

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

(UNAUDITED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

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

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED 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 consolidated statement of financial position of **Walaa Cooperative Insurance Company (the "Company")** and its subsidiary (collectively referred to as the **'Group'**) as at 30 September 2025, and the related interim condensed consolidated statements of income, and comprehensive income for the three and nine months periods then ended and the related interim condensed consolidated statement of changes in equity and cash flows for the nine months period then ended and other explanatory notes ("interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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, that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

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05 Nov 2025
14 Jumada al-Ula, 1447H



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

		September 30, 2025	December 31, 2024
	Notes	(Unaudited)	(Audited)
		SAR "000"	
Assets			
Cash and cash equivalents	8.1	510,994	962,268
Short term deposits	8.2	162,278	296,709
Prepaid expenses and other assets		76,844	86,460
Reinsurance contract assets for non unit-linked business	4.2	898,253	741,129
Reinsurance contract assets for unit-linked business	4.2	-	164
Financial assets for unit-linked insurance contracts		514,631	536,185
Due from shareholders' operations		73,046	1,940
Statutory deposit		127,558	127,558
Accrued income on statutory deposit		5,291	19
Investments	9	1,491,387	1,388,722
Long term deposits		410,654	409,741
Property and equipment, net	13	57,177	50,960
Right of use assets, net	10	17,970	23,183
Intangible assets	12	108,610	116,460
Goodwill	11	76,729	24,415
Total assets		4,531,422	4,765,913
Liabilities and equity			
Liabilities			
Insurance contract liabilities for non unit-linked business	4.1	1,961,182	2,129,850
Insurance contract liabilities for unit-linked business	4.1	523,696	543,959
Reinsurance contract liabilities for non unit-linked business	4.2	3,559	3,302
Reinsurance contract liabilities for unit-linked business	4.2	170	-
Accrued expenses and other liabilities	14	149,464	160,313
Lease liabilities		15,132	21,534
Accrued income on statutory deposit payable to Insurance Authority		5,291	19
Due to insurance operations		73,046	1,940
Provision for zakat and income tax	19	55,278	42,963
Provision for end-of-service benefits (EOSB)		40,099	38,015
Total liabilities		2,826,917	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	9	122,165	117,149
(Accumulated losses) / Retained earnings		(9,231)	117,794
Total shareholders' equity		1,709,572	1,831,581
Remeasurement of EOSB obligations		(7,563)	(7,563)
Minority interest	11	2,496	-
Total equity		1,704,505	1,824,018
Total liabilities and equity		4,531,422	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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

	Notes	Three-month period ended September 30,		Nine-month period ended September 30,	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		SAR "000"	SAR "000"	SAR "000"	SAR "000"
Insurance revenue	5.1	874,200	897,433	2,349,232	2,460,682
Insurance service expenses	5.2	(461,196)	(449,688)	(1,314,844)	(1,444,366)
Insurance service results before reinsurance contracts held		413,004	447,745	1,034,388	1,016,316
Allocation of reinsurance premiums	5.3	(525,368)	(467,216)	(1,273,797)	(1,105,426)
Amounts recoverable from reinsurers for incurred claims	5.4	85,030	14,473	111,568	75,548
Net expenses from reinsurance contracts held		(440,338)	(452,743)	(1,162,229)	(1,029,878)
Insurance service results		(27,334)	(4,998)	(127,841)	(13,562)
Commission income on investments and deposits		20,204	17,357	66,005	56,947
Dividends on investments		3,826	4,171	11,692	13,684
Realized gain / (loss) on investments measured at fair value	9.1	2,945	7,829	(6,031)	24,527
Unrealized gain / (loss) on investments measured at fair value	9.1	4,144	8,982	(24,456)	24,519
Change in expected credit losses on financial assets		25	(7)	24	2
Net investment income		31,144	38,332	47,234	119,679
Finance expense from insurance contracts issued		(3,710)	(1,931)	(18,441)	(18,003)
Finance income from reinsurance contracts held		2,204	79	11,327	10,300
Net insurance finance expenses		(1,506)	(1,852)	(7,114)	(7,703)
Net insurance and investment results		2,304	31,482	(87,721)	98,414
Other operating income		2,732	-	5,188	-
Other income		700	701	2,144	22,474
Other operating expenses	7	(10,306)	(8,332)	(31,308)	(27,486)
Net (loss) / income for the period before zakat & tax		(4,570)	23,851	(111,697)	93,402
Zakat and income tax charge for the period	19	(5,000)	(3,750)	(15,000)	(9,000)
Net (loss) / income for the period after zakat & tax		(9,570)	20,101	(126,697)	84,402
- Attributable to minority interest	11	151	-	328	-
- Attributable to shareholders		(9,721)	20,101	(127,025)	84,402
(Loss) / earning per share (expressed in SAR per share) - Restated					
Basic and diluted (loss) / earning per share - Restated	24	(0.08)	0.20	(1.00)	0.83
Weighted average number of ordinary outstanding shares (in thousand shares) - Restated		127,558	101,722	127,558	101,722


 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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

		Three-month period ended		Nine-month period ended	
		September 30,		September 30,	
		2025	2024	2025	2024
Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SAR "000"	SAR "000"	SAR "000"	SAR "000"	SAR "000"
Net (loss) / income for the period	(9,570)	20,101	(126,697)	84,402	
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		(9,570)	20,101	(121,681)	84,402
- Attributable to minority interest	11	151	-	328	-
- Attributable to shareholders		(9,721)	20,101	(122,009)	84,402

Chief Financial Officer

Chief Executive Officer

Board member

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WALAA COOPERATIVE INSURANCE COMPANY

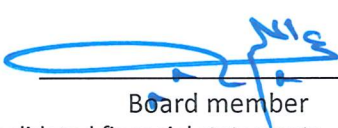
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

Notes	Share capital	Share premium	Statutory reserve	Fair value reserve for investments	(Accumulated losses) / Retained earnings	Total shareholders' equity	Remeasure-ment 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	-	-	-	-	(127,025)	(127,025)	-	-	(127,025)
Net income for the period attributable to minority interest	-	-	-	-	-	-	-	328	328
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	(127,025)	(122,009)	-	328	(121,681)
Minority interest arising on acquisition of subsidiary during the period	11	-	-	-	-	-	-	2,168	2,168
Balance as at September 30, 2025 (Unaudited)	1,275,583	228,280	92,775	122,165	(9,231)	1,709,572	(7,563)	2,496	1,704,505
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	-	-	-	-	84,402	84,402	-	-	84,402
Total comprehensive income for the period	-	-	-	-	84,402	84,402	-	-	84,402
Balance as at September 30, 2024 (Unaudited)	850,583	193,119	79,915	81,827	150,753	1,356,197	(3,340)	-	1,352,857


 Chief Financial Officer


 Chief Executive Officer


 Board member

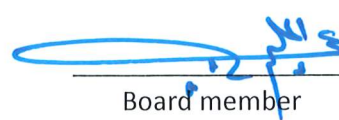
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WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

		Nine-month period ended	
		September 30,	
		2025	2024
Notes		(Unaudited)	(Unaudited)
		SAR “000”	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period before zakat and income tax		(111,697)	93,402
<u>Adjustments for non-cash and non-operating items:</u>			
	13	5,495	4,161
	10	6,085	5,475
	12	9,211	14,878
		(66,005)	(56,947)
		(11,692)	(13,684)
	9.1	6,031	(24,527)
	9.1	24,456	(24,519)
		(14)	(7)
		-	(20,308)
		654	702
		5,255	4,567
<u>Changes in operating assets and liabilities:</u>			
	4	-	(20,526)
	4.1	(168,668)	(79,700)
	4.1	(20,263)	8,323
	4.2	(157,124)	(61,830)
	4.2	164	(447)
	4.2	257	6,697
	4.2	170	-
		14,194	(31,190)
	14	(28,705)	71,339
		(492,196)	(124,141)
		(3,171)	(4,105)
	19	(2,685)	(21,400)
Net cash used in operating activities		(498,052)	(149,646)


 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.

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

Net change in cash and cash equivalents		(451,274)	(24,759)
Cash and cash equivalents, beginning of the period	8	962,268	512,411
Cash and cash equivalents, end of the period	8	510,994	487,652

