
ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

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

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM FINANCIAL STATEMENTS
For the three-month and six-month periods ended 30 June 2025

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Headquarters in Riyadh



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Kingdom of Saudi Arabia
Head Office - Riyadh
License No. 520/11/323

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
AlJazira Takaful Taawuni Company
(A Saudi Joint Stock Company)
Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed statement of financial position of AlJazira Takaful Taawuni Company – a Saudi Joint Company as at 30 June 2025, the condensed statements of income and comprehensive income for the three-month and six-month periods then ended, the condensed statements of changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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 condensed interim 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 condensed interim financial statements as at 30 June 2025 of AlJazira Takaful Taawuni Company are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company

Abdullah Oudah Althagafi
License No. 455



KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

For PKF Al Bassam Chartered Accountants

Ahmed A. Mohandis
License No. 477



17 Safar 1447H
Corresponding to 11 August 2025
Jeddah, Kingdom of Saudi Arabia

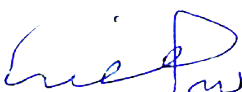
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ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

		30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
	Notes		
ASSETS			
Cash and cash equivalents	4	103,708	169,782
Investments held to cover unit-linked liabilities at fair value through profit or loss	5.1	1,562,691	1,570,520
Investments held at fair value through profit or loss	5.2	269,352	261,801
Investment held at fair value through other comprehensive income	5.3	63,664	61,155
Investments held at amortised cost	5.4	572,764	514,100
Reinsurance contract assets	6.1	156,335	164,596
Due from a related party	12	5,624	6,182
Prepayments and other assets		18,983	12,203
Property and equipment		6,838	6,610
Right-of-use-assets	11	15,480	13,705
Intangible assets		6,225	5,051
Accrued income on statutory deposit	10	5,835	4,524
Statutory deposit	10	65,990	65,990
Goodwill		232,255	232,255
TOTAL ASSETS		3,085,744	3,088,474
LIABILITIES			
Accrued expenses and other liabilities		26,587	22,869
Dividend payable	18.1	19,800	--
Insurance contract liabilities	6.1	2,011,780	2,029,738
Provision for employee end of service benefits		6,940	6,534
Lease liabilities	11	14,672	13,728
Zakat and income tax	13	21,552	35,405
Accrued income on statutory deposit	10	5,835	4,524
TOTAL LIABILITIES		2,107,166	2,112,798
EQUITY			
Share capital	18	660,000	660,000
Share premium		87,286	87,286
Statutory reserve	9	64,503	64,503
Retained earnings		104,806	104,413
Fair value reserve for investments		61,741	59,232
TOTAL SHAREHOLDERS' EQUITY		978,336	975,434
Remeasurement reserve of employee end of service benefits - related to insurance operations		242	242
TOTAL EQUITY		978,578	975,676
TOTAL LIABILITIES AND EQUITY		3,085,744	3,088,474



Chairman



Chief Financial Officer



Managing Director

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED STATEMENT OF INCOME

For the three-month and six-month periods ended 30 June 2025

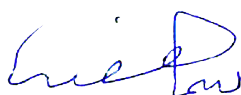
	Notes	Three-month period ended 30 June 2025 (Unaudited) SAR'000	Three-month period ended 30 June 2024 (Unaudited) SAR'000	Six-month period ended 30 June 2025 (Unaudited) SAR'000	Six-month period ended 30 June 2024 (Unaudited) SAR'000
Insurance revenue	7	87,138	82,274	170,896	174,239
Insurance service expenses	7	(77,415)	(174,038)	(129,566)	(248,391)
Net (expenses) / income from reinsurance contracts held	7	(7,213)	99,762	(22,283)	97,823
Insurance service result from Company's directly written business		2,510	7,998	19,047	23,671
Share of surplus from insurance pools		2,845	2,686	2,845	2,686
Total insurance service result		5,355	10,684	21,892	26,357
Net income on investments held at FVTPL	5.1 & 5.2	48,111	22,014	53,487	121,985
Commission income on investments held at amortised cost	5.4	5,504	3,577	10,557	8,767
Commission income on short term deposits	4	377	450	923	1,747
Net impairment (reversal) / loss on financial assets		(1)	5	--	--
Net investment return		53,991	26,046	64,967	132,499
Net finance expense from insurance contracts issued	8	(47,286)	(25,166)	(53,101)	(123,299)
Net finance income from reinsurance contracts held	8	841	5,434	2,933	5,704
Net insurance finance expense		(46,445)	(19,732)	(50,168)	(117,595)
Net insurance and investment result		12,901	16,998	36,691	41,261
Other income		66	336	106	817
Other operating expenses		(7,598)	(4,850)	(14,160)	(15,806)
Income for the period attributable to the shareholders before zakat and income tax		5,369	12,484	22,637	26,272
Zakat charge	13.1	(1,045)	(1,261)	(2,121)	(2,110)
Income tax	13.2	(244)	(132)	(323)	(291)
Net income for the period attributable to the shareholders		4,080	11,091	20,193	23,871
Weighted average number of ordinary shares outstanding (in thousands of shares)	18	66,000	66,000	66,000	66,000
Earnings per share for the period (SAR / share) (Basic and diluted)	18	0.06	0.17	0.31	0.36



Chairman



Managing Director



Chief Financial Officer

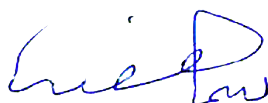
The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the three-month and six-month periods ended 30 June 2025

		<i>Three-month period ended 30 June 2025 (Unaudited) SAR'000</i>	<i>Three-month period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Six-month period ended 30 June 2025 (Unaudited) SAR'000</i>	<i>Six-month period ended 30 June 2024 (Unaudited) SAR'000</i>
	<i>Note</i>				
Net income for the period attributable to the shareholders		4,080	11,091	20,193	23,871
Other comprehensive income					
<i>Items that will not be reclassified to statement of income in subsequent years</i>					
Net change in fair value of investment held at FVOCI – equity instruments	5.3	--	--	2,509	--
Total comprehensive income for the period		4,080	11,091	22,702	23,871



Chairman



Chief Financial Officer



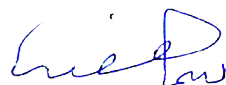
Managing Director

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2025

	Shareholders' equity						Re-measurement reserve of employee benefits – related to insurance operations	Total equity
	Share capital SAR'000	Share premium SAR'000	Statutory reserve SAR'000	Retained earnings SAR'000	Fair value reserve for investments SAR'000	Total shareholders' equity SAR'000	SAR'000	SAR'000
Balance at 1 January 2025 – (Audited)	660,000	87,286	64,503	104,413	59,232	975,434	242	975,676
Net income for the period attributable to the shareholders	--	--	--	20,193	--	20,193	--	20,193
Other comprehensive income	--	--	--	--	2,509	2,509	--	2,509
Total comprehensive income for the period attributable to shareholders	--	--	--	20,193	2,509	22,702	--	22,702
Transactions with the shareholders of the Company:								
Cash dividend (Note 18.1)	--	--	--	(19,800)	--	(19,800)	--	(19,800)
Balance as at 30 June 2025 - (Unaudited)	660,000	87,286	64,503	104,806	61,741	978,336	242	978,578
Balance at 1 January 2024 – (Audited)	660,000	87,286	57,062	94,451	41,561	940,360	(84)	940,276
Net income for the period attributable to the shareholders	--	--	--	23,871	--	23,871	--	23,871
Total comprehensive income for the period attributable to shareholders	--	--	--	23,871	--	23,871	--	23,871
Balance as at 30 June 2024 - (Unaudited)	660,000	87,286	57,062	118,322	41,561	964,231	(84)	964,147



Chairman



Chief Financial Officer



Managing Director

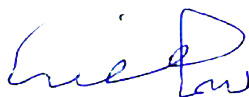
The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2025

	Notes	30 June 2025 (Unaudited) SAR'000	30 June 2024 (Unaudited) SAR'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Net income for the period attributable to the shareholders		20,193	23,871
Adjustments for non-cash items:			
Commission from investments held at amortised cost	5.4	(10,557)	(8,610)
Net income on investments held at FVTPL	5.2	(4,740)	(7,229)
Commission income on short term deposits	4	(923)	(1,747)
Depreciation and amortization		2,570	1,662
Finance cost of lease liabilities	11	391	45
Expense charged to profit or loss related to employee's benefit		406	751
Zakat and income tax expense	13	2,444	2,401
		<u>9,784</u>	<u>11,144</u>
<i>Changes in operating assets and liabilities:</i>			
Insurance and reinsurance contract assets and liabilities		(9,698)	75,073
Investments held to cover unit-linked liabilities		7,829	(62,716)
Due from related parties		558	(16,315)
Prepayments and other assets		(6,780)	(3,667)
Accrued expenses and other liabilities		<u>3,718</u>	<u>16,758</u>
Cash generated from operations		5,411	20,277
Zakat and income tax paid	13	(16,297)	(16,529)
Employee end of service benefits paid		--	(1,134)
Net cash (used in) / generated from operating activities		<u>(10,886)</u>	<u>2,614</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments held at FVTPL	5.2	--	4,987
Purchase of investments held at FVTPL	5.2	(10,000)	(4,007)
Purchase of investments held at amortised cost	5.4	(60,000)	--
Proceeds from redemption of investment held at amortised cost	5.4	6,643	18,200
Commission received from investments held at amortised cost	5.4	5,250	5,869
Income received from investments held at FVTPL	5.2	7,189	6,719
Commission income on short term deposits	4	923	1,740
Purchase of property and equipment		(2,951)	(97)
Net cash (used in) / generated from investing activities		<u>(52,946)</u>	<u>33,411</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	11	(2,242)	(2,245)
Net cash used in financing activities		<u>(2,242)</u>	<u>(2,245)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(66,074)</u>	<u>33,780</u>
Cash and cash equivalents at the beginning of the period	4	<u>169,782</u>	<u>117,616</u>
Cash and cash equivalents at the end of the period	4	<u>103,708</u>	<u>151,396</u>



Chairman



Chief Financial Officer



Managing Director

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

1. GENERAL

AlJazira Takaful Taawuni Company (the “Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia pursuant to the Council of Ministers’ resolution No. 137 dated 27 Rabi’ Al-Thani 1431H (corresponding to 12 April 2010) and Royal Decree No. M/23 dated 28 Rabi’ Al-Thani 1431H corresponding to 13 April 2010. The Company obtained its Commercial Registration (“CR”) 4030251980 and Unified Number 7001791990 on 2 Ramadan 1434H corresponding to 10 July 2013 and Ministry of Commerce’s Resolution dated 24 Sha’baan 1434H corresponding to 03 July 2013. The Company operates only in the Kingdom of Saudi Arabia. The Company has the following branches, and the assets, liabilities, and results of operations of these branches and offices are included in these condensed interim financial statements:

<u>Branch</u>	<u>CR Number</u>	<u>Date</u>
Riyadh	1010435872	13 Shawwal 1436
AlKhobar	2051224259	24 Jumada Al-Awal 1440

The registered office address of the Company is:
Building No. 3217, Hira Street, Al-Salamah District
P.O. Box 5215, Jeddah 21422, Kingdom of Saudi Arabia.

