement of EOSB	(7,563)	-	(7,563)	(7,563)	-	(7,563)
Minority interest	-	2,345	2,345	-	-	-
Total equity	(7,563)	1,721,638	1,714,075	(7,563)	1,831,581	1,824,018
Total liabilities and equity	2,493,320	1,831,328	4,324,648	2,888,665	1,877,248	4,765,913

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FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
22. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income for three-month period	June 30, 2025 (Unaudited)			June 30, 2024 (Unaudited)		
	Insurance	Share-		Insurance	Share-	
	operations	holders'	Total	operations	holders'	Total
	SAR "000"			SAR "000"		
Insurance revenue	686,813	-	686,813	796,176	-	796,176
Insurance service expenses	(423,054)	-	(423,054)	(478,655)	-	(478,655)
Insurance service results before reinsurance contracts held	263,759	-	263,759	317,521	-	317,521
Allocation of reinsurance premiums	(320,617)	-	(320,617)	(321,172)	-	(321,172)
Amounts recoverable from reinsurers for incurred claims	4,732	-	4,732	9,436	-	9,436
Net expenses from reinsurance contracts held	(315,885)	-	(315,885)	(311,736)	-	(311,736)
Insurance service results	(52,126)	-	(52,126)	5,785	-	5,785
Commission income on investments and deposits	11,221	11,608	22,829	12,256	6,226	18,482
Dividends on investments	-	4,399	4,399	-	5,839	5,839
Realized (loss) / gain on investments measured at fair value	-	(2,589)	(2,589)	-	4,284	4,284
Unrealized (loss) / gain on investments measured at fair value	-	(5,957)	(5,957)	-	8,366	8,366
Change in expected credit losses on financial assets	9	(3)	6	3	11	14
Net investment income	11,230	7,458	18,688	12,259	24,726	36,985
Finance expense from insurance contracts issued	(5,441)	-	(5,441)	(8,531)	-	(8,531)
Finance income from reinsurance contracts held	3,398	-	3,398	5,088	-	5,088
Net insurance finance expenses	(2,043)	-	(2,043)	(3,443)	-	(3,443)
Net insurance and investment results	(42,939)	7,458	(35,481)	14,601	24,726	39,327
Other operating revenues	-	2,456	2,456	-	-	-
Other income	759	-	759	758	-	758
Other operating expenses	(6,958)	(4,953)	(11,911)	(8,920)	(4,228)	(13,148)
Net income for the period before zakat & tax	(49,138)	4,961	(44,177)	6,439	20,498	26,937
Deficit / (surplus) transferred to shareholders' operations	49,138	(49,138)	-	(6,439)	6,439	-
Net income after transfer of surplus to the shareholders before zakat & tax	-	(44,177)	(44,177)	-	26,937	26,937
Zakat & tax charge for the year	-	(5,000)	(5,000)	-	(2,500)	(2,500)
Net income after zakat & tax	-	(49,177)	(49,177)	-	24,437	24,437
- Attributable to minority interest	-	177	177	-	-	-
- Attributable to shareholders	-	(49,354)	(49,354)	-	24,437	24,437
(Loss) / earnings per share (expressed in SAR per share) - restated						
Basic and diluted (loss) / earning per share - Restated			(0.39)			0.24
Weighted average number of ordinary outstanding shares (in thousands) - Restated			127,558			101,722

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025
22. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income for six-month period	June 30, 2025 (Unaudited)			June 30, 2024 (Unaudited)		
	Insurance operations	Share- holders’	Total	Insurance operations	Share- holders’	Total
		operations			operations	
		SAR “000”			SAR “000”	
Insurance revenue	1,475,032	-	1,475,032	1,563,249	-	1,563,249
Insurance service expenses	(853,648)	-	(853,648)	(994,678)	-	(994,678)
Insurance service results before reinsurance contracts held	621,384	-	621,384	568,571	-	568,571
Allocation of reinsurance premiums	(748,429)	-	(748,429)	(638,210)	-	(638,210)
Amounts recoverable from reinsurers for incurred claims	26,538	-	26,538	61,075	-	61,075
Net expenses from reinsurance contracts held	(721,891)	-	(721,891)	(577,135)	-	(577,135)
Insurance service results	(100,507)	-	(100,507)	(8,564)	-	(8,564)
Commission income on investments and deposits	23,187	22,614	45,801	26,387	13,203	39,590
Dividends on investments	-	7,866	7,866	-	9,513	9,513
Realized (loss) / gain on investments measured at fair value	-	(8,976)	(8,976)	-	16,698	16,698
Unrealized (loss) / gain on investments measured at fair value	-	(28,600)	(28,600)	-	15,537	15,537
Change in expected credit losses on financial assets	17	(18)	(1)	1	8	9
Net investment income	23,204	(7,114)	16,090	26,388	54,959	81,347
Finance expense from insurance contracts issued	(14,731)	-	(14,731)	(16,072)	-	(16,072)
Finance income from reinsurance contracts held	9,123	-	9,123	10,221	-	10,221
Net insurance finance expenses	(5,608)	-	(5,608)	(5,851)	-	(5,851)
Net insurance and investment results	(82,911)	(7,114)	(90,025)	11,973	54,959	66,932
Other operating income	-	2,456	2,456	-	-	-
Other income	1,444	-	1,444	1,465	20,308	21,773
Other operating expenses	(11,762)	(9,240)	(21,002)	(10,162)	(8,992)	(19,154)
Net (loss) / Income before zakat & tax	(93,229)	(13,898)	(107,127)	3,276	66,275	69,551
Deficit / (surplus) transferred to shareholders' operations	93,229	(93,229)	-	(3,276)	3,276	-
Net (loss) / income after transfer of surplus to the shareholders operations	-	(107,127)	(107,127)	-	69,551	69,551
Zakat and income tax charge	-	(10,000)	(10,000)	-	(5,250)	(5,250)
Net (loss) / income after zakat & tax	-	(117,127)	(117,127)	-	64,301	64,301
- Attributable to minority interest	-	177	177	-	-	-
- Attributable to shareholders	-	(117,304)	(117,304)	-	64,301	64,301
(Loss) / earning per share (expressed in SAR per share) - Restated						
Basic and diluted (loss) / earning per share - Restated			(0.92)			0.63
Weighted average number of ordinary outstanding shares (in thousand shares) - Restated			127,558			101,722

