

**GULF UNION ALAHLIA COOPERATIVE
INSURANCE COMPANY
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL
INFORMATION FOR THE THREE-MONTH
AND SIX-MONTH PERIODS ENDED 30 JUNE
2025 (UNAUDITED)
AND REPORT ON REVIEW OF INTERIM
CONDENSED FINANCIAL INFORMATION**

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(UNAUDITED)

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Report on review of interim condensed financial information

To the shareholders of Gulf Union Alahlia Cooperative Insurance Company
(A Saudi Joint Stock Company)

Introduction

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

Scope of review

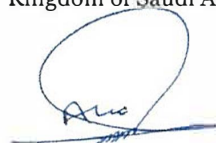
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries,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

Conclusion

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

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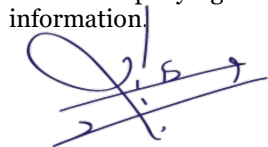


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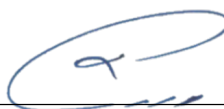
GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Cash and cash equivalents	5	24,082,069	53,973,519
Term deposits	6	413,888,523	400,168,421
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	7	143,175,547	138,396,972
Financial assets at fair value through other comprehensive income ("FVOCI")	7	127,327,274	122,247,674
Financial assets at amortised cost	7	170,916,977	175,996,001
Prepaid expenses and other assets		40,962,103	47,034,912
Reinsurance contract assets	9	60,035,920	61,691,142
Right-of-use assets		7,131,529	7,481,026
Property and equipment		6,672,613	7,696,401
Intangible assets		38,192,464	42,936,441
Accrued income on statutory deposit	8	3,475,047	1,819,113
Goodwill	4	67,697,750	67,697,750
Statutory deposit	8	68,836,589	68,838,456
TOTAL ASSETS		1,172,394,405	1,195,977,828
LIABILITIES			
Accrued and other liabilities		14,016,400	23,462,432
Insurance contract liabilities	9	548,024,620	499,820,414
Employee benefit obligations		19,978,809	19,978,809
Lease liabilities		6,898,421	8,622,513
Zakat and income tax payable	19	16,051,521	15,575,348
Accrued commission income payable to Insurance Authority		3,475,047	1,819,113
TOTAL LIABILITIES		608,444,818	569,278,629
EQUITY			
Share capital	10	458,949,280	458,949,280
Statutory reserve	20	14,076,961	14,076,961
(Accumulated losses) retained earnings		(31,064,131)	36,765,081
Fair value reserve		123,481,118	118,401,518
Remeasurement reserve of employee benefit obligations		(1,493,641)	(1,493,641)
TOTAL EQUITY		563,949,587	626,699,199
TOTAL LIABILITIES AND EQUITY		1,172,394,405	1,195,977,828

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.



Abdulaziz Ali Al Turki
Chairman of the Board of
Directors



Mesheal I. Alshayea
Chief Executive Officer

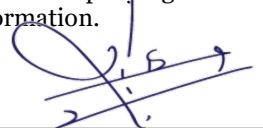



Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Insurance revenue	11	260,210,425	192,520,476	508,221,271	358,475,121
Insurance service expenses	11	(263,377,411)	(165,000,935)	(535,478,845)	(294,799,001)
Net expense from reinsurance contracts	11	(24,999,841)	(15,933,480)	(41,639,663)	(32,177,083)
Insurance service result from Company's directly written business		(28,166,827)	11,586,061	(68,897,237)	31,499,037
Share of surplus from insurance pools	13	1,981,654	502,202	2,653,759	4,038,108
Total insurance service result		(26,185,173)	12,088,263	(66,243,478)	35,537,145
Interest income from financial assets not measured at FVTPL		7,356,579	6,763,454	14,823,616	13,700,986
Interest income from financial assets measured at FVTPL		657,820	662,578	1,030,291	1,392,134
Expected credit (losses) reversal on financial assets	5,6,7	(14,300)	(7,983)	(17,266)	1,174
Net gains (losses) on financial assets measured at FVTPL	7	990,611	(4,441,619)	2,144,005	(2,318,430)
Dividend income		600,042	595,699	775,351	885,917
Net investment income		9,590,752	3,572,129	18,755,997	13,661,781
Finance income (expenses) from insurance contracts issued	12	462,688	178,395	1,064,188	(1,508,925)
Finance income (expenses) income from reinsurance contracts held	12	77,604	(257,398)	75,221	(287,417)
Net insurance finance income (expenses)		540,292	(79,003)	1,139,409	(1,796,342)
Net insurance and investment result		(16,054,129)	15,581,389	(46,348,072)	47,402,584
Finance cost on leases		(206,160)	(152,133)	(286,471)	(250,888)
Other operating expenses		(8,920,813)	(4,686,020)	(15,794,669)	(16,115,074)
Total (loss) profit for the period before zakat and income tax		(25,181,102)	10,743,236	(62,429,212)	31,036,622
Zakat expense	19	(2,700,000)	(3,543,778)	(5,400,000)	(4,193,778)
Income tax expense	19	-	(112,351)	-	(212,351)
NET (LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		(27,881,102)	7,087,107	(67,829,212)	26,630,493
(Losses) earnings per share (expressed in Saudi Riyals per share)					
Basic (losses) earnings per share	22	(0.61)	0.15	(1.48)	0.58
Diluted (losses) earnings per share	22	(0.61)	0.15	(1.48)	0.58

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.


Abdulaziz Ali Al Turki
Chairman of the Board of Directors

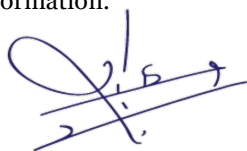

Mesheal I. Alshayea
Chief Executive Officer


Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NET (LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	(27,881,102)	7,087,107	(67,829,212)	26,630,493
Other comprehensive income:				
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>				
Net changes in fair value of investment measured at FVOCI	15	-	5,079,600	-
Total other comprehensive income		-	5,079,600	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		(27,881,102)	(62,749,612)	26,630,493

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.



Abdulaziz Ali Al Turki
Chairman of the Board of
Directors



Mesheal I. Alshayea
Chief Executive Officer

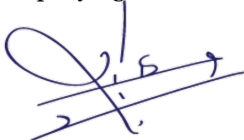


Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

Note	Share capital	Statutory reserve	(Accumulated losses) retained earnings	Remeasurement reserve of employee benefit obligations	Fair value reserve on investments	Total
At 1 January 2025 (Audited)	458,949,280	14,076,961	36,765,081	(1,493,641)	118,401,518	626,699,199
Total comprehensive income for the period						
Net loss for the period attributable to the shareholders	-	-	(67,829,212)	-	-	(67,829,212)
Other comprehensive income	-	-	-	-	5,079,600	5,079,600
Total comprehensive (loss) income for the period attributable to the shareholders	-	-	(67,829,212)	-	5,079,600	(62,749,612)
Transfer to a statutory reserve	-	-	-	-	-	-
Balance at 30 June 2025 (Unaudited)	458,949,280	14,076,961	(31,064,131)	(1,493,641)	123,481,118	563,949,587
At 1 January 2024 (Audited)	458,949,280	5,347,858	1,848,668	(1,276,330)	83,122,349	547,991,825
Total comprehensive income for the period						
Net profit for the period attributable to the shareholders	-	-	26,630,493	-	-	26,630,493
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period attributable to the shareholders	-	-	26,630,493	-	-	26,630,493
Transfer to a statutory reserve	-	5,326,099	(5,326,099)	-	-	-
Balance at 30 June 2024 (Unaudited)	458,949,280	10,673,957	23,153,062	(1,276,330)	83,122,349	574,622,318

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.



Abdulaziz Ali Al Turki
Chairman of the Board of Directors



Mesheal I. Alshayea
Chief Executive Officer



Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(All amounts expressed in Saudi Riyals unless otherwise stated)

		For the six-month period ended 30 June	
	Note	2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Total (loss) profit for the period before zakat and income tax		(62,429,212)	31,036,622
Adjustments for:			
Depreciation of property and equipment		1,180,323	1,353,248
Amortisation of intangible assets		6,734,908	6,191,479
Depreciation of right-of-use assets		1,741,473	1,620,690
Finance costs		286,471	250,888
Interest income from financial assets not measured at FVTPL		(14,823,616)	(13,700,986)
Interest income from financial assets measured at FVTPL		(1,030,291)	(1,392,134)
Expected credit losses (reversal of losses) on financial assets		17,266	(1,174)
Net (gains) losses on financial assets measured at FVTPL	7	(2,144,005)	2,318,430
Dividend income		(775,351)	(885,917)
Employee benefit obligations		1,020,616	1,512,538
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		5,598,443	25,043,205
Reinsurance contract assets	9	1,655,222	8,526,252
Accrued income on statutory deposit	8	(1,655,934)	(2,063,557)
Accrued and other liabilities		(9,446,032)	(1,054,704)
Insurance contract liabilities	9	48,204,206	(35,611,388)
Accrued commission income payable to Insurance Authority	8	1,655,934	2,063,557
		(24,209,579)	25,207,049
Employee benefit obligations paid		(1,020,616)	(1,512,538)
Zakat and income tax paid	19	(4,923,827)	(4,906,129)
Net cash (used in) generated from operating activities		(30,154,022)	18,788,382
Cash flows from investing activities			
Placement of term deposits		(52,409,860)	(311,430,847)
Redemption of term deposits		50,965,749	272,772,700
Payments for purchases of financial assets at FVTPL	7	(2,634,570)	(2,089,877)
Payments against purchases of financial assets at amortised cost		-	(3,000,000)
Proceeds from maturity of investments held at amoritsed cost	7	5,000,000	2,000,000
Interest income received from financial assets not measured at FVTPL		3,085,616	2,664,405
Interest income received from financial assets measured at FVTPL		1,805,642	2,283,197
Payments against purchases of property and equipment		(156,535)	(1,406,759)
Payments against purchases of intangible assets		(1,990,931)	(8,604,961)
Net cash generated from (used in) investing activities		3,665,111	(46,812,142)

(continued)

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GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Cash flows from financing activities			
Payments for principal elements of lease payments		(3,116,068)	(2,038,832)
Finance costs paid on lease liabilities		(286,471)	(250,888)
Net cash used in financing activities		(3,402,539)	(2,289,720)
Net decrease in cash and cash equivalents		(29,891,450)	(30,313,480)
Cash and cash equivalents at the beginning of the period	5	53,973,519	55,114,476
Cash and cash equivalents at end of the period	5	24,082,069	24,800,996
<u>Supplemental non-cash information:</u>			
Net changes in fair value of investment measured at FVOCI	15	5,079,600	-
Additions of right-of-use assets		1,391,975	336,662

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.



