

تكاافل الراجحي  
Al Rajhi Takaful



AL RAJHI COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

UN-AUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE & SIX-MONTH PERIOD ENDED

30<sup>th</sup> JUNE 2025

**Un-audited interim condensed financial statements and independent auditors' review report**  
**For the three & six-month period ended 30<sup>th</sup> June 2025**

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

TO THE SHAREHOLDERS OF AL RAJHI COMPANY FOR COOPERATIVE INSURANCE (A SAUDI JOINT STOCK COMPANY)

### INTRODUCTION

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

### SCOPE OF REVIEW

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

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**Dr. Mohamed Al-Amri & Co.**  
P. O. Box 8736  
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Kingdom of Saudi Arabia



**Gihad Al-Amri**  
Certified Public Accountant  
Registration No. 362



Date: 5 August 2025  
Corresponding to: 11 Safar 1447H

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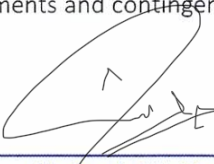

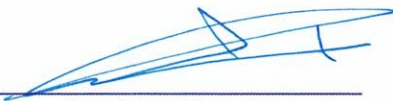


**Abdullah Ahmed Balamesh**  
Certified Public Accountant  
Registration No. 345



**Al Rajhi Company for Cooperative Insurance**  
(A Saudi Joint Stock Company)

**Statement of financial position (SOPF)**  
As at 30<sup>th</sup> June 2025

		30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
		Un-Audited	Audited
	Note	Saudi Riyal (ﷲ) in 000	
<b>Assets</b>			
Cash and bank balances	4	693,365	720,981
Investments measured at fair value through profit or loss	5	1,353,407	1,333,001
Investments measured at fair value through other comprehensive income	5	252,275	254,733
Investments measured at amortized cost, net	5	2,226,833	2,413,516
Investment for unit linked contracts	5	7,979,908	6,289,550
Insurance contract assets	6	-	4
Retakaful / reinsurance contract assets	6	703,975	674,669
Prepayments and other assets		89,185	59,108
Statutory deposit, net	7	99,974	99,974
Accrued income on statutory deposit		5,785	3,357
Right-of-use assets, net	8	33,907	37,485
Intangible assets, net		232,558	165,515
Property and equipment, net		35,163	35,514
<b>Total assets</b>		<b>13,706,335</b>	<b>12,087,407</b>
<b>Liabilities</b>			
Payables, accruals and other liabilities		197,578	116,457
Insurance contract liabilities	6	11,124,431	9,765,345
Retakaful / reinsurance contract liabilities	6	7,802	15,479
Provision for employees' end-of-service benefits		32,740	33,050
Provision for zakat	9	26,185	34,502
Payables to Insurance Authority		5,785	3,357
Lease liabilities		31,482	38,792
<b>Total liabilities</b>		<b>11,426,003</b>	<b>10,006,982</b>
<b>Equity</b>			
Share capital	10	1,000,000	1,000,000
Statutory reserve	11	349,486	349,486
Retained earnings		860,613	658,248
Remeasurement reserve for EOSB		(7,831)	(7,831)
Fair value reserve for FVOCI investments		78,064	80,522
<b>Total equity</b>		<b>2,280,332</b>	<b>2,080,425</b>
<b>Total liabilities and equity</b>		<b>13,706,335</b>	<b>12,087,407</b>
Commitments and contingencies	12	34,126	35,202
<div><div> <b>Nabeel Ali Shoaib</b> Member-Board (BoD)</div><div> <b>Saud Ghonem Bin Ghonem</b> Chief Executive Officer (CEO)</div><div> <b>Ibrahim Alwazir</b> Chief Financial Officer (CFO)</div></div>			

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



**Al Rajhi Company for Cooperative Insurance**  
(A Saudi Joint Stock Company)

**Statement of income (SOI)**

For the three & six-month period ended 30<sup>th</sup> June 2025

	Note	Three-month Period Ended		Six-month Period Ended	
		30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		Saudi Riyal (ﷲ) in 000			
Insurance revenue	6	1,380,212	1,343,174	2,586,118	2,645,888
Insurance service expenses	6	(1,162,618)	(1,166,744)	(2,202,368)	(2,034,752)
Insurance service result before retakaful / reinsurance contracts held		<b>217,594</b>	176,430	<b>383,750</b>	611,136
Allocation of retakaful / reinsurance contributions	6	(128,949)	(300,797)	(224,268)	(571,463)
Amounts recoverable from retakaful / reinsurance for incurred claims	6	41,614	174,235	61,523	123,424
Net (expense) from retakaful / reinsurance contracts held		<b>(87,335)</b>	(126,562)	<b>(162,745)</b>	(448,039)
Insurance service result		<b>130,259</b>	49,868	<b>221,005</b>	163,097
Finance income (expense) from insurance contracts issued	6	257,312	(63,385)	242,946	(191,659)
Finance income from retakaful / reinsurance contracts held	6	7,575	16,780	11,606	19,850
Net insurance finance expenses		<b>264,887</b>	(46,605)	<b>254,552</b>	(171,809)
Net income on financial assets at fair value		4,914	17,608	34,812	28,454
Net income on financial assets at amortised cost and short-term deposits		32,886	44,181	67,992	91,455
Net fair value (loss) / gain of unit-linked investments		(276,576)	43,022	(288,628)	144,353
Net investment income		<b>(238,776)</b>	104,811	<b>(185,824)</b>	264,262
Net insurance and investment result		<b>156,370</b>	108,074	<b>289,733</b>	255,550
Other operating expenses	13	(38,156)	(33,847)	(74,727)	(66,056)
Net income attributable to the shareholders before zakat		<b>118,214</b>	74,227	<b>215,006</b>	189,494
(Provision) / Reversal for zakat	9	(6,646)	15,530	(12,641)	11,639
Net income attributable to the shareholders after zakat		<b>111,568</b>	89,757	<b>202,365</b>	201,133
Earnings per share					
Basic and diluted earning per share (ﷲ)	14	1.12	0.90	2.02	2.01
Weighted average number of shares in issue (in thousands)	14	100,000	100,000	100,000	100,000



**Nabeel Ali Shoaib**  
Member-Board (BoD)



**Saud Ghonem Bin Ghonem**  
Chief Executive Officer (CEO)



**Ibrahim Alwazir**  
Chief Financial Officer (CFO)

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

Al Rajhi Company for Cooperative Insurance  
(A Saudi Joint Stock Company)

Statement of comprehensive income (SOI)  
For the three & six-month period ended 30<sup>th</sup> June 2025

	Three-month Period Ended		Six-month Period Ended	
	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	Saudi Riyal (ﷲ) in 000			
Note				
Net income attributable to the shareholders after zakat	111,568	89,757	202,365	201,133
Other comprehensive income:				
<i>Items that will not be reclassified to statement of income in subsequent periods</i>				
Net changes in fair value of investments measured at FVOCI – equity instruments	1,629	2,852	(2,458)	(5,445)
Re-measurement gain on employees' end-of-service benefits	-	-	-	-
	1,629	2,852	(2,458)	(5,445)
Total comprehensive income for the period	<b>113,197</b>	<b>92,609</b>	<b>199,907</b>	<b>195,688</b>



Nabeel Ali Shoaib  
Member-Board (BoD)



Saud Ghonem Bin Ghonem  
Chief Executive Officer (CEO)




Ibrahim Alwazir  
Chief Financial Officer (CFO)

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

**Al Rajhi Company for Cooperative Insurance**  
(A Saudi Joint Stock Company)

Statement of changes in equity (SOCE)  
For the three & six-month period ended 30<sup>th</sup> June 2025

	Share capital	Statutory reserve	Retained earnings	Fair value reserve for FVOCI investments	Remeasurement reserve for EOSB	Total
Note	Saudi Riyal (ﷲ) in 000					
Balance as at 1 <sup>st</sup> January 2025	1,000,000	349,486	658,248	80,522	(7,831)	2,080,425
<i>Total comprehensive income:</i>						
Net income for the period after zakat	-	-	202,365	-	-	202,365
Net changes in fair value of investments measured at FVOCI – equity instruments	-	-	-	(2,458)	-	(2,458)
Total comprehensive income for the period	-	-	202,365	(2,458)	-	199,907
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at 30 <sup>th</sup> June 2025	1,000,000	349,486	860,613	78,064	(7,831)	2,280,332
Restated balance as at 1 <sup>st</sup> January 2024	1,000,000	283,017	347,632	98,049	(5,912)	1,722,786
<i>Total comprehensive income:</i>						
Net income for the period after zakat	-	-	201,133	-	-	201,133
Transfer from FVOCI portfolio on disposal	-	-	47,425	(47,425)	-	-
Net changes in fair value of investments measured at FVOCI – equity instruments	-	-	-	(5,445)	-	(5,445)
Total comprehensive income for the period	-	-	248,558	(52,870)	-	195,688
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at 30 <sup>th</sup> June 2024 (Un-Audited)	1,000,000	283,017	596,190	45,179	(5,912)	1,918,474

  
Nabeel Ali Shoaib  
Member-Board (BoD)

  
Saud Ghonem Bin Ghonem  
Chief Executive Officer (CEO)

  
Ibrahim Alwazir  
Chief Financial Officer (CFO)

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



**Al Rajhi Company for Cooperative Insurance**  
(A Saudi Joint Stock Company)

**Statement of cash flows (SOCF)**

For the six-month period ended 30<sup>th</sup> June 2025

	Note	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
		Un-Audited	Un-Audited
		Saudi Riyal (ﷲ) in 000	
Net income for the period before zakat		215,006	189,494
<u>Adjustments for non-cash items:</u>			
Amortization of intangible assets		7,759	13,136
Depreciation of property and equipment		8,890	6,689
Depreciation of right-of-use assets	8	3,578	3,597
Finance cost on lease		960	1,134
Accrued income on investments		(57,605)	(48,308)
Provision for end-of-service benefits (EOSB)		3,085	2,830
		<b>181,673</b>	<b>168,572</b>
Changes in operating assets and liabilities:			
Investments measured at FVTPL	5	(20,406)	(414,890)
Investment for unit linked contracts	5	(1,690,358)	(1,806,516)
Insurance contract assets	6	4	115,516
Retakaful / reinsurance contract assets	6	(29,306)	37,432
Prepayments and other assets		(30,077)	76,773
Accrued income on statutory deposit		(2,428)	5,014
Payable, accruals and other liabilities		81,121	100,735
Insurance contract liabilities	6	1,359,086	1,423,103
Retakaful / reinsurance contract liabilities	6	(7,677)	(77,823)
Deposit against guarantees & statutory income	4	1,076	(260)
Payables to Insurance Authority		2,428	1,886
		<b>(154,864)</b>	<b>(370,458)</b>
Zakat paid	9	(20,958)	(9,402)
End-of-service benefits paid (EOSB)		(3,395)	(2,681)
Net cash (used in) operating activities		<b>(179,217)</b>	<b>(382,541)</b>
Cash flows from investing activities			
Purchase of investments designated as FVOCI		-	(49,308)
Disposal of investments designated as FVOCI		-	281,002
Purchase of investments held at amortised cost		-	(111,966)
Disposal of investments held at amortised cost		244,288	19,827
Purchase of intangible assets		(79,205)	(56,535)
Purchase of property and equipment		(4,136)	(5,725)
Net cash from investing activities		<b>160,947</b>	<b>77,295</b>
Cash flows from financing activity			
Lease liability paid		(8,270)	(6,638)
Net cash (used in) financing activity		<b>(8,270)</b>	<b>(6,638)</b>
Net change in cash and cash equivalents		(26,540)	(311,884)
Cash and cash equivalents at the beginning of the period	4	685,779	900,802
Cash and cash equivalents at the end of the period		<b>659,239</b>	<b>588,918</b>
Non-Cash Transactions:			
Addition to right to use assets and lease liabilities		-	2,341
Net change in fair value of investment at FVOCI		(2,458)	(5,445)
Transfer from Intangible assets to property and equipment		4,403	-

Refer to note 20. for comparative period financial statements.

  
Nabeel Ali Shoaib

Member-Board (BoD)

  
Saud Ghonem Bin Ghonem

Chief Executive Officer (CEO)

  
Ibrahim Alwazir

Chief Financial Officer (CFO)

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



**Notes to the interim condensed financial statements**

**For the three & six-month period ended 30<sup>th</sup> June 2025**

**1. General**

Al Rajhi Company for Cooperative Insurance (a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia), "the Company", was formed under Royal Decree No. (M/35) dated 27<sup>th</sup> Jumada al thani 1429, (1<sup>st</sup> January 2008). The Company operates under Commercial Registration no. 1010270371 dated 5<sup>th</sup> Rajab 1430, corresponding to 28<sup>th</sup> June 2009. The registered address of the Company's head office is as follows:

Al Rajhi Company for Cooperative Insurance  
P.O. Box 67791  
Riyadh 11517  
Kingdom of Saudi Arabia

The purpose of the Company is to conduct takaful operations and all related activities including re-takaful / reinsurance and agency activities. Its principal lines of business include motor, medical, protection & savings, marine, fire, engineering and casualty insurance.