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

22. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of comprehensive income for the three-month period

	June 30, 2025 (Unaudited)			June 30, 2024 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
Net (loss) / income for the period	-	(49,177)	(49,177)	-	24,437	24,437

Other comprehensive income:

Items that will not be reclassified to the statement of income in subsequent periods

Net changes in fair value of investments measured at FVOCI

	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(49,177)	(49,177)	-	24,437	24,437
- Attributable to minority interest	-	177	177	-	-	-
- Attributable to shareholders	-	(49,354)	(49,354)	-	24,437	24,437

Interim condensed statement of comprehensive income for six-month period

	June 30, 2025 (Unaudited)			June 30, 2024 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
Net (loss) / income for the period	-	(117,127)	(117,127)	-	64,301	64,301

Other comprehensive income:

Items that will not be reclassified to the statement of income in subsequent periods

Net changes in fair value of investments measured at FVOCI

	-	5,016	5,016	-	-	-
Total comprehensive (loss) / income for the period	-	(112,111)	(112,111)	-	64,301	64,301
- Attributable to minority interest	-	177	177	-	-	-
- Attributable to shareholders	-	(112,288)	(112,288)	-	64,301	64,301

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

22. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of cash flows for six-month period

	June 30, 2025 (Unaudited)			June 30, 2024 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (loss) / income for the period before zakat and income tax	-	(107,127)	(107,127)	-	69,551	69,551
Adjustments for non-cash and non-operating items:						
Depreciation of property and equipment	3,492	1	3,493	2,739	-	2,739
Depreciation of right of use assets	3,988	51	4,039	3,672	-	3,672
Amortization of intangible assets	2,982	3,118	6,100	13,342	3,127	16,469
Commission income on investments and deposits	(23,187)	(22,614)	(45,801)	(26,387)	(13,203)	(39,590)
Dividends on investments	-	(7,866)	(7,866)	-	(9,513)	(9,513)
Realized loss / (gain) on investments measured at fair value	-	8,976	8,976	-	(16,698)	(16,698)
Unrealized loss / (gain) on investments measured at fair value	-	28,600	28,600	-	(15,537)	(15,537)
Change in expected credit losses on financial assets	(11)	19	8	(1)	(8)	(9)
Gains on disposal of property and equipment	-	-	-	-	(20,308)	(20,308)
Finance cost on lease assets	441	6	447	434	-	434
Provision for end-of-service benefits (EOSB)	3,467	18	3,485	3,045	-	3,045
Changes in operating assets and liabilities:						
Insurance contract assets for non unit-linked business	-	-	-	(25,300)	-	(25,300)
Insurance contract liabilities for non unit-linked business	(321,485)	-	(321,485)	(393,554)	-	(393,554)
Insurance contract liabilities for unit-linked business	(25,246)	-	(25,246)	1,699	-	1,699
Reinsurance contract assets for non unit-linked business	60,771	-	60,771	110,191	-	110,191
Reinsurance contract assets for unit-linked business	164	-	164	(77)	-	(77)
Reinsurance contract liabilities for non unit-linked business	1,158	-	1,158	3,518	-	3,518
Reinsurance contract liabilities for unit-linked business	197	-	197	-	-	-
Prepaid expenses and other assets	14,557	(5,084)	9,473	(3,187)	(5,597)	(8,784)
Accrued expenses and other liabilities	(46,381)	7,623	(38,758)	18,771	117	18,888
	(325,093)	(94,279)	(419,372)	(291,095)	(8,069)	(299,164)
End-of-service benefits paid	(1,958)	(18)	(1,976)	(2,193)	-	(2,193)
Zakat and income tax paid	-	(2,685)	(2,685)	-	(17,761)	(17,761)
Net cash used in operating activities	(327,051)	(96,982)	(424,033)	(293,288)	(25,830)	(319,118)