From 23 November 2023 the Insurance Authority (IA) became the authorized regulator (herein after referred to as “the Regulator”) of the insurance industry in the Kingdom of Saudi Arabia, however, laws and regulations issued previously by the Saudi Central Bank (“SAMA”) related to the insurance sector will remain in effect until further instructions are issued by the Regulator. The objectives of the Company are to engage in providing insurance products that include protection and saving insurance products and related services in accordance with its By-Laws and applicable regulations in the Kingdom of Saudi Arabia. On 13 Jumada al-Thani 1442H (corresponding to 26 January 2021), the Company amended its By-Laws to include the objective of practicing general insurance and health insurance business. The Company received license number TMN/34/201312 dated 15 Safar 1435H (corresponding to 18 December 2013) from SAMA to conduct insurance business.

The Company is owned 97.63% by Saudi shareholders’ and the general public subject to Zakat and 2.37% by non-Saudi shareholders subject to income tax.

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

As required by the Saudi Arabian Insurance Regulations (the Implementation Regulations), the Company maintains separate books of accounts for “Insurance Operations” and “Shareholders’ Operations”. Accordingly, assets, liabilities, revenues and expenses clearly attributable to either operation, are recorded in the respective books of accounts and disclosed in these condensed interim financial statements.

In preparing the Company’s financial statements in compliance with IFRS Accounting Standards as endorsed in KSA, 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 and losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders’ operations are uniform for like transactions and events in similar circumstances. The condensed interim financial statements may not be considered indicative of the expected results for the full year.

b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis, except for investments held to cover unit-linked liabilities, investments held at fair value through profit or loss and investments held at fair value through other comprehensive income that are measured at fair value and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cashflows that are expected to arise as the Company fulfils its contractual obligations and a contractual service margin (“CSM”) in accordance with IFRS 17. Further, the condensed interim financial statements are prepared using the accrual basis of accounting and the going concern assumption.

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

2. BASIS OF PREPARATION (continued)

b) Basis of measurement (continued)

The Company's condensed statement of financial position is presented in order of liquidity. Except for property and equipment, intangible assets, right-of-use assets, goodwill, statutory deposit, employee benefits, lease liabilities and longer duration insurance and reinsurance contracts, all other assets and liabilities are of short-term nature, unless stated otherwise.

c) Basis of presentation

The condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended 31 December 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. The Company's condensed statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, Prepayments and other assets, accrued income on statutory deposit, accrued expenses and other liabilities, zakat and income tax, accrued income on statutory deposit and Due from a related party.

The balances which are considered non-current include investments held at fair value through profit or loss, investments held at amortised cost, investments held at fair value through other comprehensive income, property and equipment, right-of-use assets, intangible assets, statutory deposit, intangible assets, employee benefits and goodwill.

The balances which are of mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract assets and lease liabilities.

d) Functional and presentation currency

The condensed interim financial statements are expressed in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company. All financial information presented in SAR has been rounded to the nearest thousands, except where otherwise indicated.

e) Seasonality of operations

Other than normal seasonality in the Medical Insurance Business in the Kingdom of Saudi Arabia, there are no seasonal changes that may affect the insurance operations of the Company.

3. MATERIAL ACCOUNTING POLICIES

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

3.1 New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company

A number of other amendments became applicable for the current reporting period i.e. for reporting periods beginning on or after 1 January 2025. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

<u>Interpretation</u>	<u>Description</u>	Effective from periods beginning on or after the following date
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Company did not identify an impact as a result of these amendments.	1 January 2025

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

3.2 New standards, amendments and interpretations not yet applied by the Company

Certain new interpretations issued but not yet effective up to the date of issuance of the Company's condensed interim financial statements are listed below. The listing is of interpretations issued, which the Company reasonably expects to be applicable at a future date. Management is in the process of assessing the impact of such new interpretations on its financial statements, however no material impact is expected based on the current operations of the Company. The Company intends to adopt these interpretations when they are effective.

<u>Interpretation</u>	<u>Description</u>	<u>Effective date</u>
Amendments to the Classification and Measurement of Financial Instruments and power purchase arrangements – Amendments to IFRS 9 and IFRS 7	These amendments address the classification and measurement of financial instruments and related disclosures. The key changes include adjustments to the treatment of financial instruments, particularly in relation to the measurement of certain hybrid contracts, and more detailed disclosures related to financial instruments under IFRS 7. These amendments are designed to provide more transparency in how financial instruments are classified and measured. Further, the amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026
IFRS 19 - Subsidiaries without Public Accountability: Disclosures.	IFRS 19 introduces new disclosure requirements for subsidiaries that do not have public accountability. The standard requires these subsidiaries to provide additional disclosures related to financial performance, position, and cash flows, thereby enhancing transparency for users of the financial statements. The disclosures aim to provide a clearer picture of the financial health of subsidiaries without public accountability.	1 January 2027
IFRS 18 - Presentation and Disclosure in Financial Statements	IFRS 18 introduces updates related to the presentation and disclosure of financial information in financial statements. The amendments focus on improving the consistency and comparability of financial statement presentations across entities, including changes in the presentation of income, expenses, and liabilities. The goal is to enhance the clarity and transparency of financial reporting.	1 January 2027
Annual Improvements to IFRS Accounting Standards — Volume 11	The pronouncement comprises the amendments of IFRS 1: Hedge accounting by a first-time adopter, IFRS 7: Gain or loss on derecognition, IFRS 7: Disclosure of deferred difference between fair value and transaction price, IFRS 7: Introduction and credit risk disclosures, IFRS 9: Lessee derecognition of lease liabilities, IFRS 9: Transaction price, IFRS 10: Determination of a 'de facto agent' and IAS 7: Cost method.	1 January 2027

3.3. Critical accounting judgments, estimates and assumptions

The preparation of condensed interim 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, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2024.

4. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) SAR '000	31 December 2024 (Audited) SAR '000
Cash at banks	103,721	122,863
Short term deposits	--	46,932
	103,721	169,795
Less: allowance for expected credit loss	(13)	(13)
Total	103,708	169,782

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

4. CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalents include the amount of SAR 7.5 million (31 December 2024: SAR 129.65 million) held with Bank AlJazira “the founding shareholder”. The gross carrying amount of cash and cash equivalents represents the Company’s maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1.

Short term deposits represent deposits with Bank AlJazira “the founding shareholder” that have an original maturity of less than 90 days. During the six-month period ended 30 June 2025, the Company recorded commission income from short term deposits amounting to SAR 0.92 million (30 June 2024: SAR 1.75 million).

5. INVESTMENTS

	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
<i>Investments held to cover unit-linked liabilities at fair value through profit or loss (note 5.1)</i>	1,562,691	1,570,520
<i>Investments held at FVTPL (note 5.2)</i>		
Equity shares – quoted	17,024	19,635
Tier 1 Sukuks	252,328	242,166
	269,352	261,801
<i>Investment held at FVOCI (note 5.3)</i>		
Equity shares in Najm	63,664	61,155
<i>Investments held at amortised cost (note 5.4)</i>		
Sukuks	407,630	414,123
Murabaha deposits	165,157	100,000
Less: allowance for expected credit loss	(23)	(23)
	572,764	514,100

5.1 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments held to cover unit-linked liabilities are classified as fair value through profit or loss (FVTPL) investments. These investments comprise of units of mutual funds denominated in Saudi Arabian Riyals (SAR) and United States Dollars (USD) managed by AlJazira Capital, “the founding shareholder”.

Mutual funds	Denomination	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
AlJazira Saudi Equities Fund	SAR	436,965	470,583
AlJazira Diversified Aggressive Fund	SAR	313,318	307,674
AlJazira International Equities Fund	USD	219,891	216,622
AlJazira Japanese Equities Fund	USD	169,555	165,975
AlJazira European Equities Fund	USD	162,107	147,361
AlJazira Saudi Riyal Murabaha Fund	SAR	142,758	143,759
AlJazira Diversified Balanced Fund	SAR	89,353	90,417
AlJazira Diversified Conservative Fund	SAR	28,744	28,129
Total		1,562,691	1,570,520

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5. INVESTMENTS (continued)

5.1 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The movement in investments held to cover unit-linked liabilities during the period is as follows:

	<i>Six-month period ended 30 June 2025 (Unaudited) SAR'000</i>	<i>Six-month period ended 30 June 2024 (Unaudited) SAR'000</i>
Balance at the beginning of the period	1,570,520	1,532,445
Redemptions during the period, net	(56,576)	(52,040)
Changes in fair value during the period	48,747	114,756
Balance at the end of the period	1,562,691	1,595,161

5.2 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The fair value through profit or loss investments represent investments in quoted equity shares and investment in corporate sukuk which failed solely payment of principal and interest (SPPI) assessment. Movement in FVTPL investments during the period ended is as follows:

	<i>30 June 2025 (Unaudited) SAR '000</i>	<i>30 June 2024 (Unaudited) SAR '000</i>
Balance at beginning of the period	261,801	247,142
Purchases during the period	10,000	4,007
Disposals during the period	--	(4,987)
Net income during the period	7,351	6,856
Net income received during the period	(7,189)	(6,857)
Fair value change during the period	(2,611)	89
Balance at the end of the period	269,352	246,250

5.3 INVESTMENTS HELD AT FAIR VALUE OTHER COMPREHENSIVE INCOME (FVOCI)

	<i>30 June 2025 (Unaudited) SAR '000</i>	<i>30 June 2024 (Unaudited) SAR '000</i>
Balance at the beginning of the period	61,155	43,484
Changes in fair value of the investment	2,509	--
Balance at the end of the period	63,664	43,484

The above represents Company's holding of 3.45% (31 December 2024: 3.45%) in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value. The Company has determined the fair value of its investment in Najm to be SAR 63.67 million as at 31 March 2025 based on the valuation exercise performed by an independent valuer. The management believes that there is no significant change in the fair value during the period ended 30 June 2025. Refer to note 14 for the details relating to fair value techniques.