On 2<sup>nd</sup> Jumada al thani 1424, corresponding to 31<sup>st</sup> July 2003, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32). On 1<sup>st</sup> Rabi' al-awwal 1425, corresponding to 20<sup>th</sup> April 2004, Insurance Authority (IA), as the principal authority responsible for the application and administration of the Insurance Law and its Insurance Implementing Regulations, granted the Company a license number (TMN/22/200911) to transact insurance activities in the Kingdom of Saudi Arabia.

As a commitment from the Company for its activities to be in compliance with Islamic Shari'a legislations, since its inception, the Company has established a Shari'a Authority to review and approve the activities and the products of the Company.

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

During the year 2023, the Insurance Authority (IA) has been established by a royal decree as the insurance regulator. Previously issued regulations will be upheld until the IA issues updated regulations, all mention of IA in these financial statements to be read in this context. Therefore, the accrued income liability is payable to the IA.

**2. Basis of preparation**

**2.1 Statement of compliance**

The un-audited interim condensed financial statements of the Company, as at and for the three & six-month period ended 30<sup>th</sup> June 2025, 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 pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Company.

The Company has adopted IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the period started 1<sup>st</sup> January 2023, as endorsed in the Kingdom of Saudi Arabia.

The un-audited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited annual financial statements as at 31<sup>st</sup> December 2024.

The Company's statement of financial position is presented in order of liquidity but not using current / non-current classification. However, except for property and equipment, intangible assets, statutory deposit, accrued income on statutory deposit, some components of investments (measured at amortized cost, investments measured at FVOCI, long-term deposits), right of use assets, lease liabilities, end-of-service benefits and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature, unless, stated otherwise.

**Notes to the interim condensed financial statements** *(continued)*

**For the three & six-month period ended 30<sup>th</sup> June 2025**

**2. Basis of preparation** *(continued)*

**2.1 Statement of compliance** *(continued)*

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

The implementing regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations in preparing the Company-level financial statements & in compliance with IFRS, the balances and transactions of the takaful operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the takaful operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

The un-audited interim condensed financial statements may not be considered indicative of the expected results for the full year.

**2.2 Basis of measurement**

These un-audited interim condensed financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments carried at fair value through profit or loss (FVTPL) and investments carried at fair value through other comprehensive income (FVOCI), employees' end of service benefits (EOSB) recorded at the present value using the 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 in accordance with IFRS 17.

**2.3 Functional & presentation currency**

These un-audited interim condensed financial statements are presented in Saudi Arabian Riyals (ﷲ), which is also the functional currency of the Company. Amounts in these financial statements are rounded off to the nearest thousands

**2.4 Fiscal year**

The Company follows a fiscal year ending on 31<sup>st</sup> December.

**2.5 Seasonality of operations**

There are no seasonal changes that may affect the takaful operations of the Company.

**2.6 Critical accounting judgments, estimates and assumptions**

The preparation of the un-audited interim condensed 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 expense. Actual results may differ from these estimates.

**Notes to the interim condensed financial statements** *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

**2. Basis of preparation** *(continued)*

**2.6 Critical accounting judgments, estimates and assumptions** *(continued)*

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited annual financial statements of the Company for the year ended 31<sup>st</sup> December 2024. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Actual results may differ from these estimates and such changes are reflected in the assumptions when they occur.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Following are the accounting judgments and estimates that are critical in preparation of these un-audited interim condensed financial statements:

**i) PAA eligibility assessment**

The Company has applied the Premium Allocation Approach (PAA) only for contracts with a coverage period of 12 months or less. As this policy applies uniformly to all contracts based on their length, assessments to identify material differences between the model outcomes, for contracts where the coverage period was more than one year, have been deemed unnecessary.

The Company assesses materiality at each respective group of contracts level (GoCs) and at an aggregate insurance contract liabilities or retakaful / reinsurance contract assets level using pre-determined quantitative threshold for differences at the GoCs.

**ii) Liability for remaining coverage (LRC)**

**Acquisition cash flows**

For insurance acquisition cash flows (for GoCs under PAA), the Company is eligible whether to recognise insurance acquisition cash flows as an expense when it incurs those costs or to include those cash flows within the liability for remaining coverage (and hence amortise those cash flows over the coverage period).

The Company has opted to recognise an asset for insurance acquisition cash flows paid and amortise those cash flows over the coverage period.

**Significant financing component**

The Company has determined that there is no significant financing component in contracts with a coverage period of one year or less (measured under PAA) and hence, the Company does not discount the LRC to reflect the time value of money and financial risk for such insurance and retakaful / reinsurance contracts. The Company has adjusted the carrying amount of the LRC and ARC to reflect the time value of money and the effect of financial risk using the discount rates, for contracts with a coverage period longer than one year.

**Expected premium receipts adjustment**

Insurance revenue will be adjusted with the amounts of expected premium receipts adjustment calculated on premiums not yet collected as of the date of the statement of financial position. The computation is performed using IFRS 17 "Insurance Contracts" probability of default approach to calculate Expected Credit Loss (ECL) allowance. The corresponding impact of this adjustment is recorded in the LRC.

**Notes to the interim condensed financial statements** *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

**2. Basis of preparation** *(continued)*

**2.6 Critical accounting judgments, estimates and assumptions** *(continued)*

**iii) Liability for incurred claims (LIC)**

The ultimate cost of incurred claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the best estimate ultimate cost of claims. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. These are projected using a combination of chain ladder technique and as a proportion of the corresponding claims.

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

**iv) Onerosity determination**

For contracts measured under GMM and VFA, a group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense.

For contracts measured under PAA, the Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Company also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratios. This input is most relevant for the Medical, Motor and P&C insurance portfolio;
- Historical combined ratio of similar and comparable sets of contracts for Medical, Motor and Property & Casualty (P&C) portfolios in particular;
- Any relevant inputs from underwriters;
- Other external factors such as inflation and change in market claims experience or change in regulations; and
- For subsequent measurement, the Company also relies on the same group of contracts' weighted actual emerging experience.

Based on above assessment, certain Group of contracts have been identified as onerous.



**Notes to the interim condensed financial statements** *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

**2. Basis of preparation** *(continued)*

**2.6 Critical accounting judgments, estimates and assumptions** *(continued)*

**v) Expense attribution**

The Company identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling/maintaining (other attributable expenses) and other expenses which are not directly attributable to such contracts (non-attributable expenses). Acquisition costs, such as underwriting costs, are no longer recognised in the statement of income (SOI) when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts (GoC) using an allocation mechanism considering the activity-based costing principles. The Company has determined costs directly identified to the groups of contracts, as well as costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses and overheads are recognized in the statement of income immediately when incurred. The proportion of directly attributable and non-attributable costs at inception will change the pattern at which expenses are recognized.

**vi) Estimates of future cash flows**

The Company primarily uses deterministic projections to estimate the present value of future cash flows (PVFCF) and for some groups, it uses stochastic modelling techniques.

A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

The following assumptions were used when estimating future cash flows:

- **Mortality and morbidity rates**

Assumptions are based on AM 80 for Individual Life business and reinsurance rates for group life business. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender. An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Company.

"AM 80" typically refers to the 1980 Commissioners Standard Ordinary (CSO) Mortality Table, which is a standard mortality table used in life insurance for individual life business. It provides a set of mortality rates that reflect the likelihood of death for individuals at various ages.

- **Expenses**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Company. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. (Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics).

**Notes to the interim condensed financial statements (continued)**

For the three & six-month period ended 30<sup>th</sup> June 2025

**2. Basis of preparation (continued)**

**2.6 Critical accounting judgments, estimates and assumptions (continued)**

**vi) Estimates of future cash flows (continued)**

• **Lapse and surrender rates**

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits of the Company, but later increases are broadly neutral in effect.

The assumptions that have the greatest effect on the expected cash flows are listed below. The table sets out the percentage assumed to apply to industry mortality and morbidity tables in estimating fulfilment cash flows:

**Portfolio assumptions by type of business impacting net liabilities**

	Mortality and morbidity rates		Lapse and surrender rates	
	2025	2024	2025	2024
Life insurance contracts issued				
• Males	100.00%	100.00%	100.00%	100.00%
• Females	100.00%	100.00%	100.00%	100.00%

**vii) Discount rates**

A bottom-up approach was applied in the determination of the discount rates for different products. Under this approach, the discount rate, in the absence of a KSA-specific yield curve for the region, the European Insurance and Occupational Pensions Authority (EIOPA) USD risk-free rates, adjusted with the Country Risk Rate for the Kingdom of Saudi Arabia are used. This is consistent with the approach taken in the market. The country default spread is calculated using Moody's local currency sovereign rating (or S&P equivalent). This is then adjusted for the additional volatility of the equity market. To achieve this, the country default spread is multiplied by the relative equity market volatility for the Kingdom of Saudi Arabia (calculated by dividing the standard deviation in country equity market by the standard deviation in country bond). This is the Country Risk Premium which is added to the EIOPA risk free rates.

The additional volatility of the equity market mentioned above is used as a proxy for the illiquidity premium. Therefore, no additional illiquidity premium is explicitly added on top of the country risk premium. The country risk premiums is periodically updated, and the latest published figures are used.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

	Insurance contracts issued		Reinsurance contracts held	
	Life	Non-life	Life	Non-life
1 year	4.67%	4.67%	4.67%	4.67%
5 years	4.23%	4.23%	4.23%	4.23%
10 years	4.52%	4.52%	4.52%	4.52%
20 years	4.84%	4.84%	4.84%	4.84%
30 years	4.72%	4.72%	4.72%	4.72%

**Notes to the interim condensed financial statements** *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

**2. Basis of preparation** *(continued)*

**2.6 Critical accounting judgments, estimates and assumptions** *(continued)*

**viii) Risk adjustment for non-financial risk**

Risk adjustment reflects the compensation that is required for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Mack and Bootstrap methods, being stochastic methods were preferred over Solvency II factors where-ever possible. The large volume of data that was available that allowed fitting a lognormal distribution on reserve estimates using paid triangles. Therefore, for all lines except for Life portfolio, Mack method provided reasonable results and was adopted.

For the Life portfolio, the stochastic methods exhibited very high volatility in results due to reasons not associated with the timing and amount of risk of the claims. Therefore, the reserve risk factors from Solvency II (SII) were used.

All the reserve risk factors on the 99.5<sup>th</sup> percentile were combined and the SII correlation matrix was used to calculate the post-diversification risk adjustment at the entity level. This total risk adjustment was brought down to the selected percentile and allocated back to the individual lines based on the pre-diversification risk adjustment amounts. The Company decided to adopt the 80<sup>th</sup> percentile risk adjustment figures based on their risk appetite. The risk adjustment percentages will be re-computed at each valuation period based on the updated data and the amount of claim reserves.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses (IFIE).

**ix) Amortization of the contractual service margin (CSM)**

Under the GMM / VFA approach, the CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognize as it provides services in the future. The amount of the CSM for a group of insurance contracts is recognized in the statement of income as insurance revenue in each period to reflect the services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognizing any amounts in the statement of income to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognizing in the statement of income the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which the Company determines by considering the quantity of the benefits provided and the expected coverage duration. For groups of life insurance contracts, the coverage units are proportional to the fund value. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses, and cancellation of contracts in the period. The Company then allocates them based on the probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

**Notes to the interim condensed financial statements** *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

**2. Basis of preparation** *(continued)*

**2.6 Critical accounting judgments, estimates and assumptions** *(continued)*

**x) Impairment losses on financial assets**

The measurement of impairment losses under IFRS 9 "Financial Instruments" across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modeled ECL (Expected Credit Loss) scenarios, and the relevant inputs used.

**xi) Fair values**

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

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

The fair value of financial assets is based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flow using commission for items with similar terms and risk characteristics

For financial assets where there is no active market, fair value is determined by reference to the market value of a similar financial assets or where the fair values cannot be derived from active market, they are determined using a variety of valuation techniques. The inputs of this models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

**Determination of fair value and fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: financial instruments with quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;
- Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3: valuation techniques for which any significant input is not based on observable market data.

**xii) Going concern**

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.



**Notes to the interim condensed financial statements** *(continued)*For the three & six-month period ended 30<sup>th</sup> June 2025**2. Basis of preparation** *(continued)***2.7 Standards, interpretations and amendments to the accounting and reporting standards which are effective in the current reporting period**

The following standards, amendments, and interpretations are effective from the reporting period beginning on or after 1<sup>st</sup> January 2025. These standards, interpretations, and amendments are either not relevant to the Company's operations or are not expected to have a significant impact on the Company's financial statements.

Standards, amendments and interpretations	Effective from annual period beginning on or after:
<ul style="list-style-type: none"> <li>Amendments to IAS 21 – Lack of Exchangeability</li> </ul>	1 <sup>st</sup> January 2025

**2.8 New accounting standards/amendments and IFRS interpretations that are not yet effective**

The following new accounting standards, interpretations & amendments have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods that the Company has decided not to adopt early.