Abdulaziz Ali Al Turki
Chairman of the Board of Directors



Mesheal I. Alshayea
Chief Executive Officer



Faris Al Habbad
Chief Financial Officer

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

1 General information - legal status and principal activities

(a) General information

Gulf Union Alahlia Cooperative Insurance Company (the “Company”) is a Saudi joint stock company registered on 13 Sha’aban 1428H (corresponding to 26 August 2007) under Commercial Registration (“CR”) number 2050056228. The Company’s principal place of business is in Dammam, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business include medical, motor, general accident and liability, engineering, property, marine and protection insurance.

On 2 Jumada II 1424H, (corresponding to 31 July 2003), the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”) was promulgated by Royal Decree Number (M/32). On 29 Shaban 1428 H, (corresponding to 11 September 2007), the Insurance Authority (formerly known as: “SAMA”), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

On 27 Jumada II 1435H, (corresponding to 27 April 2014), the Company received SAMA’s approval of its request to change its license of transacting insurance and reinsurance business to insurance business.

The Company operates through six main branches and various point-of-sale stores located in the Kingdom of Saudi Arabia. Following are CR numbers of the six branches:

Branch type	Location	CR number
Regional branch	Dammam	2050118944
Regional branch	Riyadh	1010247518
Regional branch	Jeddah	4030177933
Regional branch	Riyadh	1010238441
Regional branch	Al Khobar	2051048012
Regional branch	Jeddah	4030224075

(b) Accumulated losses

During the three-month and six-month periods ended 30 June 2025, the Company has reported net loss for the period attributable to shareholders amounting to Saudi Riyals 27.9 million and Saudi Riyals 67.8 million, respectively, primarily due to the losses recognised in the motor and medical line of business. Further, the Company has net operating cash outflows amounting to Saudi Riyals 30.2 million for the six-month period ended 30 June 2025.

(i) Motor

The insurance service result for the motor line of business experienced a notable decrease from a profit of Saudi Riyals 20 million and Saudi Riyals 26.7 million to a loss amounting to Saudi Riyals 17.3 million and Saudi Riyals 54.6 million during the three-month and six-month periods ended 30 June 2025, respectively, as compared to the three-month and six-month periods ended 30 June 2024.

The loss situation primarily resulted from an increase in the frequency of motor claims incurred, particularly driven by an increase in loss ratios within the motor third-party aggregator group during the six-month period ended 30 June 2025. Further, the Company has also recognised losses component on onerous contract (Also see Note 11).

Management has formulated and implemented measures during the six-month period ended 30 June 2025, which mainly include better pricing strategies aimed to maximise adequacy ratios and writing quality risk business.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

1 General information - legal status and principal activities (continued)

(b) Accumulated losses

(ii) Medical

The insurance service results for the medical line of business experienced an increase in a loss from Saudi Riyals 14.9 million to Saudi Riyals 21.6 million and decrease in profit of Saudi Riyals 1.2 million to a loss of Saudi Riyals 22.1 million, during the three-month and six-month periods ended 30 June 2025, respectively, as compared to the three-month and six-month periods ended 30 June 2024.

The loss situation primarily resulted from an increase in the frequency of medical claims incurred, particularly driven by an increase in loss ratios for the corporate policies during the six-month period ended 30 June 2025. Further, the Company has also recognised losses component on onerous contract (Also see Note 11).

Management has formulated and implemented measures since the year ended 31 December 2024, which mainly include better pricing strategies aimed to maximise adequacy ratios and writing quality risk business.

(iii) Liquidity position

With regards to the liquidity position of the Company, the Company has liquid assets comprising cash and cash equivalents, term deposits and financial assets at FVTPL amounting to Saudi Riyals 24 million, Saudi Riyals 413.9 million and Saudi Riyals 143 million, respectively, as at 30 June 2025 which principally cover the Company's third party liabilities as of 30 June 2025.

(c) Going concern

Management has performed an assessment of its going concern assumption and based on the approved business plan of the Company, management believes that the Company will be able to continue its operations and meet its obligations as they fall due within the next 12 months. Accordingly, this interim condensed financial information is prepared on a going concern basis.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

1 General information - legal status and principal activities (continued)

(d) Shareholding percentage

The shareholding percentage of the Company at 30 June 2025 and 31 December 2024 was as follows:

	30 June 2025	31 December 2024
Shareholding percentage subject to zakat (%)	99	99
Shareholding percentage subject to income tax (%)	1	1
	100	100

2 Basis of preparation

a) Statement of compliance

The interim condensed financial information of the Company has 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 Organisation for Chartered and Professional Accountants (SOCPA).

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for insurance operations and shareholders' operations. Assets, liabilities, revenues and expenses clearly attributable to either activity is recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by management.

In accordance with the requirements of Implementing Regulation for Co-operative Insurance Companies (the "Regulations") issued by the Insurance Authority, formerly SAMA, and as per by-laws of the Company, 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 from insurance operations is transferred to the shareholders' operations in full. Surplus entitled to the policyholders is part of insurance service expenses.

The Regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

2 Basis of preparation (continued)

(a) Statement of compliance (continued)

In preparing the Company's financial information in compliance with IAS 34, as endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

(b) Basis of measurement

The interim condensed financial information is prepared under the historical cost convention, except as explained in the relevant accounting policies in the annual financial statements for the year ended 31 December 2024.

(c) Basis of presentation

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

The Company's interim condensed statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at FVTPL, prepaid expenses and other assets, accrued income on statutory deposit, accrued and other liabilities, zakat and income tax payable and accrued commission income payable to insurance authority. The following balances would generally be classified as non-current: financial assets at FVOCI, financial assets at amortised cost, property and equipment, right-of-use assets, goodwill, intangible assets, statutory deposit, and employee benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include term deposits, insurance contract liabilities, reinsurance contract assets and lease liabilities.

(d) Functional and presentation currency

This interim condensed financial information is expressed in Saudi Arabian Riyals ("Saudi Riyals") which is the functional and presentation currency of the Company.

(e) Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company. The interim results may not represent a proportionate share of the annual results due to cyclical variability in premiums and uncertainty of claims occurrences.

(f) Changes in products and services

During the three-month and six-month periods ended 30 June 2025, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

3 Material accounting policy information

3.1 New standards, amendments and interpretations

The accounting policies, estimates and assumptions used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

There were no new standards or amendments to standards and interpretations that became applicable for the current reporting period, except for the amendment to IAS 21 'Foreign currencies'. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting this amendment.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 1 January 2025 reporting periods and have not been early adopted by the Company. The new standard on presentation and disclosure in financial statements i.e. IFRS 18, 'Presentation and Disclosure in Financial Statements', will apply for reporting periods beginning on or after 1 January 2027. Management is in the process of assessing the impact of such new standards and interpretations on its financial statements.

3.2 Critical accounting judgments, estimates and assumptions

The preparation of interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Actual results may differ from these estimates.

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

4 Goodwill

The goodwill relates to merger of the Company with Al Ahlia Cooperative Insurance Company ("Al Ahlia") is attributable to the synergies from combining the operations of the Gulf Union and Al Ahlia. Goodwill is allocated to the Company as a single CGU, being the combined operations of the Company and Al Ahlia. The Company tests the goodwill for impairment at each reporting date, if there are impairment indicators, and at least annually. Due to the lower actual financial results as compared to the approved business plan, the management has performed goodwill impairment assessment as at 30 June 2025.

For the impairment testing, management determines the recoverable amount of the CGU based on value-in-use calculations. These calculations require the use of estimates in relation to the future cash flows, based on the most recent three years' approved business plan, and use of an appropriate discount rate applicable to the circumstances of the Company. Cash flows beyond the three-years period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with the forecasts included in industry reports specific to the industry in which the CGU operates. Key assumptions underlying the projections are:

Key assumptions	30 June 2025	31 December 2024
Discount rate (%)	15	15
Insurance service expenses as a percentage of insurance revenue (%)	95.3	91.5

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4 Goodwill (continued)

Although management believes that the assumptions used to evaluate potential impairment are reasonable, such assumptions are inherently subjective. Based on the assumptions made, the expected discounted future cash flows exceed the carrying amount of goodwill and accordingly no impairment was recognised.

Sensitivity to the changes in assumptions

Management has identified that a reasonably possible change in the below given key assumptions could cause the carrying amount equal to the recoverable amount.

Discount rate

The discount rate used to calculate the present value of future cashflows in the forecast period has been estimated to be 15%. If all other assumptions kept the same, an increase of this ratio from 15% to approximately 20% would give a value in use equal to the current carrying amount.

Insurance service expenses as a percentage of insurance revenue

The insurance service expenses in the forecast period have been estimated to be 95.3% of insurance revenue. If all other assumptions kept the same, an increase of insurance service expense from 95.3% to 96.2% of insurance revenue would give a value in use equal to the current carrying amount.

With regard to the assessment of the value in use, management believes that no reasonably possible change in any of the other key assumptions above would cause the carrying value of CGU including goodwill to exceed its recoverable amount.