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WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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" (ASPIRE), 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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 NINE MONTH PERIODS ENDED SEPTEMBER 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	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR “000”			
Medical	PAA	-	206,577	-	200,054
Motor	PAA	-	415,387	-	540,735
Property	PAA	-	144,060	-	310,213
Energy	PAA	-	344,332	-	241,018
Engineering	PAA	-	312,704	-	308,685
P&S - non unit-linked	PAA	-	117,932	-	101,976
P&C - others	PAA	-	356,803	-	371,495
4.1.1 Total PAA		-	1,897,795	-	2,074,176
P&C - others	GMM	-	62,636	-	55,024
P&S - non unit-linked	GMM	-	751	-	650
P&S - unit-linked	VFA	-	523,696	-	543,959
4.1.2 Total GMM/VFA		-	587,083	-	599,633
Insurance contract Liabilities for non unit-linked business	PAA, GMM	-	1,961,182	-	2,129,850
Insurance contract Liabilities for unit-linked business	VFA	-	523,696	-	543,959
4.2 Reinsurance contracts assets and liabilities	Valuation Approach	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR “000”			
Medical	PAA	-	3,559	-	3,302
Motor	PAA	2,549	-	3,253	-
Property	PAA	134,418	-	70,022	-
Energy	PAA	268,672	-	228,809	-
Engineering	PAA	245,527	-	238,570	-
P&S - non unit-linked	PAA	19,437	-	28,649	-
P&C - others	PAA	187,115	-	132,906	-
4.2.1 Total PAA		857,718	3,559	702,209	3,302
P&C - others	GMM	40,535	-	38,920	-
P&S - unit-linked	GMM	-	170	164	-
4.2.2 Total GMM		40,535	170	39,084	-
Reinsurance contract assets and liabilities for non unit-linked business	PAA, GMM	898,253	3,559	741,129	3,302
Reinsurance contract assets for unit-linked business	GMM	-	170	164	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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	For the period ended September 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	(2,338,819)	-	-	-	(2,338,819)	(3,330,738)	-	-	-	(3,330,738)
Incurred claims and other expenses	-	-	1,311,259	26,767	1,338,026	-	-	1,848,800	27,524	1,876,324
Losses/(loss reversals) on onerous contracts	-	(9,688)	-	-	(9,688)	-	15,952	-	-	15,952
Changes to liabilities for incurred claims	-	-	(218,789)	(11,150)	(229,939)	-	-	(207,013)	(26,009)	(233,022)
Insurance acquisition costs	215,339	-	-	-	215,339	327,006	-	-	-	327,006
Insurance service expenses	215,339	(9,688)	1,092,470	15,617	1,313,738	327,006	15,952	1,641,787	1,515	1,986,260
Insurance service results before reinsurance contracts held	(2,123,480)	(9,688)	1,092,470	15,617	(1,025,081)	(3,003,732)	15,952	1,641,787	1,515	(1,344,478)
Finance expenses from insurance contracts issued	-	-	19,691	(46)	19,645	-	-	19,483	6	19,489
Total changes in the interim condensed consolidated statement of income	(2,123,480)	(9,688)	1,112,161	15,571	(1,005,436)	(3,003,732)	15,952	1,661,270	1,521	(1,324,989)
Premium received	2,117,555	-	-	-	2,117,555	3,267,573	-	-	-	3,267,573
Claims and directly attributable expenses paid	-	-	(1,107,102)	-	(1,107,102)	-	-	(1,509,013)	-	(1,509,013)
Insurance acquisition expenses paid	(181,398)	-	-	-	(181,398)	(327,242)	-	-	-	(327,242)
Net cash flows for insurance contracts	1,936,157	-	(1,107,102)	-	829,055	2,940,331	-	(1,509,013)	-	1,431,318
Net closing insurance contract liabilities	698,659	24,650	1,119,147	55,339	1,897,795	885,982	34,338	1,114,088	39,768	2,074,176
Closing insurance contract liabilities	698,659	24,650	1,119,147	55,339	1,897,795	885,982	34,338	1,114,088	39,768	2,074,176
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(295,314)	-	-	-	(295,314)	(617,012)	-	-	-	(617,012)
Incurred claims and other expenses	-	-	292,189	2,758	294,947	-	-	536,183	3,667	539,850
Losses/(loss reversals) on onerous contracts	-	(1,217)	-	-	(1,217)	-	(10,792)	-	-	(10,792)
Changes to liabilities for incurred claims	-	-	8,471	(2,332)	6,139	-	-	52,901	(5,474)	47,427
Insurance acquisition costs	55,002	-	-	-	55,002	107,691	-	-	-	107,691
Insurance service expenses	55,002	(1,217)	300,660	426	354,871	107,691	(10,792)	589,084	(1,807)	684,176
Insurance service results before reinsurance contracts held	(240,312)	(1,217)	300,660	426	59,557	(509,321)	(10,792)	589,084	(1,807)	67,164
Finance expenses from insurance contracts issued	-	-	1,533	(1)	1,532	-	-	2,994	2	2,996
Total changes in the interim condensed consolidated statement of income	(240,312)	(1,217)	302,193	425	61,089	(509,321)	(10,792)	592,078	(1,805)	70,160
Premium received	275,540	-	-	-	275,540	561,827	-	-	-	561,827
Claims and directly attributable expenses paid	-	-	(293,413)	-	(293,413)	-	-	(633,415)	-	(633,415)
Insurance acquisition expenses paid	(36,693)	-	-	-	(36,693)	(105,371)	-	-	-	(105,371)
Net cash flows for insurance contracts	238,847	-	(293,413)	-	(54,566)	456,456	-	(633,415)	-	(176,959)
Net closing insurance contract liabilities	61,001	6,292	133,299	5,985	206,577	62,466	7,509	124,519	5,560	200,054
Closing insurance contract liabilities	61,001	6,292	133,299	5,985	206,577	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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(534,361)	-	-	-	(534,361)	(765,707)	-	-	-	(765,707)
Incurred claims and other expenses	-	-	602,537	5,044	607,581	-	-	673,210	5,998	679,208
Losses/(loss reversals) on onerous contracts	-	(8,471)	-	-	(8,471)	-	26,744	-	-	26,744
Changes to liabilities for incurred claims	-	-	(14,985)	(5,094)	(20,079)	-	-	(23,976)	(4,366)	(28,342)
Insurance acquisition costs	88,320	-	-	-	88,320	122,732	-	-	-	122,732
Insurance service expenses	88,320	(8,471)	587,552	(50)	667,351	122,732	26,744	649,234	1,632	800,342
Insurance service results before reinsurance contracts held	(446,041)	(8,471)	587,552	(50)	132,990	(642,975)	26,744	649,234	1,632	34,635
Finance expenses from insurance contracts issued	-	-	2,772	-	2,772	-	-	2,019	-	2,019
Total changes in the interim condensed consolidated statement of income	(446,041)	(8,471)	590,324	(50)	135,762	(642,975)	26,744	651,253	1,632	36,654
Premium received	395,385	-	-	-	395,385	671,373	-	-	-	671,373
Claims and directly attributable expenses paid	-	-	(580,648)	-	(580,648)	-	-	(607,941)	-	(607,941)
Insurance acquisition expenses paid	(75,847)	-	-	-	(75,847)	(107,101)	-	-	-	(107,101)
Net cash flows for insurance contracts	319,538	-	(580,648)	-	(261,110)	564,272	-	(607,941)	-	(43,669)
Net closing insurance contract liabilities	189,490	18,358	200,072	7,467	415,387	315,993	26,829	190,396	7,517	540,735
Closing insurance contract liabilities	189,490	18,358	200,072	7,467	415,387	315,993	26,829	190,396	7,517	540,735
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(485,986)	-	-	-	(485,986)	(479,462)	-	-	-	(479,462)
Incurred claims and other expenses	-	-	68,478	2,962	71,440	-	-	173,204	4,396	177,600
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(49,237)	1,212	(48,025)	-	-	(61,167)	(1,518)	(62,685)
Insurance acquisition costs	20,959	-	-	-	20,959	25,052	-	-	-	25,052
Insurance service expenses	20,959	-	19,241	4,174	44,374	25,052	-	112,037	2,878	139,967
Insurance service results before reinsurance contracts held	(465,027)	-	19,241	4,174	(441,612)	(454,410)	-	112,037	2,878	(339,495)
Finance expenses from insurance contracts issued	-	-	5,719	-	5,719	-	-	3,650	-	3,650
Total changes in the interim condensed consolidated statement of income	(465,027)	-	24,960	4,174	(435,893)	(454,410)	-	115,687	2,878	(335,845)
Premium received	321,408	-	-	-	321,408	520,948	-	-	-	520,948
Claims and directly attributable expenses paid	-	-	(28,418)	-	(28,418)	-	-	(64,609)	-	(64,609)
Insurance acquisition expenses paid	(23,250)	-	-	-	(23,250)	(30,145)	-	-	-	(30,145)
Net cash flows for insurance contracts	298,158	-	(28,418)	-	269,740	490,803	-	(64,609)	-	426,194
Net closing insurance contract liabilities	(69,383)	-	203,697	9,746	144,060	97,486	-	207,155	5,572	310,213
Closing insurance contract liabilities	(69,383)	-	203,697	9,746	144,060	97,486	-	207,155	5,572	310,213
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(432,064)	-	-	-	(432,064)	(589,366)	-	-	-	(589,366)
Incurred claims and other expenses	-	-	117,867	5,789	123,656	-	-	109,040	2,960	112,000
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(79,861)	(3,120)	(82,981)	-	-	(66,998)	(4,245)	(71,243)
Insurance acquisition costs	463	-	-	-	463	5,273	-	-	-	5,273
Insurance service expenses	463	-	38,006	2,669	41,138	5,273	-	42,042	(1,285)	46,030
Insurance service results before reinsurance contracts held	(431,601)	-	38,006	2,669	(390,926)	(584,093)	-	42,042	(1,285)	(543,336)
Finance expenses from insurance contracts issued	-	-	1,479	-	1,479	-	-	1,123	-	1,123
Total changes in the interim condensed consolidated statement of income	(431,601)	-	39,485	2,669	(389,447)	(584,093)	-	43,165	(1,285)	(542,213)
Premium received	530,592	-	-	-	530,592	560,881	-	-	-	560,881
Claims and directly attributable expenses paid	-	-	(37,076)	-	(37,076)	-	-	(14,772)	-	(14,772)
Insurance acquisition expenses paid	(755)	-	-	-	(755)	(2,266)	-	-	-	(2,266)
Net cash flows for insurance contracts	529,837	-	(37,076)	-	492,761	558,615	-	(14,772)	-	543,843
Net closing insurance contract liabilities	216,297	-	122,091	5,944	344,332	118,061	-	119,682	3,275	241,018
Closing insurance contract liabilities	216,297	-	122,091	5,944	344,332	118,061	-	119,682	3,275	241,018
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(145,821)	-	-	-	(145,821)	(242,903)	-	-	-	(242,903)
Incurred claims and other expenses	-	-	62,777	4,028	66,805	-	-	60,294	2,159	62,453
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(28,583)	(35)	(28,618)	-	-	(46,663)	(3,569)	(50,232)
Insurance acquisition costs	17,836	-	-	-	17,836	23,260	-	-	-	23,260
Insurance service expenses	17,836	-	34,194	3,993	56,023	23,260	-	13,631	(1,410)	35,481
Insurance service results before reinsurance contracts held	(127,985)	-	34,194	3,993	(89,798)	(219,643)	-	13,631	(1,410)	(207,422)
Finance expenses from insurance contracts issued	-	-	2,148	-	2,148	-	-	2,365	-	2,365
Total changes in the interim condensed consolidated statement of income	(127,985)	-	36,342	3,993	(87,650)	(219,643)	-	15,996	(1,410)	(205,057)
Premium received	123,372	-	-	-	123,372	316,239	-	-	-	316,239
Claims and directly attributable expenses paid	-	-	(16,225)	-	(16,225)	-	-	(22,742)	-	(22,742)
Insurance acquisition expenses paid	(15,478)	-	-	-	(15,478)	(31,075)	-	-	-	(31,075)
Net cash flows for insurance contracts	107,894	-	(16,225)	-	91,669	285,164	-	(22,742)	-	262,422
Net closing insurance contract liabilities	195,861	-	109,184	7,659	312,704	215,952	-	89,067	3,666	308,685
Closing insurance contract liabilities	195,861	-	109,184	7,659	312,704	215,952	-	89,067	3,666	308,685
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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(106,404)	-	-	-	(106,404)	(202,480)	-	-	-	(202,480)
Incurred claims and other expenses	-	-	112,373	3,770	116,143	-	-	189,925	5,340	195,265
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(28,198)	(3,863)	(32,061)	-	-	(15,639)	(4,682)	(20,321)
Insurance acquisition costs	6,769	-	-	-	6,769	9,450	-	-	-	9,450
Insurance service expenses	6,769	-	84,175	(93)	90,851	9,450	-	174,286	658	184,394
Insurance service results before reinsurance contracts held	(99,635)	-	84,175	(93)	(15,553)	(193,030)	-	174,286	658	(18,086)
Finance expenses from insurance contracts issued	-	-	3,281	-	3,281	-	-	3,158	-	3,158
Total changes in the interim condensed consolidated statement of income	(99,635)	-	87,456	(93)	(12,272)	(193,030)	-	177,444	658	(14,928)
Premium received	158,040	-	-	-	158,040	162,973	-	-	-	162,973
Claims and directly attributable expenses paid	-	-	(122,707)	-	(122,707)	-	-	(132,661)	-	(132,661)
Insurance acquisition expenses paid	(7,105)	-	-	-	(7,105)	(10,063)	-	-	-	(10,063)
Net cash flows for insurance contracts	150,935	-	(122,707)	-	28,228	152,910	-	(132,661)	-	20,249
Net closing insurance contract liabilities	(43,284)	-	154,201	7,015	117,932	(94,584)	-	189,452	7,108	101,976
Closing insurance contract liabilities	(43,284)	-	154,201	7,015	117,932	(94,584)	-	189,452	7,108	101,976
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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(338,869)	-	-	-	(338,869)	(433,808)	-	-	-	(433,808)
Incurred claims and other expenses	-	-	55,038	2,416	57,454	-	-	106,944	3,004	109,948
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(26,396)	2,082	(24,314)	-	-	(45,471)	(2,155)	(47,626)
Insurance acquisition costs	25,990	-	-	-	25,990	33,548	-	-	-	33,548
Insurance service expenses	25,990	-	28,642	4,498	59,130	33,548	-	61,473	849	95,870
Insurance service results before reinsurance contracts held	(312,879)	-	28,642	4,498	(279,739)	(400,260)	-	61,473	849	(337,938)
Finance expenses from insurance contracts issued	-	-	2,759	(45)	2,714	-	-	4,174	4	4,178
Total changes in the interim condensed consolidated statement of income	(312,879)	-	31,401	4,453	(277,025)	(400,260)	-	65,647	853	(333,760)
Insurance pool portfolio transition impact	-	-	-	-	-	-	-	-	-	-
Premium received	313,218	-	-	-	313,218	473,332	-	-	-	473,332
Claims and directly attributable expenses paid	-	-	(28,615)	-	(28,615)	-	-	(32,873)	-	(32,873)
Insurance acquisition expenses paid	(22,270)	-	-	-	(22,270)	(41,221)	-	-	-	(41,221)
Net cash flows for insurance contracts	290,948	-	(28,615)	-	262,333	432,111	-	(32,873)	-	399,238
Net closing insurance contract liabilities	148,677	-	196,603	11,523	356,803	170,608	-	193,817	7,070	371,495
Closing insurance contract liabilities	148,677	-	196,603	11,523	356,803	170,608	-	193,817	7,070	371,495
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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