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025

22. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of cash flows for six-month period (Continued)

	June 30, 2025 (Unaudited)			June 30, 2024 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
CASH FLOWS FROM INVESTING ACTIVITIES						
Financial assets for unit linked insurance contracts, net	21,397	-	21,397	(1,239)	-	(1,239)
Purchase of investments - FVTPL	-	(85,271)	(85,271)	-	(122,367)	(122,367)
Disposals of investments - FVTPL	-	106,809	106,809	-	89,012	89,012
Purchase of investments - FVOCI	-	(5,624)	(5,624)	-	(5,625)	(5,625)
Purchase of investments - amortized cost	-	(125,000)	(125,000)	(138)	(96,174)	(96,312)
Disposals of investments - amortized cost	9,868	130,000	139,868	-	10,032	10,032
Investment in joint venture	-	-	-	-	-	-
Commission income received on investments and deposits	23,126	21,017	44,143	23,165	10,173	33,338
Dividends received on investments	-	7,866	7,866	-	9,513	9,513
Additions to short term deposits	(8,261)	(31,264)	(39,525)	67,871	59,995	127,866
Disposals / (additions) of long term deposits	(927)	(30,232)	(31,159)	(95,000)	95,000	-
Additions to intangible assets, net	(1,507)	-	(1,507)	(13,828)	-	(13,828)
Additions of property and equipment, net	(10,719)	-	(10,719)	(2,835)	(485)	(3,320)
Cash and cash equivalents acquired through	-	31,325	31,325	-	-	-
Purchase consideration paid	-	(68,209)	(68,209)	-	-	-
Net cash generated from / (used in) investing activities	32,977	(48,583)	(15,606)	(22,004)	49,074	27,070
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / (due to) shareholders' operations / insurance operations	(27,090)	27,090	-	21,678	(21,678)	-
Lease liabilities paid	(5,538)	(218)	(5,756)	(5,602)	-	(5,602)
Net cash (used in) / generated from financing activities	(32,628)	26,872	(5,756)	16,076	(21,678)	(5,602)
Net change in cash and cash equivalents	(326,702)	(118,693)	(445,395)	(299,216)	1,566	(297,650)
Cash and cash equivalents, beginning of the period	653,091	309,177	962,268	503,905	8,506	512,411
Cash and cash equivalents, end of the period	326,389	190,484	516,873	204,689	10,072	214,761

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2025****23. DIVIDEND**

No dividend has been proposed or paid by the Group during the current reporting period or the comparative period as presented in these interim condensed consolidated financial statements.

24. (LOSS) / EARNING PER SHARE (EPS)

Basic and diluted (loss) / earning per share from shareholders' income are calculated by dividing the net (loss) / income for the period after zakat and taxes attributable to the shareholders (excluding the amount attributable to minority interest) by the weighted average number of ordinary shares outstanding during the period.

During the year 2024, the Group undertook rights issue and increased the capital (Refer note 20). In accordance with IAS 33 – Earnings Per Share, the prior period's EPS has been restated to reflect the impact of the rights issue, ensuring comparability. The weighted average number of shares for prior period has been adjusted based on the Theoretical Ex-Rights Price (TERP).

	Three-Month period ended		Six-Month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Issued ordinary shares before rights issue	85,058	85,058	85,058	85,058
Rights issue adjustment	42,500	16,664	42,500	16,664
Weighted average number of ordinary shares after rights issue	127,558	101,722	127,558	101,722
Net (loss) / income for the period	(49,354)	24,437	(117,304)	64,301
Weighted average number of outstanding ordinary shares	127,558	101,722	127,558	101,722
Basic and diluted (loss) / earning per share	(0.39)	0.24	(0.92)	0.63

25. SURETY BOND INSURANCE POOL ARRANGEMENT

On December 11, 2024, the Company signed Surety Bond (SB) shared agreement with 16 other participating insurance companies relating to surety bond insurance that guarantees contractors in completing projects or fulfilling contractual obligations in favor of the Public Investment Fund, whereby the insurance company undertakes to compensate the Fund for projects in the event of contractors' failure to perform the project.

Walaa as a leading company to manage the SB pool portfolio on behalf of the participating insurance companies will exclusively be entitled to management fees for managing the portfolio to be earned over the period of validity of the SB agreement that ends on December 10, 2029. The participating insurance companies will report in their financials the SB portfolio assets, liabilities, revenues and expenses relating to their share in the portfolio in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses. Walaa will report its own share from the SB pool under the 'P&C-others' segment.

The gross written premium of the SB Pool by the end of the six-month period ended June 30, 2025 amounted to SAR 1.8 million.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the change in the presentation methodology adopted by the Group in the current period. However, these are not significant to these interim condensed consolidated financial statements that require disclosure.

27. SUBSEQUENT EVENTS

No events occurred after June 30, 2025 that would have a material impact on the financial position or results of operations as presented in these interim condensed consolidated financial statements.

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved by the Board of Directors on August 4, 2025, corresponding to Safar 10, 1447 AH.