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5 Cash and cash equivalents

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

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash at bank - current accounts	24,083,428	31,974,161
Time deposits	-	22,000,000
	24,083,428	53,974,161
Expected credit loss	(1,359)	(642)
	24,082,069	53,973,519

Cash at banks is placed with counterparties with sound credit ratings. As at 30 June 2025, no time deposits were placed (31 December 2024: the Company placed time deposit with the local bank with original maturity of less than three months from the date of placement and earned commission income at the rate of 4.5% per annum).

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade ratings refer to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's).

Movement in allowance for expected credit loss on cash and cash equivalents is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	642	619
Expected credit loss recognised in interim condensed statement of income during the period / year	717	23
Closing balance	1,359	642

6 Term deposits

Long-term deposit, amounting to Saudi Riyals 59.5 million (31 December 2024: Saudi Riyals 58 million), represents deposit with maturity of more than one year from the date of placement and is placed with the financial institution carrying commission income at a rate of 6.5% per annum (31 December 2024: 6.5% per annum) during the three-month and six-months periods ended 30 June 2025, and will mature by August 2025.

The gross carrying amount of long-term deposit represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade ratings refer to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's).

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6 Term deposits (continued)

Movement in allowance for expected credit loss on long-term deposits is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	-	5,120
Expected credit loss recognised (reversed) in interim condensed statement of income during the period / year	6,458	(5,120)
Closing balance	6,458	-

Short-term deposits, amounting to Saudi Riyals 354.4 million (31 December 2024: Saudi Riyals 342 million), are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of placement. These deposits earned commission income at the rate between 5.6% and 5.8% per annum for the three-month and six-month periods ended 30 June 2025 (31 December 2024: 5.8% and 6.5% per annum).

The gross carrying amount of short-term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade ratings refer to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's).

Movement in allowance for expected credit loss on short-term deposits is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	21,652	7,569
Expected credit loss recognised in interim condensed statement of income during the period / year	7,834	14,083
Closing balance	29,486	21,652

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7 Investments

(a) *Investments are classified as follows:*

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets at FVTPL		
Mutual Funds	85,785,837	82,924,693
Ordinary shares	34,693,485	33,338,029
Sukuks	22,696,225	22,134,250
	143,175,547	138,396,972
Financial assets at FVOCI		
Ordinary shares	127,327,274	122,247,674
Financial assets at amortised cost		
Sukuks	170,921,429	176,000,063
Expected credit loss	(4,452)	(4,062)
	170,916,977	175,996,001
	441,419,798	436,640,647

Investments in sukuks are classified as investments measured at amortised cost, except for certain Sukuks amounting to Saudi Riyals 22.7 million as at 30 June 2025 (December 2024: Saudi Riyals 22.1 million) which failed SPPI assessment on account of interest payment not constituting time value of money and so, were classified as FVTPL. The Company's business model for Sukuk classified as amortised cost is to hold to collect the contractual cash flows.

Investment in mutual funds are classified as investments measured at FVTPL since these are equity instruments. As a result, these funds were classified as FVTPL from the date of initial application.

The Company has classified its investments in ordinary shares at FVTPL, except for Najm for Insurance Services ("Najm") investments which are being held at FVOCI. The Company holds an investment in the equity of Najm and in accordance with Company's accounting policy, investments in equity instruments should be measured at fair value. The fair value of Najm investment as at 30 June 2025 and 31 December 2024 amounted to Saudi Riyals 127.3 million and Saudi Riyals 122.2 million, respectively.

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade ratings refer to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's).

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7 Investments (continued)

(b) *Movement in investments carried at fair value is as follows:*

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	260,644,646	222,113,472
Additions during the period / year	2,634,570	5,039,811
Withdrawal during the year	-	(734,639)
Changes in fair value of investments	7,223,605	34,226,002
Balance at end of the period / year	270,502,821	260,644,646

(c) *Movement in investments carried at amortised cost is as follows:*

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	175,996,001	156,102,104
Addition during the year	-	22,000,000
Matured during the period/ year	(5,000,000)	(2,000,000)
Interest accreted during the period / year	(74,572)	(102,041)
	170,921,429	176,000,063
Expected credit loss	(4,452)	(4,062)
	170,916,977	175,996,001

(d) *Movement in allowance for expected credit loss on financial assets held at amortised cost is as follows:*

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	4,062	2,496
Expected credit loss recognised in interim condensed statement of income during the period / year	390	1,566
Closing balance	4,452	4,062

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8 Statutory deposit

The statutory deposit represents 15% of the paid-up share capital, which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia. According to Article 58, the statutory deposit shall be ten percent (10%) of the paid-up capital. However, where the risk profile of the Company's business warrants it, SAMA shall increase this percentage to a maximum of fifteen percent (15%). Insurance Authority, formerly SAMA, is entitled to the earnings of this statutory deposit, and it cannot be withdrawn without its consent. In accordance with the instruction received from the SAMA vide their circular dated 1 March 2016, the Company has disclosed the commission due on statutory deposit as at 30 June 2025 as an asset and a liability in these financial statements.

The gross carrying amount of statutory deposit represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade ratings refer to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's).

Movement in allowance for expected credit loss on statutory deposit is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	3,936	8,170
Expected credit loss recognised (reversed) in interim condensed statement of income during the period / year	1,867	(4,234)
Closing balance	5,803	3,936

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9 Insurance and reinsurance contracts

9.1 Composition of the interim condensed statement of financial position

An analysis of the amounts presented on the interim condensed statement of financial position for insurance contracts and reinsurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

30 June 2025 (Unaudited)	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Insurance Contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	239,585,259	200,096,800	51,494,396	22,439,500	11,410,947	22,682,542	315,176	548,024,620
								548,024,620
Reinsurance contracts								
Reinsurance contract assets	3,631,440	3,981,250	8,752,105	15,071,803	6,183,800	22,205,091	210,431	60,035,920
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
								60,035,920
31 December 2024 (Audited)								
Insurance Contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	217,449,278	172,370,604	56,700,818	22,669,426	10,471,262	19,805,209	353,817	499,820,414
								499,820,414
Reinsurance contracts								
Reinsurance contract assets	2,872,407	4,455,167	13,552,652	15,830,920	6,099,430	18,657,303	223,263	61,691,142
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
								61,691,142

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9 Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims

9.2.1 Insurance contracts

	As at 30 June 2025 (Unaudited)					As at 31 December 2024 (Audited)				
	Liability for remaining coverage	Liability for incurred claims			Total	Liability for remaining coverage	Liability for incurred claims			Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities - opening	196,191,890	7,394,445	288,766,117	7,467,962	499,820,414	141,818,295	8,407,450	280,124,567	7,005,678	437,355,990
Insurance contract assets - opening	-	-	-	-	-	-	-	-	-	-
Opening balance - net	196,191,890	7,394,445	288,766,117	7,467,962	499,820,414	141,818,295	8,407,450	280,124,567	7,005,678	437,355,990
Insurance revenue	(508,221,271)	-	-	-	(508,221,271)	(804,752,396)	-	-	-	(804,752,396)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	419,169,945	4,811,648	423,981,593	-	-	589,824,792	5,201,726	595,026,518
Losses (reversal of losses) on onerous contracts	-	24,391,931	-	-	24,391,931	-	(240,574)	-	-	(240,574)
Changes that relate to past service - adjustments to the LIC	-	-	(4,815,918)	(3,874,774)	(8,690,692)	-	-	(25,124,468)	(4,739,442)	(29,863,910)
Insurance acquisition cashflows amortisation	95,796,013	-	-	-	95,796,013	152,475,322	-	-	-	152,475,322
Insurance service expenses	95,796,013	24,391,931	414,354,027	936,874	535,478,845	152,475,322	(240,574)	564,700,324	462,284	717,397,356
Finance (income) expense from insurance contracts	-	(933,233)	(130,955)	-	(1,064,188)	-	(772,431)	7,940	-	(764,491)
Total changes in the interim condensed statement of income	(412,425,258)	23,458,698	414,223,072	936,874	26,193,386	(652,277,074)	(1,013,005)	564,708,264	462,284	(88,119,531)
Cash flows										
Premiums received	452,058,262	-	-	-	452,058,262	860,540,619	-	-	-	860,540,619
Incurred claims and other incurred insurance service expenses paid	-	-	(339,201,319)	-	(339,201,319)	-	-	(556,066,714)	-	(556,066,714)
Insurance acquisition cashflows paid	(90,846,123)	-	-	-	(90,846,123)	(153,889,950)	-	-	-	(153,889,950)
Total cash inflows	361,212,139	-	(339,201,319)	-	22,010,820	706,650,669	-	(556,066,714)	-	150,583,955
Insurance contracts										
Insurance contract liabilities - closing	144,978,771	30,853,143	363,787,870	8,404,836	548,024,620	196,191,890	7,394,445	288,766,117	7,467,962	499,820,414
Insurance contract assets - closing	-	-	-	-	-	-	-	-	-	-
Closing balance - net	144,978,771	30,853,143	363,787,870	8,404,836	548,024,620	196,191,890	7,394,445	288,766,117	7,467,962	499,820,414

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9 Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims (continued)