Total	For the period ended September 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	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	827	-	-	-	827	(1,784)	-	-	-	(1,784)
Expected directly attributable expenses	(1,336)	-	-	-	(1,336)	(5,030)	-	-	-	(5,030)
Loss component run off	(2,416)	-	-	-	(2,416)	(3,351)	-	-	-	(3,351)
Expected other insurance service expenses	(3,482)	-	-	-	(3,482)	(131)	-	-	-	(131)
Change in risk adjustment for non-financial risk	(49)	-	-	-	(49)	(25)	-	-	-	(25)
CSM recognized during the period	(3,071)	-	-	-	(3,071)	(2,309)	-	-	-	(2,309)
Recovery of insurance acquisition cash flows	(886)	-	-	-	(886)	(1,212)	-	-	-	(1,212)
Insurance revenue	(10,413)	-	-	-	(10,413)	(13,842)	-	-	-	(13,842)
Incurred claims and other expenses	-	-	2,919	232	3,151	-	-	4,752	237	4,989
Losses/(loss reversals) on onerous contracts	-	(179)	-	-	(179)	-	(1,826)	-	-	(1,826)
Changes to liabilities for incurred claims	-	-	(2,507)	(245)	(2,752)	-	-	(1,638)	(192)	(1,830)
Insurance acquisition costs	886	-	-	-	886	1,211	-	-	-	1,211
Surrenders and maturities	(96,357)	-	96,357	-	-	(119,031)	-	119,031	-	-
Insurance service expenses	(95,471)	(179)	96,769	(13)	1,106	(117,820)	(1,826)	122,145	45	2,544
Insurance service results before reinsurance contracts held	(105,884)	(179)	96,769	(13)	(9,307)	(131,662)	(1,826)	122,145	45	(11,298)
Finance expenses from insurance contracts issued	(1,250)	(2)	39	9	(1,204)	2,555	(121)	(381)	25	2,078
Total changes in the interim condensed consolidated statement of income	(107,134)	(181)	96,808	(4)	(10,511)	(129,107)	(1,947)	121,764	70	(9,220)
Changes in fair value of unit-linked investments	33,019	-	-	-	33,019	50,832	-	-	-	50,832
Insurance pool portfolio transition impact	-	-	-	-	-	(106)	-	-	-	(106)
Premium received	62,343	-	-	-	62,343	92,294	-	-	-	92,294
Claims and directly attributable expenses paid	-	-	(97,043)	-	(97,043)	-	-	(120,387)	-	(120,387)
Insurance acquisition expenses paid	(358)	-	-	-	(358)	(604)	-	-	-	(604)
Net cash flows for insurance contracts	61,985	-	(97,043)	-	(35,058)	91,690	-	(120,387)	-	(28,697)
Net closing insurance contract liabilities	580,728	770	5,279	306	587,083	592,858	951	5,514	310	599,633
Closing insurance contract liabilities	580,728	770	5,279	306	587,083	592,858	951	5,514	310	599,633
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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(67)	-	-	-	(67)	(84)	-	-	-	(84)
Expected directly attributable expenses	(11)	-	-	-	(11)	(17)	-	-	-	(17)
Loss component run off	-	-	-	-	-	-	-	-	-	-
Expected other insurance service expenses	-	-	-	-	-	-	-	-	-	-
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	(70)	-	-	-	(70)	(116)	-	-	-	(116)
Recovery of insurance acquisition cash flows	(2)	-	-	-	(2)	(1)	-	-	-	(1)
Insurance revenue	(150)	-	-	-	(150)	(218)	-	-	-	(218)
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-
Losses/(loss reversals) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(2)	1	(1)	-	-	20	2	22
Insurance acquisition costs	2	-	-	-	2	-	-	-	-	-
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	2	-	(2)	1	1	-	-	20	2	22
Insurance service results before reinsurance contracts held	(148)	-	(2)	1	(149)	(218)	-	20	2	(196)
Finance expenses from insurance contracts issued	11	-	3	-	14	6	-	5	-	11
Total changes in the interim condensed consolidated statement of income	(137)	-	1	1	(135)	(212)	-	25	2	(185)
Premium received	236	-	-	-	236	264	-	-	-	264
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	-	(1)	-	-	-	(1)
Net cash flows for insurance contracts	236	-	-	-	236	263	-	-	-	263
Net closing insurance contract liabilities	645	3	95	8	751	546	3	94	7	650
Closing insurance contract liabilities	645	3	95	8	751	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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(1,325)	-	-	-	(1,325)	(5,013)	-	-	-	(5,013)
Loss component run off	(2,416)	-	-	-	(2,416)	(3,351)	-	-	-	(3,351)
Expected other insurance service expenses	189	-	-	-	189	361	-	-	-	361
Change in risk adjustment for non-financial risk	(39)	-	-	-	(39)	(14)	-	-	-	(14)
CSM recognized during the period	(2,805)	-	-	-	(2,805)	(1,983)	-	-	-	(1,983)
Recovery of insurance acquisition cash flows	(884)	-	-	-	(884)	(1,211)	-	-	-	(1,211)
Insurance revenue	(7,280)	-	-	-	(7,280)	(11,211)	-	-	-	(11,211)
Incurred claims and other expenses	-	-	2,915	228	3,143	-	-	2,909	213	3,122
Losses/(loss reversals) on onerous contracts	-	(179)	-	-	(179)	-	(1,826)	-	-	(1,826)
Changes to liabilities for incurred claims	-	-	(2,710)	(238)	(2,948)	-	-	(1,658)	(194)	(1,852)
Insurance acquisition costs	884	-	-	-	884	1,211	-	-	-	1,211
Surrenders and maturities	(96,357)	-	96,357	-	-	(119,031)	-	119,031	-	-
Insurance service expenses	(95,473)	(179)	96,562	(10)	900	(117,820)	(1,826)	120,282	19	655
Insurance service results before reinsurance contracts held	(102,753)	(179)	96,562	(10)	(6,380)	(129,031)	(1,826)	120,282	19	(10,556)
Finance expenses from insurance contracts issued	-	(2)	91	9	98	-	(121)	188	15	82
Total changes in the interim condensed consolidated statement of income	(102,753)	(181)	96,653	(1)	(6,282)	(129,031)	(1,947)	120,470	34	(10,474)
Changes in fair value of unit-linked investments	33,019	-	-	-	33,019	50,832	-	-	-	50,832
Premium received	49,951	-	-	-	49,951	72,147	-	-	-	72,147
Claims and directly attributable expenses paid	-	-	(96,593)	-	(96,593)	-	-	(120,190)	-	(120,190)
Insurance acquisition expenses paid	(358)	-	-	-	(358)	(603)	-	-	-	(603)
Net cash flows for insurance contracts	49,593	-	(96,593)	-	(47,000)	71,544	-	(120,190)	-	(48,646)
Net closing insurance contract liabilities	519,247	767	3,414	268	523,696	539,388	948	3,354	269	543,959
Closing insurance contract liabilities	519,247	767	3,414	268	523,696	539,388	948	3,354	269	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 NINE MONTH PERIODS ENDED SEPTEMBER 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	For the period ended September 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	(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	(1,271,573)	-	-	-	(1,271,573)	(1,574,874)	-	-	-	(1,574,874)
Incurred claims and other expenses	-	-	264,590	15,614	280,204	-	-	408,278	12,291	420,569
Changes to AIC for past services	-	-	(178,652)	280	(178,372)	-	-	(227,491)	(13,840)	(241,331)
Change in profit commission/ sliding scale commission	-	-	9,716	-	9,716	-	-	2,664	-	2,664
Amounts recoverable from reinsurance for incurred claims	-	-	95,654	15,894	111,548	-	-	183,451	(1,549)	181,902
Net (expenses) / income from reinsurance contracts held	(1,271,573)	-	95,654	15,894	(1,160,025)	(1,574,874)	-	183,451	(1,549)	(1,392,972)
Finance income from reinsurance contracts held	-	-	12,217	(3)	12,214	-	-	11,470	1	11,471
Total changes in the interim condensed consolidated statement of income	(1,271,573)	-	107,871	15,891	(1,147,811)	(1,574,874)	-	194,921	(1,548)	(1,381,501)
Premium paid	1,427,341	-	-	-	1,427,341	1,554,048	-	-	-	1,554,048
Claims recovered	-	-	(80,610)	-	(80,610)	-	-	(132,288)	-	(132,288)
Fixed commission received	(39,482)	-	-	-	(39,482)	(108,576)	-	-	-	(108,576)
Net cash flows for reinsurance contracts	1,387,859	-	(84,796)	-	1,303,063	1,445,472	-	(132,288)	-	1,313,184
Net closing reinsurance contract assets	97,951	-	718,630	37,578	854,159	(18,335)	-	695,555	21,687	698,907
Closing reinsurance contract assets	109,111	-	711,360	37,247	857,718	(7,443)	-	688,294	21,358	702,209
Closing reinsurance contract (liabilities)	(11,160)	-	7,270	331	(3,559)	(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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(1,846)	-	-	-	(1,846)	(2,447)	-	-	-	(2,447)
Incurred claims and other expenses	-	-	2,988	77	3,065	-	-	3,732	176	3,908
Changes to AIC for past services	-	-	(345)	(75)	(420)	-	-	(711)	(221)	(932)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	2,643	2	2,645	-	-	3,021	(45)	2,976
Net (expenses) / income from reinsurance contracts held	(1,846)	-	2,643	2	799	(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	(1,846)	-	2,694	2	850	(2,447)	-	3,088	(45)	596
Premium paid	2,079	-	-	-	2,079	40	-	-	-	40
Claims recovered	-	-	(2,685)	-	(2,685)	-	-	(4,317)	-	(4,317)
Fixed commission received	(501)	-	-	-	(501)	(13)	-	-	-	(13)
Net cash flows for reinsurance contracts	1,578	-	(2,685)	-	(1,107)	27	-	(4,317)	-	(4,290)
Net closing reinsurance contract assets	(11,160)	-	7,270	331	(3,559)	(10,892)	-	7,261	329	(3,302)
Closing reinsurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing reinsurance contract (liabilities)	(11,160)	-	7,270	331	(3,559)	(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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(152)	-	-	-	(152)	(1,237)	-	-	-	(1,237)
Incurred claims and other expenses	-	-	1,166	45	1,211	-	-	1,925	21	1,946
Changes to AIC for past services	-	-	(24)	(7)	(31)	-	-	(4,031)	(132)	(4,163)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	1,142	38	1,180	-	-	(2,106)	(111)	(2,217)
Net (expenses) / income from reinsurance contracts held	(152)	-	1,142	38	1,028	(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	(152)	-	1,172	38	1,058	(1,237)	-	(2,044)	(111)	(3,392)
Premium paid	(889)	-	-	-	(889)	87	-	-	-	87
Claims recovered	-	-	(651)	-	(651)	-	-	(1,538)	-	(1,538)
Fixed commission received	(222)	-	-	-	(222)	(15)	-	-	-	(15)
Net cash flows for reinsurance contracts	(1,111)	-	(651)	-	(1,762)	72	-	(1,538)	-	(1,466)
Net closing reinsurance contract assets	(2,535)	-	4,849	235	2,549	(1,272)	-	4,328	197	3,253
Closing reinsurance contract assets	(2,535)	-	4,849	235	2,549	(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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(448,309)	-	-	-	(448,309)	(430,632)	-	-	-	(430,632)
Incurred claims and other expenses	-	-	54,699	3,147	57,846	-	-	156,157	4,296	160,453
Changes to AIC for past services	-	-	(44,257)	1,727	(42,530)	-	-	(56,670)	(1,011)	(57,681)
Change in profit commission/ sliding scale commission	-	-	3,727	-	3,727	-	-	1,946	-	1,946
Amounts recoverable from reinsurance for incurred claims	-	-	14,169	4,874	19,043	-	-	101,433	3,285	104,718
Net (expenses) / income from reinsurance contracts held	(448,309)	-	14,169	4,874	(429,266)	(430,632)	-	101,433	3,285	(325,914)
Finance income from reinsurance contracts held	-	-	5,724	-	5,724	-	-	3,473	-	3,473
Total changes in the interim condensed consolidated statement of income	(448,309)	-	19,893	4,874	(423,542)	(430,632)	-	104,906	3,285	(322,441)
Premium paid	519,865	-	-	-	519,865	333,957	-	-	-	333,957
Claims recovered	-	-	(13,841)	-	(13,841)	-	-	(41,264)	-	(41,264)
Fixed commission received	(15,702)	-	-	-	(15,702)	(41,952)	-	-	-	(41,952)
Net cash flows for reinsurance contracts	504,163	-	(16,225)	-	487,938	292,005	-	(41,264)	-	250,741
Net closing reinsurance contract assets	(116,578)	-	240,011	10,985	134,418	(172,432)	-	236,343	6,111	70,022
Closing reinsurance contract assets	(116,578)	-	240,011	10,985	134,418	(172,432)	-	236,343	6,111	70,022
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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(420,691)	-	-	-	(420,691)	(582,568)	-	-	-	(582,568)
Incurred claims and other expenses	-	-	113,663	5,684	119,347	-	-	107,986	2,973	110,959
Changes to AIC for past services	-	-	(77,710)	(3,131)	(80,841)	-	-	(67,688)	(4,297)	(71,985)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	35,953	2,553	38,506	-	-	40,298	(1,324)	38,974
Net (expenses) / income from reinsurance contracts held	(420,691)	-	35,953	2,553	(382,185)	(582,568)	-	40,298	(1,324)	(543,594)
Finance income from reinsurance contracts held	-	-	1,467	-	1,467	-	-	1,124	-	1,124
Total changes in the interim condensed consolidated statement of income	(420,691)	-	37,420	2,553	(380,718)	(582,568)	-	41,422	(1,324)	(542,470)
Premium paid	459,652	-	-	-	459,652	558,968	-	-	-	558,968
Claims recovered	-	-	(37,559)	-	(37,559)	-	-	(13,634)	-	(13,634)
Fixed commission received	(1,512)	-	-	-	(1,512)	(2,519)	-	-	-	(2,519)
Net cash flows for reinsurance contracts	458,140	-	(37,559)	-	420,581	556,449	-	(13,634)	-	542,815
Net closing reinsurance contract assets	142,978	-	119,855	5,839	268,672	105,529	-	119,994	3,286	228,809
Closing reinsurance contract assets	142,978	-	119,855	5,839	268,672	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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(122,805)	-	-	-	(122,805)	(205,588)	-	-	-	(205,588)
Incurred claims and other expenses	-	-	48,317	3,668	51,985	-	-	48,759	2,054	50,813
Changes to AIC for past services	-	-	(23,466)	377	(23,089)	-	-	(44,754)	(3,303)	(48,057)
Change in profit commission/ sliding scale commission	-	-	5,989	-	5,989	-	-	718	-	718
Amounts recoverable from reinsurance for incurred claims	-	-	30,840	4,045	34,885	-	-	4,723	(1,249)	3,474
Net (expenses) / income from reinsurance contracts held	(122,805)	-	30,840	4,045	(87,920)	(205,588)	-	4,723	(1,249)	(202,114)
Finance income from reinsurance contracts held	-	-	1,986	-	1,986	-	-	2,144	-	2,144
Total changes in the interim condensed consolidated statement of income	(122,805)	-	32,826	4,045	(85,934)	(205,588)	-	6,867	(1,249)	(199,970)
Premium paid	110,759	-	-	-	110,759	324,803	-	-	-	324,803
Claims recovered	-	-	(6,150)	-	(6,150)	-	-	(10,139)	-	(10,139)
Fixed commission received	(9,916)	-	-	-	(9,916)	(43,520)	-	-	-	(43,520)
Net cash flows for reinsurance contracts	100,843	-	(7,952)	-	92,891	281,283	-	(10,139)	-	271,144
Net closing reinsurance contract assets	111,882	-	125,938	7,707	245,527	133,844	-	101,064	3,662	238,570
Closing reinsurance contract assets	111,882	-	125,938	7,707	245,527	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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(18,978)	-	-	-	(18,978)	(26,719)	-	-	-	(26,719)
Incurred claims and other expenses	-	-	18,187	997	19,184	-	-	23,349	699	24,048
Changes to AIC for past services	-	-	(18,245)	(242)	(18,487)	-	-	(17,927)	(3,646)	(21,573)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(58)	755	697	-	-	5,422	(2,947)	2,475
Net (expenses) / income from reinsurance contracts held	(18,978)	-	(58)	755	(18,281)	(26,719)	-	5,422	(2,947)	(24,244)
Finance income from reinsurance contracts held	-	-	955	-	955	-	-	1,449	-	1,449
Total changes in the interim condensed consolidated statement of income	(18,978)	-	897	755	(17,326)	(26,719)	-	6,871	(2,947)	(22,795)
Premium paid	18,109	-	-	-	18,109	44,558	-	-	-	44,558
Claims recovered	-	-	(9,716)	-	(9,716)	-	-	(56,025)	-	(56,025)
Fixed commission received	(279)	-	-	-	(279)	(685)	-	-	-	(685)
Net cash flows for reinsurance contracts	17,830	-	(9,716)	-	8,114	43,873	-	(56,025)	-	(12,152)
Net closing reinsurance contract assets	(33,814)	-	50,418	2,833	19,437	(32,666)	-	59,237	2,078	28,649
Closing reinsurance contract assets	(33,814)	-	50,418	2,833	19,437	(32,666)	-	59,237	2,078	28,649
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 NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(258,792)	-	-	-	(258,792)	(325,683)	-	-	-	(325,683)
Incurred claims and other expenses	-	-	25,570	1,996	27,566	-	-	66,370	2,072	68,442
Changes to AIC for past services	-	-	(14,605)	1,631	(12,974)	-	-	(35,710)	(1,230)	(36,940)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	10,965	3,627	14,592	-	-	30,660	842	31,502
Net (expenses) / income from reinsurance contracts held	(258,792)	-	10,965	3,627	(244,200)	(325,683)	-	30,660	842	(294,181)
Finance income from reinsurance contracts held	-	-	2,004	(3)	2,001	-	-	3,151	1	3,152
Total changes in the interim condensed consolidated statement of income	(258,792)	-	12,969	3,624	(242,199)	(325,683)	-	33,811	843	(291,029)
Premium paid	317,766	-	-	-	317,766	291,635	-	-	-	291,635
Claims recovered	-	-	(10,008)	-	(10,008)	-	-	(5,371)	-	(5,371)
Fixed commission received	(11,350)	-	-	-	(11,350)	(19,872)	-	-	-	(19,872)
Net cash flows for reinsurance contracts	306,416	-	(10,008)	-	296,408	271,763	-	(5,371)	-	266,392
Net closing reinsurance contract assets	7,178	-	170,289	9,648	187,115	(40,446)	-	167,328	6,024	132,906
Closing reinsurance contract assets	7,178	-	170,289	9,648	187,115	(40,446)	-	167,328	6,024	132,906
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