Standards, amendments and interpretations	Effective from annual period beginning on or after:
<ul style="list-style-type: none"> <li>Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</li> </ul>	Available for optional adoption / effective date deferred indefinitely
<ul style="list-style-type: none"> <li>Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures</li> </ul>	1 <sup>st</sup> January 2026
<ul style="list-style-type: none"> <li>The new standard, IFRS 18 - Presentation and Disclosure in Financial Statements (replacing IAS 1 Presentation of Financial Statements)</li> </ul>	1 <sup>st</sup> January 2027
<ul style="list-style-type: none"> <li>IFRS 19 — Subsidiaries without Public Accountability: Disclosures</li> </ul>	1 <sup>st</sup> January 2027

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any standard issued by IASB that are yet to be effective, to have a material impact on the Company.

**3. Material accounting policy information**

The accounting policies adopted in the preparation of this un-audited interim condensed financial information are consistent with those applied to the audited annual financial statements of the Company for the year ended 31<sup>st</sup> December 2024.

## Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

### Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

#### 4. Cash and bank balances

Cash and bank balances comprise the following:

		30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
		Un-Audited	Audited
Note		Saudi Riyal (ﷲ) in 000	
Cash and bank balances	4.1	598,573	685,779
Cash balance with Al Rajhi Capital		60,666	-
Cash and bank balances - total cash and cash equivalents in the statement of cash flows		659,239	685,779
Total cash and cash equivalents	4.1	659,239	685,779
Deposits against letters of guarantee	12.1	34,126	35,202
Cash and bank balances		693,365	720,981

4.1 Bank balances and short-term deposits are placed with counterparties with sound credit ratings of A+ to BB under Standard and Poor's/Fitch and A1 to Ba2 under Moody's rating methodology.

4.2 The deposits are held with banks and financial institutions registered with the Capital Market Authority in the Kingdom of Saudi Arabia (KSA). These deposits are predominately in mudaraba structures and denominated in Saudi riyals and have an original maturity of less than three months.

#### 5. Investments

Investments are classified as follows:

	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000	
	Total	Total
- Mutual funds	316,446	305,391
- Equities	243,210	290,991
- Sukuk	778,932	730,379
- Accrued investment income	14,819	6,240
Investments measured at FVTPL	1,353,407	1,333,001
- Listed equity securities	188,643	193,609
- Unlisted equity securities	63,632	61,124
Investments measured at FVOCI	252,275	254,733
- Murabaha deposits	1,148,634	1,309,513
- Sukuk	1,020,594	1,047,953
- Accrued investment income	57,605	56,050
Investment measured at amortized cost (AC)	2,226,833	2,413,516
- Growth Fund	7,532,104	5,909,684
- Balanced Fund	293,993	256,343
- Conservative Fund	153,811	123,523
Investment for unit linked contracts	7,979,908	6,289,550
Total investments	11,812,423	10,290,800

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

6. Insurance and retakaful / reinsurance contracts

The breakdown of the Company's insurance contracts issued, and retakaful / reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

			30 <sup>th</sup> June 2025		31 <sup>st</sup> December 2024	
			Un-Audited		Audited	
	Note	Valuation Approach	Assets	Liabilities	Assets	Liabilities
Saudi Riyal (ﷲ) in 000						
Insurance contract assets & liabilities						
Motor	6.1.1(a)	PAA	-	1,537,505	-	1,930,150
Medical / Health	6.1.1(b)	PAA	-	787,425	-	706,029
Property & casualty	6.1.1(c)	PAA	-	540,323	-	577,697
Protection & savings	6.1.1(d)	PAA	-	217,813	-	96,680
Total – PAA	6.1.1		-	3,083,066	-	3,310,556
Property & casualty	6.1.2(a)	GMM	-	217,272	-	235,046
Protection & savings	6.1.2(b)	GMM	-	49	4	-
Total – GMM	6.1.2		-	217,321	4	235,046
Protection & savings	6.1.2(b)	VFA	-	7,824,044	-	6,219,743
Total – VFA	6.1.2		-	7,824,044	-	6,219,743
			-	11,124,431	4	9,765,345
Retakaful / reinsurance contract assets & liabilities						
Motor	6.2.1(a)	GMM	8,699	-	18,186	-
Medical / Health	6.2.1(b)	-	-	-	-	-
Property & casualty	6.2.1(c)	GMM	556,517	7,802	550,183	15,479
Protection & savings	6.2.1(d)	GMM	138,759	-	106,300	-
Total – GMM	6.2.1		703,975	7,802	674,669	15,479

# Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts *(continued)*

### 6.1 Movements in insurance contract balances

#### 6.1.1 Insurance contracts measured under PAA

Total PAA	30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
	Un-Audited					Audited				
	LRC		LIC		Total	LRC		LIC		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
	Saudi Riyal (ﷲ) in 000									
Opening insurance contract liabilities	872,028	51,190	2,201,928	185,410	3,310,556	1,193,307	48,823	1,859,100	177,752	3,278,982
Opening insurance contract assets	-	-	-	-	-	(174,213)	-	-	-	(174,213)
Net balance as at 1 <sup>st</sup> January	872,028	51,190	2,201,928	185,410	3,310,556	1,019,094	48,823	1,859,100	177,752	3,104,769
Insurance revenue	(2,337,547)	-	-	-	(2,337,547)	(4,915,553)	-	-	-	(4,915,553)
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	(39,411)	2,076,334	71,047	2,107,970	-	(48,015)	4,199,458	98,250	4,249,693
Changes relating to liabilities for incurred claims	-	-	(168,291)	(61,200)	(229,491)	-	-	(111,829)	(102,026)	(213,855)
Losses / (loss reversals) on onerous contracts	-	54,595	-	-	54,595	-	50,382	-	-	50,382
Insurance acquisition costs incurred	239,412	-	-	-	239,412	456,822	-	-	-	456,822
Surplus distribution to policyholders	-	-	6,271	-	6,271	-	-	21,859	-	21,859
	239,412	15,184	1,914,314	9,847	2,178,757	456,822	2,367	4,109,488	(3,776)	4,564,901
Insurance service result	(2,098,135)	15,184	1,914,314	9,847	(158,790)	(4,458,731)	2,367	4,109,488	(3,776)	(350,652)
Finance expenses from insurance contracts issued	-	-	37,206	4,299	41,505	-	-	54,237	11,434	65,671
Total amounts recognised in statement of income	(2,098,135)	15,184	1,951,520	14,146	(117,285)	(4,458,731)	2,367	4,163,725	7,658	(284,981)
Investment components	-	-	-	-	-	-	-	-	-	-
Cash flows										
Premiums received	1,848,378	-	-	-	1,848,378	4,838,028	-	-	-	4,838,028
Claims and other directly attributable expenses paid	-	-	(1,657,780)	-	(1,657,780)	-	-	(3,820,897)	-	(3,820,897)
Insurance acquisition cash flows	(300,803)	-	-	-	(300,803)	(526,363)	-	-	-	(526,363)
	1,547,575	-	(1,657,780)	-	(110,205)	4,311,665	-	(3,820,897)	-	490,768
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	321,468	66,374	2,495,668	199,556	3,083,066	872,028	51,190	2,201,928	185,410	3,310,556
Closing insurance contract liabilities	321,468	66,374	2,495,668	199,556	3,083,066	872,028	51,190	2,201,928	185,410	3,310,556
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	321,468	66,374	2,495,668	199,556	3,083,066	872,028	51,190	2,201,928	185,410	3,310,556



# Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.1 Insurance contracts measured under PAA (continued)

a) Motor		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening insurance contract liabilities		732,161	15,398	1,104,733	77,858	1,930,150	1,124,749	-	1,000,677	91,278	2,216,704
Opening insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 1 <sup>st</sup> January		732,161	15,398	1,104,733	77,858	1,930,150	1,124,749	-	1,000,677	91,278	2,216,704
Insurance revenue		(1,152,696)	-	-	-	(1,152,696)	(2,667,065)	-	-	-	(2,667,065)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	(11,583)	1,028,698	25,339	1,042,454	-	-	2,302,632	39,199	2,341,831
Changes relating to liabilities for incurred claims		-	-	(141,468)	(37,476)	(178,944)	-	-	(251,964)	(58,502)	(310,466)
Losses / (loss reversals) on onerous contracts		-	16,412	-	-	16,412	-	15,398	-	-	15,398
Insurance acquisition costs incurred		166,893	-	-	-	166,893	313,034	-	-	-	313,034
Surplus distribution to policyholders		-	-	3,562	-	3,562	-	-	17,889	-	17,889
		166,893	4,829	890,792	(12,137)	1,050,377	313,034	15,398	2,068,557	(19,303)	2,377,686
Insurance service result		(985,803)	4,829	890,792	(12,137)	(102,319)	(2,354,031)	15,398	2,068,557	(19,303)	(289,379)
Finance expenses from insurance contracts issued		-	-	22,411	2,027	24,438	-	-	37,725	5,883	43,608
Total amounts recognised in statement of income		(985,803)	4,829	913,203	(10,110)	(77,881)	(2,354,031)	15,398	2,106,282	(13,420)	(245,771)
Investment components		-	-	-	-	-	-	-	-	-	-
Cash flows											
Premiums received		905,213	-	-	-	905,213	2,255,362	-	-	-	2,255,362
Claims and other directly attributable expenses paid		-	-	(999,610)	-	(999,610)	-	-	(2,002,226)	-	(2,002,226)
Insurance acquisition cash flows		(220,367)	-	-	-	(220,367)	(293,919)	-	-	-	(293,919)
		684,846	-	(999,610)	-	(314,764)	1,961,443	-	(2,002,226)	-	(40,783)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		431,204	20,227	1,018,326	67,748	1,537,505	732,161	15,398	1,104,733	77,858	1,930,150
Closing insurance contract liabilities		431,204	20,227	1,018,326	67,748	1,537,505	732,161	15,398	1,104,733	77,858	1,930,150
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		431,204	20,227	1,018,326	67,748	1,537,505	732,161	15,398	1,104,733	77,858	1,930,150

# Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.1 Insurance contracts measured under PAA (continued)

		30 <sup>th</sup> June 2025				31 <sup>st</sup> December 2024					
		Un-Audited				Audited					
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
		Saudi Riyal (ﷲ) in 000				Saudi Riyal ( ﷲ) in 000					
Opening insurance contract liabilities		54,885	35,792	563,468	51,884	706,029	29,616	48,823	381,540	35,856	495,835
Opening insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 1 <sup>st</sup> January		54,885	35,792	563,468	51,884	706,029	29,616	48,823	381,540	35,856	495,835
Insurance revenue		(785,375)	-	-	-	(785,375)	(1,491,856)	-	-	-	(1,491,856)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	(27,828)	780,320	26,073	778,565	-	(48,015)	1,585,888	43,146	1,581,019
Changes relating to liabilities for incurred claims		-	-	(30,947)	(22,203)	(53,150)	-	-	75,403	(29,431)	45,972
Losses / (loss reversals) on onerous contracts		-	38,183	-	-	38,183	-	34,984	-	-	34,984
Insurance acquisition costs incurred		61,901	-	-	-	61,901	95,285	-	-	-	95,285
Surplus distribution to policyholders		-	-	-	-	-	-	-	-	-	-
		61,901	10,355	749,373	3,870	825,499	95,285	(13,031)	1,661,291	13,715	1,757,260
Insurance service result		(723,474)	10,355	749,373	3,870	40,124	(1,396,571)	(13,031)	1,661,291	13,715	265,404
Finance expenses from insurance contracts issued		-	-	6,033	1,042	7,075	-	-	8,543	2,313	10,856
Total amounts recognised in statement of income		(723,474)	10,355	755,406	4,912	47,199	(1,396,571)	(13,031)	1,669,834	16,028	276,260
Investment components		-	-	-	-	-	-	-	-	-	-
Cash flows											
Premiums received		645,256	-	-	-	645,256	1,554,221	-	-	-	1,554,221
Claims and other directly attributable expenses paid		-	-	(561,724)	-	(561,724)	-	-	(1,487,906)	-	(1,487,906)
Insurance acquisition cash flows		(49,335)	-	-	-	(49,335)	(132,381)	-	-	-	(132,381)
		595,921	-	(561,724)	-	34,197	1,421,840	-	(1,487,906)	-	(66,066)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(72,668)	46,147	757,150	56,796	787,425	54,885	35,792	563,468	51,884	706,029
Closing insurance contract liabilities		(72,668)	46,147	757,150	56,796	787,425	54,885	35,792	563,468	51,884	706,029
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(72,668)	46,147	757,150	56,796	787,425	54,885	35,792	563,468	51,884	706,029