9.2.2 Reinsurance contracts held

	As at 30 June 2025 (Unaudited)				As at 31 December 2024 (Audited)					
	Asset for remaining coverage		Asset for incurred claims		Total	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts										
Reinsurance contract assets - opening	889,126	-	59,124,461	1,677,555	61,691,142	10,223,682	72,496	39,043,213	1,023,334	50,362,725
Reinsurance contract liabilities - opening	-	-	-	-	-	-	-	-	-	-
Opening balance - net	889,126	-	59,124,461	1,677,555	61,691,142	10,223,682	72,496	39,043,213	1,023,334	50,362,725
Allocation of reinsurance premium	(64,942,961)	-	-	-	(64,942,961)	(104,222,422)	-	-	-	(104,222,422)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	13,718,289	585,566	14,303,855	-	-	46,551,116	880,261	47,431,377
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	(889,166)	-	(889,166)
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	(177,063)	-	-	(177,063)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	8,678,350	(363,695)	8,314,655	-	-	4,696,406	(226,040)	4,470,366
Amounts recoverable from reinsurers - net	-	-	22,396,639	221,871	22,618,510	-	(177,063)	50,358,356	654,221	50,835,514
Changes in reinsurance due to adjustment premiums	-	-	684,788	-	684,788	-	-	(3,368,125)	-	(3,368,125)
Finance income (expenses) from reinsurance contracts	-	-	75,221	-	75,221	-	104,567	(456,723)	-	(352,156)
Total changes in the interim condensed statement of income	(64,942,961)	-	23,156,648	221,871	(41,564,442)	(104,222,422)	(72,496)	46,533,508	654,221	(57,107,189)
Cash flows										
Premiums ceded	53,285,468	-	-	-	53,285,468	94,887,866	-	-	-	94,887,866
Recoveries from reinsurance	-	-	(13,376,248)	-	(13,376,248)	-	-	(26,452,260)	-	(26,452,260)
Total cash inflows	53,285,468	-	(13,376,248)	-	39,909,220	94,887,866	-	(26,452,260)	-	68,435,606
Reinsurance contracts										
Reinsurance contract assets - closing	(10,768,367)	-	68,904,861	1,899,426	60,035,920	889,126	-	59,124,461	1,677,555	61,691,142
Reinsurance contract liabilities - closing	-	-	-	-	-	-	-	-	-	-
Closing balance - net	(10,768,367)	-	68,904,861	1,899,426	60,035,920	889,126	-	59,124,461	1,677,555	61,691,142

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10 Share capital

The authorised, issued and paid-up capital of the Company was Saudi Riyals 458.9 million as at 30 June 2025 and 31 December 2024 consisting of 45.8 shares of Saudi Riyals 10 each.

Shareholding structure of the Company as of 30 June 2025 and 31 December 2024 is as below:

	Authorized and issued		Paid up
	No. of Shares	Saudi Riyals	
Rawabi Holding Company	4,717,999	47,179,990	47,179,990
Gulf Union Insurance and Projects			
Management Holding Company B.S.C. (c.)	2,475,113	24,751,130	24,751,130
Other	38,701,816	387,018,160	387,018,160
	45,894,928	458,949,280	458,949,280

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11 Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for three-month and six-month periods ended 30 June 2025 and 2024 is included in following tables respectively. Additional information on amounts recognised in interim condensed statement of income is included in the insurance contract balances reconciliation.

For the three-month period ended 30 June 2025 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Insurance revenue from contracts measured under PAA	114,693,964	103,490,300	15,384,374	5,442,456	8,710,193	12,337,654	151,484	260,210,425
Incurring claims and other incurred insurance service expenses	(113,899,939)	(89,903,612)	(4,231,183)	(2,325,940)	(1,585,803)	(2,312,429)	17,635	(214,241,271)
Reversal of losses (Losses) on onerous contracts	3,046,624	(12,431,059)	748,485	-	-	-	-	(8,635,950)
Changes that relate to past service - adjustments to the LIC	592,526	8,471,552	(729,983)	1,357,108	930,900	963,457	(129,857)	11,455,703
Insurance acquisition cash flows amortisation	(19,148,518)	(23,935,410)	(3,025,400)	(1,439,394)	(1,486,425)	(2,844,711)	(76,035)	(51,955,893)
Total insurance service expenses	(129,409,307)	(117,798,529)	(7,238,081)	(2,408,226)	(2,141,328)	(4,193,683)	(188,257)	(263,377,411)

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11 Insurance revenue and expenses (continued)

For the three-month period ended 30 June 2025 (Unaudited): (continued)

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Reinsurance income - contracts measured under the PAA								
Reinsurance premium ceded	(10,727,262)	(2,469,880)	(3,985,699)	(4,032,212)	(4,588,526)	(6,068,146)	(106,224)	(31,977,949)
Claims recovered and other directly attributable expenses	-	-	1,105,833	1,492,897	1,028,884	1,909,178	(25,140)	5,511,652
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	6,242,553	(497,273)	138,425	(771,304)	(674,178)	(646,547)	52,070	3,843,746
Changes in reinsurance due to adjustment premiums	(2,377,290)	-	-	-	-	-	-	(2,377,290)
Net expenses from reinsurance contracts	(6,861,999)	(2,967,153)	(2,741,441)	(3,310,619)	(4,233,820)	(4,805,515)	(79,294)	(24,999,841)
Insurance service result from Company's directly written business	(21,577,342)	(17,275,382)	5,404,852	(276,389)	2,335,045	3,338,456	(116,067)	(28,166,827)
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,981,654
Total insurance service result	(21,577,342)	(17,275,382)	5,404,852	(276,389)	2,335,045	3,338,456	(116,067)	(26,185,173)

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11 Insurance revenue and expenses (continued)

For the three-month period ended 30 June 2024 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Insurance revenue from contracts measured under PAA	67,442,179	87,047,846	14,469,341	6,224,010	7,857,968	9,446,652	32,480	192,520,476
Incurring claims and other incurred insurance service expenses	(59,031,245)	(58,683,455)	(8,342,920)	(867,922)	(1,414,367)	(3,806,747)	33,024	(132,113,632)
(Losses) reversal of losses on onerous contracts	(5,244,342)	4,381,257	-	-	-	-	-	(863,085)
Changes that relate to past service - adjustments to the LIC	(4,990,252)	12,941,471	1,931,982	(1,257,156)	(684,878)	1,095,096	218,511	9,254,774
Insurance acquisition cash flows amortisation	(13,736,898)	(19,941,116)	(2,782,467)	(1,144,278)	(1,070,209)	(2,556,618)	(47,406)	(41,278,992)
Total insurance service expenses	(83,002,737)	(61,301,843)	(9,193,405)	(3,269,356)	(3,169,454)	(5,268,269)	204,129	(165,000,935)

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11 Insurance revenue and expenses (continued)

For the three-month period ended 30 June 2024 (Unaudited): (continued)

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Reinsurance income - contracts measured under the PAA								
Reinsurance premium ceded	(7,592,251)	(2,770,409)	(3,081,969)	(2,508,091)	(2,157,367)	(10,102,189)	(103,216)	(28,315,492)
Claims recovered and other directly attributable expenses	2,719,876	(334,449)	2,552,836	420,793	758,593	2,552,600	(6,429)	8,663,820
Effect of changes in the risk of reinsurers non-performance	(142,128)	(120,771)	-	-	-	-	-	(262,899)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	1,935,830	1,390,005	749,531	708,779	475,231	(1,265,369)	(12,916)	3,981,091
Total net (expenses) income from reinsurance contracts	(3,078,673)	(1,835,624)	220,398	(1,378,519)	(923,543)	(8,814,958)	(122,561)	(15,933,480)
Insurance service result from Company's directly written business	(18,639,231)	23,910,379	5,496,334	1,576,135	3,764,971	(4,636,575)	114,048	11,586,061
Share of surplus from insurance pools	-	-	-	-	-	-	-	502,202
Total insurance service result	(18,639,231)	23,910,379	5,496,334	1,576,135	3,764,971	(4,636,575)	114,048	12,088,263

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11 Insurance revenue and expenses (continued)

For the six-month period ended 30 June 2025 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Insurance revenue from contracts measured under PAA	235,404,458	191,823,356	29,360,371	10,323,946	13,478,872	27,589,297	240,971	508,221,271
Incurred claims and other incurred insurance service expenses	(216,203,847)	(181,361,089)	(10,443,408)	(4,211,307)	(2,957,352)	(8,763,812)	(40,778)	(423,981,593)
Reversal of losses (Losses) on onerous contracts	776,814	(25,168,745)	-	-	-	-	-	(24,391,931)
Changes that relate to past service - adjustments to the LIC	(1,631,020)	9,793,323	(3,355,019)	2,336,129	814,633	782,897	(50,251)	8,690,692
Insurance acquisition cash flows amortisation	(33,387,690)	(46,360,779)	(6,022,554)	(2,680,425)	(2,936,676)	(4,298,335)	(109,554)	(95,796,013)
Total insurance service expenses	(250,445,743)	(243,097,290)	(19,820,981)	(4,555,603)	(5,079,395)	(12,279,250)	(200,583)	(535,478,845)

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11 Insurance revenue and expenses (continued)

For the six-month period ended 30 June 2025 (Unaudited): (continued)

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Reinsurance income - contracts measured under the PAA								
Reinsurance premium ceded	(17,597,887)	(4,939,759)	(9,311,518)	(6,931,517)	(8,285,332)	(17,673,591)	(203,357)	(64,942,961)
Claims recovered and other directly attributable expenses	-	-	2,381,681	2,647,007	1,904,411	7,368,347	2,409	14,303,855
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	9,832,336	1,619,317	1,259,081	(2,659,464)	(955,673)	(818,721)	37,779	8,314,655
Changes in reinsurance due to adjustment premiums	684,788	-	-	-	-	-	-	684,788
Net expenses from reinsurance contracts	(7,080,763)	(3,320,442)	(5,670,756)	(6,943,974)	(7,336,594)	(11,123,965)	(163,169)	(41,639,663)
Insurance service result from Company's directly written business	(22,122,048)	(54,594,376)	3,868,634	(1,175,631)	1,062,883	4,186,082	(122,781)	(68,897,237)
Share of surplus from insurance pools	-	-	-	-	-	-	-	2,653,759
Total insurance service result	(22,122,048)	(54,594,376)	3,868,634	(1,175,631)	1,062,883	4,186,082	(122,781)	(66,243,478)