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5. INVESTMENTS (continued)

5.4 INVESTMENTS HELD AT AMORTISED COST

Investments held at amortised cost represent corporate Sukuks with remaining maturities of 12 to 30 years. The average coupon rate on these sukuku ranges between 1.83% to 6% per annum (30 June 2024: 1.83% to 4.33%). Investments held at amortised cost also include Murabaha deposits of SAR 160 million (31 December 2024: SAR 100 million) with a maturity period of more than 90 days and carry commission at the rate of 5.35% to 5.80% per annum (31 December 2024: 6.2%).

The movement in the investments held at amortised cost for the period ended 30 June 2025 and 30 June 2024 is as follows:

	30 June 2025 (Unaudited) SAR '000	30 June 2024 (Unaudited) SAR '000
Balance at the beginning of the period	514,123	503,805
Investments purchased during the period	60,000	--
Investments matured during the period	(6,643)	(14,706)
Commission income during the period	10,557	5,510
Commission received during the period	(5,250)	(5,869)
Balance at the end of the period – gross	572,787	488,740
Less: allowance for expected credit loss	(23)	(23)
Balance at the end of the period – net	572,764	488,717

5.4.1 The gross carrying amount of investments held at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to S&P Global Ratings' rating of AAA to BBB.

6. INSURANCE AND REINSURANCE CONTRACTS

6.1 Composition of statement of financial position

An analysis of the amounts presented on the condensed statement of financial position for insurance contracts and reinsurance contracts has been included in the table below:

	Non-life	Individual life	Group life	Total
	SAR'000			
<u>30 June 2025 (Unaudited)</u>				
Insurance contracts:				
Insurance contract liabilities (see below notes)	336,285	1,616,143	59,352	2,011,780
Reinsurance contracts:				
Reinsurance contract assets (see below notes)	(130,445)	(2,662)	(23,228)	(156,335)
	Non-life	Individual life	Group life	Total
	SAR'000			
<u>31 December 2024 (Audited)</u>				
Insurance contracts:				
Insurance contract liabilities (see below notes)	326,207	1,609,842	93,689	2,029,738
Reinsurance contracts:				
Reinsurance contract assets (see below notes)	(133,906)	(2,308)	(28,382)	(164,596)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.1 Non-life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 June 2025 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
Insurance contracts					
Insurance contract liabilities – opening	70,389	5,442	228,862	21,514	326,207
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	70,389	5,442	228,862	21,514	326,207
<i>Changes in the statement of income</i>					
Insurance revenue (note 7)	(117,258)	--	--	--	(117,258)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	73,526	--	73,526
Insurance acquisition cashflows amortization (note 7)	18,695	--	--	--	18,695
Losses on onerous contracts (note 7)	--	3,720	--	--	3,720
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	14,578	(8,441)	6,137
Insurance service expenses	18,695	3,720	88,104	(8,441)	102,078
Finance expense from insurance contracts (note 8)	--	--	3,074	643	3,717
Total changes in the statement of income	(98,563)	3,720	91,178	(7,798)	(11,463)
Cashflows					
Premiums received	121,284	--	--	--	121,284
Claims and other directly attributable expenses paid	--	--	(81,048)	--	(81,048)
Insurance acquisition cashflows paid	(18,695)	--	--	--	(18,695)
Total cash inflows / (outflows)	102,589	--	(81,048)	--	21,541
Net closing balance	74,415	9,162	238,992	13,716	336,285
Insurance contract liabilities – closing	74,415	9,162	238,992	13,716	336,285
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	74,415	9,162	238,992	13,716	336,285

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.1 Non-life insurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 31 December 2024 (Audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
			SAR '000		
Insurance contracts					
Insurance contract liabilities – opening	72,766	1,384	113,028	3,399	190,577
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	72,766	1,384	113,028	3,399	190,577
<u>Changes in the statement of income</u>					
Insurance revenue	(224,608)	--	--	--	(224,608)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	162,527	--	162,527
Insurance acquisition cash flows amortization	26,344	--	--	--	26,344
Losses on onerous contracts	--	4,058	--	--	4,058
Changes that relate to past service - adjustments to the LIC	--	--	126,618	17,909	144,527
Insurance service expenses	26,344	4,058	289,145	17,909	337,456
Finance expense from insurance contracts	--	--	(24)	206	182
Total changes in the statement of income	(198,264)	4,058	289,121	18,115	113,030
Cash flows					
Premiums received	222,231	--	--	--	222,231
Claims and other directly attributable expenses paid	--	--	(173,287)	--	(173,287)
Insurance acquisition cash flows paid	(26,344)	--	--	--	(26,344)
Total cash inflows / (outflows)	195,887	--	(173,287)	--	22,600
Net closing balance	70,389	5,442	228,862	21,514	326,207
Insurance contract liabilities – closing	70,389	5,442	228,862	21,514	326,207
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	70,389	5,442	228,862	21,514	326,207

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.1 Non-life insurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 June 2024 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
Insurance contracts					
Insurance contract liabilities – opening	72,766	1,384	113,028	3,399	190,577
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	72,766	1,384	113,028	3,399	190,577
<u>Changes in the statement of income</u>					
Insurance revenue (note 7)	(119,412)	--	--	--	(119,412)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	78,793	3,132	81,925
Insurance acquisition cashflows amortization (note 7)	17,646	--	--	--	17,646
Reversals of losses on onerous contracts (note 7)	--	(670)	--	--	(670)
Changes that relate to past service - adjustments to the LIC (note 7) *	--	--	103,810	15,607	119,417
Insurance service expenses	17,646	(670)	182,603	18,739	218,318
Finance expense from insurance contracts (note 8)	--	--	6,635	102	6,737
Total changes in the statement of income	(101,766)	(670)	189,238	18,841	105,643
Cashflows					
Premiums received	70,191	--	--	--	70,191
Claims and other directly attributable expenses paid	--	--	(78,193)	--	(78,193)
Insurance acquisition cashflows paid	(8,586)	--	--	--	(8,586)
Total cash inflows / (outflows)	61,605	--	(78,193)	--	(16,588)
Net closing balance	32,605	714	224,073	22,240	279,632
Insurance contract liabilities – closing	32,605	714	224,073	22,240	279,632
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	32,605	714	224,073	22,240	279,632

* The changes that relate to past service adjustments to the LIC mainly include one-off claim amounted to SAR 99.95 million recorded in the insurance contract liabilities as of 30 June 2024.

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.2 Non-life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 June 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	6,309	--	(121,601)	(18,614)	(133,906)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	14,776	--	--	--	14,776
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	(3,833)	--	(5,783)	8,137	(1,479)
Changes that relate to past service – adjustments to the LIC	--	--	1,547	(16)	1,531
Amounts recoverable from reinsurers – net (note 7)	(3,833)	--	(4,236)	8,121	52
Finance income from reinsurance contracts (note 8)	--	--	(1,782)	(552)	(2,334)
Total changes in the statement of income	10,943	--	(6,018)	7,569	12,494
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(16,404)	--	--	--	(16,404)
Recoveries from reinsurance	1,883	--	5,488	--	7,371
Total cash (outflows) / inflows	(14,521)	--	5,488	--	(9,033)
Net closing balance	2,731	--	(122,131)	(11,045)	(130,445)
Reinsurance contract assets – closing	2,731	--	(122,131)	(11,045)	(130,445)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	2,731	--	(122,131)	(11,045)	(130,445)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.2 Non-life reinsurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 31 December 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	4,674	--	(12,108)	(487)	(7,921)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	4,674	--	(12,108)	(487)	(7,921)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid	31,788	--	--	--	31,788
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	(4,228)	--	(7,017)	(17,979)	(29,224)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC	--	--	(110,497)	(118)	(110,615)
Amounts recoverable from reinsurers – net	(4,228)	--	(117,514)	(18,097)	(139,839)
Finance expense / (income) from reinsurance contracts	--	--	238	(30)	208
Total changes in the statement of income	27,560	--	(117,276)	(18,127)	(107,843)
<u>Cash flows</u>					
Premiums ceded and acquisition cash flows paid	(30,219)	--	--	--	(30,219)
Recoveries from reinsurance	4,294	--	7,783	--	12,077
Total cash (outflows) / inflows	(25,925)	--	7,783	--	(18,142)
Net closing balance	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract assets – closing	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	6,309	--	(121,601)	(18,614)	(133,906)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.2 Non-life reinsurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 June 2024 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF of SAR'000	Risk adjustment for non-financial risk	
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	4,674	--	(12,108)	(487)	(7,921)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	4,674	--	(12,108)	(487)	(7,921)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	14,828	--	--	--	14,828
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	(6,809)	--	(264)	(16,922)	(23,995)
Changes that relate to past service – adjustments to the LIC *	--	--	(91,277)	(75)	(91,352)
Amounts recoverable from reinsurers – net (note 7)	(6,809)	--	(91,541)	(16,997)	(115,347)
Finance income from reinsurance contracts (note 8)	--	--	(4,562)	(14)	(4,576)
Total changes in the statement of income	8,019	--	(96,103)	(17,011)	(105,095)
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(13,148)	--	--	--	(13,148)
Recoveries from reinsurance	3,407	--	263	--	3,670
Total cash (outflows) / inflows	(9,741)	--	263	--	(9,478)
Net closing balance	2,952	--	(107,948)	(17,498)	(122,494)
Reinsurance contract assets – closing	2,952	--	(107,948)	(17,498)	(122,494)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	2,952	--	(107,948)	(17,498)	(122,494)

* It relates to amount of SAR 97 million of reinsurance share recorded against the one-off claims as of 30 June 2024 in the reinsurance contract assets.