4.2.2 Reinsurance contracts - GMM - <u>Total</u>	For the period ended September 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	37,131	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	(555)	-	-	-	(555)	(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	(48)	-	-	-	(48)	(17)	-	-	-	(17)
Allocation of reinsurance premiums	(2,224)	-	-	-	(2,224)	605	-	-	-	605
Incurred claims and other expenses	-	-	723	41	764	-	-	815	-	815
Loss recovery component for onerous contracts	-	(1)	-	-	(1)	-	(402)	-	-	(402)
Changes to AIC for past services	-	-	(700)	(43)	(743)	-	-	96	1	97
Amounts recoverable from reinsurance for incurred claims	-	(1)	23	(2)	20	-	(402)	911	1	510
Net (expenses) / income from reinsurance contracts held	(2,224)	(1)	23	(2)	(2,204)	605	(402)	911	1	1,115
Finance income from reinsurance contracts held	(854)	-	(34)	1	(887)	1,387	12	121	3	1,523
Total changes in the interim condensed consolidated statement of income	(3,078)	(1)	(11)	(1)	(3,091)	1,992	(390)	1,032	4	2,638
Premium paid	5,460	-	-	-	5,460	16,368	-	-	-	16,368
Claims recovered	-	-	(113)	-	(113)	-	-	(88)	-	(88)
Fixed commission received	(975)	-	-	-	(975)	(2,488)	-	-	-	(2,488)
Net cash flows for reinsurance contracts	4,485	-	(113)	-	4,372	13,880	-	(88)	-	13,792
Net closing reinsurance contract assets	38,538	1	1,781	45	40,365	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)	(797)	1	581	45	(170)	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	(426)	-	-	-	(426)	(546)	-	-	-	(546)
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
Experience adjustments	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	122	-	-	-	122	89	-	-	-	89
Allocation of reinsurance premiums	(304)	-	-	-	(304)	(457)	-	-	-	(457)
Incurred claims and other expenses	-	-	530	41	571	-	-	-	-	-
Loss recovery component for onerous contracts	-	(1)	-	-	(1)	-	(402)	-	-	(402)
Changes to AIC for past services	-	-	(456)	(43)	(499)	-	-	96	1	97
Amounts recoverable from reinsurance for incurred claims	-	(1)	74	(2)	71	-	(402)	96	1	(305)
Net (expenses) / income from reinsurance contracts held	(304)	(1)	74	(2)	(233)	(457)	(402)	96	1	(762)
Finance income from reinsurance contracts held	(18)	-	16	1	(1)	(26)	12	35	3	24
Total changes in the interim condensed consolidated statement of income	(322)	(1)	90	(1)	(234)	(483)	(390)	131	4	(738)
Premium paid	-	-	-	-	-	866	-	-	-	866
Claims recovered	-	-	(100)	-	(100)	-	-	(75)	-	(75)
Fixed commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	-	-	(100)	-	(100)	866	-	(75)	-	791
Net closing reinsurance contract assets	(797)	1	581	45	(170)	(475)	2	591	46	164
Closing reinsurance contract assets	-	-	-	-	-	(475)	2	591	46	164
Closing reinsurance contract (liabilities)	(797)	1	581	45	(170)	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 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	32,761	180	(3,071)	29,870	(4,149)	211	(1,760)	(5,698)
Changes that relate to future services	(45,859)	699	8,731	(36,429)	(49,016)	1,237	43,986	(3,793)
Changes that relate to past services	(2,506)	(242)	-	(2,748)	(1,639)	(168)	-	(1,807)
Insurance service results before reinsurance contracts held	(15,604)	637	5,660	(9,307)	(54,804)	1,280	42,226	(11,298)
Finance expenses from insurance contracts	(3,715)	11	2,500	(1,204)	(599)	147	2,530	2,078
Total changes in interim condensed consolidated statement of income	(19,319)	648	8,160	(10,511)	(55,403)	1,427	44,756	(9,220)
Changes in fair value of unit-linked investments	33,019	-	-	33,019	50,832	-	-	50,832
Insurance pool portfolio transition impact	-	-	-	-	(106)	-	-	(106)
Premium received	62,343	-	-	62,343	92,294	-	-	92,294
Claims and directly attributable expenses paid	(97,043)	-	-	(97,043)	(120,387)	-	-	(120,387)
Insurance acquisition expenses paid	(358)	-	-	(358)	(604)	-	-	(604)
Net cash flows for insurance contracts	(35,058)	-	-	(35,058)	(28,697)	-	-	(28,697)
Net closing insurance contract liabilities	477,778	3,739	105,566	587,083	499,136	3,091	97,406	599,633
Closing insurance contract liabilities	477,778	3,739	105,566	587,083	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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.3.1 Insurance contracts - GMM -
P&C - others