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11 Insurance revenue and expenses (continued)

For the six-month period ended 30 June 2024 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Insurance revenue from contracts measured under PAA	131,658,447	163,425,973	26,968,313	10,788,332	12,291,886	12,469,692	872,478	358,475,121
Incurring claims and other incurred insurance service expenses	(108,518,846)	(123,807,436)	(17,058,641)	(2,751,990)	(2,328,169)	(4,476,838)	(50,293)	(258,992,213)
(Losses) reversal of the losses on onerous contracts	(2,231,756)	7,365,199	-	-	-	-	-	5,133,443
Changes that relate to past service - adjustments to the LIC	4,152,158	30,468,022	(292,121)	(982,697)	3,778,779	(2,194,865)	239,652	35,168,928
Insurance acquisition cash flows amortisation	(19,550,713)	(41,128,436)	(7,134,748)	(2,257,894)	(2,511,906)	(3,411,101)	(114,361)	(76,109,159)
Total insurance service expenses	(126,149,157)	(127,102,651)	(24,485,510)	(5,992,581)	(1,061,296)	(10,082,804)	74,998	(294,799,001)

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11 Insurance revenue and expenses (continued)

For the six-month period ended 30 June 2024 (Unaudited): (continued)

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
30 June 2024								
Reinsurance income - contracts measured under the PAA								
Reinsurance premium ceded	(10,993,771)	(5,043,692)	(5,695,344)	(5,761,275)	(5,923,652)	(12,217,200)	(655,552)	(46,290,486)
Claims recovered and other directly attributable expenses	4,144,702	(22,037)	4,142,827	1,729,460	1,266,840	2,859,967	-	14,121,759
Effect of changes in the risk of reinsurers non-performance	(177,063)	-	-	-	-	-	-	(177,063)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(155,983)	(733,605)	1,212,769	1,073,678	(2,511,537)	2,131,907	(8,177)	1,009,052
Changes in reinsurance due to adjustment premiums	(840,345)	-	-	-	-	-	-	(840,345)
Total net expenses from reinsurance contracts	(8,022,460)	(5,799,334)	(339,748)	(2,958,137)	(7,168,349)	(7,225,326)	(663,729)	(32,177,083)
Insurance service result from Company's directly written business	(2,513,170)	30,523,988	2,143,055	1,837,614	4,062,241	(4,838,438)	283,747	31,499,037
Share of surplus from insurance pools	-	-	-	-	-	-	-	4,038,108
Total insurance service result	(2,513,170)	30,523,988	2,143,055	1,837,614	4,062,241	(4,838,438)	283,747	35,537,145

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12 Insurance finance expenses - net

An analysis of the net insurance finance income (expenses) by product line for the three-month and six-month periods ended 30 June 2025 and 2024 respectively is presented below:

For the three-month period ended 30 June 2025 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Finance income (expenses) from insurance contracts issued								
Interest reversed (accrued)	1,261,590	(396,191)	(401,360)	(14,107)	6,115	(11,247)	18,461	463,261
Effects of changes in interest rates and other financial assumptions	1,787	(588)	(1,453)	(385)	(15)	4	77	(573)
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income (expenses) from insurance contracts issued	1,263,377	(396,779)	(402,813)	(14,492)	6,100	(11,243)	18,538	462,688
Finance income (expenses) from reinsurance contracts held								
Interest (accrued) reversed	-	46,415	31,668	(2,417)	1,663	1,436	(1,706)	77,059
Effects of changes in interest rates and other financial assumptions	-	81	57	375	54	(12)	(10)	545
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income (expenses) from reinsurance contracts held	-	46,496	31,725	(2,042)	1,717	1,424	(1,716)	77,604
Net insurance finance income (expenses)	1,263,377	(350,283)	(371,088)	(16,534)	7,817	(9,819)	16,822	540,292

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12 Insurance finance expense - net (continued)

For the three-month period ended 30 June 2024 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Finance income (expenses) from insurance contracts issued								
Interest reversed (accreted)	630,901	(739,384)	4,557	424,846	163,858	(175,249)	(14,112)	295,417
Effects of changes in interest rates and other financial assumptions	(8,709)	(45,254)	(61,895)	(2,370)	7,047	(5,474)	(367)	(117,022)
Finance income (expenses) from insurance contracts issued	622,192	(784,638)	(57,338)	422,476	170,905	(180,723)	(14,479)	178,395
Finance income (expenses) from reinsurance contracts held								
Interest reversed (accreted)	178,298	(37,259)	(78,879)	(375,574)	(114,870)	159,565	998	(267,721)
Effects of changes in interest rates and other financial assumptions	(126)	1,711	7,016	2,404	(5,107)	4,399	26	10,323
Finance income (expenses) from reinsurance contracts held	178,172	(35,548)	(71,863)	(373,170)	(119,977)	163,964	1,024	(257,398)
Net insurance finance income (expenses)	800,364	(820,186)	(129,201)	49,306	50,928	(16,759)	(13,455)	(79,003)

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12 Insurance finance expense - net (continued)

For the six-month period ended 30 June 2025 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Finance income (expenses) from insurance contracts issued								
Interest reversed (accreted)	918,877	184,936	52,007	(115,085)	(17,167)	37,293	1,950	1,062,811
Effects of changes in interest rates and other financial assumptions	1,437	567	320	(875)	(117)	33	12	1,377
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income (expenses) from insurance contracts issued	920,314	185,503	52,327	(115,960)	(17,284)	37,326	1,962	1,064,188
Finance (expenses) income from reinsurance contracts held								
Interest (accreted) reversed	-	(10,051)	(29,978)	140,256	19,479	(44,105)	(1,317)	74,284
Effects of changes in interest rates and other financial assumptions	-	(31)	(184)	1,067	132	(39)	(8)	937
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance (expenses) income from reinsurance contracts held	-	(10,082)	(30,162)	141,323	19,611	(44,144)	(1,325)	75,221
Net insurance finance income (expenses)	920,314	175,421	22,165	25,363	2,327	(6,818)	637	1,139,409

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12 Insurance finance expense - net (continued)

For the six-month period ended 30 June 2024 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total
Finance (expenses) income from insurance contracts issued								
Interest (accreted) reversed	(705,132)	(1,393,313)	158,569	498,796	(43,512)	(11,258)	(12,431)	(1,508,281)
Effects of changes in interest rates and other financial assumptions	1,023	3,270	(1,474)	(3,872)	266	27	116	(644)
Finance (expenses) income from insurance contracts issued	(704,109)	(1,390,043)	157,095	494,924	(43,246)	(11,231)	(12,315)	(1,508,925)
Finance income (expenses) from reinsurance contracts held								
Interest reversed (accreted)	228,505	30,150	(121,864)	(460,212)	27,430	3,578	878	(291,535)
Effects of changes in interest rates and other financial assumptions	(332)	(71)	1,133	3,573	(168)	(9)	(8)	4,118
Finance income (expenses) from reinsurance contracts held	228,173	30,079	(120,731)	(456,639)	27,262	3,569	870	(287,417)
Net insurance finance (expenses) income	(475,936)	(1,359,964)	36,364	38,285	(15,984)	(7,662)	(11,445)	(1,796,342)

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13 Share of surplus from insurance pools

13.1 Share of surplus from Umrah & Hajj scheme

This represents the Company's share in the surplus for general accident and medical products arising from the Hajj and Umrah scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and medical of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement as at 30 June 2025 and as the aforementioned arrangement has been discontinued. The Company's share of income in the Hajj and Umrah scheme is derived from insurance revenues of Saudi Riyals Nil and Saudi Riyals 1.1 million and net expenses of Saudi Riyals Nil and Saudi Riyals 0.5 million for the three-month and six-month periods ended 30 June 2025 (Saudi Riyals Nil million and Saudi Riyals 22.0 million, respectively, for the three-month period ended 30 June 2024 and Saudi Riyals Nil million and Saudi Riyals 18.5 million, respectively, for the six-month period ended 30 June 2024).

13.2 Share of surplus from Inherent defects insurance

This represents the Company's share of surplus 5.13% (2024: 5.13%) in the Inherent Defects Insurance ("IDI") product. On June 25, 2020, a Joint Venture agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on the SAMA approval authorizing Malath Cooperative Insurance Company ("Malath") as the leading company, to manage the IDI program on behalf of the participating insurance companies, selling the product and providing its insurance coverage by creating joint insurance portfolios. Malath exclusively managed the portfolio during the period of validity of the IDI agreement of five years from issue date. The agreement expired during the six-month period ended 30 June 2025. Effective 24 June 2025, Tawuniya Cooperative Insurance Company has been appointed as the new operator for IDI. Following an increase in the number of participants from thirteen to seventeen, the Company's share has now changed to 1.20%.

IDI is a mandatory insurance policy for contractors to insure against inherent defects that may appear in buildings and constructions after their occupation in non-governmental sector projects, according to Saudi Council of Ministers Decree No. 509 of 21/09/1439 AH (corresponding to 05/06/2018) and in accordance with the decision 441/187 of the Governor of SAMA dated 05/08/1441 AH (corresponding to 29/03/2020).

13.3 Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance

The Company along with eighteen other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Al-Etihad Cooperative Insurance Company, effective from 3 November 2024. This compulsory product covers default of entities in paying the rights and entitlements of non-Saudi employees in private sector entities offered by the "Ministry of Human Resources and Social Development" through IA.

The agreement is valid for an initial term of five years, starting from 3 November 2024, and renewable for another five years, subject to the terms and conditions of the agreement.