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2025 (Unaudited)			
	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk
	SAR'000			
Insurance contracts				
Insurance contract liabilities – opening	1,553,613	869	55,360	-- 1,609,842
Insurance contract assets – opening	--	--	--	-- --
Opening balance – net (Audited)	1,553,613	869	55,360	-- 1,609,842
<u>Changes in the statement of income</u>				
Insurance revenue (note 7)	(19,033)	--	--	-- (19,033)
Insurance service expenses				
Incurred claims and other directly attributable expenses (note 7)	--	--	7,960	-- 7,960
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	--	-- --
Reversal of losses on onerous contracts (note 7)	--	(868)	--	-- (868)
Insurance acquisition cashflows amortization (note 7)	326	--	--	-- 326
Insurance service expenses	326	(868)	7,960	-- 7,418
Investment component	(104,464)	--	104,464	-- --
Net finance expense from insurance contracts (note 8)	48,766	--	--	-- 48,766
Total changes in the statement of income	(74,405)	(868)	112,424	-- 37,151
Cashflows				
Premiums received	70,205	--	--	-- 70,205
Claims and other directly attributable expenses paid	--	--	(100,113)	-- (100,113)
Insurance acquisition cashflows	(942)	--	--	-- (942)
Total cash inflows / (outflows)	69,263	--	(100,113)	-- (30,850)
Net closing balance	1,548,471	1	67,671	-- 1,616,143
Insurance contract liabilities – closing	1,548,471	1	67,671	-- 1,616,143
Insurance contract assets – closing	--	--	--	-- --
Closing balance – net (Unaudited)	1,548,471	1	67,671	-- 1,616,143

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2025 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	CSM	Total
	SAR'000			
Insurance contracts				
Insurance contract liabilities – opening	1,469,853	2,089	137,900	1,609,842
Insurance contract assets – opening	--	--	--	--
Opening balance – net (Audited)	1,469,853	2,089	137,900	1,609,842
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	(11,868)	(11,868)
Change in risk adjustment for non-financial risk for risk expired	--	(173)	--	(173)
Experience adjustments	831	--	--	831
	831	(173)	(11,868)	(11,210)
Changes that relate to future services				
Contracts initially recognised in the period	(3,287)	70	3,217	--
Changes in estimates that adjust the CSM	(2,786)	(34)	1,952	(868)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	463	--	--	463
Net finance expense from insurance contracts (note 8)	48,766	--	--	48,766
Total changes in the statement of income	43,987	(137)	(6,699)	37,151
Cashflows				
Premiums received	70,205	--	--	70,205
Claims and other directly attributable expenses paid	(100,113)	--	--	(100,113)
Insurance acquisition cashflows	(942)	--	--	(942)
Total cash outflows	(30,850)	--	--	(30,850)
Net closing balance	1,482,990	1,952	131,201	1,616,143
Insurance contract liabilities – closing	1,482,990	1,952	131,201	1,616,143
Insurance contract assets – closing	--	--	--	--
Closing balance – net (Unaudited)	1,482,990	1,952	131,201	1,616,143

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:

	Individual life				
	As at 31 December 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	1,500,101	--	55,466	--	1,555,567
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	1,500,101	--	55,466	--	1,555,567
<u>Changes in the statement of income</u>					
Insurance revenue	(39,286)	--	--	--	(39,286)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	12,618	--	12,618
Changes that relate to past service – adjustments to the LIC	501	--	--	--	501
Insurance acquisition cash flows amortization	--	869	--	--	869
Insurance service expenses	501	869	12,618	--	13,988
Investment component	(211,586)	--	211,586		-
Net finance expense from insurance contracts	165,365	--	--	--	165,365
Total changes in the statement of income	(85,006)	869	224,204	--	140,067
Cash flows					
Premiums received	144,294	--	--	--	144,294
Claims and other directly attributable expenses paid	--	--	(224,310)	--	(224,310)
Insurance acquisition cash flows	(5,776)	--	--	--	(5,776)
Total cash inflows / (outflows)	138,518	--	(224,310)	--	(85,792)
Net closing balance	1,553,613	869	55,360	--	1,609,842
Insurance contract liabilities – closing	1,553,613	869	55,360	--	1,609,842
Insurance contract assets – closing	--	--	-	--	-
Closing balance – net	1,553,613	869	55,360	--	1,609,842

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 31 December 2024 (Audited)			
	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin (CSM)	Total
	SAR '000			
<u>Insurance contracts</u>				
Insurance contract liabilities – opening	1,404,347	509	150,711	1,555,567
Insurance contract assets – opening	--	--	--	--
Opening balance – net	1,404,347	509	150,711	1,555,567
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	(24,773)	(24,773)
Change in risk adjustment for non-financial risk for risk expired	--	(88)	--	(88)
Experience adjustments	(1,063)			(1,063)
	(1,063)	(88)	(24,773)	(25,924)
Changes that relate to future services				
Contracts initially recognised in the period	(4,111)	120	3,991	--
Changes in estimates that adjust the CSM	(7,569)	1,548	7,971	1,950
	(11,680)	1,668	11,962	1,950
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(1,324)	--	--	(1,324)
Net finance expense from insurance contracts	165,365	--	--	165,365
Total changes in the statement of income	151,298	1,580	(12,811)	140,067
<u>Cash flows</u>				
Premiums received	144,294	--	--	144,294
Claims and other directly attributable expenses paid	(224,310)	--	--	(224,310)
Insurance acquisition cash flows	(5,776)	--	--	(5,776)
Total cash outflows	(85,792)	--	--	(85,792)
Net closing balance	1,469,853	2,089	137,900	1,609,842
Insurance contract liabilities – closing	1,469,853	2,089	137,900	1,609,842
Insurance contract assets – closing	--	--	--	--
Closing balance – net	1,469,853	2,089	137,900	1,609,842

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts (continued):

Analysis by remaining coverage and incurred claims:

	Individual life				
	As at 30 June 2024 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	1,500,101	--	55,466	--	1,555,567
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	1,500,101	--	55,466	--	1,555,567
<u>Changes in the statement of income</u>					
Insurance revenue (note 7)	(17,939)	--	--	--	(17,939)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	7,530	--	7,530
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	--	--	--
Insurance acquisition cashflows amortization (note 7)	126	--	--	--	126
Insurance service expenses	126	--	7,530	--	7,656
Investment component	(109,464)	--	109,464	--	--
Net finance expense from insurance contracts (note 8)	115,162	--	--	--	115,162
Total changes in the statement of income	(12,115)	--	116,994	--	104,879
Cashflows					
Premiums received	70,440	--	--	--	70,440
Claims and other directly attributable expenses paid	--	--	(97,241)	--	(97,241)
Insurance acquisition cashflows	(1,924)	--	--	--	(1,924)
Total cash inflows / (outflows)	68,516	--	(97,241)	--	(28,725)
Net closing balance	1,556,502	--	75,219	--	1,631,721
Insurance contract liabilities – closing	1,556,502	--	75,219	--	1,631,721
Insurance contract assets – closing	--	--	--	--	-
Closing balance – net (Unaudited)	1,556,502	--	75,219	--	1,631,721

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2024 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	CSM	Total
	SAR '000			
<u>Insurance contracts</u>				
Insurance contract liabilities – opening	1,404,347	509	150,711	1,555,567
Insurance contract assets – opening	--	--	--	--
Opening balance – net (Audited)	1,404,347	509	150,711	1,555,567
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	(12,377)	(12,377)
Change in risk adjustment for non-financial risk for risk expired	--	(44)	--	(44)
Experience adjustments	2,226	--	--	2,226
Changes that relate to future services				
Contracts initially recognised in the period	(2,244)	62	2,182	--
Changes in estimates that adjust the CSM	(4,948)	1,771	3,385	208
Changes that relate to past services -				
Adjustments to liabilities for incurred claims	(296)	--	--	(296)
Net finance expense from insurance contracts (note 8)	115,162	--	--	115,162
Total changes in the statement of income	109,900	1,789	(6,810)	104,879
<u>Cashflows</u>				
Premiums received	70,440	--	--	70,440
Claims and other directly attributable expenses paid	(97,241)	--	--	(97,241)
Insurance acquisition cashflows	(1,924)	--	--	(1,924)
Total cash inflows	(28,725)	--	--	(28,725)
Net closing balance	1,485,522	2,298	143,901	1,631,721
Insurance contract liabilities – closing	1,485,522	2,298	143,901	1,631,721
Insurance contract assets – closing	--	--	--	--
Closing balance – net (Unaudited)	1,485,522	2,298	143,901	1,631,721

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

	Individual Life				
	As at 30 June 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
Reinsurance contracts					
Reinsurance contract assets – opening	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	(1,817)	(356)	(135)	--	(2,308)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	1,476	--	--	--	1,476
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	1,680	--	1,680
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	364	--	--	364
Amounts recoverable from reinsurers – net	--	364	1,680	--	2,044
Finance expense from reinsurance contracts (note 8)	(91)	--	--	--	(91)
Total changes in the statement of income	1,385	364	1,680	--	3,429
Cashflows					
Premiums ceded and acquisition cashflows paid	(5,576)	--	--	--	(5,576)
Recoveries from reinsurance	--	--	1,793	--	1,793
Total cash (outflows) / inflows	(5,576)	--	1,793	--	(3,783)
Net closing balance	(6,008)	8	3,338	--	(2,662)
Reinsurance contract assets – closing	(6,008)	8	3,338	--	(2,662)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	(6,008)	8	3,338	--	(2,662)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2025 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	Contractual Service Margin	Total
	SAR'000			
Reinsurance contracts				
Reinsurance contract liabilities – opening	8,736	(34)	(11,010)	(2,308)
Reinsurance contract assets – opening	--	--	--	--
Opening balance – net (Audited)	8,736	(34)	(11,010)	(2,308)
Changes in the statement of income				
Changes related to current services				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	139	3	1,334	1,476
Changes that relate to future services				
Contracts initially recognised in the year	31	--	(31)	--
Changes in estimates that adjust the CSM	3,630	1	(3,267)	364
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1,830	--	--	1,830
Finance expense / (income) from reinsurance contracts (note 8)	164	(1)	(254)	(91)
Total changes in the statement of income	5,794	3	(2,218)	3,579
Cashflows				
Premiums paid	(5,576)	--	--	(5,576)
Claims and other directly attributable expenses recovered	1,643	--	--	1,643
Total cash outflows	(3,933)	--	--	(3,933)
Net closing balance	10,597	(31)	(13,228)	(2,662)
Reinsurance contract assets – closing	10,597	(31)	(13,228)	(2,662)
Reinsurance contract liabilities – closing	--	--	--	--
Closing balance – net (unaudited)	10,597	(31)	(13,228)	(2,662)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