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For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.1 Insurance contracts measured under PAA (continued)

c) Property & casualty		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening insurance contract liabilities		86,975	-	443,418	47,304	577,697	595	-	395,485	43,851	439,931
Opening insurance contract assets		-	-	-	-	-	(174,213)	-	-	-	(174,213)
Net balance as at 1 <sup>st</sup> January		86,975	-	443,418	47,304	577,697	(173,618)	-	395,485	43,851	265,718
Insurance revenue		(173,925)	-	-	-	(173,925)	(593,043)	-	-	-	(593,043)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	-	35,956	2,189	38,145	-	-	158,680	10,472	169,152
Changes relating to liabilities for incurred claims		-	-	32,193	2,908	35,101	-	-	100,296	(9,830)	90,466
Losses / (loss reversals) on onerous contracts		-	-	-	-	-	-	-	-	-	-
Insurance acquisition costs incurred		8,697	-	-	-	8,697	19,427	-	-	-	19,427
Surplus distribution to policyholders		-	-	1,404	-	1,404	-	-	2,485	-	2,485
		8,697	-	69,553	5,097	83,347	19,427	-	261,461	642	281,530
Insurance service result		(165,228)	-	69,553	5,097	(90,578)	(573,616)	-	261,461	642	(311,513)
Finance expenses from insurance contracts issued		-	-	7,929	1,080	9,009	-	-	7,284	2,811	10,095
Total amounts recognised in statement of income		(165,228)	-	77,482	6,177	(81,569)	(573,616)	-	268,745	3,453	(301,418)
Investment components		-	-	-	-	-	-	-	-	-	-
Cash flows											
Premiums received		89,055	-	-	-	89,055	841,305	-	-	-	841,305
Claims and other directly attributable expenses paid		-	-	(28,034)	-	(28,034)	-	-	(220,812)	-	(220,812)
Insurance acquisition cash flows		(16,826)	-	-	-	(16,826)	(7,096)	-	-	-	(7,096)
		72,229	-	(28,034)	-	44,195	834,209	-	(220,812)	-	613,397
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(6,024)	-	492,866	53,481	540,323	86,975	-	443,418	47,304	577,697
Closing insurance contract liabilities		(6,024)	-	492,866	53,481	540,323	86,975	-	443,418	47,304	577,697
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(6,024)	-	492,866	53,481	540,323	86,975	-	443,418	47,304	577,697

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For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.1 Insurance contracts measured under PAA (continued)

d) Protection & savings		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024												
		Un-Audited					Audited												
		LRC		LIC		Total	LRC		LIC		Total								
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks									
Saudi Riyal (ﷲ) in 000										Saudi Riyal (ﷲ) in 000									
Opening insurance contract liabilities		(1,993)	-	90,309	8,364	96,680	38,347	-	81,398	6,767	126,512								
Opening insurance contract assets		-	-	-	-	-	-	-	-	-	-								
Net balance as at 1 <sup>st</sup> January		(1,993)	-	90,309	8,364	96,680	38,347	-	81,398	6,767	126,512								
Insurance revenue		(225,551)	-	-	-	(225,551)	(163,589)	-	-	-	(163,589)								
Insurance service expenses																			
Incurred claims and other directly attributable expenses		-	-	231,360	17,446	248,806	-	-	152,258	5,433	157,691								
Changes relating to liabilities for incurred claims		-	-	(28,069)	(4,429)	(32,498)	-	-	(35,564)	(4,263)	(39,827)								
Losses / (loss reversals) on onerous contracts		-	-	-	-	-	-	-	-	-	-								
Insurance acquisition costs incurred		1,921	-	-	-	1,921	29,076	-	-	-	29,076								
Surplus distribution to policyholders		-	-	1,305	-	1,305	-	-	1,485	-	1,485								
		1,921	-	204,596	13,017	219,534	29,076	-	118,179	1,170	148,425								
Insurance service result		(223,630)	-	204,596	13,017	(6,017)	(134,513)	-	118,179	1,170	(15,164)								
Finance expenses from insurance contracts issued		-	-	833	150	983	-	-	685	427	1,112								
Total amounts recognised in statement of income		(223,630)	-	205,429	13,167	(5,034)	(134,513)	-	118,864	1,597	(14,052)								
Investment components		-	-	-	-	-	-	-	-	-	-								
Cash flows																			
Premiums received		208,854	-	-	-	208,854	187,140	-	-	-	187,140								
Claims and other directly attributable expenses paid		-	-	(68,412)	-	(68,412)	-	-	(109,953)	-	(109,953)								
Insurance acquisition cash flows		(14,275)	-	-	-	(14,275)	(92,967)	-	-	-	(92,967)								
		194,579	-	(68,412)	-	126,167	94,173	-	(109,953)	-	(15,780)								
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(31,044)	-	227,326	21,531	217,813	(1,993)	-	90,309	8,364	96,680								
Closing insurance contract liabilities		(31,044)	-	227,326	21,531	217,813	(1,993)	-	90,309	8,364	96,680								
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-								
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(31,044)	-	227,326	21,531	217,813	(1,993)	-	90,309	8,364	96,680								



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## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.2 Insurance contracts measured under GMM & VFA

Total GMM & VFA	30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
	Un-Audited					Audited				
	LRC		LIC		Total	LRC		LIC		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal ( ﷲ ) in 000					Saudi Riyal ( ﷲ ) in 000					
Opening insurance contract liabilities	6,285,396	1,215	151,351	16,827	6,454,789	1,244,478	808	121,356	14,506	1,381,148
Opening insurance contract assets	(62)	58	-	-	(4)	(29)	-	-	-	(29)
Net balance as at 1 <sup>st</sup> January	6,285,334	1,273	151,351	16,827	6,454,785	1,244,449	808	121,356	14,506	1,381,119
Insurance revenue	(248,569)	-	-	-	(248,569)	(475,906)	-	-	-	(475,906)
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	(277)	12,870	333	12,926	-	(280)	33,950	741	34,411
Changes relating to liabilities for incurred claims	-	-	(6,152)	(855)	(7,007)	-	-	26,385	614	26,999
Losses / (loss reversals) on onerous contracts	-	5,038	-	-	5,038	-	740	-	-	740
Insurance acquisition costs incurred	13,943	-	-	-	13,943	36,286	-	-	-	36,286
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
	13,943	4,761	6,718	(522)	24,900	36,286	460	60,335	1,355	98,436
Insurance service result	(234,626)	4,761	6,718	(522)	(223,669)	(439,620)	460	60,335	1,355	(377,470)
Finance expenses from insurance contracts issued	(286,449)	1	1,684	313	(284,451)	357,203	5	3,092	966	361,266
Total amounts recognised in statement of income	(521,075)	4,762	8,402	(209)	(508,120)	(82,417)	465	63,427	2,321	(16,204)
Investment components	(768,599)	-	768,599	-	-	(612,872)	-	612,872	-	-
Cash flows										
Premiums received	3,022,137	-	-	-	3,022,137	6,164,290	-	-	-	6,164,290
Claims and other directly attributable expenses paid	-	-	(779,329)	-	(779,329)	-	-	(646,304)	-	(646,304)
Insurance acquisition cash flows	(148,108)	-	-	-	(148,108)	(428,116)	-	-	-	(428,116)
	2,874,029	-	(779,329)	-	2,094,700	5,736,174	-	(646,304)	-	5,089,870
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	7,869,689	6,035	149,023	16,618	8,041,365	6,285,334	1,273	151,351	16,827	6,454,785
Closing insurance contract liabilities	7,869,689	6,035	149,023	16,618	8,041,365	6,285,396	1,215	151,351	16,827	6,454,789
Closing insurance contract assets	-	-	-	-	-	(62)	58	-	-	(4)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	7,869,689	6,035	149,023	16,618	8,041,365	6,285,334	1,273	151,351	16,827	6,454,785

# Al Rajhi Company for Cooperative Insurance

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Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.2 Insurance contracts measured under GMM & VFA (continued)

a) Property & casualty		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening insurance contract liabilities		66,868	-	151,351	16,827	235,046	93,248	213	121,356	14,506	229,323
Opening insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 1 <sup>st</sup> January		66,868	-	151,351	16,827	235,046	93,248	213	121,356	14,506	229,323
Insurance revenue		(91,487)	-	-	-	(91,487)	(307,684)	-	-	-	(307,684)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	-	4,009	333	4,342	-	(217)	12,409	741	12,933
Changes relating to liabilities for incurred claims		-	-	(6,152)	(855)	(7,007)	-	-	26,385	614	26,999
Losses / (loss reversals) on onerous contracts		-	-	-	-	-	-	-	-	-	-
Insurance acquisition costs incurred		4,464	-	-	-	4,464	9,351	-	-	-	9,351
Surrenders and maturities		-	-	-	-	-	-	-	-	-	-
		4,464	-	(2,143)	(522)	1,799	9,351	(217)	38,794	1,355	49,283
Insurance service result		(87,023)	-	(2,143)	(522)	(89,688)	(298,333)	(217)	38,794	1,355	(258,401)
Finance expenses from insurance contracts issued		2,190	-	1,684	313	4,187	4,490	4	3,092	966	8,552
Total amounts recognised in statement of income		(84,833)	-	(459)	(209)	(85,501)	(293,843)	(213)	41,886	2,321	(249,849)
Investment components		-	-	-	-	-	-	-	-	-	-
Cash flows											
Premiums received		73,666	-	-	-	73,666	277,679	-	-	-	277,679
Claims and other directly attributable expenses paid		-	-	(1,869)	-	(1,869)	-	-	(11,891)	-	(11,891)
Insurance acquisition cash flows		(4,070)	-	-	-	(4,070)	(10,216)	-	-	-	(10,216)
		69,596	-	(1,869)	-	67,727	267,463	-	(11,891)	-	255,572
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		51,631	-	149,023	16,618	217,272	66,868	-	151,351	16,827	235,046
Closing insurance contract liabilities		51,631	-	149,023	16,618	217,272	66,868	-	151,351	16,827	235,046
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		51,631	-	149,023	16,618	217,272	66,868	-	151,351	16,827	235,046

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## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.2 Insurance contracts measured under GMM & VFA (continued)

b) Protection & savings		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening insurance contract liabilities		6,218,528	1,215	-	-	6,219,743	1,151,230	595	-	-	1,151,825
Opening insurance contract assets		(62)	58	-	-	(4)	(29)	-	-	-	(29)
Net balance as at 1 <sup>st</sup> January		6,218,466	1,273	-	-	6,219,739	1,151,201	595	-	-	1,151,796
Insurance revenue		(157,082)	-	-	-	(157,082)	(168,222)	-	-	-	(168,222)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	(277)	8,861	-	8,584	-	(63)	21,541	-	21,478
Changes relating to liabilities for incurred claims		-	-	-	-	-	-	-	-	-	-
Losses / (loss reversals) on onerous contracts		-	5,038	-	-	5,038	-	740	-	-	740
Insurance acquisition costs incurred		9,479	-	-	-	9,479	26,935	-	-	-	26,935
Surrenders and maturities		-	-	-	-	-	-	-	-	-	-
		9,479	4,761	8,861	-	23,101	26,935	677	21,541	-	49,153
Insurance service result		(147,603)	4,761	8,861	-	(133,981)	(141,287)	677	21,541	-	(119,069)
Finance expenses from insurance contracts issued		(288,639)	1	-	-	(288,638)	352,713	1	-	-	352,714
Total amounts recognised in statement of income		(436,242)	4,762	8,861	-	(422,619)	211,426	678	21,541	-	233,645
Investment components		(768,599)	-	768,599	-	-	(612,872)	-	612,872	-	-
Cash flows											
Premiums received		2,948,471	-	-	-	2,948,471	5,886,611	-	-	-	5,886,611
Claims and other directly attributable expenses paid		-	-	(777,460)	-	(777,460)	-	-	(634,413)	-	(634,413)
Insurance acquisition cash flows		(144,038)	-	-	-	(144,038)	(417,900)	-	-	-	(417,900)
		2,804,433	-	(777,460)	-	2,026,973	5,468,711	-	(634,413)	-	4,834,298
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		7,818,058	6,035	-	-	7,824,093	6,218,466	1,273	-	-	6,219,739
Closing insurance contract liabilities		7,818,058	6,035	-	-	7,824,093	6,218,528	1,215	-	-	6,219,743
Closing insurance contract assets		-	-	-	-	-	(62)	58	-	-	(4)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		7,818,058	6,035	-	-	7,824,093	6,218,466	1,273	-	-	6,219,739

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## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.2 Insurance contracts measured under GMM (continued)

c) Protection & savings		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening insurance contract liabilities		-	-	-	-	-	-	33	-	-	33
Opening insurance contract assets		(62)	58	-	-	(4)	(29)	-	-	-	(29)
Net balance as at 1 <sup>st</sup> January		(62)	58	-	-	(4)	(29)	33	-	-	4
Insurance revenue		(4)	-	-	-	(4)	(34)	-	-	-	(34)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	-	-	-	-	-	-	9	-	9
Changes relating to liabilities for incurred claims		-	-	-	-	-	-	-	-	-	-
Losses / (loss reversals) on onerous contracts		-	67	-	-	67	-	24	-	-	24
Insurance acquisition costs incurred		-	-	-	-	-	-	-	-	-	-
Surrenders and maturities		-	-	-	-	-	-	-	-	-	-
		-	67	-	-	67	-	24	9	-	33
Insurance service result		(4)	67	-	-	63	(34)	24	9	-	(1)
Finance expenses from insurance contracts issued		(11)	1	-	-	(10)	1	1	-	-	2
Total amounts recognised in statement of income		(15)	68	-	-	53	(33)	25	9	-	1
Investment components		-	-	-	-	-	-	-	-	-	-
Cash flows											
Premiums received		-	-	-	-	-	1	-	-	-	1
Claims and other directly attributable expenses paid		-	-	-	-	-	-	-	(9)	-	(9)
Insurance acquisition cash flows		-	-	-	-	-	(1)	-	-	-	(1)
		-	-	-	-	-	-	-	(9)	-	(9)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(77)	126	-	-	49	(62)	58	-	-	(4)
Closing insurance contract liabilities		(77)	126	-	-	49	-	-	-	-	-
Closing insurance contract assets		-	-	-	-	-	(62)	58	-	-	(4)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(77)	126	-	-	49	(62)	58	-	-	(4)