	For the period ended September 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)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

	For the period ended September 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	(77)	-	(70)	(147)	(102)	-	(116)	(218)
Changes that relate to future services	(78)	-	78	-	(242)	2	241	1
Changes that relate to past services	(2)	-	-	(2)	19	2	-	21
Insurance service result before reinsurance contracts held	(157)	-	8	(149)	(325)	4	125	(196)
Finance expenses from insurance contracts	1	-	13	14	(1)	-	12	11
Total changes in interim condensed consolidated statement of income	(156)	-	21	(135)	(326)	4	137	(185)
Premium received	236	-	-	236	264	-	-	264
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	(1)	-	-	(1)
Net cash flows for insurance contracts	236	-	-	236	263	-	-	263
Net closing insurance contract liabilities	103	9	639	751	23	9	618	650
Closing insurance contract liabilities	103	9	639	751	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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

4.3.1 Insurance contracts - VFA - P&S - linked	For the period ended September 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 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	(827)	190	(2,805)	(3,442)	(5,456)	199	(1,983)	(7,240)
Changes that relate to future services	385	(42)	(333)	10	(28,166)	289	26,413	(1,464)
Changes that relate to past services	(2,710)	(238)	-	(2,948)	(1,658)	(194)	-	(1,852)
Insurance service result before reinsurance contracts held	(3,152)	(90)	(3,138)	(6,380)	(35,280)	294	24,430	(10,556)
Finance expenses from insurance contracts	(1,009)	21	1,086	98	(283)	19	346	82
Total changes in interim condensed consolidated statement of income	(4,161)	(69)	(2,052)	(6,282)	(35,563)	313	24,776	(10,474)
Changes in fair value of unit-linked investments	33,019	-	-	33,019	50,832	-	-	50,832
Premium received	49,951	-	-	49,951	72,147	-	-	72,147
Claims and directly attributable expenses paid	(96,593)	-	-	(96,593)	(120,190)	-	-	(120,190)
Insurance acquisition expenses paid	(358)	-	-	(358)	(603)	-	-	(603)
Net cash flows for insurance contracts	(47,000)	-	-	(47,000)	(48,646)	-	-	(48,646)
Net closing insurance contract liabilities	483,640	571	39,485	523,696	501,782	640	41,537	543,959
Closing insurance contract liabilities	483,640	571	39,485	523,696	501,782	640	41,537	543,959
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

	For the period ended September 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	7,594	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	8,857	39	(48)	8,848	37,393	1,814	(2,687)	36,520
Changes that relate to future services	(16,708)	872	5,520	(10,316)	(39,485)	1,252	2,731	(35,502)
Changes that relate to past services	(693)	(43)	-	(736)	96	1	-	97
Net (expenses) / income from reinsurance contracts held	(8,544)	868	5,472	(2,204)	(1,996)	3,067	44	1,115
Finance income from reinsurance contracts held	(1,776)	(7)	896	(887)	(130)	64	1,589	1,523
Total changes in interim condensed consolidated statement of income	(10,320)	861	6,368	(3,091)	(2,126)	3,131	1,633	2,638
Premium paid	5,460	-	-	5,460	16,368	-	-	16,368
Claims recovered	(113)	-	-	(113)	(88)	-	-	(88)
Fixed commission received	(975)	-	-	(975)	(2,488)	-	-	(2,488)
Net cash flows for reinsurance contracts	4,372	-	-	4,372	13,792	-	-	13,792
Net closing reinsurance contract assets	1,646	2,823	35,896	40,365	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)	582	45	(797)	(170)	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

4.3.2 Reinsurance contracts - GMM - P&C - others	For the period ended September 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	7,002	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)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

	For the period ended September 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	104	41	122	267	(546)	-	89	(457)
Changes that relate to future services	426	-	(427)	(1)	(320)	-	(82)	(402)
Changes that relate to past services	(456)	(43)	-	(499)	96	1	-	97
Net (expenses) / income from reinsurance contracts held	74	(2)	(305)	(233)	(770)	1	7	(762)
Finance income from reinsurance contracts held	16	1	(18)	(1)	35	3	(14)	24
Total changes in interim condensed consolidated statement of income	90	(1)	(323)	(234)	(735)	4	(7)	(738)
Premium paid	-	-	-	-	866	-	-	866
Claims recovered	(100)	-	-	(100)	(75)	-	-	(75)
Fixed commission received	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	(100)	-	-	(100)	791	-	-	791
Net closing reinsurance contract assets	582	45	(797)	(170)	592	46	(474)	164
Closing reinsurance contract assets	-	-	-	-	592	46	(474)	164
Closing reinsurance contract (liabilities)	582	45	(797)	(170)	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 September 30, 2025 (Unaudited)			For the three-month period ended September 30, 2024 (Unaudited)		
	Non-onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	76	97	173	43,588	29	43,617
Claims and other directly attributable expenses	65	14	79	(1,074)	46	(1,028)
Estimates of the present value of future cash outflows	141	111	252	42,514	75	42,589
Estimates of the present value of future cash inflows	(330)	-	(330)	(47,471)	(18)	(47,489)
Risk adjustment for non-financial risk	2	-	2	233	1	234
Contractual service margin (CSM)	187	(111)	76	4,724	(49)	4,675
Increase in insurance contract liabilities from the new contracts issued	-	-	-	-	9	9

	For the nine-month period ended September 30, 2025 (Unaudited)			For the nine-month period ended September 30, 2024 (Unaudited)		
	Non-onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	3,748	287	4,035	47,462	72	47,534
Claims and other directly attributable expenses	1,403	44	1,447	6,371	89	6,460
Estimates of the present value of future cash outflows	5,151	331	5,482	53,833	161	53,994
Estimates of the present value of future cash inflows	(12,177)	-	(12,177)	(66,699)	(31)	(66,730)
Risk adjustment for non-financial risk	366	2	368	584	1	585
Contractual service margin (CSM)	6,660	(194)	6,466	12,282	(86)	12,196
Increase in insurance contract liabilities from the new contracts issued	-	139	139	-	45	45

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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:

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

	For the three-month period ended September 30, 2025 (Unaudited)				For the three-month period ended September 30, 2025 (Unaudited)			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	1,452	745	251	2,448	2,320	256	717	3,293
CSM at the beginning of the period	92,269	8,962	4,944	106,175	58,517	1,206	311	60,034
CSM recognized during the period for services provided	(572)	(251)	(141)	(964)	135	(31)	(10)	94
Changes in estimates that adjust the CSM	161	(152)	(95)	(86)	259	(102)	(86)	71
Contracts initially recognized during the period	76	-	-	76	4,675	-	-	4,675
Finance expenses from insurance contracts	193	161	11	365	1,244	1	21	1,266
Total amount recognized in the statement of income	(142)	(242)	(225)	(609)	6,313	(132)	(75)	6,106
CSM at the end of the period	92,127	8,720	4,719	105,566	64,830	1,074	236	66,140
	For the nine-month period ended September 30, 2025				For the nine-month period ended September 30, 2024			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	7,371	2,286	756	10,413	6,701	791	2,273	9,765
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	(1,886)	(761)	(424)	(3,071)	(603)	(92)	(30)	(725)
Changes in estimates that adjust the CSM	2,989	(427)	(297)	2,265	516	32	(95)	453
Contracts initially recognized during the period	6,466	-	-	6,466	12,196	-	-	12,196
Finance expenses from insurance contracts	1,982	483	35	2,500	1,508	3	55	1,566
Total amount recognized in the statement of income	9,551	(705)	(686)	8,160	13,617	(57)	(70)	13,490
CSM at the end of the period	92,127	8,720	4,719	105,566	64,830	1,074	236	66,140

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

5. INSURANCE SERVICE RESULT	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SAR "000"		SAR "000"	
5.1 Insurance revenue				
<i>Contracts measured under GMM/VFA:</i>				
Expected claims expenses	22	96	(827)	1,003
Expected directly attributable expenses	428	1,237	1,336	3,843
Loss component run off	788	824	2,416	2,543
Expected other insurance service expenses	(60)	371	3,482	176
Change in risk adjustment for non-financial risk	13	3	49	11
CSM recognized during the period	964	456	3,071	1,274
Recovery of insurance acquisition cash flows	293	306	886	915
Insurance revenue from contracts measured under GMM/VFA	2,448	3,293	10,413	9,765
<i>Contracts measured under PAA:</i>				
Premiums earned	884,403	896,435	2,365,015	2,458,061
Change in expected credit losses	(12,651)	(2,295)	(26,196)	(7,144)
Insurance revenue from contracts measured under PAA	871,752	894,140	2,338,819	2,450,917
Total insurance revenue	874,200	897,433	2,349,232	2,460,682
5.2 Insurance service expenses				
Incurred claims and other expenses (Losses) / Loss reversals on onerous contracts	(430,039)	(432,603)	(1,341,177)	(1,394,721)
Changes to liabilities for incurred claims for past services	10,086	(336)	9,867	5,492
Insurance acquisition costs	31,145	49,134	232,691	184,774
Surplus distribution expense	(72,388)	(65,779)	(216,225)	(239,386)
	-	(104)	-	(525)
Total Insurance Service Expenses	(461,196)	(449,688)	(1,314,844)	(1,444,366)
Insurance service results before reinsurance contracts held	413,004	447,745	1,034,388	1,016,316