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14 Commitments and contingencies

1. The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business relating to policy holders' insurance claims. The Company, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Company's financial performance.
2. As at 30 June 2025 the Company has capital commitments amounting to Saudi Riyals 24.3 million pertaining to implementation of a new software (31 December 2024: Saudi Riyals 26.1 million).
3. See Note 19 for contingencies pertaining to zakat and income tax assessments.
4. The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings. The Company, based on in-house legal advice, does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

15 Fair value 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 advantages accessible market for the asset or liability.

The fair values of on-balance sheet financial instruments that are not carried at fair value are not significantly different from their carrying amounts included in the interim condensed financial information.

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

- a) Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b) Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- c) Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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15 Fair value of financial instruments (continued)

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial asset and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

(a) *Carrying amounts and fair value*

30 June 2025 (Unaudited)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Mutual funds	85,785,837	-	-	85,785,837
Ordinary shares	34,693,485	-	127,327,274	162,020,759
Sukuks	22,696,225	-	-	22,696,225
Total investments	143,175,547	-	127,327,274	270,502,821
31 December 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Mutual funds	82,924,693	-	-	82,924,693
Ordinary shares	33,338,029	-	122,247,674	155,585,703
Sukuks	22,134,250	-	-	22,134,250
Total investments	138,396,972	-	122,247,674	260,644,646

Specific valuation techniques used by management's independent experts to value financial instruments in Level 3 i.e. Najm, are as follows:

- **Discounted cashflows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis result into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the company in addition to its net debt position. In order to arrive to an equity value of a company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabahas and other investments, are subtracted from the Enterprise Value; and
- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

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15 Fair value of financial instruments (continued)

(a) Carrying amounts and fair value (continued)

A weight of 60% (2024: 60%) and 40% (2024: 40%) are then applied to the fair values determined under both methods, to arrive at the equity valuation of Najm and the Company then accounts for its share in equity of Najm i.e. 6.9% (2024: 6.9%).

Cash and cash equivalents, deposits, statutory deposit, accrued income on statutory deposits and the financial liabilities except employee benefit obligations are measured at amortised cost.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Furthermore, there were no transfers into and out of level 3 measurements.

(b) Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	122,247,674	86,968,505
Unrealised gain on fair value of FVOCI	5,079,600	35,279,169
Balance at the end of the period / year	127,327,274	122,247,674

Such unrealised gain on fair value of FVOCI is routed through other comprehensive income

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15 Fair value of financial instruments (continued)

(c) The below table shows significant unobservable inputs used in the valuation of level 3 investments and their respective sensitivities.

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	
Unquoted equity investment in Najm	127,327,274	122,247,674	Revenue growth rate	Revenue growth rate	9%	9.9%	Reducing the revenue growth rate by 1 percent, would decrease the fair value by Saudi Riyals 1.2 million. (2024: Saudi Riyals 1.2 million)
			WACC	WACC	16.5%	16.5%	Increasing the WACC by 1 percent, would decrease the fair value by Saudi Riyals 3.6 million. (2024: Saudi Riyals 3.4 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by Saudi Riyals 2.2 million. (2024: Saudi Riyals 2.2 million)
			EV/EBITDA multiple	EV/EBITDA multiple	7	7	Reducing the EV/EBITDA multiple to 6.3, would decrease the fair value by Saudi Riyals 3.6 million (2024: Saudi Riyals 2.9 million).

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(d) *Valuation process*

The finance department of the Company performs the valuations of level 3 fair values required for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO), Investment Committee and the Audit Committee. Discussions of valuation processes and results are held between the CFO, AC, Investment Committee and the Finance team regularly. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Terminal value growth rate is derived from publicly available databases.
- Earnings growth factors for unlisted equity securities are estimated based on such Company's own historical result

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16 Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements.

The Board of Directors of the Company monitors the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors for the Company as a whole. Furthermore, the Company operates in one geographical area i.e. Kingdom of Saudi Arabia.

Accordingly, segmental analysis of the interim condensed statement of income and other comprehensive income and interim condensed statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses. Refer notes 11, 12 and 17 for such analysis.

17 Information related to product lines

Results of product lines do not include other operating expenses, other income, investment income on financial assets measured at FVTPL, interest income on financial assets not measured at FVTPL, expected credit loss, dividend income and share of surplus from insurance pool. Accordingly, these are included in unallocated.

Product lines' assets do not include cash and cash equivalents, prepaid expenses and other assets, term deposits, property and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit. Accordingly, they are included in unallocated assets.

Product lines' liabilities do not include accrued and other liabilities, lease liabilities, employee benefit obligations, zakat and income tax and accrued commission income payable to Insurance Authority. Accordingly, they are included in unallocated liabilities.

The Company's information is presented into business units based on their products and services in the following product lines:

- Medical;
- Motor;
- General Accident & Liability;
- Engineering;
- Property;
- Marine; and
- Protection.

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17 Information related to product lines (continued)

30 June 2025 (Unaudited)	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total	Unallocated	Total
Assets										
Reinsurance contract assets	3,631,440	3,981,250	8,752,105	15,071,803	6,183,800	22,205,091	210,431	60,035,920	-	60,035,920
Unallocated assets	-	-	-	-	-	-	-	-	1,112,358,485	1,112,358,485
Total assets	3,631,440	3,981,250	8,752,105	15,071,803	6,183,800	22,205,091	210,431	60,035,920	1,112,358,485	1,172,394,405
Liabilities										
Insurance contract liabilities	239,585,259	200,096,800	51,494,396	22,439,500	11,410,947	22,682,542	315,176	548,024,620	-	548,024,620
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	624,369,785	624,369,785
Total liabilities and equity	239,585,259	200,096,800	51,494,396	22,439,500	11,410,947	22,682,542	315,176	548,024,620	624,369,785	1,172,394,405

31 December 2024 (Audited)	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total	Unallocated	Total
Assets										
Reinsurance contract assets	2,872,407	4,455,167	13,552,652	15,830,920	6,099,430	18,657,303	223,263	61,691,142	-	61,691,142
Unallocated assets	-	-	-	-	-	-	-	-	1,134,286,686	1,134,286,686
Total assets	2,872,407	4,455,167	13,552,652	15,830,920	6,099,430	18,657,303	223,263	61,691,142	1,134,286,686	1,195,977,828
Liabilities										
Insurance contract liabilities	217,449,278	172,370,604	56,700,818	22,669,426	10,471,262	19,805,209	353,817	499,820,414	-	499,820,414
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	696,157,414	696,157,414
Total liabilities and equity	217,449,278	172,370,604	56,700,818	22,669,426	10,471,262	19,805,209	353,817	499,820,414	696,157,414	1,195,977,828

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17 Information related to product lines (continued)

For the three-month period ended 30 June 2025 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total Unallocated	Total
Insurance revenue	114,693,964	103,490,300	15,384,374	5,442,456	8,710,193	12,337,654	151,484	260,210,425	- 260,210,425
Insurance service expenses	(129,409,307)	(117,798,529)	(7,238,081)	(2,408,226)	(2,141,328)	(4,193,683)	(188,257)	(263,377,411)	- (263,377,411)
Net expenses from reinsurance contracts	(6,861,999)	(2,967,153)	(2,741,441)	(3,310,619)	(4,233,820)	(4,805,515)	(79,294)	(24,999,841)	- (24,999,841)
Insurance service result from Company's directly written business	(21,577,342)	(17,275,382)	5,404,852	(276,389)	2,335,045	3,338,456	(116,067)	(28,166,827)	- (28,166,827)
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,981,654 1,981,654
Total insurance service result	(21,577,342)	(17,275,382)	5,404,852	(276,389)	2,335,045	3,338,456	(116,067)	(28,166,827)	1,981,654 (26,185,173)
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	7,356,579 7,356,579
Interest income from financial assets measured at FVTPL	-	-	-	-	-	-	-	-	657,820 657,820
Expected credit losses on financial assets	-	-	-	-	-	-	-	-	(14,300) (14,300)
Net gains on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	990,611 990,611
Dividend income	-	-	-	-	-	-	-	-	600,042 600,042
Net investment income	-	-	-	-	-	-	-	-	9,590,752 9,590,752
Finance income (expense) from insurance contracts issued	1,263,377	(396,779)	(402,813)	(14,492)	6,100	(11,243)	18,538	462,688	- 462,688
Finance income (expense) from reinsurance contracts held	-	46,496	31,725	(2,042)	1,717	1,424	(1,716)	77,604	- 77,604
Net insurance finance income (expenses)	1,263,377	(350,283)	(371,088)	(16,534)	7,817	(9,819)	16,822	540,292	- 540,292
Net insurance and investment result	(20,313,965)	(17,625,665)	5,033,764	(292,923)	2,342,862	3,328,637	(99,245)	(27,626,535)	11,572,406 (16,054,129)
Finance costs on leases	-	-	-	-	-	-	-	-	(206,160) (206,160)
Other operating expenses	-	-	-	-	-	-	-	-	(8,920,813) (8,920,813)
Total (loss) profit for the period before zakat and income tax	(20,313,965)	(17,625,665)	5,033,764	(292,923)	2,342,862	3,328,637	(99,245)	(27,626,535)	2,445,433 (25,181,102)
Zakat expense	-	-	-	-	-	-	-	-	(2,700,000) (2,700,000)
Income tax	-	-	-	-	-	-	-	-	- -
NET (LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	(20,313,965)	(17,625,665)	5,033,764	(292,923)	2,342,862	3,328,637	(99,245)	(27,626,535)	(254,567) (27,881,102)

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17 Information related to product lines (continued)