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For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.1 Movements in insurance contract balances (continued)

#### 6.1.2 Insurance contracts measured under VFA (continued)

d) Protection & savings		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		LRC		LIC		Total	LRC		LIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening insurance contract liabilities		6,218,528	1,215	-	-	6,219,743	1,151,230	562	-	-	1,151,792
Opening insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 1 <sup>st</sup> January		6,218,528	1,215	-	-	6,219,743	1,151,230	562	-	-	1,151,792
Insurance revenue		(157,077)	-	-	-	(157,077)	(168,188)	-	-	-	(168,188)
Insurance service expenses											
Incurred claims and other directly attributable expenses		-	(277)	8,861	-	8,584	-	(63)	21,532	-	21,469
Changes relating to liabilities for incurred claims		-	-	-	-	-	-	-	-	-	-
Losses / (loss reversals) on onerous contracts		-	4,971	-	-	4,971	-	716	-	-	716
Insurance acquisition costs incurred		9,479	-	-	-	9,479	26,935	-	-	-	26,935
Surrenders and maturities		-	-	-	-	-	-	-	-	-	-
		9,479	4,694	8,861	-	23,034	26,935	653	21,532	-	49,120
Insurance service result		(147,598)	4,694	8,861	-	(134,043)	(141,253)	653	21,532	-	(119,068)
Finance expenses from insurance contracts issued		(288,628)	-	-	-	(288,628)	352,712	-	-	-	352,712
Total amounts recognised in statement of income		(436,226)	4,694	8,861	-	(422,671)	211,459	653	21,532	-	233,644
Investment components		(768,599)	-	768,599	-	-	(612,872)	-	612,872	-	-
Cash flows											
Premiums received		2,948,471	-	-	-	2,948,471	5,886,610	-	-	-	5,886,610
Claims and other directly attributable expenses paid		-	-	(777,460)	-	(777,460)	-	-	(634,404)	-	(634,404)
Insurance acquisition cash flows		(144,039)	-	-	-	(144,039)	(417,899)	-	-	-	(417,899)
		2,804,432	-	(777,460)	-	2,026,972	5,468,711	-	(634,404)	-	4,834,307
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		7,818,135	5,909	-	-	7,824,044	6,218,528	1,215	-	-	6,219,743
Closing insurance contract liabilities		7,818,135	5,909	-	-	7,824,044	6,218,528	1,215	-	-	6,219,743
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		7,818,135	5,909	-	-	7,824,044	6,218,528	1,215	-	-	6,219,743

# Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.2 Movements in retakaful / reinsurance contracts

#### 6.2.1 Retakaful / reinsurance contracts measured under measured under GMM

	30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
	Un-Audited					Audited				
	ARC		AIC		Total	ARC		AIC		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
	Saudi Riyal (ﷲ) in 000					Saudi Riyal (ﷲ) in 000				
Opening retakaful / reinsurance contract assets	(77,903)	1,145	683,064	68,363	674,669	-	627	577,777	67,720	646,124
Opening retakaful / reinsurance contract liabilities	(11,417)	-	(5,054)	992	(15,479)	(190,522)	-	(5,833)	-	(196,355)
Net balance as at 1 <sup>st</sup> January	(89,320)	1,145	678,010	69,355	659,190	(190,522)	627	571,944	67,720	449,769
Allocation of retakaful / reinsurance contributions										
Expected amount of claim recoverable in the period	(65,191)	-	-	-	(65,191)	(245,936)	-	-	-	(245,936)
Change in risk adjustment for non-financial risk	(5,827)	-	-	-	(5,827)	(24,230)	-	-	-	(24,230)
CSM recognised for services received	(187,695)	-	-	-	(187,695)	(612,889)	-	-	-	(612,889)
Reversal of loss recovery that does not adjust CSM	42	-	-	-	42	86	-	-	-	86
Experience adjustments for premium paid	34,403	-	-	-	34,403	20,565	-	-	-	20,565
	(224,268)	-	-	-	(224,268)	(862,404)	-	-	-	(862,404)
Amounts recoverable from retakaful / reinsurance										
Incurred claims and other expenses	-	-	30,541	2,032	32,573	-	-	404,740	13,415	418,155
Changes in amounts recoverable on incurred claims	-	-	29,338	(865)	28,473	-	-	(46,638)	(16,308)	(62,946)
Loss recovery / (reversals) for onerous contracts	-	370	-	-	370	-	518	-	-	518
Change in provision for risk of non-performance	-	-	109	-	109	-	-	547	-	547
	-	370	59,988	1,167	61,525	-	518	358,649	(2,893)	356,274
Insurance service result	(224,268)	370	59,988	1,167	(162,743)	(862,404)	518	358,649	(2,893)	(506,130)
Finance expenses from insurance contracts issued	(1,150)	-	11,248	1,510	11,608	26,575	-	11,144	4,528	42,247
Total amounts recognised in statement of income	(225,418)	370	71,236	2,677	(151,135)	(835,829)	518	369,793	1,635	(463,883)
Investment components	-	-	-	-	-	-	-	-	-	-
Cash flows										
Premiums paid net of ceding commissions	213,888	-	-	-	213,888	937,031	-	-	-	937,031
Claims and other recoveries	-	-	(25,770)	-	(25,770)	-	-	(263,727)	-	(263,727)
	213,888	-	(25,770)	-	188,118	937,031	-	(263,727)	-	673,304
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	(100,850)	1,515	723,476	72,032	696,173	(89,320)	1,145	678,010	69,355	659,190
Closing retakaful / reinsurance contract assets	(97,150)	370	729,625	71,130	703,975	(77,903)	1,145	683,064	68,363	674,669
Closing retakaful / reinsurance contract liabilities	(3,700)	1,145	(6,149)	902	(7,802)	(11,417)	-	(5,054)	992	(15,479)
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	(100,850)	1,515	723,476	72,032	696,173	(89,320)	1,145	678,010	69,355	659,190



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For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts *(continued)*

### 6.2 Movements in retakaful / reinsurance contracts *(continued)*

#### 6.2.1 Retakaful / reinsurance contracts measured under measured under GMM *(continued)*

		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		ARC		AIC		Total	ARC		AIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
		Saudi Riyal (ﷲ) in 000					Saudi Riyal (ﷲ) in 000				
a)	Motor										
	Opening retakaful / reinsurance contract assets	(1,532)	-	18,752	966	18,186	-	-	10,734	1,281	12,015
	Opening retakaful / reinsurance contract liabilities	-	-	-	-	-	(5,992)	-	-	-	(5,992)
	<b>Net balance as at 1<sup>st</sup> January</b>	<b>(1,532)</b>	<b>-</b>	<b>18,752</b>	<b>966</b>	<b>18,186</b>	<b>(5,992)</b>	<b>-</b>	<b>10,734</b>	<b>1,281</b>	<b>6,023</b>
	<b>Allocation of retakaful / reinsurance contributions</b>										
	Expected amount of claim recoverable in the period	-	-	-	-	-	2,631	-	-	-	2,631
	Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
	CSM recognised for services received	(13,590)	-	-	-	(13,590)	(15,770)	-	-	-	(15,770)
	Reversal of loss recovery that does not adjust CSM	-	-	-	-	-	-	-	-	-	-
	Experience adjustments for premium paid	10,416	-	-	-	10,416	(5,742)	-	-	-	(5,742)
		<b>(3,174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,174)</b>	<b>(18,881)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,881)</b>
	<b>Amounts recoverable from retakaful / reinsurance</b>										
	Incurred claims and other expenses	-	-	(8)	14	6	-	-	31,454	708	32,162
	Changes in amounts recoverable on incurred claims	-	-	(135)	316	181	-	-	(6,062)	(1,106)	(7,168)
	Loss recovery / (reversals) for onerous contracts	-	-	-	-	-	-	-	-	-	-
	Change in provision for risk of non-performance	-	-	1	-	1	-	-	7	-	7
		<b>-</b>	<b>-</b>	<b>(142)</b>	<b>330</b>	<b>188</b>	<b>-</b>	<b>-</b>	<b>25,399</b>	<b>(398)</b>	<b>25,001</b>
	<b>Insurance service result</b>	<b>(3,174)</b>	<b>-</b>	<b>(142)</b>	<b>330</b>	<b>(2,986)</b>	<b>(18,881)</b>	<b>-</b>	<b>25,399</b>	<b>(398)</b>	<b>6,120</b>
	Finance expenses from insurance contracts issued	(74)	-	381	24	331	281	-	286	83	650
	<b>Total amounts recognised in statement of income</b>	<b>(3,248)</b>	<b>-</b>	<b>239</b>	<b>354</b>	<b>(2,655)</b>	<b>(18,600)</b>	<b>-</b>	<b>25,685</b>	<b>(315)</b>	<b>6,770</b>
	Investment components	-	-	-	-	-	-	-	-	-	-
	<b>Cash flows</b>										
	Premiums paid net of ceding commissions	(6,812)	-	-	-	(6,812)	23,060	-	-	-	23,060
	Claims and other recoveries	-	-	(20)	-	(20)	-	-	(17,667)	-	(17,667)
		<b>(6,812)</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>(6,832)</b>	<b>23,060</b>	<b>-</b>	<b>(17,667)</b>	<b>-</b>	<b>5,393</b>
	<b>Net balance as at 30<sup>th</sup> June / 31<sup>st</sup> December</b>	<b>(11,592)</b>	<b>-</b>	<b>18,971</b>	<b>1,320</b>	<b>8,699</b>	<b>(1,532)</b>	<b>-</b>	<b>18,752</b>	<b>966</b>	<b>18,186</b>
	Closing retakaful / reinsurance contract assets	(11,592)	-	18,971	1,320	8,699	(1,532)	-	18,752	966	18,186
	Closing retakaful / reinsurance contract liabilities	-	-	-	-	-	-	-	-	-	-
	<b>Net balance as at 30<sup>th</sup> June / 31<sup>st</sup> December</b>	<b>(11,592)</b>	<b>-</b>	<b>18,971</b>	<b>1,320</b>	<b>8,699</b>	<b>(1,532)</b>	<b>-</b>	<b>18,752</b>	<b>966</b>	<b>18,186</b>

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Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.2 Movements in retakaful / reinsurance contracts (continued)

#### 6.2.1 Retakaful / reinsurance contracts measured under measured under GMM (continued)

30 <sup>th</sup> June 2025						31 <sup>st</sup> December 2024					
Un-Audited						Audited					
ARC		AIC		Total	ARC		AIC		Total		
Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks			
Saudi Riyal (ﷲ) in 000						Saudi Riyal (ﷲ) in 000					
Opening retakaful / reinsurance contract assets	-	-	-	-	-	-	-	-	-		
Opening retakaful / reinsurance contract liabilities	-	-	-	-	-	-	-	-	-		
Net balance as at 1 <sup>st</sup> January	-	-	-	-	-	-	-	-	-		
Allocation of retakaful / reinsurance contributions											
Expected amount of claim recoverable in the period	-	-	-	-	-	-	-	-	-		
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-		
CSM recognised for services received	-	-	-	-	-	-	-	-	-		
Reversal of loss recovery that does not adjust CSM	-	-	-	-	-	-	-	-	-		
Experience adjustments for premium paid	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-		
Amounts recoverable from retakaful / reinsurance											
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-		
Changes in amounts recoverable on incurred claims	-	-	-	-	-	-	-	-	-		
Loss recovery / (reversals) for onerous contracts	-	-	-	-	-	-	-	-	-		
Change in provision for risk of non-performance	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-		
Insurance service result											
Finance expenses from insurance contracts issued	-	-	-	-	-	-	-	-	-		
Total amounts recognised in statement of income	-	-	-	-	-	-	-	-	-		
Investment components	-	-	-	-	-	-	-	-	-		
Cash flows											
Premiums paid net of ceding commissions	-	-	-	-	-	-	-	-	-		
Claims and other recoveries	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-		
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	-	-	-	-	-	-	-	-	-		
Closing retakaful / reinsurance contract assets	-	-	-	-	-	-	-	-	-		
Closing retakaful / reinsurance contract liabilities	-	-	-	-	-	-	-	-	-		
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December	-	-	-	-	-	-	-	-	-		