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

5. INSURANCE SERVICE RESULT (CONTINUED)

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SAR "000"		SAR "000"	
5.3 Allocation of reinsurance (RI) premiums				
<i>Contracts measured under GMM/VFA:</i>				
Expected claims recoverable	(142)	(2,066)	(555)	(2,095)
Change in risk adjustment for non-financial risk	-	-	(2)	-
Experience adjustments	-	-	(1,619)	-
CSM recognized during the period	44	(47)	(48)	31
Allocation of RI premiums from contracts measured under GMM/VFA	(98)	(2,113)	(2,224)	(2,064)
<i>Contracts measured under PAA:</i>				
Reinsurance premiums expense	(544,046)	(485,563)	(1,324,516)	(1,161,597)
Reinsurance commissions earned	18,776	20,460	52,943	58,235
Allocation of RI premiums from contracts measured under PAA	(525,270)	(465,103)	(1,271,573)	(1,103,362)
Total allocation of reinsurance premiums	(525,368)	(467,216)	(1,273,797)	(1,105,426)
5.4 Amounts recoverable from reinsurers for incurred claims				
Incurred claims and other expenses	95,650	67,533	280,968	275,592
Losses recovered on onerous contracts	-	62	(1)	(84)
Change in amounts recoverable for incurred claims for past services	(20,336)	(53,122)	(179,115)	(202,624)
Change in profit commission/sliding scale commission	9,716	-	9,716	2,664
Total amounts recoverable from reinsurers for incurred claims	85,030	14,473	111,568	75,548
Net expenses from reinsurance contracts held	(440,338)	(452,743)	(1,162,229)	(1,029,878)
Insurance service results	(27,334)	(4,998)	(127,841)	(13,562)

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

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

	For the three-month period ended September 30, 2025 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individuals	Total
	SAR “000”					
Medical	4,273	5,517	9,601	48,448	51,628	119,467
Motor	521	1,285	3,323	7,048	68,789	80,966
Property	8,835	4,984	14,786	372,627	-	401,232
Energy	-	-	-	511,370	-	511,370
Engineering	270	10,967	22,194	62,098	-	95,529
P&S - non-linked	-	-	24,526	4,527	107	29,160
P&S - linked	-	-	-	-	17,519	17,519
P&C - others	715	9,405	54,408	104,628	2,689	171,845
Total	14,614	32,158	128,838	1,110,746	140,732	1,427,088

	For the three-month period ended September 30, 2024 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individuals	Total
	SAR “000”					
Medical	19,202	9,554	17,849	90,069	13,568	150,242
Motor	1,772	3,442	13,149	20,113	193,846	232,322
Property	5,194	808	32,782	424,141	-	462,925
Energy	-	947	148	60,902	-	61,997
Engineering	6,299	885	16,203	6,408	-	29,795
P&S - non-linked	1,842	744	5,830	38,030	7	46,453
P&S - linked	-	-	-	-	18,155	18,155
P&C - others	1,491	4,325	27,206	148,646	5,263	186,931
Total	35,800	20,705	113,167	788,309	230,839	1,188,820

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

	For the nine-month period ended September 30, 2025 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individual	Total
	SAR “000”					
Medical	18,620	21,474	33,065	97,300	94,616	265,075
Motor	2,152	6,233	37,434	39,693	277,148	362,660
Property	9,092	9,423	61,819	401,920	851	483,105
Energy	-	-	-	550,565	-	550,565
Engineering	351	13,151	48,889	144,370	-	206,761
P&S - non-linked	266	3,009	83,501	29,069	171	116,016
P&S - linked	-	-	-	-	49,951	49,951
P&C - others	3,214	15,720	97,933	205,972	36,116	358,955
Total	33,695	69,010	362,641	1,468,889	458,853	2,393,088

	For the nine-month period ended September 30, 2024 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individual	Total
	SAR “000”					
Medical	46,703	26,436	79,502	192,705	78,795	424,141
Motor	3,458	10,141	30,609	54,575	351,107	449,890
Property	5,723	4,865	45,440	450,574	-	506,602
Energy	-	2,151	1,137	569,320	-	572,608
Engineering	7,135	13,456	63,716	192,456	-	276,763
P&S - non-linked	6,673	1,973	19,965	126,496	44	155,151
P&S - linked	-	-	-	-	53,838	53,838
P&C - others	3,377	14,694	58,965	248,800	15,131	340,967
Total	73,069	73,716	299,334	1,834,926	498,915	2,779,960

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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**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

Three-month period ended September 30,		Nine-month period ended September 30,	
2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
SAR "000"		SAR "000"	
33,775	35,485	108,384	99,985
7,159	8,304	20,790	24,514
4,453	4,030	10,825	10,776
4,146	4,382	11,831	10,602
1,566	967	4,519	3,672
594	518	1,890	1,929
633	604	2,140	1,868
6,384	7,177	18,529	28,580
58,710	61,467	178,908	181,926
48,404	53,135	147,600	154,440
10,306	8,332	31,308	27,486
58,710	61,467	178,908	181,926

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Cash and bank balances	315,802	568,216	61,954	309,179	377,756	877,395
Money market deposits	133,241	84,885	-	-	133,241	84,885
ECL on cash and cash equivalents	(2)	(10)	(1)	(2)	(3)	(12)
Total	449,041	653,091	61,953	309,177	510,994	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	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
	2025	2024	2025	2024	2025	2024
Note	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Investments measured at FVTPL	9.1	-	-	554,339	538,563	554,339
Investments measured at FVOCI	9.2	-	-	138,512	127,872	138,512
Investments measured at amortized cost	9.3	130,999	141,564	642,337	568,123	773,336
Investment in joint venture	9.4	-	-	25,200	12,600	25,200
Total	130,999	141,564	1,360,388	1,247,158	1,491,387	1,388,722

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Investment in listed equities	372,659	294,827	2,861	4,858	375,520	299,685
Investment in Funds	135,606	190,158	43,213	48,720	178,819	238,878
Total	508,265	484,985	46,074	53,578	554,339	538,563

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

	Insurance operations		Shareholders' operations		Total	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Opening balance	-	-	538,563	484,537	538,563	484,537
Purchases	-	-	176,131	245,558	176,131	245,558
Disposals	-	-	(129,868)	(240,076)	(129,868)	(240,076)
Realized (loss) / gain on disposals	-	-	(6,031)	43,892	(6,031)	43,892
Unrealized (loss) / gain due to changes in fair value	-	-	(24,456)	4,652	(24,456)	4,652
Closing balance	-	-	554,339	538,563	554,339	538,563

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Non-listed equities:						
- Najm	127,264	122,247	-	-	127,264	122,247
- Others	-	-	11,248	5,625	11,248	5,625
Total	127,264	122,247	11,248	5,625	138,512	127,872

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

	Insurance operations		Shareholders' operations		Total	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 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 NINE MONTH PERIODS ENDED SEPTEMBER 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	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	SAR "000"					
Sukuks	773,336	709,687	-	-	773,336	709,687
Total	773,336	709,687	-	-	773,336	709,687

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

	Insurance operations		Shareholders' operations		Total	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 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	-	-	203,750	170,738	203,750	170,738
Maturity / Disposals	(9,868)	-	(130,000)	(10,032)	(139,868)	(10,032)
Commission income	3,407	4,881	20,061	18,091	23,468	22,972
Commissions collected	(4,507)	(5,258)	(20,044)	(14,707)	(24,551)	(19,965)
Amortization of discount / (premium), net	403	561	458	370	861	931
Expected credit loss adjustments	-	2	(11)	1	(11)	3
Closing balance	130,999	141,564	642,337	568,123	773,336	709,687

9.4 Investment in Joint Venture

The Company has invested SAR 25.2 million for a 42% interest in a joint venture to support its business operations. The joint venture has started its operations at a limited scale as of the current reporting date. The impact of operations on the Company is immaterial.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025****10. RIGHT OF USE ASSETS**

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:

	September 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	6,085	7,496
Disposals	-	(10,079)
Closing balance	15,001	7,736
Net book value of right of use assets		
Closing balance	17,970	23,183

11. GOODWILL

	September 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 NINE MONTH PERIODS ENDED SEPTEMBER 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
Property and equipment, net	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 condense 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 2.41 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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025****12. INTANGIBLES**

Intangibles assets comprise of the following:

	September 30, 2025	December 31, 2024
	(Unaudited)	(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.)	91,377	90,016
Total intangible assets	182,011	180,650
Accumulated amortization on intangible assets	(73,401)	(64,190)
Net intangible assets	108,610	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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025****13. PROPERTY AND EQUIPMENT, NET**

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SAR "000"	
Land	35,463	35,463
Furniture and fixtures	34,567	25,394
IT equipment	36,000	33,354
Vehicles	708	633
Total assets	106,738	94,844
Accumulated depreciation	(49,561)	(43,884)
Property and equipment, net	57,177	50,960

14. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SAR "000"	
Accrued expenses	25,325	25,719
Uncleared cheques	11,370	11,370
VAT payable to ZATCA, net	22,515	20,412
Contributions payable to GOSI	841	944
Payables to suppliers and service providers	59,927	72,983
Other liabilities	29,486	28,885
Total	149,464	160,313

15. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SAR "000"	
Letters of Guarantee	15,883	18,214

- (a) The Group has submitted these bank guarantees to various parties which are fully covered by margin deposits amounting to SAR 15.89 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		Fair value		
	value	Level 1	Level 2	Level 3	Total
September 30, 2025					
(Unaudited)					
Financial assets measured at fair value					
Investments measured at FVTPL	554,339	375,520	78,054	100,765	554,339
Investment measured at FVOCI	138,512	-	-	138,512	138,512
Total	692,851	375,520	78,054	239,277	692,851
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 September 30, 2025 and December 31, 2024, its total revenues, expenses, and net income for the three-month and nine-month periods ended September 30, 2025 and September 30, 2024 are as follows:

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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
As at September 30, 2025 (Unaudited)	SAR "000"										
Assets											
Reinsurance contract assets for non unit-linked business	-	2,549	134,418	268,672	245,527	19,437	-	227,650	898,253	-	898,253
Financial assets for unit- linked insurance contracts	-	-	-	-	-	-	514,631	-	514,631	-	514,631
Unallocated assets	-	-	-	-	-	-	-	-	1,240,947	1,877,591	3,118,538
Total assets	-	2,549	134,418	268,672	245,527	19,437	514,631	227,650	2,653,831	1,877,591	4,531,422
Liabilities and equity											
Insurance contract liabilities for non unit-linked business	206,577	415,387	144,060	344,332	312,704	118,683	-	419,439	1,961,182	-	1,961,182
Insurance contract liabilities for unit-linked business	-	-	-	-	-	-	523,696	-	523,696	-	523,696
Reinsurance contract liabilities for non unit-linked business	3,559	-	-	-	-	-	-	-	3,559	-	3,559
Reinsurance contract liabilities for unit-linked business	-	-	-	-	-	-	170	-	170	-	170
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	165,224	1,877,591	2,042,815
Total liabilities and shareholders' equity	210,136	415,387	144,060	344,332	312,704	118,683	523,866	419,439	2,653,831	1,877,591	4,531,422