	Individual Life				
	As at 31 December 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	--	--	--	--	--
Reinsurance contract liabilities – opening	5,405	--	(4,932)	--	473
Opening balance – net	5,405	--	(4,932)	--	473
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid	4,063	--	--	--	4,063
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(119)	--	(119)
Changes that relate to past service – adjustments to the LIC	--	(356)	--	--	(356)
Amounts recoverable from reinsurers – net	--	(356)	(119)	--	(475)
Finance expense from reinsurance contracts	42	--	--	--	42
Total changes in the statement of income	4,105	(356)	(119)	--	3,630
Cash flows					
Premiums ceded and acquisition cash flows paid	(11,327)	--	--	--	(11,327)
Recoveries from reinsurance	--	--	4,916	--	4,916
Total cash (outflows) / inflows	(11,327)	--	4,916	--	(6,411)
Net closing balance	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract assets – closing	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	(1,817)	(356)	(135)	--	(2,308)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 31 December 2024 (Audited)			
	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
	SAR'000			
<u>Reinsurance contracts</u>				
Reinsurance contract assets – opening	--	--	--	--
Reinsurance contract liabilities – opening	7,233	(10)	(6,750)	473
Opening balance – net	7,233	(10)	(6,750)	473
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	1,689	2	2,372	4,063
Changes that relate to future services				
Contracts initially recognised in the year	44	(4)	(40)	--
Changes in estimates that adjust the CSM	5,952	(21)	(6,286)	(355)
	5,996	(25)	(6,326)	(355)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(119)	--	--	(119)
Finance expense / (income) from reinsurance contracts	348	(1)	(306)	41
Total changes in the statement of income	7,914	(24)	(4,260)	3,630
Cash flows				
Premiums paid	(11,327)	--	--	(11,327)
Claims and other directly attributable expenses recovered	4,916	--	--	4,916
Total cash outflows	(6,411)	--	--	(6,411)
Net closing balance	8,736	(34)	(11,010)	(2,308)
Reinsurance contract assets – closing	8,736	(34)	(11,010)	(2,308)
Reinsurance contract liabilities – closing				
Closing balance – net	8,736	(34)	(11,010)	(2,308)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

	Individual Life			
	As at 30 June 2024 (Unaudited)			
	Asset for remaining coverage		Asset for incurred claims	
			Risk adjustment for non-financial risk	
	Excluding loss component	Loss component	Estimates of present value of FCF	Total
	SAR'000			
<u>Reinsurance contracts</u>				
Reinsurance contract assets – opening	--	--	--	--
Reinsurance contract liabilities – opening	5,405	--	(4,932)	473
Opening balance – net (Audited)	5,405	--	(4,932)	473
<u>Changes in the statement of income</u>				
Allocation of reinsurance premium paid (note 7)	2,901	--	--	2,901
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	545	545
Amounts recoverable from reinsurers – net	--	--	545	545
Finance expense from reinsurance contracts (note 8)	29	--	--	29
Total changes in the statement of income	2,930	--	545	3,475
<u>Cashflows</u>				
Premiums ceded and acquisition cashflows paid	(5,710)	--	--	(5,710)
Recoveries from reinsurance	--	--	4,637	4,637
Total cash (outflows) / inflows	(5,710)	--	4,637	(1,073)
Net closing balance	2,625	--	250	2,875
Reinsurance contract assets – closing	--	--	--	--
Reinsurance contract liabilities – closing	2,625	--	250	2,875
Closing balance – net (Unaudited)	2,625	--	250	2,875

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2024 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	Contractual Service Margin	Total
	SAR'000			
<u>Reinsurance contracts</u>				
Reinsurance contract liabilities – opening	--	--	--	--
Reinsurance contract assets – opening	7,233	(10)	(6,750)	473
Opening balance – net (Audited)	7,233	(10)	(6,750)	473
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	1,944	1	926	2,871
Changes that relate to future services				
Contracts initially recognised in the year	26	(2)	(24)	--
Changes in estimates that adjust the CSM	3,077	(29)	(3,048)	--
Changes that relate to past services				
Adjustments to liabilities for incurred claims	655	--	--	655
Finance expense / (income) from reinsurance contracts (note 8)	180	--	(151)	29
Total changes in the statement of income	5,882	(30)	(2,297)	3,555
Cashflows				
Premiums paid	(5,710)	--	--	(5,710)
Claims and other directly attributable expenses recovered	4,637	--	(80)	4,557
Total cash outflows	(1,073)	--	(80)	(1,153)
Net closing balance	12,042	(40)	(9,127)	2,875
Reinsurance contract assets – closing	--	--	--	--
Reinsurance contract liabilities – closing	12,042	(40)	(9,127)	2,875
Closing balance – net (unaudited)	12,042	(40)	(9,127)	2,875

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.5 Group life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 30 June 2025 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
Insurance contracts					
Insurance contract liabilities – opening	53,418	--	38,843	1,428	93,689
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	53,418	--	38,843	1,428	93,689
<i>Changes in the statement of income</i>					
Insurance revenue (note 7)	(34,605)	--	--	--	(34,605)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	21,715	(557)	21,158
Insurance acquisition cashflows amortization (note 7)	231	--	--	--	231
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	(1,319)	--	(1,319)
Insurance service expenses	231	--	20,396	(557)	20,070
Finance expense from insurance contracts (note 8)	--	--	593	44	637
Total changes in the statement of income	(34,374)	--	20,989	(513)	(13,898)
Cashflows					
Premiums received	907	--	--	--	907
Claims and other directly attributable expenses paid	--	--	(21,115)	--	(21,115)
Insurance acquisition cashflows paid	(231)	--	--	--	(231)
Total cash inflows / (outflows)	676	--	(21,115)	--	(20,439)
Net closing balance	19,720	--	38,717	915	59,352
Insurance contract liabilities – closing	19,720	--	38,717	915	59,352
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	19,720	--	38,717	915	59,352

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.5 Group life insurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 31 December 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
Insurance contracts					
Insurance contract liabilities – opening	(2,244)	--	35,293	919	33,968
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	(2,244)	--	35,293	919	33,968
Changes in the statement of income					
Insurance revenue	(75,778)	--	--	--	(75,778)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	39,320	453	39,773
Insurance acquisition cash flows amortization	9,667	--	--	--	9,667
Losses and reversals of losses on onerous contracts	--	--	--	--	--
Changes that relate to past service - adjustments to the LIC	--	--	4,557	--	4,557
Insurance service expenses	9,667	--	43,877	453	53,997
Finance expense from insurance contracts			73	56	129
Total changes in the statement of income	(66,111)	--	43,950	509	(21,652)
Cash flows					
Premiums received	131,440	--	--	--	131,440
Claims and other directly attributable expenses paid	--	--	(40,400)	--	(40,400)
Insurance acquisition cash flows paid	(9,667)	--	--	--	(9,667)
Total cash inflows / (outflows)	121,773	--	(40,400)	--	81,373
Net closing balance	53,418	--	38,843	1,428	93,689
Insurance contract liabilities – closing	53,418	--	38,843	1,428	93,689
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	53,418	--	38,843	1,428	93,689

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.5 Group life insurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 30 June 2024 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	(2,244)	--	35,293	919	33,968
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	(2,244)	--	35,293	919	33,968
<u>Changes in the statement of income</u>					
Insurance revenue (note 7)	(36,888)	--	--	--	(36,888)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	15,451	345	15,796
Insurance acquisition cashflows amortization (note 7)	2,409	--	--	--	2,409
Losses and reversals of losses on onerous contracts (note 7)	--	--	--	--	--
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	4,497	(285)	4,212
Insurance service expenses	2,409	--	19,948	60	22,417
Finance expense from insurance contracts (note 8)	--	--	1,372	28	1,400
Total changes in the statement of income	(34,479)	--	21,320	88	(13,071)
Cashflows					
Premiums received	57,654	--	--	--	57,654
Claims and other directly attributable expenses paid	--	--	(15,451)	--	(15,451)
Insurance acquisition cashflows paid	(2,409)	--	--	--	(2,409)
Total cash inflows / (outflows)	55,245	--	(15,451)	--	39,794
Net closing balance	18,522	--	41,162	1,007	60,691
Insurance contract liabilities – closing	18,522	--	41,162	1,007	60,691
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	18,522	--	41,162	1,007	60,691

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.6 Group life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 30 June 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	4,511	--	(31,842)	(1,051)	(28,382)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	16,197	--	--	--	16,197
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	(13,134)	250	(12,884)
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	622	--	622
Amounts recoverable from reinsurers – net	--	--	(12,512)	250	(12,262)
Finance income from reinsurance contracts (note 8)	--	--	(477)	(31)	(508)
Total changes in the statement of income	16,197	--	(12,989)	219	3,427
Cashflows					
Premiums ceded and acquisition cashflows paid	(11,372)	--	--	--	(11,372)
Recoveries from reinsurance	--	--	13,099	--	13,099
Total cash (outflows) / inflows	(11,372)	--	13,099	--	1,727
Net closing balance	9,336	--	(31,732)	(832)	(23,228)
Reinsurance contract assets – closing	9,336	--	(31,732)	(832)	(23,228)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	9,336	--	(31,732)	(832)	(23,228)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.6 Group life reinsurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 31 December 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	--	--	--	--	--
Reinsurance contract liabilities – opening	2,382	--	(28,215)	(775)	(26,608)
Opening balance – net	2,382	--	(28,215)	(775)	(26,608)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid	34,849	--	--	--	34,849
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(23,428)	(229)	(23,657)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC	--	--	(3,565)	--	(3,565)
Amounts recoverable from reinsurers – net	--	--	(26,993)	(229)	(27,222)
Finance income from reinsurance contracts	--	--	(62)	(47)	(109)
Total changes in the statement of income	34,849	--	(27,055)	(276)	7,518
<u>Cash flows</u>					
Premiums ceded and acquisition cash flows paid	(32,720)	--	--	--	(32,720)
Recoveries from reinsurance	--	--	23,428	--	23,428
Total cash (outflows) / inflows	(32,720)	--	23,428	--	(9,292)
Net closing balance	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract assets – closing	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	4,511	--	(31,842)	(1,051)	(28,382)

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6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.6 Group life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 30 June 2024 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	2,382	--	(28,215)	(775)	(26,608)
Reinsurance contract liabilities – opening	-	--	--	--	--
Opening balance – net (Audited)	2,382	--	(28,215)	(775)	(26,608)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	15,990	--	--	--	15,990
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	(13,367)	(33)	(13,400)
Recoveries and reversals of recoveries of losses on onerous underlying contracts (note 7)	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	(3,340)	--	(3,340)
Amounts recoverable from reinsurers – net	--	--	(16,707)	(33)	(16,740)
Finance income from reinsurance contracts (note 9)	--	--	(1,134)	(23)	(1,157)
Total changes in the statement of income	15,990	--	(17,841)	(56)	(1,907)
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(16,147)	--	--	--	(16,147)
Recoveries from reinsurance	--	--	13,366	--	13,366
Total cash (outflows) / inflows	(16,147)	--	13,366	--	(2,781)
Net closing balance	2,225	--	(32,690)	(831)	(31,296)
Reinsurance contract assets – closing	2,225	--	(32,690)	(831)	(31,296)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	2,225	--	(32,690)	(831)	(31,296)