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For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.2 Movements in retakaful / reinsurance contracts (continued)

#### 6.2.1 Retakaful / reinsurance contracts measured under measured under GMM (continued)

c) Property & casualty		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024												
		Un-Audited					Audited												
		ARC		AIC		Total	ARC		AIC		Total								
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks									
Saudi Riyal (ﷲ) in 000										Saudi Riyal (ﷲ) in 000									
Opening retakaful / reinsurance contract assets		(82,643)	-	571,046	61,780	550,183	-	-	471,464	58,228	529,692								
Opening retakaful / reinsurance contract liabilities		(11,417)	-	(5,054)	992	(15,479)	(153,589)	-	(5,833)	-	(159,422)								
Net balance as at 1 <sup>st</sup> January		(94,060)	-	565,992	62,772	534,704	(153,589)	-	465,631	58,228	370,270								
Allocation of retakaful / reinsurance contributions																			
Expected amount of claim recoverable in the period		(47,237)	-	-	-	(47,237)	(184,606)	-	-	-	(184,606)								
Change in risk adjustment for non-financial risk		(4,951)	-	-	-	(4,951)	(20,355)	-	-	-	(20,355)								
CSM recognised for services received		(140,097)	-	-	-	(140,097)	(565,983)	-	-	-	(565,983)								
Reversal of loss recovery that does not adjust CSM		-	-	-	-	-	-	-	-	-	-								
Experience adjustments for premium paid		17,840	-	-	-	17,840	32,777	-	-	-	32,777								
		(174,445)	-	-	-	(174,445)	(738,167)	-	-	-	(738,167)								
Amounts recoverable from retakaful / reinsurance																			
Incurred claims and other expenses		-	-	12,804	1,317	14,121	-	-	254,705	9,208	263,913								
Changes in amounts recoverable on incurred claims		-	-	12,301	675	12,976	-	-	2,439	(8,570)	(6,131)								
Loss recovery / (reversals) for onerous contracts		-	-	-	-	-	-	-	-	-	-								
Change in provision for risk of non-performance		-	-	104	-	104	-	-	519	-	519								
		-	-	25,209	1,992	27,201	-	-	257,663	638	258,301								
Insurance service result		(174,445)	-	25,209	1,992	(147,244)	(738,167)	-	257,663	638	(479,866)								
Finance expenses from insurance contracts issued		(72)	-	9,692	1,376	10,996	26,015	-	9,815	3,906	39,736								
Total amounts recognised in statement of income		(174,517)	-	34,901	3,368	(136,248)	(712,152)	-	267,478	4,544	(440,130)								
Investment components		-	-	-	-	-	-	-	-	-	-								
Cash flows																			
Premiums paid net of ceding commissions		161,346	-	-	-	161,346	771,681	-	-	-	771,681								
Claims and other recoveries		-	-	(11,087)	-	(11,087)	-	-	(167,117)	-	(167,117)								
		161,346	-	(11,087)	-	150,259	771,681	-	(167,117)	-	604,564								
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(107,231)	-	589,806	66,140	548,715	(94,060)	-	565,992	62,772	534,704								
Closing retakaful / reinsurance contract assets		(104,676)	-	595,955	65,238	556,517	(82,643)	-	571,046	61,780	550,183								
Closing retakaful / reinsurance contract liabilities		(2,555)	-	(6,149)	902	(7,802)	(11,417)	-	(5,054)	992	(15,479)								
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		(107,231)	-	589,806	66,140	548,715	(94,060)	-	565,992	62,772	534,704								

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Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

## 6. Insurance and retakaful / reinsurance contracts (continued)

### 6.2 Movements in retakaful / reinsurance contracts (continued)

#### 6.2.1 Retakaful / reinsurance contracts measured under measured under GMM (continued)

d) Protection & savings		30 <sup>th</sup> June 2025					31 <sup>st</sup> December 2024				
		Un-Audited					Audited				
		ARC		AIC		Total	ARC		AIC		Total
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Saudi Riyal (ﷲ) in 000											
Opening retakaful / reinsurance contract assets		6,272	1,145	93,266	5,617	106,300	-	627	95,579	8,211	104,417
Opening retakaful / reinsurance contract liabilities		-	-	-	-	-	(30,941)	-	-	-	(30,941)
Net balance as at 1 <sup>st</sup> January		6,272	1,145	93,266	5,617	106,300	(30,941)	627	95,579	8,211	73,476
Allocation of retakaful / reinsurance contributions											
Expected amount of claim recoverable in the period		(17,954)	-	-	-	(17,954)	(63,961)	-	-	-	(63,961)
Change in risk adjustment for non-financial risk		(876)	-	-	-	(876)	(3,875)	-	-	-	(3,875)
CSM recognised for services received		(34,008)	-	-	-	(34,008)	(31,136)	-	-	-	(31,136)
Reversal of loss recovery that does not adjust CSM		42	-	-	-	42	86	-	-	-	86
Experience adjustments for premium paid		6,147	-	-	-	6,147	(6,470)	-	-	-	(6,470)
		(46,649)	-	-	-	(46,649)	(105,356)	-	-	-	(105,356)
Amounts recoverable from retakaful / reinsurance											
Incurred claims and other expenses		-	-	17,745	701	18,446	-	-	118,581	3,499	122,080
Changes in amounts recoverable on incurred claims		-	-	17,172	(1,856)	15,316	-	-	(43,015)	(6,632)	(49,647)
Loss recovery / (reversals) for onerous contracts		-	370	-	-	370	-	518	-	-	518
Change in provision for risk of non-performance		-	-	4	-	4	-	-	21	-	21
		-	370	34,921	(1,155)	34,136	-	518	75,587	(3,133)	72,972
Insurance service result		(46,649)	370	34,921	(1,155)	(12,513)	(105,356)	518	75,587	(3,133)	(32,384)
Finance expenses from insurance contracts issued		(1,004)	-	1,175	110	281	279	-	1,043	539	1,861
Total amounts recognised in statement of income		(47,653)	370	36,096	(1,045)	(12,232)	(105,077)	518	76,630	(2,594)	(30,523)
Investment components		-	-	-	-	-	-	-	-	-	-
Cash flows											
Premiums paid net of ceding commissions		59,354	-	-	-	59,354	142,290	-	-	-	142,290
Claims and other recoveries		-	-	(14,663)	-	(14,663)	-	-	(78,943)	-	(78,943)
		59,354	-	(14,663)	-	44,691	142,290	-	(78,943)	-	63,347
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		17,973	1,515	114,699	4,572	138,759	6,272	1,145	93,266	5,617	106,300
Closing retakaful / reinsurance contract assets		19,118	370	114,699	4,572	138,759	6,272	1,145	93,266	5,617	106,300
Closing retakaful / reinsurance contract liabilities		(1,145)	1,145	-	-	-	-	-	-	-	-
Net balance as at 30 <sup>th</sup> June / 31 <sup>st</sup> December		17,973	1,515	114,699	4,572	138,759	6,272	1,145	93,266	5,617	106,300

## Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

### Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

#### 7. Statutory deposit

Statutory deposit amounting to ﷲ 100 million (31<sup>st</sup> December 2024: ﷲ 100 million) kept with a local bank, represents 10% of the paid-up share capital of the Company which is maintained in accordance with the Cooperative Insurance Companies Control Law (CCICL) issued by the Insurance Authority {IA }. This statutory deposit cannot be withdrawn without the consent of the IA. Under the ECL method the Company charged an impairment loss amounting to ﷲ 26 thousands (31<sup>st</sup> December 2024: ﷲ 26 thousands).

	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000	
Deposit	100,000	100,000
ECL	(26)	(26)
Statutory deposit	<b>99,974</b>	<b>99,974</b>

#### 8. Right-of-use assets

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

	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000	
Opening balance	37,485	40,665
Additions	-	4,005
Depreciation	(3,578)	(7,185)
Closing balance	<b>33,907</b>	<b>37,485</b>

#### 9. Zakat

	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000	
Opening balance	34,502	55,924
Provided during the period	12,641	20,000
Reversal of Zakat provision	-	(23,030)
Payments during the period	(20,958)	(18,392)
Closing balance	<b>26,185</b>	<b>34,502</b>

#### Status of assessments

The Company had filed zakat and income tax returns with the Zakat, Tax and Customs Authority ("ZATCA") for the years up to 2024.

The final assessments from year 2021 till 2024 are not yet received.

**Notes to the interim condensed financial statements (continued)**

For the three & six-month period ended 30<sup>th</sup> June 2025

**10. Share Capital**

The authorised, issued and paid-up capital of the Company is ﷲ 1 billion at 30<sup>th</sup> June 2025 (31<sup>st</sup> December 2024: ﷲ 1000 million) consisting of 100 million shares (31<sup>st</sup> December 2024: 100 million shares) of ﷲ 10 each. The shareholders of the Company are subject to zakat. Shareholding structure of the Company is as below.

30 <sup>th</sup> June 2025			
Un-Audited			
	Authorised and issued		Paid-up
	Number of Shares	Saudi Riyal (ﷲ) in 000	
Al Rajhi Banking and Investment Corporation	35,000,000	350,000	350,000
Others	65,000,000	650,000	650,000
	<b>100,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
31 <sup>st</sup> December 2024			
Audited			
	Authorised and issued		Paid-up
	Number of Shares	Saudi Riyal (ﷲ) in 000	
Al Rajhi Banking and Investment Corporation	35,000,000	350,000	350,000
Others	65,000,000	650,000	650,000
	<b>100,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>

**11. Statutory reserve**

As required by the Saudi Arabian Insurance Regulations, 20% of the shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of the paid-up share capital. The Company carries out this transfer on an annual basis at 31<sup>st</sup> December. As at 30<sup>th</sup> June 2025, ﷲ 349.49 million (31<sup>st</sup> December 2024: ﷲ 349.49 million) had been set aside as a statutory reserve, equal to 34.95% (31<sup>st</sup> December 2024: 34.95%) of the paid-up share capital.

**12. Commitments and contingencies**

**12.1** The Company's commitments and contingencies are as follows:

	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000	
Letters of guarantee	<b>34,126</b>	35,202

**12.2** The Company enters into takaful contracts and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all the pending and threatened legal proceedings, management does not believe that any such proceedings (including litigation) that are in progress at reporting date will have a material effect on its results and financial position.



Notes to the interim condensed financial statements *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

13. Expense allocation

	Six-month Period Ended	
	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
	Un-Audited	Un-Audited
	Saudi Riyal (ﷲ) in 000	
Total Expenses	476,517	426,842
	Three-month Period Ended	
	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
	Un-Audited	Un-Audited
	SAR '000	
Total Expenses	227,837	219,812

Pursuant to the Company's policy and takaful model, all administrative and operating expenses are borne by the Shareholders' operations. In compliance with the Islamic Shariah principles governing the management of cooperative insurance operations, the Company estimates and load the management fee while calculating the gross premium. The actual amount of management fee is adjusted on annual basis based on the actual spending.

Following the distribution of 10% of the net insurance surplus to the policyholders, in accordance with the applicable Insurance Law and the executive regulations issued by the Insurance Authority, the Company shall be entitled to deduct its rightful management fees from the remaining balance of the surplus.

14. Earnings per share

Earnings per share for the periods ended 30<sup>th</sup> June 2025 (ﷲ 2.02 per share) and 30<sup>th</sup> June 2024 (ﷲ 2.01 per share) are calculated by dividing the net income for the period attributable to the equity holders by the weighted-average number of ordinary shares (100 million shares). There were no dilutive potential shares in issue as at 30<sup>th</sup> June 2025 and 30<sup>th</sup> June 2024.

	Six-month Period Ended	
	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
	Un-Audited	Un-Audited
	Saudi Riyal (ﷲ) in 000	
Net income attributable to the shareholders after zakat (ﷲ 000)	202,365	201,133
Weighted-average number of ordinary shares	100,000,000	100,000,000
Basic and diluted earning per share (ﷲ)	2.02	2.01

15. Subsequent events

Subsequent to the reporting date but before the issuance of this un-audited interim condensed financial statements, Company on its Extraordinary General Meeting (Dated 3 June 2025) approves the purchase of a number of its own shares, up to a maximum of 300,000 shares, for the purpose of allocating them to employees under the Employee Stock Program.

**Notes to the interim condensed financial statements (continued)**

For the three & six-month period ended 30<sup>th</sup> June 2025

**16. Fair values of financial instruments**

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

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

**Determination of fair value and fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: financial instruments with quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;
- Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3: valuation techniques for which any significant input is not based on observable market data.

**Carrying amounts and fair value**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

	30 <sup>th</sup> June 2025				
	Un-Audited				
Carrying value	Fair value			Total	
	Level 1	Level 2	Level 3		
	Saudi Riyal (ﷲ) in 000				
Financial assets measured at fair value					
Investments measured at FVTPL	1,353,407	243,210	793,751	316,446	1,353,407
Investments measured at FVOCI	252,275	188,643	-	63,632	252,275
Investment for unit linked contracts	7,979,908	-	7,979,908	-	7,979,908
	9,585,590	431,853	8,773,659	380,078	9,585,590
Financial assets not measured at fair value					
Cash and cash equivalents	693,365	693,365	-	-	693,365
Investments held at amortised cost	2,226,833	-	2,178,382	-	2,178,382
Statutory deposit	99,974	99,974	-	-	99,974
	3,020,172	793,339	2,178,382	-	2,971,721

The fair values of statutory deposits, accrued investment income on statutory deposit, term deposits, bank balances and other financial assets in the statement of financial position which are carried at amortised cost, are not significantly different from the carrying values due to the short term nature of balances or they are repayable on demand.