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

17. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income

For the three-month period ended September 30, 2025 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	84,537	177,707	158,509	255,758	53,896	33,345	2,403	108,045	-	874,200
Insurance service expenses	(94,750)	(222,949)	(8,779)	(46,373)	(36,980)	(32,914)	(789)	(17,662)	-	(461,196)
Insurance service results before reinsurance contracts held	(10,213)	(45,242)	149,730	209,385	16,916	431	1,614	90,383	-	413,004
Allocation of reinsurance premiums	(642)	(40)	(142,045)	(250,367)	(46,211)	(6,455)	(98)	(79,510)	-	(525,368)
Amounts recoverable from reinsurers for incurred claims	1,200	420	2,473	45,323	31,322	2,401	125	1,766	-	85,030
Net expenses from reinsurance contracts held	558	380	(139,572)	(205,044)	(14,889)	(4,054)	27	(77,744)	-	(440,338)
Insurance service results	(9,655)	(44,862)	10,158	4,341	2,027	(3,623)	1,641	12,639	-	(27,334)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	20,204	20,204
Dividends on investments	-	-	-	-	-	-	-	-	3,826	3,826
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	2,945	2,945
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	4,144	4,144
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	25	25
Net investment income	-	-	-	-	-	-	-	-	31,144	31,144
Finance expense from insurance contracts issued	(187)	(504)	(1,251)	(45)	(558)	(701)	(35)	(429)	-	(3,710)
Finance income from reinsurance contracts held	-	-	1,217	44	515	184	(1)	245	-	2,204
Net insurance finance expenses	(187)	(504)	(34)	(1)	(43)	(517)	(36)	(184)	-	(1,506)
Net insurance and investment results	(9,842)	(45,366)	10,124	4,340	1,984	(4,140)	1,605	12,455	31,144	2,304
Other operating income										2,732
Other income										700
Other operating expenses										(10,306)
Net loss for the period before zakat & tax										(4,570)
Zakat and income tax charge for the period										(5,000)
Net loss for the period after zakat & tax										(9,570)
- Attributable to minority interest										151
- Attributable to shareholders										(9,721)

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

For the three-month period ended September 30, 2024 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	148,766	193,706	164,113	156,288	70,408	50,209	2,620	111,323	-	897,433
Insurance service expenses	(159,062)	(199,411)	(17,604)	5,400	(9,222)	(39,881)	(857)	(29,051)	-	(449,688)
Insurance service results before reinsurance contracts held	(10,296)	(5,705)	146,509	161,688	61,186	10,328	1,763	82,272	-	447,745
Allocation of reinsurance premiums	(617)	(860)	(153,036)	(155,938)	(59,722)	(5,843)	(111)	(91,089)	-	(467,216)
Amounts recoverable from reinsurers for incurred claims	776	766	7,984	(6,943)	(650)	(2,664)	44	15,160	-	14,473
Net expenses from reinsurance contracts held	159	(94)	(145,052)	(162,881)	(60,372)	(8,507)	(67)	(75,929)	-	(452,743)
Insurance service results	(10,137)	(5,799)	1,457	(1,193)	814	1,821	1,696	6,343	-	(4,998)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	17,357	17,357
Dividends on investments	-	-	-	-	-	-	-	-	4,171	4,171
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	7,829	7,829
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	8,982	8,982
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	(7)	(7)
Net investment income	-	-	-	-	-	-	-	-	38,332	38,332
Finance expense from insurance contracts issued	(399)	(229)	(251)	-	(155)	(557)	(36)	(304)	-	(1,931)
Finance income from reinsurance contracts held	-	-	213	-	109	148	8	(399)	-	79
Net insurance finance expenses	(399)	(229)	(38)	-	(46)	(409)	(28)	(703)	-	(1,852)
Net insurance and investment results	(10,536)	(6,028)	1,419	(1,193)	768	1,412	1,668	5,640	38,332	31,482
Other operating income										-
Other income										701
Other operating expenses										(8,332)
Net income for the period before zakat & tax										23,851
Zakat and income tax charge for the period										(3,750)
Net income for the period after zakat & tax										20,101
- Attributable to minority interest										-
- Attributable to shareholders										20,101

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

For the nine-month period ended September 30, 2025 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	295,314	534,361	485,986	432,064	145,821	106,554	7,280	341,852	-	2,349,232
Insurance service expenses	(354,871)	(667,351)	(44,374)	(41,138)	(56,023)	(90,852)	(900)	(59,335)	-	(1,314,844)
Insurance service results before reinsurance contracts held	(59,557)	(132,990)	441,612	390,926	89,798	15,702	6,380	282,517	-	1,034,388
Allocation of reinsurance premiums	(1,846)	(152)	(448,309)	(420,691)	(122,805)	(18,978)	(304)	(260,712)	-	(1,273,797)
Amounts recoverable from reinsurers for incurred claims	2,645	1,180	19,043	38,506	34,885	697	71	14,541	-	111,568
Net expenses from reinsurance contracts held	799	1,028	(429,266)	(382,185)	(87,920)	(18,281)	(233)	(246,171)	-	(1,162,229)
Insurance service results	(58,758)	(131,962)	12,346	8,741	1,878	(2,579)	6,147	36,346	-	(127,841)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	66,005	66,005
Dividends on investments	-	-	-	-	-	-	-	-	11,692	11,692
Realized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(6,031)	(6,031)
Unrealized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(24,456)	(24,456)
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	24	24
Net investment income	-	-	-	-	-	-	-	-	47,234	47,234
Finance expense from insurance contracts issued	(1,532)	(2,772)	(5,719)	(1,479)	(2,148)	(3,295)	(98)	(1,398)	-	(18,441)
Finance income from reinsurance contracts held	51	30	5,724	1,467	1,986	955	(1)	1,115	-	11,327
Net insurance finance (expenses)/ income	(1,481)	(2,742)	5	(12)	(162)	(2,340)	(99)	(283)	-	(7,114)
Net insurance and investment results	(60,239)	(134,704)	12,351	8,729	1,716	(4,919)	6,048	36,063	47,234	(87,721)
Other operating income										5,188
Other income										2,144
Other operating expenses										(31,308)
Net loss for the period before zakat & tax										(111,697)
Zakat and income tax charge for the period										(15,000)
Net loss for the period after zakat & tax										(126,697)
- Attributable to minority interest										328
- Attributable to shareholders										(127,025)

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

For the nine-month period ended September 30, 2024 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	483,617	590,226	311,900	441,968	189,391	145,525	8,062	289,993	-	2,460,682
Insurance service expenses	(568,660)	(570,383)	(29,107)	(43,177)	(31,654)	(115,114)	(1,428)	(84,843)	-	(1,444,366)
Insurance service results before reinsurance contracts held	(85,043)	19,843	282,793	398,791	157,737	30,411	6,634	205,150	-	1,016,316
Allocation of reinsurance premiums	(1,847)	(1,164)	(276,745)	(437,226)	(160,263)	(19,950)	(349)	(207,882)	-	(1,105,426)
Amounts recoverable from reinsurers for incurred claims	2,090	(298)	2,488	37,109	7,294	(8,140)	(10)	35,015	-	75,548
Net expenses from reinsurance contracts held	243	(1,462)	(274,257)	(400,117)	(152,969)	(28,090)	(359)	(172,867)	-	(1,029,878)
Insurance service results	(84,800)	18,381	8,536	(1,326)	4,768	2,321	6,275	32,283	-	(13,562)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	56,947	56,947
Dividends on investments	-	-	-	-	-	-	-	-	13,684	13,684
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	24,527	24,527
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	24,519	24,519
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	2	2
Net investment income	-	-	-	-	-	-	-	-	119,679	119,679
Finance expense from insurance contracts issued	(2,780)	(1,835)	(3,466)	(1,123)	(2,244)	(2,713)	(57)	(3,785)	-	(18,003)
Finance income from reinsurance contracts held	67	62	3,317	1,124	2,062	1,336	16	2,316	-	10,300
Net insurance finance expenses	(2,713)	(1,773)	(149)	1	(182)	(1,377)	(41)	(1,469)	-	(7,703)
Net insurance and investment results	(87,513)	16,608	8,387	(1,325)	4,586	944	6,234	30,814	119,679	98,414
Other operating income										-
Other income										22,474
Other operating expenses										(27,486)
Net income for the period before zakat & tax										93,402
Zakat and income tax charge for the period										(9,000)
Net income for the period after zakat & tax										84,402
- Attributable to minority interest										-
- Attributable to shareholders										84,402

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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. The current period amounts as reflected below do not include transactions and balances with BOD members who are no longer serving the board:

	Transactions for the nine-month period ended		Net balance receivable / (payable) as at	
	September 30, 2025	September 30, 2024	September 30, 2025	December 31, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	SAR "000"		SAR "000"	
Insurance premium written / receivable from:				
-Board of directors and related parties	1,316	36,585	565	8,533
-Key management personnel	25	134	-	-
-Major shareholders and related parties	2,270	8,020	436	715
Claims paid and payable to:				
-Board of directors and related parties	1,671	8,492	(3,670)	(10,577)
-Key management personnel	-	10	-	-
-Major shareholders and related parties	1,923	7,669	(15,104)	(25,042)
Other business with board of directors and related parties	-	1,733	-	(396)
Policy acquisition costs with major shareholders and related parties	1,856	2,886	(1,679)	(5,708)
Rebate income from major shareholders and related parties	1,245	1,398	538	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 top 5 executives for the period:

	September 30, 2025		September 30, 2024	
	(Unaudited)		(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	-	6,737	-	5,746
Annual remuneration and other charges	4,132	-	4,125	-
End of service provision for the period	-	1,117	-	1,048
Total	4,132	7,854	4,125	6,794

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.

During July 2025, the Company received zakat and income tax audit request from ZATCA for year 2024 for which the Company submitted the documents required and is awaiting ZATCA's response.

Also, during July 2025, the Company received withholding tax audit request from ZATCA for tax period of December 2024. 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. During August 2025, the Company received ZATCA's response rejecting the appeal submitted by the Company amounting to SAR 14.7 million. The Company has escalated the appeal to General Secretariat of Tax Committees (GSTC) and its currently under process.

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 settled the amount in September 2025, and the case is closed.

In July 2025, the Company received VAT audit request from ZATCA for year 2024. The Company submitted the documents required and is awaiting ZATCA's response.

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.