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7. INSURANCE REVENUE AND EXPENSES

	For the six-month period ended 30 June 2025 (Unaudited)			
	Non-life	Individual Life	Group Life	Total
	SAR'000			
Contracts not measured under the PAA				
Amounts relating to changes in liabilities for remaining coverage:	--	--	--	--
Expected incurred claims and other insurance service expenses	--	5,065	--	5,065
Change in risk adjustment for non-financial risk for risk expired	--	173	--	173
CSM recognized for services provided	--	11,868	--	11,868
Experience adjustments	--	1,927	--	1,927
Insurance revenue from contracts not measured under the PAA	--	19,033	--	19,033
Insurance revenue from contracts measured under the PAA	117,258	--	34,605	151,863
Insurance revenue – total (note 6)	117,258	19,033	34,605	170,896
Insurance service expenses				
Incurred claims and other directly attributable expenses (note 6)	(73,526)	(7,960)	(21,158)	(102,644)
Insurance acquisition cashflows amortization (note 6)	(18,695)	(326)	(231)	(19,252)
Reversals of losses and (loss) on onerous contracts (note 6)	(3,720)	868	--	(2,852)
Changes that relate to past service - adjustments to the LIC (note 6)	(6,137)	--	1,319	(4,818)
Insurance service expenses – total	(102,078)	(7,418)	(20,070)	(129,566)
Net expenses from reinsurance contracts held				
Allocation of reinsurance premium paid (note 6)	(14,776)	(1,476)	(16,197)	(32,449)
Amounts recoverable from reinsurers – net (note 6)	(52)	(2,044)	12,262	10,166
	(14,828)	(3,520)	(3,935)	(22,283)
Share of surplus from insurance pools	2,845	--	--	2,845
Total insurance service result	3,197	8,095	10,600	21,892

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7. INSURANCE REVENUE AND EXPENSES (continued)

	For the six-month period ended 30 June 2024 (Unaudited)			
	Non-life	Individual Life	Group Life	Total
	SAR '000			
Contracts not measured under the PAA				
Amounts relating to changes in liabilities for remaining coverage:				
Expected incurred claims and other insurance service expenses	--	5,406	--	5,406
Change in risk adjustment for non-financial risk for risk expired	--	44	--	44
CSM recognized for services provided	--	12,377	--	12,377
Experience adjustments	--	112	--	112
Insurance revenue from contracts not measured under the PAA	--	17,939	--	17,939
Insurance revenue from contracts measured under the PAA	119,412	--	36,888	156,300
Insurance revenue – total (note 6)	119,412	17,939	36,888	174,239
Insurance service expenses				
Incurred claims and other directly attributable expenses (note 6)	(81,925)	(7,530)	(15,796)	(105,251)
Insurance acquisition cashflows amortization (note 6)	(17,646)	(126)	(2,409)	(20,181)
Loss on onerous contracts (note 6)	670	--	--	670
Changes that relate to past service - adjustments to the LIC (note 6)	(119,417)	--	(4,212)	(123,629)
Insurance service expenses – total	(218,318)	(7,656)	(22,417)	(248,391)
Net (expenses) / income from reinsurance contracts held				
Allocation of reinsurance premium paid (note 6)	(14,828)	(2,901)	(15,990)	(33,719)
Amounts recoverable from reinsurers – net (note 6)	115,347	(545)	16,740	131,542
	100,519	(3,446)	750	97,823
Share of surplus from insurance pools	2,686	--	--	2,686
Total insurance service result	4,299	6,837	15,221	26,357

8. INSURANCE FINANCE (EXPENSE) / INCOME

	For the six-month period ended			
	Non-life	Individual life	Group life	Total
30 June 2025 – (Unaudited)				
Finance expense from insurance contracts issued (note 6)	(3,717)	(48,747)	(637)	(53,101)
Finance income from reinsurance contracts held (note 6)	2,334	91	508	2,933
Finance expense – net	(1,383)	(48,656)	(129)	(50,168)

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8. INSURANCE FINANCE (EXPENSE) / INCOME (continued)

	For the six-month period ended			
	Non-life	Individual life	Group life	Total
30 June 2024 – (Unaudited)				
Finance expense from insurance contracts issued (note 6)	(6,737)	(115,162)	(1,400)	(123,299)
Finance (expense) / income from reinsurance contracts held (note 6)	4,576	(29)	1,157	5,704
Finance expense – net	(2,161)	(115,191)	(243)	(117,595)

9. STATUTORY RESERVE

As required by Saudi Arabian Insurance Laws and Regulations, 20% of the net shareholders income shall be set aside as a statutory reserve until this reserve amounts to 100% of paid-up capital. The Company makes this transfer on an annual basis at 31 December each year. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

10. STATUTORY DEPOSIT

	30 June 2025 (Unaudited) SAR ‘000	31 December 2024 (Audited) SAR ‘000
Statutory deposit	66,000	66,000
Expected credit loss	(10)	(10)
	65,990	65,990

In compliance with Insurance Regulations, the Company has deposited an amount equivalent to 10% of its paid-up share capital, amounting to SAR 66 million as at 30 June 2025 (31 December 2024: SAR 66 million), in a bank designated by SAMA. Accrued income on this deposit is payable to the Insurance Authority (IA) amounting to SAR 5.8 million (31 December 2024: SAR 4.5 million) and this deposit cannot be withdrawn without approval from IA. The statutory deposit is shown on the statement of financial position net of ECL allowance. This deposit is held with Bank AlJazira, “the founding shareholder”.

11. RIGHT OF USE ASSETS AND LEASE LIABILITIES

a) Amounts recognised in the condensed statement of financial position:

The condensed statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	30 June 2025 (Unaudited) SAR ‘000	30 June 2024 (Unaudited) SAR ‘000
Cost		
Balance at the beginning of the period	16,262	4,098
Additions during the period	2,795	14,851
Derecognition during the period	--	(2,047)
Balance at the end of the period	19,057	16,902
Accumulated depreciation		
Balance at the beginning of the period	2,557	2,527
Charge for the period	1,020	815
Disposal	--	(1,172)
Balance at the end of the period	3,577	2,170
Net book value	15,480	14,732

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11. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
	SAR'000	SAR'000
Within one year	2,245	1,718
Later than one year but not later than five years	16,033	15,939
	18,278	17,657
Future finance costs	(3,606)	(4,374)
Total lease liabilities	14,672	13,283
Current portion of lease liabilities	1,481	968
Non-current portion of lease liabilities	13,191	12,315
	14,672	13,283
Movement in lease liabilities is as follows:		
Balance at the beginning of the period	13,728	1,542
Additions during the period	2,795	14,816
Finance costs on lease liabilities	391	195
Derecognition during the period	--	(1,025)
Payments during the period	(2,242)	(2,245)
Balance at the end of the period	14,672	13,283

b) Amounts recognised in the condensed statement of income:

Total finance costs recognised in the condensed statement of income pertaining to lease liabilities amounted to SAR 0.39 million for the period ended 30 June 2025 (30 June 2024: SAR 0.19 million).

c) Details for leasing activities of the Company

The Company leases office premises across the Kingdom of Saudi Arabia. Rental contracts are typically made for a period of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets are not used as security for borrowing purposes.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company in the normal course of business, enters into transactions with other entities that fall within the definition of the related party contained in the International Accounting Standard (IAS) 24 – Related Party Disclosures. Related parties represent shareholders with significant influence, key management personnel (KMP) of the Company, their immediate family members and entities controlled or jointly controlled by such shareholders. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the related party transactions during the period and the related balances:

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12. TRANSACTIONS AND BALANCES RELATED PARTIES (continued)

12.1 In addition to the disclosures set out in notes 4, 5.1, and 5.2, the following are the details of major related party transactions during the six-month period ended:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amount of transactions</u>	
			30 June 2025 (unaudited) SAR'000	30 June 2024 (unaudited) SAR'000
Bank AlJazira	Shareholder with significant influence	Commission income on deposits	4,590	1,732
		Insurance policies sold	15,180	12,491
		Claims paid	13,075	13,898
		Commission paid	429	113
		Investment in sukuk	10,000	--
		Profit on statutory deposit	1,311	1,919
		Profit on sukuk	4,742	4,488
		Purchase of Murabaha deposit	60,000	--
Key management personnel		Salaries, benefits and allowances, net	2,976	2,716
		Insurance policies sold	5	1
Board of directors and committee members		Insurance policies sold	29	23
AlJazira Capital	Subsidiary of shareholder with significant influence	Other income	5,153	6,046
		Custodian charges	208	196
		Insurance policies sold	788	895
Durrah Advanced Development Company *	Common directorship	Insurance policies sold	3,226	2,567
		Claims paid	--	14
Consolidated Brother Company*	Significant shareholder	Insurance policies sold	23	558
		Claims paid	1	110
Ibrahim Abdul Mohsin Mohammed AlSultan	Immediate family member of KMP	Insurance policies sold	139	142

* The above transactions are disclosed in accordance with the local law and regulations.

12.2 Amount due from related party

<u>Related parties</u>	<u>Relationship</u>	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
AlJazira Capital	Subsidiary of shareholder with significant influence	5,624	6,182
Others (key management personnel)			
<i>Prepayments and other current assets:</i>			
Advances due from key management		197	359

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12. TRANSACTIONS AND BALANCES RELATED PARTIES (continued)

12.3 Premium receivable amount disclosed in Insurance contract liability Note 6.2.1 and 6.2.5, shown in the statement of financial position includes SAR 23,628 thousand (31 December 2024: SAR 2,782 thousand) due from related parties.

12.4 Outstanding claims amount disclosed in Insurance contract liability Note 6.2.1 and 6.2.5, shown in the statement of financial position includes SAR 32,911 thousand (31 December 2024: SAR 29,697 thousand) due to related parties.