For the three-month period ended 30 June 2024 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total	Unallocated	Total
Insurance revenue	72,515,893	82,300,168	13,186,223	5,569,989	6,377,936	12,567,717	2,550	192,520,476	-	192,520,476
Insurance service expenses	(84,475,457)	(60,231,950)	(9,055,766)	(3,200,010)	(2,991,836)	(5,268,269)	222,353	(165,000,935)	-	(165,000,935)
Net (expenses) income from reinsurance contracts	(2,966,542)	(2,072,332)	254,401	(1,386,528)	(927,482)	(8,712,436)	(122,561)	(15,933,480)	-	(15,933,480)
Insurance service result from Company's directly written business	(14,926,106)	19,995,886	4,384,858	983,451	2,458,618	(1,412,988)	102,342	11,586,061	-	11,586,061
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	502,202	502,202
Total insurance service result	(14,926,106)	19,995,886	4,384,858	983,451	2,458,618	(1,412,988)	102,342	11,586,061	502,202	12,088,263
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	6,763,454	6,763,454
Interest income from financial assets measured at FVTPL	-	-	-	-	-	-	-	-	662,578	662,578
Expected credit losses on financial assets	-	-	-	-	-	-	-	-	(7,983)	(7,983)
Net losses on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	(4,441,619)	(4,441,619)
Dividend income	-	-	-	-	-	-	-	-	595,699	595,699
Net investment income	-	-	-	-	-	-	-	-	3,572,129	3,572,129
Finance income (expenses) from insurance contracts issued	622,192	(784,638)	(57,338)	422,476	170,905	(180,723)	(14,479)	178,395	-	178,395
Finance income (expenses) from reinsurance contracts held	178,172	(35,548)	(71,863)	(373,170)	(119,977)	163,964	1,024	(257,398)	-	(257,398)
Net insurance finance income (expenses)	800,364	(820,186)	(129,201)	49,306	50,928	(16,759)	(13,455)	(79,003)	-	(79,003)
Net insurance and investment result	(14,125,742)	19,175,700	4,255,657	1,032,757	2,509,546	(1,429,747)	88,887	11,507,058	4,074,331	15,581,389
Finance cost on leases	-	-	-	-	-	-	-	-	(152,133)	(152,133)
Other operating expenses	-	-	-	-	-	-	-	-	(4,686,020)	(4,686,020)
Total (loss) profit for the period before zakat and income tax	(14,125,742)	19,175,700	4,255,657	1,032,757	2,509,546	(1,429,747)	88,887	11,507,058	(763,822)	10,743,236
Zakat expense	-	-	-	-	-	-	-	-	(3,543,778)	(3,543,778)
Income tax	-	-	-	-	-	-	-	-	(112,351)	(112,351)
NET (LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	(14,125,742)	19,175,700	4,255,657	1,032,757	2,509,546	(1,429,747)	88,887	11,507,058	(4,419,951)	7,087,107

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17 Information related to product lines (continued)

For the six-month period ended 30 June 2025 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total Unallocated	Total
Insurance revenue	235,404,458	191,823,356	29,360,371	10,323,946	13,478,872	27,589,297	240,971	508,221,271	- 508,221,271
Insurance service expenses	(250,445,743)	(243,097,290)	(19,820,981)	(4,555,603)	(5,079,395)	(12,279,250)	(200,583)	(535,478,845)	- (535,478,845)
Net expenses from reinsurance contracts	(7,080,763)	(3,320,442)	(5,670,756)	(6,943,974)	(7,336,594)	(11,123,965)	(163,169)	(41,639,663)	- (41,639,663)
Insurance service result from									
Company's directly written business	(22,122,048)	(54,594,376)	3,868,634	(1,175,631)	1,062,883	4,186,082	(122,781)	(68,897,237)	- (68,897,237)
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	2,653,759 2,653,759
Total insurance service result	(22,122,048)	(54,594,376)	3,868,634	(1,175,631)	1,062,883	4,186,082	(122,781)	(68,897,237)	2,653,759 (66,243,478)
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	14,823,616 14,823,616
Interest income from financial assets measured at FVTPL	-	-	-	-	-	-	-	-	1,030,291 1,030,291
Expected credit losses on financial assets	-	-	-	-	-	-	-	-	(17,266) (17,266)
Net gains on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	2,144,005 2,144,005
Dividend income	-	-	-	-	-	-	-	-	775,351 775,351
Net investment income	-	-	-	-	-	-	-	-	18,755,997 18,755,997
Finance income (expense) from insurance contracts issued	920,314	185,503	52,327	(115,960)	(17,284)	37,326	1,962	1,064,188	- 1,064,188
Finance (expense) income from reinsurance contracts held	-	(10,082)	(30,162)	141,323	19,611	(44,144)	(1,325)	75,221	- 75,221
Net insurance finance income (expenses)	920,314	175,421	22,165	25,363	2,327	(6,818)	637	1,139,409	- 1,139,409
Net insurance and investment result	(21,201,734)	(54,418,955)	3,890,799	(1,150,268)	1,065,210	4,179,264	(122,144)	(67,757,828)	21,409,756 (46,348,072)
Finance costs on leases	-	-	-	-	-	-	-	-	(286,471) (286,471)
Other operating expenses	-	-	-	-	-	-	-	-	(15,794,669) (15,794,669)
Total (loss) profit for the period before zakat and income tax	(21,201,734)	(54,418,955)	3,890,799	(1,150,268)	1,065,210	4,179,264	(122,144)	(67,757,828)	5,328,616 (62,429,212)
Zakat expense	-	-	-	-	-	-	-	-	(5,400,000) (5,400,000)
Income tax	-	-	-	-	-	-	-	-	- -
NET (LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	(21,201,734)	(54,418,955)	3,890,799	(1,150,268)	1,065,210	4,179,264	(122,144)	(67,757,828)	(71,384) (67,829,212)

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17 Information related to product lines (continued)
For the six-month period ended 30 June 2024 (Unaudited):

	Medical	Motor	General Accident & Liability	Engineering	Property	Marine	Protection	Total	Unallocate d	Total
Insurance revenue	136,732,161	158,678,295	25,685,195	10,134,311	10,811,854	15,590,757	842,548	358,475,121	-	358,475,121
Insurance service expenses	(127,621,877)	(126,032,754)	(24,347,875)	(5,923,235)	(883,678)	(10,082,804)	93,222	(294,799,001)	-	(294,799,001)
Net expenses from reinsurance contracts	(7,910,329)	(6,036,041)	(305,746)	(2,966,146)	(7,172,288)	(7,122,804)	(663,729)	(32,177,083)	-	(32,177,083)
Insurance service result from Company's directly written business	1,199,955	26,609,500	1,031,574	1,244,930	2,755,888	(1,614,851)	272,041	31,499,037	-	31,499,037
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	4,038,108	4,038,108
Total insurance service result	1,199,955	26,609,500	1,031,574	1,244,930	2,755,888	(1,614,851)	272,041	31,499,037	4,038,108	35,537,145
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	13,700,986	13,700,986
Interest income from financial assets measured at FVTPL	-	-	-	-	-	-	-	-	1,392,134	1,392,134
Expected credit loss reversal on financial assets	-	-	-	-	-	-	-	-	1,174	1,174
Net losses on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	(2,318,430)	(2,318,430)
Dividend income	-	-	-	-	-	-	-	-	885,917	885,917
Net investment income	-	-	-	-	-	-	-	-	13,661,781	13,661,781
Finance (expenses) income from insurance contracts issued	(704,109)	(1,390,043)	157,095	494,924	(43,246)	(11,231)	(12,315)	(1,508,925)	-	(1,508,925)
Finance income (expenses) from reinsurance contracts held	228,173	30,079	(120,731)	(456,639)	27,262	3,569	870	(287,417)	-	(287,417)
Net insurance finance (expenses) income	(475,936)	(1,359,964)	36,364	38,285	(15,984)	(7,662)	(11,445)	(1,796,342)	-	(1,796,342)
Net insurance and investment result	724,019	25,249,536	1,067,938	1,283,215	2,739,904	(1,622,513)	260,596	29,702,695	17,699,889	47,402,584
Finance cost on leases	-	-	-	-	-	-	-	-	(250,888)	(250,888)
Other operating expenses	-	-	-	-	-	-	-	-	(16,115,074)	(16,115,074)
Total profit for the period before zakat and income tax	724,019	25,249,536	1,067,938	1,283,215	2,739,904	(1,622,513)	260,596	29,702,695	1,333,927	31,036,622
Zakat expense	-	-	-	-	-	-	-	-	(4,193,778)	(4,193,778)
Income tax	-	-	-	-	-	-	-	-	(212,351)	(212,351)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	724,019	25,249,536	1,067,938	1,283,215	2,739,904	(1,622,513)	260,596	29,702,695	(3,072,202)	26,630,493

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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 due from and to balances of related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the major related party transactions during the year and the related balances:

Nature of transactions	Transactions for the three-month period ended		Transactions for the six-month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Major shareholders				
Gross premiums (forming part of insurance revenue)	33,357,385	28,132,781	36,682,163	31,021,472
Net claims paid (forming part of insurance service expenses)	(747,554)	(1,518,686)	(846,782)	(1,951,469)
Rent expense	(1,035,760)	-	(2,071,520)	-
Directors' remuneration and meeting fee	(3,266,500)	(2,107,214)	(3,317,500)	(3,703,144)
Nature of balances			Balances	
			30 June 2025	31 December 2024
			(Unaudited)	(Audited)
Shareholders				
Insurance contract liabilities (expected premium receipts)			60,130,153	25,899,394

The compensation of key management personnel during the three-month and six-month periods ended is as follows:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and benefits	1,825,704	1,734,475	3,762,889	3,137,760
Employee benefit obligations	433,566	496,049	557,437	597,478
	2,259,270	2,230,524	4,320,326	3,735,238

Key management personnel include senior management, department heads and board of directors. Compensation to key management personnel is based on employment terms and as per the By-laws of the Company.