	September 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 September 30, 2025 amounted to SAR 1,275.583 million comprising 127.558 million shares of SAR 10 each (December 31, 2024: SAR 1,275.583 million comprising 127.558 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 was 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 to 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

	September 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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
22. SUPPLEMENTARY INFORMATION

Interim condensed statement of financial position	September 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	449,041	61,953	510,994	653,091	309,177	962,268
Short term deposits	79,807	82,471	162,278	246,710	49,999	296,709
Prepaid expenses and other assets	72,535	4,309	76,844	79,979	6,481	86,460
Reinsurance contract assets for non unit-linked business	898,253	-	898,253	741,129	-	741,129
Reinsurance contract assets for unit-linked business	-	-	-	164	-	164
Financial assets for unit-linked insurance contracts	514,631	-	514,631	536,185	-	536,185
Due from shareholders' operations	73,046	-	73,046	1,940	-	1,940
Statutory deposit	-	127,558	127,558	-	127,558	127,558
Accrued income on statutory deposit	-	5,291	5,291	-	19	19
Investments	130,999	1,360,388	1,491,387	141,564	1,247,158	1,388,722
Long term deposits	360,236	50,418	410,654	409,741	-	409,741
Property and equipment, net	21,698	35,479	57,177	15,497	35,463	50,960
Right of use assets, net	17,250	720	17,970	23,183	-	23,183
Intangible assets	36,335	72,275	108,610	39,482	76,978	116,460
Goodwill	-	76,729	76,729	-	24,415	24,415
Total assets	2,653,831	1,877,591	4,531,422	2,888,665	1,877,248	4,765,913
Liabilities and equity						
Liabilities						
Insurance contract liabilities for non unit-linked business	1,961,182	-	1,961,182	2,129,850	-	2,129,850
Insurance contract liabilities for unit-linked business	523,696	-	523,696	543,959	-	543,959
Reinsurance contract liabilities for non unit-linked business	3,559	-	3,559	3,302	-	3,302
Reinsurance contract liabilities for unit-linked business	170	-	170	-	-	-
Accrued expenses and other liabilities	118,714	30,750	149,464	160,071	242	160,313
Lease liabilities	14,477	655	15,132	21,534	-	21,534
Accrued income payable to IA	-	5,291	5,291	-	19	19
Due to insurance operations	-	73,046	73,046	-	1,940	1,940
Provision for zakat and income tax	-	55,278	55,278	-	42,963	42,963
Provision for end-of-service benefits	39,596	503	40,099	37,512	503	38,015
Total liabilities	2,661,394	165,523	2,826,917	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
(Accumulated losses) / Retained earnings	-	(9,231)	(9,231)	-	117,794	117,794
Total shareholders' equity	-	1,709,572	1,709,572	-	1,831,581	1,831,581
Remeasurement of EOSB obligations	(7,563)	-	(7,563)	(7,563)	-	(7,563)
Minority interest	-	2,496	2,496	-	-	-
Total equity	(7,563)	1,712,068	1,704,505	(7,563)	1,831,581	1,824,018
Total liabilities and equity	2,653,831	1,877,591	4,531,422	2,888,665	1,877,248	4,765,913

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

Interim condensed statement of income for three-month period	September 30, 2025 (Unaudited)			September 30, 2024 (Unaudited)		
	Share-		Total	Share-		Total
	Insurance	holders'		Insurance	holders'	
	operations	operations		operations	operations	
	SAR "000"			SAR "000"		
Insurance revenue	874,200	-	874,200	897,433	-	897,433
Insurance service expenses	(461,196)	-	(461,196)	(449,688)	-	(449,688)
Insurance service results before reinsurance contracts held	413,004	-	413,004	447,745	-	447,745
Allocation of reinsurance premiums	(525,368)	-	(525,368)	(467,216)	-	(467,216)
Amounts recoverable from reinsurers for incurred claims	85,030	-	85,030	14,473	-	14,473
Net expenses from reinsurance contracts held	(440,338)	-	(440,338)	(452,743)	-	(452,743)
Insurance service results	(27,334)	-	(27,334)	(4,998)	-	(4,998)
Commission income on investments and deposits	9,407	10,797	20,204	12,242	5,115	17,357
Dividends on investments	-	3,826	3,826	-	4,171	4,171
Realized gain on investments measured at fair value	-	2,945	2,945	-	7,829	7,829
Unrealized gain on investments measured at fair value	-	4,144	4,144	-	8,982	8,982
Change in expected credit losses on financial assets	28	(3)	25	(6)	(1)	(7)
Net investment income	9,435	21,709	31,144	12,236	26,096	38,332
Finance expense from insurance contracts issued	(3,710)	-	(3,710)	(1,931)	-	(1,931)
Finance income from reinsurance contracts held	2,204	-	2,204	79	-	79
Net insurance finance expenses	(1,506)	-	(1,506)	(1,852)	-	(1,852)
Net insurance and investment results	(19,405)	21,709	2,304	5,386	26,096	31,482
Other operating revenues	-	2,732	2,732	-	-	-
Other income	700	-	700	701	-	701
Other operating expenses	(4,584)	(5,722)	(10,306)	(4,637)	(3,695)	(8,332)
Net (loss) / income for the period before zakat & tax	(23,289)	18,719	(4,570)	1,450	22,401	23,851
Deficit / (surplus) transferred to shareholders' operations	23,289	(23,289)	-	(1,450)	1,450	-
Net (loss) / income after transfer of surplus to the shareholders operations	-	(4,570)	(4,570)	-	23,851	23,851
Zakat & tax charge for the year	-	(5,000)	(5,000)	-	(3,750)	(3,750)
Net (loss) / income after zakat & tax	-	(9,570)	(9,570)	-	20,101	20,101
- Attributable to minority interest	-	151	151	-	-	-
- Attributable to shareholders	-	(9,721)	(9,721)	-	20,101	20,101
(Loss) / earning per share (expressed in SAR per share) - restated						
Basic and diluted (loss) / earning per share - Restated			(0.08)			0.20
Weighted average number of ordinary outstanding shares (in thousands) - 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 NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

	September 30, 2025 (Unaudited)			September 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	-	(9,570)	(9,570)	-	20,101	20,101

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	-	(9,570)	(9,570)	-	20,101	20,101
- Attributable to minority interest	-	151	151	-	-	-
- Attributable to shareholders	-	(9,721)	(9,721)	-	20,101	20,101

Interim condensed statement of comprehensive income for nine-month period

	September 30, 2025 (Unaudited)			September 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	-	(126,697)	(126,697)	-	84,402	84,402

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	-	(121,681)	(121,681)	-	84,402	84,402
- Attributable to minority interest	-	328	328	-	-	-
- Attributable to shareholders	-	(122,009)	(122,009)	-	84,402	84,402

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

	September 30, 2025 (Unaudited)			September 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	-	(111,697)	(111,697)	-	93,402	93,402
Adjustments for non-cash and non-operating items:						
Depreciation of property and equipment	5,489	6	5,495	4,161	-	4,161
Depreciation of right of use assets	5,933	152	6,085	5,475	-	5,475
Amortization of intangible assets	4,508	4,703	9,211	10,170	4,708	14,878
Commission income on investments and deposits	(32,594)	(33,411)	(66,005)	(38,629)	(18,318)	(56,947)
Dividends on investments	-	(11,692)	(11,692)	-	(13,684)	(13,684)
Realized loss / (gain) on investments measured at fair value	-	6,031	6,031	-	(24,527)	(24,527)
Unrealized loss / (gain) on investments measured at fair value	-	24,456	24,456	-	(24,519)	(24,519)
Change in expected credit losses on financial assets	(36)	22	(14)	-	(7)	(7)
Gains on disposal of property and equipment	-	-	-	-	(20,308)	(20,308)
Finance cost on lease assets	635	19	654	702	-	702
Provision for end-of-service benefits (EOSB)	5,200	55	5,255	4,567	-	4,567
Changes in operating assets and liabilities:						
Insurance contract assets for non unit-linked business	-	-	-	(20,526)	-	(20,526)
Insurance contract liabilities for non unit-linked business	(168,668)	-	(168,668)	(79,700)	-	(79,700)
Insurance contract liabilities for unit-linked business	(20,263)	-	(20,263)	8,323	-	8,323
Reinsurance contract assets for non unit-linked business	(157,124)	-	(157,124)	(61,830)	-	(61,830)
Reinsurance contract assets for unit-linked business	164	-	164	(447)	-	(447)
Reinsurance contract liabilities for non unit-linked business	257	-	257	6,697	-	6,697
Reinsurance contract liabilities for unit-linked business	170	-	170	-	-	-
Prepaid expenses and other assets	7,456	6,738	14,194	(20,658)	(10,532)	(31,190)
Accrued expenses and other liabilities	(41,357)	12,652	(28,705)	70,083	1,256	71,339
	(390,230)	(101,966)	(492,196)	(111,612)	(12,529)	(124,141)
End-of-service benefits paid	(3,116)	(55)	(3,171)	(4,105)	-	(4,105)
Zakat and income tax paid	-	(2,685)	(2,685)	-	(21,400)	(21,400)
Net cash used in operating activities	(393,346)	(104,706)	(498,052)	(115,717)	(33,929)	(149,646)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2025
22. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of cash flows for nine-month period (Continued)

	September 30, 2025 (Unaudited)			September 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	21,554	-	21,554	(7,588)	-	(7,588)
Purchase of investments - FVTPL	-	(176,131)	(176,131)	-	(170,822)	(170,822)
Disposals of investments - FVTPL	-	129,868	129,868	-	140,592	140,592
Purchase of investments - FVOCI	-	(5,624)	(5,624)	-	(5,625)	(5,625)
Purchase of investments - amortized cost	-	(203,750)	(203,750)	(416)	(105,890)	(106,306)
Disposals of investments - amortized cost	9,868	130,000	139,868	-	10,032	10,032
Investment in joint venture	-	(12,600)	(12,600)	-	-	-
Commission income received on investments and deposits	33,291	32,936	66,227	41,152	17,702	58,854
Dividends received on investments	-	11,692	11,692	-	13,684	13,684
Disposals / (additions) to short term deposits	166,909	(32,474)	134,435	154,012	59,995	214,007
Disposals / (additions) to long term deposits	49,523	(50,426)	(903)	(96,321)	95,000	(1,321)
Additions to intangible assets, net	(1,361)	-	(1,361)	(11,390)	-	(11,390)
Additions to right of use assets, net	-	(218)	(218)	-	-	-
Additions to property and equipment, net	(11,690)	(12)	(11,702)	(2,272)	1,245	(1,027)
Cash and cash equivalents acquired through business combination	-	31,325	31,325	-	-	-
Purchase consideration paid	-	(68,209)	(68,209)	-	-	-
Net cash generated from / (used in) investing activities	268,094	(213,623)	54,471	77,177	55,913	133,090
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / (due to) shareholders' operations / insurance operations	(71,106)	71,106	-	24,571	(24,571)	-
Lease liabilities paid	(7,692)	(1)	(7,693)	(8,203)	-	(8,203)
Net cash (used in) / generated from financing activities	(78,798)	71,105	(7,693)	16,368	(24,571)	(8,203)
Net change in cash and cash equivalents	(204,050)	(247,224)	(451,274)	(22,172)	(2,587)	(24,759)
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	449,041	61,953	510,994	481,733	5,919	487,652

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 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		Nine-Month period ended	
	September 30,		September 30,	
	2025	2024	2025	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	(9,721)	20,101	(127,025)	84,402
Weighted average number of outstanding ordinary shares	127,558	101,722	127,558	101,722
Basic and diluted (loss) / earning per share	(0.08)	0.20	(1.00)	0.83

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 nine-month period ended September 30, 2025 amounted to SAR 2.16 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 September 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 October 30, 2025, corresponding to Jumada I 8, 1447 AH.