13. ZAKAT AND INCOME TAX

The zakat and income tax payable by the Company has been calculated in accordance with zakat and income tax regulations in the Kingdom of Saudi Arabia. The movement in the Zakat and income tax payable during the six-month period ended 30 June 2025 and year ended 30 June 2024 is as follows:

13.1 Zakat charge

	<i>30 June 2025</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>30 June 2024</i> <i>(Unaudited)</i> <i>SAR'000</i>
Balance at the beginning of period	35,319	63,961
Provision for zakat for the period	2,121	2,110
Zakat paid during the period	<u>(15,978)</u>	<u>(15,201)</u>
Balance at the end of the period	<u>21,462</u>	<u>50,870</u>

13.2 Income tax

	<i>30 June 2025</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>30 June 2024</i> <i>(Unaudited)</i> <i>SAR'000</i>
Balance at the beginning of period	86	1,087
Income tax for the period	323	291
Income tax paid during the period	<u>(319)</u>	<u>(1,328)</u>
Balance at the end of the period	<u>90</u>	<u>50</u>
Total zakat and income tax at the end of the period	<u>21,552</u>	<u>50,920</u>

13.3 Status of assessments

The Company has submitted its zakat and income tax returns for the years 2014 to 2024 with the Zakat, Tax and Customs Authority ("ZATCA") and has obtained restricted certificates.

The Company settled and closed 2014 assessment by settling outstanding liability of SAR 7,573 thousand. In regard to years 2015 to 2020, these were finalized after receiving the Higher Appeal Committee ("HAC") decision which led to zakat differences of SAR 23,815 thousand for the years 2015, 2017, and 2018, and SAR 16,943 thousand for the years 2016, 2019, and 2020. The Company has agreed with ZATCA to pay these outstanding liabilities in instalments, with final payments due in 2025 and 2027 respectively.

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13. ZAKAT AND INCOME TAX (continued)

13.3 Status of assessments (continued)

In addition, the Company has also submitted its zakat and income tax returns in relation to Solidarity for the years 2009 to 2020 with the ZATCA and obtained restricted certificates. During the previous years, the ZATCA has issued zakat and income tax assessments in respect of Solidarity for the years 2009 and 2010 and from 2012 to 2018 with additional zakat and income tax liability of SAR 48,546 thousand. The Company submitted a settlement request for the years 2011 to 2018 and accepted the settlement request which resulted in zakat differences amounting to SAR 22,565 thousand. The Company agreed with ZATCA to pay the outstanding liabilities in installments and final payment is due on 27 November 2025. During the year 2024, a decision was issued by the committees to accept the Company's objection for the years 2009 and 2010. Subsequent to the period ended 30 June 2025, a decision was issued by the committee for the year 2020, asking the Company to pay the zakat amounting to SAR 130 thousand, out of which SAR 97 thousand had already been paid. The balance amount has been paid by the Company subsequent to the period ended 30 June 2025.

The assessments for the years 2019 and 2021 to 2024 are currently under the ZATCA's review and final assessment is awaited from the ZATCA.

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

- a) 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 Company's financial assets consist of cash and cash equivalents, investments held to cover unit-linked liabilities, investments carried at fair value through profit or loss, investments carried at amortised cost, other receivables, and financial liabilities consist of other liabilities and due to related party. The fair values of financial instruments are not materially different from their carrying values. As at 30 June 2025, apart from the investments which are carried at fair value (note 5), there were no other financial instruments held by the Company that were measured at fair value.

- b) The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:
Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repackaging);
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.

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 asset and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

	<u>30 June 2025 (Unaudited)</u>			
	<u>Fair value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments held at FVTPL:</u>				
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,562,691	--	1,562,691
Equity shares	17,024	--	--	17,024
Tier 1 Sukuks	--	252,328	--	252,328
<u>Investments held at FVOCI:</u>				
Equity shares	--	--	63,664	63,664
Total	17,024	1,815,019	63,664	1,895,707

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14. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	31 December 2024 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
<u>Investments held at FVTPL:</u>				
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,570,520	--	1,570,520
Equity shares	19,635	--	--	19,635
Tier 1 Sukuks	--	242,166	--	242,166
<u>Investments held at FVOCI:</u>				
Equity shares	--	--	61,155	61,155
Total	19,635	1,812,686	61,155	1,893,476

Significant unobservable inputs used in the valuation of level 3 investments include fair value estimates from reputable third-party valuer who use technique such as discounted cashflows and other sophisticated models. The fair value of investments in mutual funds and sukuku at level 2 is based on the net asset values and value of similar quoted sukuku available. There were no transfers between levels of the fair value hierarchy during the period ended 30 June 2025. Additionally, there were no changes in the valuation techniques.

15. RISK MANAGEMENT

Risk is inherent in the Company's activities but is managed through a process of on-going identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability, and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company's policy is to monitor business risk through strategic planning process. The strategy considers the impact of market conditions and available expertise on inherent risks to which the Company is exposed. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk.

Risk management structure

A cohesive organisational structure is established within the Company in order to identify, assess, mitigate, and control risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Senior management

Senior management is responsible for the day-to-day operations towards achieving the strategic goals within the Company's Board authorised risk appetite parameters.

Audit Committee

The Audit Committee is elected by the General Assembly. The Audit Committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting and risk management, the audit thereof and the soundness of the internal controls of the Company.

Risk Committee

The Risk Committee is elected by the Board of Directors. The Risk Committee is responsible for the Company's risk management strategy to ensure that the Company's exposure to risks is minimal.

Internal Audit

All key operational, financial and risk management processes are audited by Internal Audit. Internal Audit examines the adequacy of the relevant policies and procedures, the Company's compliance with internal policies and regulatory guidelines. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The risks faced by the Company and the manner in which these risks are mitigated by management are summarized below:

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15. RISK MANAGEMENT (continued)

15.1 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from factors other than credit, market and liquidity risks such as those arising from regulatory requirements. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks, and the adequacy of controls and procedures to address those risks;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. For longer tail claims that take some years to settle, there is also inflation risk. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The Head of Operations manages this risk by ensuring that adequate reinsurance cover is taken to restrict the maximum loss payable for any individual claim.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, structured claims management, quarterly review of reserves as well as the use of reinsurance arrangements.

Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk's mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory. The Company's motor portfolio is reinsured under a non-proportional treaty arrangements.

a) Concentration of insurance risk

The Company monitors the concentration of insurance risks primarily by class of business. The major concentration lies in medical, individual life, and group life segments. The Company also monitors the concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk, a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company. Since the Company does not have any foreign operations, hence, all the insurance risks relate to policies written in Saudi Arabia.

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15. RISK MANAGEMENT (continued)

Insurance risk (continued)

b) Frequency and severity of claims

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

The frequency and severity of claims can be affected by several factors like natural disasters, floods, environmental and economic, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages these risks through conservative underwriting strategies and effective use of reinsurance arrangements. The Company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes, and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 10% of equity on a gross basis and 2% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 5% of equity. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Medical

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risks and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular view of actual claims experience and product pricing, as well as detailed claims handling procedures. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. The Company has reinsurance cover to limit the losses for any individual claim.

Motor

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. In the current year, the Company has only underwritten comprehensive policies for owner/drivers over 18 years of age. The Company also has risk management procedures to control cost of claims. The Company has reinsurance cover to limit the losses for any individual claim.

Reinsurance risk

Similar to other insurance companies, in order to minimise the financial exposure arising from large claims, the Company in normal course of business, enters into reinsurance arrangements with the reinsurers. Such reinsurance arrangements provide for greater diversification of business, allow the management to control exposure potential losses arising from large risk, and provide additional capacity for growth. All of the reinsurance is affected under treaty, Quota share and Surplus reinsurance contracts. To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent.
- Reputation of particular reinsurance companies.
- Existing or past business relationship with the reinsurer

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15. RISK MANAGEMENT (continued)

15.1 Operational risk (continued)

Market risk

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market commission rates (commission rate risk) and market prices (price risk).

- The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- The Company stipulates diversification benchmarks by type of instrument and geographical area.

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board of Directors gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of losses due to exchange rate fluctuations as the Insurance Operations and Shareholders' Operations primarily deal in Saudi Riyals and in US Dollar. Saudi Riyal which is pegged to the US Dollar.

b) Commission rate risk

Commission rate risk is the risk that the value or future cashflows of a financial instrument will change because of change in market commission rates. Floating rate instruments expose the Company to cashflow interest risk, whereas fixed interest rate instruments expose the Company to fair value commission rate risk.

There is no direct contractual relationship between financial assets and insurance and reinsurance contracts. However, the Company's commission rate risk policy requires it to manage the extent of net commission rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The Company has no significant concentration of commission rate risk.

c) Other price risk

Other price risk is the risk that the fair value or future cashflows of financial instruments or insurance contract assets and / or liabilities will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to price risk arises from its investments in equity securities and mutual funds that invest in equities. Price risk arising from the underlying items of participating contracts is generally borne by contract holders except to the extent of the Company's share of the performance of the underlying items.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial instruments held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

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15. RISK MANAGEMENT (continued)

d) Credit risk (continued)

The Company issues direct participating contracts comprising of investment in mutual funds as underlying items. In unit linked business the plan holder bears the investment risk on the assets held in the unit linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Company has no material credit risk on the unit linked financial assets.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- The Company only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- To minimize its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance counterparties. Accordingly, as a pre-requisite, the parties with whom reinsurance is affected are required to have a minimum acceptable security rating level affirming their financial strength.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

The Company's other financial assets are held with commercial banks and financial institutions with strong financial positions and credit ratings. The Company's policy is to invest in high-quality, liquid (that is, investment-grade) financial instruments. The Company maintains its bank balances, short-term, long term and statutory deposits with banks which have investment grade credit ratings. Investments are made in instruments with either investment grade or satisfactory non-investment grade credit rating.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position:

	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
Cash and cash equivalents	103,721	169,795
Debt instruments held at FVTPL	269,352	242,166
Debt instruments held at amortized cost	572,787	514,123
Due from a related party	5,624	6,182
Other assets	14,396	11,061
Reinsurance contract assets	156,335	164,596
Statutory deposit	66,000	66,000
Accrued income on statutory deposit	5,835	4,524
	1,194,050	1,178,447

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. All of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

15.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets.

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16. CAPITAL MANAGEMENT

As per guidelines laid out by Insurance Authority (IA) in Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law detailing the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Implementing Regulations:

- Minimum Capital Requirement of SAR 300 million
- Premium Solvency Margin
- Claims Solvency Margin

As at 30 June 2025, the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

17. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Managing Director that makes strategic decisions. For management purposes, the activities of Insurance Operations, which are all in the Kingdom of Saudi Arabia, are reported under four business units, as detailed below:

The non-life segment includes medical, motor and general portfolios. The medical portfolio offers comprehensive medical care to the members of organizations and their dependents on a group basis and individuals in a wide network of hospitals and medical centers throughout the Kingdom of Saudi Arabia. The motor portfolio offers Third-Party Liability Vehicle Insurance product, which solely covers the amounts payable to third parties by the insured and a Vehicle comprehensive Insurance product, which covers all losses or damages incurred to the vehicle, including third party liability. The general portfolio offers Fire and property insurance products, Marine insurance products, Engineering insurance products, Other liability insurance contracts, and others.