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19 Zakat and Income Tax

a) Zakat and income tax

Combined movement of zakat and income tax was as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	15,575,348	23,795,052
Provided during the period/year	3,000,000	5,212,350
Provided during the period/year for prior year	2,400,000	2,693,778
Payments during the period/year	(4,923,827)	(16,125,832)
Closing balance	16,051,521	15,575,348

b) Status of assessments

The final assessments for the years 2019 through 2024 are not yet issued by the Zakat, Tax and Customs Authority ("ZATCA"). The zakat and income tax liability as computed by the Company could be different from the zakat and tax liability as assessed by the ZATCA for these years.

In 2018, Al Ahlia received zakat and income tax assessments for the years 2011 and 2012 amounting to Saudi Riyals 2.1 million. Al Ahlia filed an appeal against the ZATCA's assessment to General Secretariat of the Tax Committees ("GSTC") for which the outcome is pending. Further, during 2020, Al Ahlia received zakat and income tax assessments for the years 2015 through 2018 amounting to Saudi Riyals 9.5 million against which Al Ahlia filed an appeal to the GSTC and the outcome is pending. The zakat differences as per the initial assessments for the years 2011, 2012 and 2015 through 2018 were mainly due to the disallowances by ZATCA of certain balances related to investments, statutory deposit and adjusted accumulated losses from the zakat base. Management believes that ZATCA will reconsider the initial assessments and will allow certain deductions from the zakat base in the final assessments.

However, Al Ahlia's management has submitted a settlement request to the ZATCA for all pending assessments with an amount of Saudi Riyals 7.8 million and is of the view that the level of the existing provisions for zakat is presently sufficient. Al Ahlia had obtained zakat and income tax certificates from the ZATCA for the years through 2019 and its zakat and income tax assessment for the year 2019 is currently under review by the ZATCA.

The Company has obtained Zakat and income tax certificates from the ZATCA for the years through 2024.

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20 Statutory reserve

In accordance with By-laws of the Company and Article 70(2)(g) of the Implementing Regulations for Co-operative Insurance Companies issued by the Insurance Authority, formerly SAMA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

21 Capital risk management

Objectives are set by the Board of Directors of the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value are:

- To comply with the insurance capital requirements as set out in the Law on Supervision of Cooperative Insurance Companies. The Company's current paid-up share capital is in accordance with Article 3 of the Law;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Company has fully complied with the regulatory capital requirements during the reported financial period. As at 30 June 2025 the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

As per Article 66 of the Regulations, the Company shall maintain a solvency margin equivalent to the highest of the following three methods:

- Minimum capital requirement;
- Premium solvency margin; or
- Claims solvency margin.

As of 30 June 2025, the Company is in compliance with the minimum solvency margin as required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

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22 Basic and diluted earnings per share

Basic and diluted earnings per share for the three-month and six-month periods ended 30 June 2025 and 2024 is calculated by dividing net (loss) profit for the period attributable to the shareholders by the weighted average number of outstanding shares during the period.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) profit for the period attributable to the shareholders	(27,881,102)	7,087,107	(67,829,212)	26,630,493
Weighted average number of ordinary shares for basic and diluted income per share	45,894,928	45,894,928	45,894,928	45,894,928
Basic and diluted (losses) earnings per share	(0.61)	0.15	(1.48)	0.58

23 Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of the Insurance Authority and are not calculated as per the requirements of IFRS 17.

For the three-month period ended:

30 June 2025 (Unaudited)						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	8,412,243	35,627,658	5,675,145	-	-	49,715,046
Very small	12,730,396	1,491,374	2,538,579	-	-	16,760,349
Small	2,381,635	5,302,266	3,471,006	-	-	11,154,907
Medium	592,704	14,715,501	7,381,099	-	-	22,689,304
Corporate	139,879,026	34,277,081	47,094,823	-	-	221,250,930
Total	163,996,004	91,413,880	66,160,652	-	-	321,570,536

30 June 2024 (Unaudited)						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	15,266,578	31,586,999	6,586,159	-	-	53,439,736
Very small	7,310,577	2,681,457	312,925	-	-	10,304,959
Small	2,022,036	11,195,280	1,878,682	-	-	15,095,998
Medium	324,181	22,256,277	6,961,029	-	-	29,541,487
Corporate	105,725,244	23,734,855	35,743,133	-	-	165,203,232
Total	130,648,616	91,454,868	51,481,928	-	-	273,585,412

For the six-month period ended:

30 June 2025 (Unaudited)						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	27,458,017	85,520,115	11,139,685	-	-	124,117,817
Very small	27,574,576	3,538,251	3,710,346	-	-	34,823,173
Small	5,100,479	21,958,394	6,511,427	-	-	33,570,300
Medium	1,332,203	38,389,340	22,218,954	-	-	61,940,497
Corporate	192,159,290	56,897,283	70,763,299	-	-	319,819,872
Total	253,624,565	206,303,383	114,343,711	-	-	574,271,659

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23 Gross written premium (continued)

Breakdown of GWP	30 June 2024 (Unaudited)					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	38,918,248	51,789,904	13,846,083	-	-	104,554,235
Very small	12,712,345	27,158,210	524,832	-	-	40,395,387
Small	4,560,095	12,401,341	4,947,390	-	-	21,908,826
Medium	3,094,745	34,070,589	18,187,038	-	-	55,352,372
Corporate	142,515,947	55,834,063	53,268,351	-	-	251,618,361
Total	201,801,380	181,254,107	90,773,694	-	-	473,829,181

24 Net written premium

Details relating to net written premium are disclosed below to comply with the requirements of the Insurance Authority and are not calculated as per the requirements of IFRS 17.

For the three-month period ended:

Item	30 June 2025 (Unaudited)					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	163,996,004	91,413,880	66,160,652	-	-	321,570,536
Reinsurance premium ceded – globally (including excess of loss)	(7,852,641)	(1,728,915)	(32,712,586)	-	-	(42,294,142)
Reinsurance premium ceded – locally (including excess of loss)	(2,874,622)	(740,965)	(19,177,125)	-	-	(22,792,712)
Net written premium – total	153,268,741	88,944,000	14,270,941	-	-	256,483,682

Item	30 June 2024 (Unaudited)					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	130,648,616	91,454,868	51,481,928	-	-	273,585,412
Reinsurance premium ceded – globally (including excess of loss)	(4,751,746)	(1,535,337)	(36,728,020)	-	-	(43,015,103)
Reinsurance premium ceded – locally (including excess of loss)	(2,000,160)	(511,777)	(4,244,070)	-	-	(6,756,007)
Net written premium – total	123,896,710	89,407,754	10,509,838	-	-	223,814,302

For the six-month period ended:

Item	30 June 2025 (Unaudited)					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	253,624,565	206,303,383	114,343,711	-	-	574,271,659
Reinsurance premium ceded – globally (including excess of loss)	(12,918,148)	(3,457,831)	(56,773,839)	-	-	(73,149,818)
Reinsurance premium ceded – locally (including excess of loss)	(4,679,739)	(1,481,928)	(27,347,775)	-	-	(33,509,442)
Net written premium – total	236,026,678	201,363,624	30,222,097	-	-	467,612,399

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24 Net written premium (continued)

	30 June 2024 (Unaudited)					
				Protection & Savings		
Item	Medical	Motor	Property & casualty	Individual	Group (Term life)	Total
Gross written premium	201,801,380	181,254,107	90,773,694	-	-	473,829,181
Reinsurance premium ceded – globally (including excess of loss)	(7,775,986)	(3,099,352)	(54,622,656)	-	-	(65,497,994)
Reinsurance premium ceded – locally (including excess of loss)	(3,217,785)	(1,033,116)	(10,253,244)	-	-	(14,504,145)
Net written premium - total	190,807,609	177,121,639	25,897,794	-	-	393,827,042

25 Sensitivity of assumptions

The risks under insurance contracts and the risk management policies are consistent with those as disclosed in the annual financial statements for the year ended 31 December 2024. The Company believes that the claim liabilities under insurance contracts outstanding at the reporting period below are adequate. However, these amounts are not certain, and actual payments may differ from the claim's liabilities provided in the interim condensed financial information. The insurance results are sensitive to various assumptions. It has not been possible to quantify the sensitivity specific variable such as legislative changes or uncertainties in the estimation process.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Liability for incurred claims		
Estimates of present value of FCF	363,787,870	288,766,117
Risk adjustment for non-financial risk	8,404,836	7,467,962
Asset for incurred claims		
Estimates of present value of FCF	68,904,861	59,124,461
Risk adjustment for non-financial risk	1,899,426	1,677,555

Following are the sensitivities derived for the portfolios computed under PAA approach before risk mitigation by reinsurance contracts held:

	Impact on profit before zakat and income tax	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims ratio	22,573,353	6,515,598
Decrease of 5% in the ultimate claims ratio	(24,454,734)	(6,515,598)
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	420,377	300,487
5 percentiles decrease in the confidence level	(420,377)	(300,487)

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25 Sensitivity of assumptions (continued)

Following are the sensitivities derived for the portfolios computed under PAA approach for the reinsurance contracts held:

	Impact on profit before zakat and income tax	
	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims ratio	5,237,226	934,393
Decrease of 5% in the ultimate claims ratio	(3,120,484)	(934,393)
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	500,507	303,980
5 percentiles decrease in the confidence level	(449,125)	(303,980)

The following shows the impact of a reasonable possible change in direct expense ratio on the loss component as at the reporting date.

	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Impact on net income of change in direct expense ratio - loss component*		
2% Increase	4,266,119	2,627,873
2% Decrease	(5,207,392)	(2,864,260)

*Direct expense ratio is the ratio of sum of directly attributable expenses, acquisition cash flows and surplus for the period to earned premium.

26 Subsequent event

No events have arisen subsequent to 30 June 2025, and before the date of approval of this interim condensed financial information, that could have a significant effect on the interim condensed financial information.

27 Approval of the interim condensed financial information

This interim condensed financial information has been authorised for issue by the Board of Directors on 8 Safar 1447 H (corresponding to 2 August 2025).