**Notes to the interim condensed financial statements (continued)**  
**For the three & six-month period ended 30<sup>th</sup> June 2025**

**16. Fair values of financial instruments (continue)**

	31 <sup>st</sup> December 2024				
	Audited				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
	Saudi Riyal (ﷲ) in 000				
Financial assets measured at fair value					
Investments measured at FVTPL	1,333,001	290,991	736,619	305,391	1,333,001
Investments measured at FVOCI	254,733	193,609	-	61,124	254,733
Investment for unit linked contracts	6,289,550	-	6,289,550	-	6,289,550
	7,877,284	484,600	7,026,169	366,515	7,877,284
Financial assets not measured at fair value					
Cash and cash equivalents	720,981	720,981	-	-	720,981
Investments held at amortised cost	2,413,516	-	2,423,573	-	2,423,573
Statutory deposit	99,974	99,974	-	-	99,974
	3,234,471	820,955	2,423,573	-	3,244,528

**Level 3 fair values**

The following table shows a reconciliation from the opening balances to the closing balances and impact on fair value due to 10% change in price for Level 3 fair values:

	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000	
Value	<b>316,446</b>	<b>305,391</b>

+/- 10% change in price will increase or decrease value by ﷲ 31.6 million.

**Financial assets at FVOCI – Unquoted securities**

Opening Balance	61,124	39,703
Gain included in OCI	2,508	21,421
Closing Balance	<b>63,632</b>	<b>61,124</b>

+/- 10% change in price will increase or decrease value by ﷲ 6.3 million.

**Valuation technique and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 3 fair value at 30<sup>th</sup> June 2025 and 31<sup>st</sup> December 2024, as well as the significant unobservable inputs used. The fair value used for valuation of Level 2 Sukuks and mutual funds are based on prices quoted on reliable and third-party sources.

Type	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to FV
Mutual funds	Mutual funds classified as Level 3 are FV based on the latest available NAV communicated by the fund manager.	FV of underlying assets.	The estimated fair value will increase / decrease directly in line with the change in fair value of underlying assets.
Private equity	Valuation technique (i.e., DCF and market multiple, etc.)	<ul style="list-style-type: none"> <li>Annual growth rate</li> <li>Terminal Growth rate</li> <li>WACC 16.5%</li> <li>EV/EBITDA</li> </ul>	Annual growth rate is directly proportional. Discount rate is inversely proportional.

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

17. Operating segments

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

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

Segment assets do not include takaful operations' bank balances and cash, net contributions receivable, investments etc., accordingly, they are included in unallocated assets. Segment liabilities do not include takaful operations' payables accruals and other liabilities and re-takaful / re-insurance balances payable etc., accordingly, they are included in unallocated liabilities. These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

The segment information provided to the Company's chief executive officer for the reportable segments for the Company's total assets and liabilities as of 30<sup>th</sup> June 2025 and 31<sup>st</sup> December 2024, its total revenues, expenses, and net income for the period then ended, are as follows:

17.1 Operating segments Statement of financial position

Operating segments	Statement of financial position					
	30 <sup>th</sup> June 2025					
	Un-Audited					
	Motor	Medical / Health	Property & casualty	Protection & savings	Un-allocated	Total
	Saudi Riyal (ﷲ) in 000					
<b>Assets</b>						
Insurance contract assets	-	-	-	-	-	-
Retakaful / reinsurance contract assets	8,699	-	556,517	138,759	-	703,975
Cash and cash equivalents	-	-	-	-	693,365	693,365
Investments	-	-	-	7,979,908	3,832,515	11,812,423
Other unallocated assets	-	-	-	-	496,572	496,572
<b>Total assets</b>	<b>8,699</b>	<b>-</b>	<b>556,517</b>	<b>8,118,667</b>	<b>5,022,452</b>	<b>13,706,335</b>
<b>Liabilities</b>						
Insurance contract liabilities	1,537,505	787,425	757,595	8,041,906	-	11,124,431
Retakaful / reinsurance contract liabilities	-	-	7,802	-	-	7,802
Other unallocated liabilities, equity and surplus	-	-	-	-	2,574,102	2,574,102
<b>Total liabilities, accumulated surplus and equity</b>	<b>1,537,505</b>	<b>787,425</b>	<b>765,397</b>	<b>8,041,906</b>	<b>2,574,102</b>	<b>13,706,335</b>

## Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

### Notes to the interim condensed financial statements *(continued)*

For the three & six-month period ended 30<sup>th</sup> June 2025

#### 17. Operating segments *(continue)*

##### 17.1 Operating segments Statement of financial position *(continue)*

	31 <sup>st</sup> December 2024				
	Audited				
	Motor	Medical / Health	Property & casualty	Protection & savings	Un-allocated
	Saudi Riyal (ﷲ) in 000				
					<b>Total</b>
<b>Assets</b>					
Insurance contract assets	-	-	-	4	4
Retakaful / reinsurance contract assets	18,186	-	550,183	106,300	674,669
Cash and cash equivalents	-	-	-	-	720,981
Investments	-	-	-	6,289,550	4,001,250
Other unallocated assets	-	-	-	-	400,953
<b>Total assets</b>	<b>18,186</b>	<b>-</b>	<b>550,183</b>	<b>6,395,854</b>	<b>12,087,407</b>
<b>Liabilities</b>					
Insurance contract liabilities	1,930,150	706,029	812,743	6,316,423	-
Retakaful / reinsurance contract liabilities	-	-	15,479	-	-
Other unallocated liabilities, equity and surplus	-	-	-	-	2,306,583
<b>Total liabilities, accumulated surplus and equity</b>	<b>1,930,150</b>	<b>706,029</b>	<b>828,222</b>	<b>6,316,423</b>	<b>12,087,407</b>

# Al Rajhi Company for Cooperative Insurance

(A Saudi Joint Stock Company)

## Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

### 17. Operating segments (continue)

#### 17.2 Operating segments Statement of income

Operating segments	Statement of income					
	30 <sup>th</sup> June 2025					
	Un-Audited					
	Motor	Medical / Health	Property & casualty	Protection & savings	Un-allocated	Total
	Saudi Riyal (ﷲ) in 000					
Insurance revenue	1,152,696	785,375	265,413	382,634	-	2,586,118
Insurance service expenses	(1,049,086)	(825,499)	(85,148)	(242,635)	-	(2,202,368)
Insurance service result before retakaful / reinsurance contracts held	103,610	(40,124)	180,265	139,999	-	383,750
Allocation of retakaful / reinsurance contributions	(3,174)	-	(174,445)	(46,649)	-	(224,268)
Amounts recoverable from retakaful / reinsurance for incurred claims	188	-	27,201	34,134	-	61,523
Net (expense) / income from retakaful / reinsurance contracts held	(2,986)	-	(147,244)	(12,515)	-	(162,745)
Insurance service result	100,624	(40,124)	33,021	127,484	-	221,005
Finance expense from insurance contracts issued	(24,438)	(7,074)	(13,196)	287,654	-	242,946
Finance income from retakaful / reinsurance contracts held	329	-	10,996	281	-	11,606
Net finance (expenses) / income	(24,109)	(7,074)	(2,200)	287,935	-	254,552
Income on financial assets at fair value	-	-	-	-	34,812	34,812
Income on financial assets at amortised cost & short-term deposits	-	-	-	-	67,992	67,992
Fair value gain of unit-linked investments	-	-	-	(288,628)	-	(288,628)
Net credit impairment losses on financial assets	-	-	-	-	-	-
Net investment income	-	-	-	(288,628)	102,804	(185,824)
Net insurance and investment result	76,515	(47,198)	30,821	126,791	102,804	289,733
Other operating expenses	-	-	-	-	(74,727)	(74,727)
Other income	-	-	-	-	-	-
Net income for the period before zakat	76,515	(47,198)	30,821	126,791	28,077	215,006
Provision for zakat	-	-	-	-	(12,641)	(12,641)
Net income for the period after zakat	76,515	(47,198)	30,821	126,791	15,436	202,365



# Al Rajhi Company for Cooperative Insurance

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## Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

### 17. Operating segments (continue)

#### 17.2 Operating segments Statement of income (continue)

	30 <sup>th</sup> June 2024				
	Un-Audited				
	Motor	Medical / Health	Property & casualty	Protection & savings	Un-allocated
	Saudi Riyal (ﷲ) in 000				
Insurance revenue	1,341,330	582,685	573,817	148,056	-
Insurance service expenses	(1,145,647)	(677,958)	(125,138)	(86,009)	-
<b>Insurance service result before retakaful / reinsurance contracts held</b>	195,683	(95,273)	448,679	62,047	-
Allocation of retakaful / reinsurance contributions	(2,110)	-	(500,533)	(68,820)	-
Amounts recoverable from retakaful / reinsurance for incurred claims	(1,278)	-	83,812	40,890	-
<b>Net (expense) / income from retakaful / reinsurance contracts held</b>	(3,388)	-	(416,721)	(27,930)	-
<b>Insurance service result</b>	192,295	(95,273)	31,958	34,117	-
Finance expense from insurance contracts issued	(24,743)	(7,211)	(14,356)	(145,349)	-
Finance income from retakaful / reinsurance contracts held	159	-	19,027	664	-
<b>Net finance (expenses) / income</b>	(24,584)	(7,211)	4,671	(144,685)	-
Income on financial assets at fair value	-	-	-	-	28,454
Income on financial assets at amortised cost & short-term deposits	-	-	-	-	91,455
Fair value gain of unit-linked investments	-	-	-	144,353	-
Net credit impairment losses on financial assets	-	-	-	-	-
<b>Net investment income</b>	-	-	-	144,353	119,909
<b>Net insurance and investment result</b>	167,711	(102,484)	36,629	33,785	119,909
Other operating expenses	-	-	-	-	(66,056)
Other income	-	-	-	-	-
<b>Net income for the period before zakat</b>	167,711	(102,484)	36,629	33,785	53,853
Provision for zakat	-	-	-	-	11,639
<b>Net income for the period after zakat</b>	167,711	(102,484)	36,629	33,785	65,492

# Al Rajhi Company for Cooperative Insurance

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## Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

### 17. Operating segments (continue)

#### 17.2 Operating segments Statement of income (continue)

Operating segments Statement of income (continue)	Three-month Period Ended					
	30 <sup>th</sup> June 2025					
	Un-Audited					
	Motor	Medical / Health	Property & casualty	Protection & savings	Un-allocated	Total
	SAR '000					
Insurance revenue	574,996	400,007	140,039	265,170	-	1,380,212
Insurance service expenses	(520,634)	(403,830)	(44,669)	(193,485)	-	(1,162,618)
Insurance service result before retakaful / reinsurance contracts held	54,362	(3,823)	95,370	71,685	-	217,594
Allocation of retakaful / reinsurance contributions	(3,166)	-	(99,780)	(26,003)	-	(128,949)
Amounts recoverable from retakaful / reinsurance for incurred claims	508	-	24,352	16,754	-	41,614
Net (expense) / income from retakaful / reinsurance contracts held	(2,658)	-	(75,428)	(9,249)	-	(87,335)
Insurance service result	51,704	(3,823)	19,942	62,436	-	130,259
Finance expense from insurance contracts issued	(10,244)	(2,924)	(5,713)	276,193	-	257,312
Finance income from retakaful / reinsurance contracts held	119	-	5,808	1,648	-	7,575
Net finance (expenses) / income	(10,125)	(2,924)	95	277,841	-	264,887
Income on financial assets at fair value	-	-	-	-	4,914	4,914
Income on financial assets at amortised cost & short-term deposits	-	-	-	-	32,886	32,886
Fair value gain of unit-linked investments	-	-	-	(276,576)	-	(276,576)
Net credit impairment losses on financial assets	-	-	-	-	-	-
Net investment income	-	-	-	(276,576)	37,800	(238,776)
Net insurance and investment result	41,579	(6,747)	20,037	63,701	37,800	156,370
Other operating expenses	-	-	-	-	(38,156)	(38,156)
Other income	-	-	-	-	-	-
Net income for the period before zakat	41,579	(6,747)	20,037	63,701	(356)	118,214
Provision for zakat	-	-	-	-	(6,646)	(6,646)
Net income for the period after zakat	41,579	(6,747)	20,037	63,701	(7,002)	111,568

# Al Rajhi Company for Cooperative Insurance

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## Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