Individual life segment offers life insurance products on an individual basis, including unit-linked investment-oriented products to individuals.

The unallocated assets and liabilities are not reported to the Chief Operating Decision Maker under related segments and are monitored on a centralized basis.

Group life segment offers life protection programs to the members of organizations on a group basis, and credit protection benefits in respect of personal loan given by financing organization. This segment also includes protection benefits in respect of various credit facilities other than personal loans extended by the financing organizations to its customers.

The unallocated assets and liabilities are not reported to the Chief Operating Decision Maker under related segments and are monitored on a centralized basis.

Operating segments do not include Shareholders' operations of the Company.

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17. OPERATING SEGMENT INFORMATION (continued)

	As at 30 June 2025 (Unaudited)			
	Non-life	Individual life	Group life	Total
	SAR'000			
ASSETS				
Reinsurance contract assets	130,445	2,662	23,228	156,335
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,562,691	--	1,562,691
Total segment assets	130,445	1,565,353	23,228	1,719,026
Unallocated assets				
Cash and cash equivalents				103,708
Investments held at fair value through profit or loss				269,352
Investments held at fair value through other comprehensive income				63,664
Investments held at amortised cost				572,764
Due from a related party				5,624
Prepayments and other assets				18,983
Property and equipment				6,838
Right-of-use-assets				15,480
Intangible assets				6,225
Accrued income on statutory deposit				5,835
Statutory deposit				65,990
Goodwill				232,255
Total assets				<u>3,085,744</u>
LIABILITIES				
Insurance contract liabilities	336,285	1,616,143	59,352	2,011,780
Total segment liabilities	336,285	1,616,143	59,352	2,011,780
Unallocated liabilities				
Accrued expenses and other liabilities				26,587
Dividend payable				19,800
Provision for employee end of service benefits				6,940
Lease liabilities				14,672
Zakat and income tax				21,552
Accrued income on statutory deposit				5,835
TOTAL LIABILITIES				<u>2,107,166</u>
EQUITY				
Share capital				660,000
Share premium				87,286
Statutory reserve				64,503
Retained earnings				104,806
Fair value reserve for investments				61,741
TOTAL SHAREHOLDERS' EQUITY				<u>978,336</u>
Remeasurement reserve of employee end of service benefits - related to insurance operations				242
TOTAL EQUITY				<u>978,578</u>
TOTAL LIABILITIES AND EQUITY				<u>3,085,744</u>

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17. OPERATING SEGMENT INFORMATION (continued)

	As at 31 December 2024 (Audited)			
	Non-life	Individual life	Group life	Total
	SAR'000			
ASSETS				
Reinsurance contract assets	133,906	2,308	28,382	164,596
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,570,520	--	1,570,520
Total segment assets	133,906	1,572,828	28,382	1,735,116
Unallocated assets				
Cash and cash equivalents				169,782
Investments held at fair value through profit or loss				261,801
Investments held at fair value through other comprehensive income				61,155
Investments held at amortised cost				514,100
Due from a related party				6,182
Prepayments and other assets				12,203
Property and equipment				6,610
Right-of-use assets				13,705
Intangible assets				5,051
Accrued income on statutory deposit				4,524
Statutory deposit				65,990
Goodwill				232,255
TOTAL ASSETS				3,088,474
LIABILITIES				
Insurance contract liabilities	326,207	1,609,842	93,689	2,029,738
Total segment liabilities	326,207	1,609,842	93,689	2,029,738
Unallocated liabilities				
Dividend payable				--
Accrued expenses and other liabilities				22,869
Provision for employee end of service benefits				6,534
Lease liabilities				13,728
Zakat and income tax				35,405
Accrued income on statutory deposit				4,524
TOTAL LIABILITIES				2,112,798
EQUITY				
Share capital				660,000
Share premium				87,286
Statutory reserve				64,503
Retained earnings				104,413
Fair value reserve for investments				59,232
TOTAL SHAREHOLDERS' EQUITY				975,434
Remeasurement reserve of employee benefits - related to Insurance Operations				242
TOTAL EQUITY				975,676
TOTAL LIABILITIES AND EQUITY				3,088,474

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17. OPERATING SEGMENT INFORMATION (continued)

For the six-month period ended 30 June 2025 (Unaudited)				
	Non-life SAR'000	Individual life SAR'000	Group life SAR'000	Total SAR'000
Insurance revenue	117,258	19,033	34,605	170,896
Insurance service expenses	(102,078)	(7,418)	(20,070)	(129,566)
Net income expenses from reinsurance contracts held	(14,828)	(3,520)	(3,935)	(22,283)
Insurance service result from Company's directly written business	352	8,095	10,600	19,047
Share of surplus from insurance pools	2,845	--	--	2,845
Total Insurance service result	3,197	8,095	10,600	21,892
Net income on investments held at FVTPL				53,487
Commission income on investments held at amortised cost				10,558
Commission income on short term deposits				923
Net impairment loss on financial assets				--
Net Investment return				64,968
Net finance expense from insurance contracts issued	(3,717)	(48,747)	(637)	(53,101)
Net finance expense from reinsurance contracts held	2,334	91	508	2,933
Net financial results				(50,168)
Other income				106
Other operating expenses				(14,161)
Income for the period attributable to the shareholders before zakat and income tax				22,637
Zakat charge				(2,121)
Income tax				(323)
Net income for the period attributable to the shareholders				20,193
Weighted average number of ordinary shares outstanding (in thousands of shares)				66,000
Earnings per share for the period (SAR / share) (Basic and diluted)				0.31

Details relating to gross written premium ("GWP") for the period ended 30 June 2025 are disclosed below to comply with the requirements of IA.

30 June 2025 (Unaudited) (SAR'000)						
Breakdown of GWP	Property & casualty			Protection & Savings		Total
	Medical	Motor		Individual	Group (Term Life)	
Retail	10,390	30,811	3,491	64,648	--	109,340
Very small	8,664	52	--	--	--	8,716
Small	20,124	3,274	--	--	--	23,398
Medium	17,374	8,617	--	--	--	25,991
Corporate	6,857	1,561	22,975	--	5,562	36,955
Total	63,409	44,315	26,466	64,648	5,562	204,400

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17. OPERATING SEGMENT INFORMATION (continued)

	For the six-month period ended 30 June 2024 (Unaudited)			
	Non-life SAR'000	Individual life SAR'000	Group life SAR'000	Total SAR'000
Insurance revenue	119,412	17,939	36,888	174,239
Insurance service expenses	(218,318)	(7,656)	(22,417)	(248,391)
Net income / (expenses) from reinsurance contracts held	100,519	(3,446)	750	97,823
Insurance service result from Company's directly written business	1,613	6,837	15,221	23,671
Share of surplus from insurance pools	--	--	--	2,686
Total Insurance service result	1,613	6,837	15,221	26,357
Net income on investments held at FVTPL				121,985
Commission income on investments held at amortised cost				8,767
Commission income on short term deposits				1,747
Net impairment loss on financial assets				-
Net Investment return				132,499
Net finance expense from insurance contracts issued	(6,737)	(115,162)	(1,400)	(123,299)
Net finance income / (expense) from reinsurance contracts held	4,576	(29)	1,157	5,704
Net financial results				14,904
Other income				817
Other operating expenses				(15,806)
Income for the period attributable to the shareholders before zakat and income tax				26,272
Zakat				(2,110)
Income tax				(291)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS				23,871
Weighted average number of ordinary shares outstanding (in thousands of shares)				66,000
Earnings per share for the period (SAR / share) (Basic and diluted)				0.36

Details relating to gross written premium for the period ended 30 June 2024 are disclosed below to comply with the requirements of IA.

Breakdown of GWP	30 June 2024 (Unaudited) (SAR'000)					
	Medical	Motor	Property & casualty	Individual	Protection & Savings Group (Term Life)	Total
Retail	--	12,242	15	70,342	--	82,599
Very small	20,786	(65)	--	--	--	20,721
Small	21,220	593	--	--	--	21,813
Medium	13,814	5,617	20,245	--	--	39,676
Corporate	5,308	141	--	--	4,156	9,605
Total	61,128	18,528	20,260	70,342	4,156	174,414

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18. SHARE CAPITAL AND EARNINGS PER SHARE

The authorized, issued and paid-up capital of the Company at 30 June 2025 is SAR 660 million divided into 66 million shares of SAR 10 each (31 December 2024: SAR 660 million divided into 66 million shares of SAR 10 each).

	<u>Percentage of holding</u>		<u>Amount of share capital</u>	
	<u>30 June 2025</u>	<u>31 December 2024</u>	<u>30 June 2025</u>	<u>31 December 2024</u>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	%	%	SAR'000	SAR'000
Founding Shareholders	38.08	38.08	251,310	251,310
General public	61.92	61.92	408,690	408,690
	100.00	100.00	660,000	660,000

The basic and diluted earnings per share is calculated as follows:

	<u>Six-month period ended 30 June 2025</u>	<u>Six-month period ended 30 June 2024</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit for the period attributable to the shareholders (SAR'000)	20,193	23,871
Weighted average number of ordinary shares (in thousands of shares) – Restated	66,000	66,000
Basic and diluted earnings per share	0.31	0.36

18.1 On 17 June 2025, the Company in its Extra Ordinary General Meeting, approved a dividend of SAR 19.8 million (SAR 0.30 per share) payable from 7 July 2025 onwards to the shareholders of the Company.

19. CONTINGENCIES AND COMMITMENTS

The Company is a legal defendant in a case that was filed by a client. The management, supported by legal opinion and related supporting documentation, believes the decision to be in favor of the Company. This matter represents a contingent liability, the outcome of which is dependent on the Arbitrator's decision. Based on the Company's management assessment, the potential outcome is not expected to have a material impact on the financial statements of the Company.

20. SUBSEQUENT EVENTS

Other than those already disclosed in note 13, there have been no significant subsequent events since the period end, that would require disclosures or adjustments in these condensed interim financial statements.

21. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved by the Board of Directors on 31 July 2025 corresponding to 6 Safar 1447H.