### 17. Operating segments (continue)

#### 17.2 Operating segments Statement of income (continue)

Operating segments Statement of income <i>(continue)</i>	Three-month Period Ended					
	30 <sup>th</sup> June 2024					
	Un-Audited					
	Motor	Medical / Health	Property & casualty	Protection & savings	Un-allocated	Total
	SAR '000					
Insurance revenue	676,494	302,382	289,431	74,867	-	1,343,174
Insurance service expenses	(575,439)	(376,088)	(170,756)	(44,461)	-	(1,166,744)
Insurance service result before retakaful / reinsurance contracts held	101,055	(73,706)	118,675	30,406	-	176,430
Allocation of retakaful / reinsurance contributions	(1,611)	-	(264,478)	(34,708)	-	(300,797)
Amounts recoverable from retakaful / reinsurance for incurred claims	(1,261)	-	155,067	20,429	-	174,235
Net (expense) / income from retakaful / reinsurance contracts held	(2,872)	-	(109,411)	(14,279)	-	(126,562)
Insurance service result	98,183	(73,706)	9,264	16,127	-	49,868
Finance expense from insurance contracts issued	(10,672)	(3,149)	(6,062)	(43,502)	-	(63,385)
Finance income from retakaful / reinsurance contracts held	99	-	15,802	879	-	16,780
Net finance (expenses) / income	(10,573)	(3,149)	9,740	(42,623)	-	(46,605)
Income on financial assets at fair value	-	-	-	-	17,608	17,608
Income on financial assets at amortised cost & short-term deposits	-	-	-	-	44,181	44,181
Fair value gain of unit-linked investments	-	-	-	43,022	-	43,022
Net credit impairment losses on financial assets	-	-	-	-	-	-
Net investment income	-	-	-	43,022	61,789	104,811
Net insurance and investment result	87,610	(76,855)	19,004	16,526	61,789	108,074
Other operating expenses	-	-	-	-	(33,847)	(33,847)
Other income	-	-	-	-	-	-
Net income for the period before zakat	87,610	(76,855)	19,004	16,526	27,942	74,227
Provision for zakat	-	-	-	-	15,530	15,530
Net income for the period after zakat	87,610	(76,855)	19,004	16,526	43,472	89,757

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

17. Operating segments (continue)

17.3 Gross contribution written

Customers' category	Six-month Period Ended				
	30 <sup>th</sup> June 2025				
	Un-Audited				
	Motor	Medical / Health	Property & casualty	Protection & savings	Total
Saudi Riyal (ﷲ) in 000					
Retail	480,287	36,297	20,380	2,960,060	3,497,024
Very small	56,563	15,660	-	-	72,223
Small	28,783	82,377	-	-	111,160
Medium	20,438	65,122	14,151	-	99,711
Corporate	388,767	580,040	229,093	220,397	1,418,297
Total gross contribution written	974,838	779,496	263,624	3,180,457	5,198,415
Customers' category	30 <sup>th</sup> June 2024				
	Un-Audited				
	Motor	Medical / Health	Property & casualty	Protection & savings	Total
	Saudi Riyal (ﷲ) in 000				
Retail	534,049	24,223	9,956	1,996,749	2,564,977
Very small	119,919	19,306	-	-	139,225
Small	19,796	82,126	-	-	101,922
Medium	51,741	111,456	210	-	163,407
Corporate	446,672	721,492	311,985	79,981	1,560,130
Total gross contribution written	1,172,177	958,602	322,151	2,076,730	4,529,660

17.4 Contribution ceded

	Six-month Period Ended				
	30 <sup>th</sup> June 2025				
	Un-Audited				
	Motor	Medical / Health	Property & casualty	Protection & savings	Total
Saudi Riyal (ﷲ) in 000					
Local	-	-	3,358	135	3,493
Foreign	4,327	-	226,860	45,671	276,858
Total contribution ceded	4,327	-	230,218	45,806	280,351
	30 <sup>th</sup> June 2024				
	Un-Audited				
	Motor	Medical / Health	Property & casualty	Protection & savings	Total
	Saudi Riyal (ﷲ) in 000				
Local	-	-	4,802	-	4,802
Foreign	4,163	-	295,572	58,884	358,619
Total contribution ceded	4,163	-	300,374	58,884	363,421

Notes to the interim condensed financial statements (continued)

For the three & six-month period ended 30<sup>th</sup> June 2025

17. Operating segments (continue)

17.3 Gross contribution written (continue)

		Three-month Period Ended			
		30 <sup>th</sup> June 2025			
		Un-Audited			
Customers' category	Motor	Medical / Health	Property & casualty	Protection & savings	Total
		SAR '000			
Retail	219,327	15,283	10,980	1,241,814	1,487,404
Very small	26,888	5,250	-	-	32,138
Small	6,710	38,093	-	-	44,803
Medium	3,456	37,196	5,151	-	45,803
Corporate	188,585	454,936	139,941	185,594	969,056
Total gross contribution written	444,966	550,758	156,072	1,427,408	2,579,204
		30 <sup>th</sup> June 2024			
		Un-Audited			
Customers' category	Motor	Medical / Health	Property & casualty	Protection & savings	Total
		SAR '000			
Retail	221,563	10,697	6,632	1,275,580	1,514,472
Very small	57,129	11,961	-	-	69,090
Small	9,979	50,880	-	-	60,859
Medium	19,007	96,648	117	-	115,772
Corporate	178,907	391,249	130,971	36,126	737,253
Total gross contribution written	486,585	561,434	137,720	1,311,706	2,497,445

17.4 Contribution ceded (continue)

		Three-month Period Ended			
		30 <sup>th</sup> June 2025			
		Un-Audited			
	Motor	Medical / Health	Property & casualty	Protection & savings	Total
		SAR '000			
Local	-	-	1,034	11	1,045
Foreign	2,181	-	135,696	21,790	159,667
Total contribution ceded	2,181	-	136,730	21,801	160,712
		30 <sup>th</sup> June 2024			
		Un-Audited			
	Motor	Medical / Health	Property & casualty	Protection & savings	Total
		SAR '000			
Local	-	-	1,296	-	1,296
Foreign	2,082	-	123,025	29,600	154,707
Total contribution ceded	2,082	-	124,321	29,600	156,003

**Notes to the interim condensed financial statements (continued)**  
**For the three & six-month period ended 30<sup>th</sup> June 2025**

**18. Related party transactions and balances**

Related parties represent major shareholders, directors, and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the period and the related balances:

	Transactions for six-month period ended		Balance receivable / (payable) as of	
	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024	30 <sup>th</sup> June 2025	31 <sup>st</sup> December 2024
	Un-Audited	Un-Audited	Un-Audited	Audited
	Saudi Riyal (ﷲ) in 000			
Major shareholders				
Gross contribution written	3,588,916	306,280	119,970	67,399
Claims paid	982,746	165,986	-	-
Claims incurred and notified during the period	864,801	167,321	319,884	(400,240)
Commission	258,840	306,727	150,182	134,098
Bank Balance	-	-	298,325	656,413
Investment in shares of Al Rajhi Banking and Investment Corporation	-	-	69,402	68,929
Entities controlled, jointly controlled or significantly influenced by related parties				
Gross contribution written	17,634	21,506	19,345	192,575
Claims paid	1,597	1,129	-	-
Claims incurred and notified during the period	1,491	1,717	2,841	(16,197)
Investments managed by affiliates	3,009	1,781	8,253,524	6,444,304
Income received from sale of investment in Al Rajhi Capital commodity fund	3,612	937	-	-
Investment management fee paid to Al Rajhi Capital Company	988	1,527	-	-

Gross contribution written includes ﷲ 2.748 billion related to individual life business through the related party for the current period.

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

	30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
	Un-Audited	Un-Audited
	Saudi Riyal (ﷲ) in 000	
Salaries and other allowances	4,180	3,800
End of service benefits	1,377	1,142
	<b>5,557</b>	<b>4,942</b>
Shariah committee remuneration	500	105



**Notes to the interim condensed financial statements**

**For the three & six-month period ended 30<sup>th</sup> June 2025**

**19. Capital management**

Objectives are set by the Company to maintain healthy capital ratios to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by regularly assessing shortfalls between reported and required capital levels. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company manages its capital to ensure that it can continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves, and retained earnings.

As per guidelines laid out by the Insurance Authority (IA) in Article 66 table 3 & 4 of the Insurance Implementing Regulations detailing the solvency margin required to be maintained, the Company shall maintain a solvency margin equivalent to the highest of the following three methods as per Insurance Implementing Regulations:

- Minimum Capital Requirement of ﷲ 200 million.
- Premium Solvency Margin.
- Claims Solvency Margin.

The capital structure of the Company as of 30<sup>th</sup> June 2025 consists of paid-up share capital of ﷲ 1 billion, statutory reserves of ﷲ 349.49 million and retained earnings of ﷲ 860.61 million (31<sup>st</sup> December 2024: paid-up share capital of ﷲ 1 billion, statutory reserves of ﷲ 349.49 million and retained earnings of ﷲ 658.25 million) in the statement of financial position (SOPF).

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

**20. Comparative information**

During the current period, management has re-evaluated the presentation of certain line items in the statement of cash flow (SOCF) in the prior period to determine if such transactions have been presented appropriately in line with the requirements of IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia. Where necessary, changes in presentation were made in accordance with IAS 1 - Financial Statement Presentation ("IAS 1") and IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8").

**Presentation of certain line items in the statement of cash flows**

Management reassessed the classification of cash flow items between operating and investing activities in the statement of cash flows. As a result, the prior period amounts in the statement of cash flows were mainly restated for the following adjustments:

**Notes to the interim condensed financial statements** *(continued)*

**For the three & six-month period ended 30<sup>th</sup> June 2025**

**20. Comparative information** *(continued)*

**Presentation of certain line items in the statement of cash flows** *(continued)*

- i) In prior periods, purchases and disposals of investments at FVTPL which are held for trading were presented on a gross basis under investing activities instead of operating activities. During the period, these amounts including unrealized (gain) / loss on these investments have been presented on a net basis under operating activities and as such the prior periods amounts have been restated.
- ii) In prior periods, investments for unit linked contracts were presented under investing activities instead of operating activities. During the period, these amounts along with unrealized (gain) / loss on these investments have been presented on a net basis under operating activities and as such the prior period amounts have been restated.
- iii) In prior periods, cash flow from intangibles were included with in property and equipments. During the period, cash flows from intangibles assets have been disclosed separately.
- iv) In prior periods, some of the cash flows relating to insurance contract liabilities were included in the payable, accruals, and other liabilities. During the period management reclassified the balances from payable, accruals, and other liabilities and presented these within insurance contract liabilities on the statement of cash flows.

The note below sets out the impact on the relevant line items in the statement of cash flows six-month period ended 30<sup>th</sup> June 2024:

**Notes to the interim condensed financial statements (continued)**

For the three & six-month period ended 30<sup>th</sup> June 2025

**20. Comparative information (continued)**

**Statement of cash flows**

	As reported previously	Effect of reclassification	As reclassified
	Saudi Riyal (ﷲ) in 000		
<b>Adjustment for non-cash items</b>			
Amortization of intangible assets	-	13,136	<b>13,136</b>
Depreciation of property and equipment	19,825	(13,136)	<b>6,689</b>
Unrealized (gain) / loss on unit linked investments	(144,353)	144,353	-
Accrued income on investments	-	(48,308)	<b>(48,308)</b>
<b>Changes in operating assets and liabilities</b>			
Investments measured at FVTPL	-	(414,890)	<b>(414,890)</b>
Investments for unit linked contract	-	(1,806,516)	<b>(1,806,516)</b>
Payable, accruals and other liabilities	89,731	11,004	<b>100,735</b>
Insurance contract liabilities	1,434,107	(11,004)	<b>1,423,103</b>
<b>Net cash from / (used in) operating activities</b>	<b>1,742,820</b>	<b>(2,125,361)</b>	<b>(382,541)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments measured at FVTPL	(571,004)	571,004	-
Disposals of investments measured at FVTPL	156,114	(156,114)	-
Purchase of investment at amortised cost	(160,274)	48,308	<b>(111,966)</b>
Purchase of investments for unit linked contracts	(1,662,163)	1,662,163	-
Purchase of property and equipment	(62,260)	56,535	<b>(5,725)</b>
Purchase of intangibles	-	(56,535)	<b>(56,535)</b>
Purchase of Right of use assets	(2,341)	2,341	-
<b>Net cash from / (used in) investing activities</b>	<b>(2,050,407)</b>	<b>2,127,702</b>	<b>77,295</b>
<b>Cash flows from financing activity</b>			
Lease liability paid	(4,297)	(2,341)	<b>(6,638)</b>
<b>Net cash (used in) financing activity</b>	<b>(4,297)</b>	<b>(2,341)</b>	<b>(6,638)</b>

The above restatements did not impact the statement of income, statement of financial position, statement of comprehensive income, and statement of changes in equity.

**21. Approval of the un-audited interim condensed financial statements**

These un-audited interim condensed financial statements for the three & six-month period ended 30<sup>th</sup> June 2025 were approved and authorized for issue by the Board of Directors (BOD) of the Company, on 04<sup>th</sup> Safar 1447 Hijri, corresponding 29<sup>th</sup> July 2025 Gregorian (Tuesday).