

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
(UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024**

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024**

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Crowe Solutions for Professional Consulting
Member Crowe Global



El Sayed El Ayouty & Co.
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS**

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

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of **Walaa Cooperative Insurance Company - (the "Company")** as at 30 September 2024, and the related interim condensed statements of income, other comprehensive income for the three and nine months periods then ended and changes in shareholders' equity and cash flows for the nine months period then ended and a summary of material accounting policies and other explanatory notes ("interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

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Dated: 05 November 2024
Corresponding to: 03 Jumada I
1446H



WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		September 30, 2024	December 31, 2023
	Notes	(Unaudited)	(Audited)
SAR "000"			
Assets			
Cash and cash equivalents	5	487,652	512,411
Short term deposits	5	206,986	420,980
Accrued income on investments and deposits		18,077	20,717
Prepaid expenses and other assets		83,962	52,764
Insurance contract assets	12	20,526	-
Reinsurance contract assets	12	852,155	789,878
Financial assets for unit linked insurance contracts		550,823	543,235
Due from shareholders' operations		5,305	29,876
Statutory deposit		85,058	85,058
Accrued income on statutory deposit		8,215	4,347
Investments	6	1,293,523	1,111,620
Long term deposits		356,210	354,898
Property and equipment, net	7	73,632	35,484
Intangible assets	4	118,078	121,566
Goodwill	4	24,415	24,415
Total assets		4,184,617	4,107,249
Liabilities and equity			
Liabilities			
Insurance contract liabilities	12	2,483,294	2,554,671
Reinsurance contract liabilities	12	6,697	-
Accrued expenses and other liabilities	8	260,582	170,295
Accrued income payable to Insurance Authority		8,215	4,347
Due to insurance operations		5,305	29,876
Provision for zakat and income tax	14	33,883	46,283
Provision for end-of-service benefits (EOSB)		33,784	33,322
Total liabilities		2,831,760	2,838,794
Equity			
Share capital	15	850,583	850,583
Share premium	15	193,119	193,119
Statutory reserve		79,915	79,915
Fair value reserve for investments measured at fair value	6	81,827	81,827
Retained earnings		150,753	66,351
Total shareholders' equity		1,356,197	1,271,795
Remeasurement of EOSB related to insurance operations		(3,340)	(3,340)
Total equity		1,352,857	1,268,455
Total liabilities and equity		4,184,617	4,107,249



Chief Financial Officer



Chief Executive Officer



Board member

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

	Notes	Three-month period ended		Nine-month period ended	
		September 30		September 30	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		SAR "000"		SAR "000"	
Insurance revenue	12	897,433	741,667	2,460,682	2,106,491
Insurance service expenses	12	(449,688)	(411,076)	(1,444,366)	(1,193,256)
Insurance service results before reinsurance contracts held		447,745	330,591	1,016,316	913,235
Allocation of reinsurance premiums	12	(467,216)	(369,210)	(1,105,426)	(979,293)
Amounts recoverable from reinsurers for incurred claims	12	14,473	52,296	75,548	87,960
Net expenses from reinsurance contracts held		(452,743)	(316,914)	(1,029,878)	(891,333)
Insurance service results		(4,998)	13,677	(13,562)	21,902
Commission income on investments and deposits		17,357	16,404	56,947	38,150
Dividends on investments		4,171	4,651	13,684	11,939
Realized gain on investments measured at fair value	6	7,829	2,252	24,527	5,579
Unrealized gain on investments measured at fair value	6	8,982	2,369	24,519	46,283
Change in expected credit losses on financial assets		(7)	(5)	2	6
Net investment income		38,332	25,671	119,679	101,957
Finance (expense) / income from insurance contracts issued	12	(1,931)	7,712	(18,003)	(5,948)
Finance income / (expense) from reinsurance contracts held	12	79	(7,202)	10,300	1,804
Net insurance finance (expenses) / income		(1,852)	510	(7,703)	(4,144)
Net insurance and investment results		31,482	39,858	98,414	119,715
Other income	7	701	5,524	22,474	7,944
Other operating expenses		(8,332)	(607)	(27,486)	(14,932)
Net income for the period before zakat & tax, attributable to the shareholders		23,851	44,775	93,402	112,727
Zakat and income tax charge for the period	14	(3,750)	(5,000)	(9,000)	(10,000)
Net income for the period after zakat & tax, attributable to the shareholders		20,101	39,775	84,402	102,727
Earnings per share (expressed in SAR per share)					
Basic and diluted earnings per share	20	0.24	0.47	0.99	1.21
Weighted average number of ordinary outstanding shares (in thousand shares)		85,058	85,058	85,058	85,058

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Chief Financial Officer

[Signature]

Chief Executive Officer

[Signature]

Board member

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024


Notes	Three-month period ended		Nine-month period ended	
	September 30		September 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SAR "000"		SAR "000"	
Net income for the period attributable to the shareholders	20,101	39,775	84,402	102,727
Other comprehensive income:				
<i>Items that will not be reclassified to the statement of income in subsequent periods</i>				
Net changes in fair value of investments measured at fair value through other comprehensive income (FVOCI)	6	-	-	-
Total comprehensive income for the period	20,101	39,775	84,402	102,727



Chief Financial Officer



Chief Executive Officer




Board member

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Share capital	Share premium	Statutory reserve	Fair value reserve for investments SAR "000"	Retained earnings/ (Accumulated losses)	Remeasurement of EOSB obligations	Total
Balance as at December 31, 2023 (Audited)	850,583	193,119	79,915	81,827	66,351	(3,340)	1,268,455
Comprehensive income for the period:							
Net income for the period attributable to the shareholders	-	-	-	-	84,402	-	84,402
Total comprehensive income for the period	-	-	-	-	84,402	-	84,402
Balance as at September 30, 2024 (Unaudited)	850,583	193,119	79,915	81,827	150,753	(3,340)	1,352,857
Balance as at December 31, 2022 (Audited)	850,583	193,119	63,327	74,308	(65,038)	137	1,116,436
Comprehensive income for the period:							
Net income for the period attributable to the shareholders	-	-	-	-	102,727	-	102,727
Total comprehensive income for the period	-	-	-	-	102,727	-	102,727
Balance as at September 30, 2023 (Unaudited)	850,583	193,119	63,327	74,308	37,689	137	1,219,163


Chief Financial Officer


Chief Executive Officer


Board member

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WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Notes	2024 (Unaudited)	2023 (Unaudited)
SAR "000"			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before zakat and income tax		93,402	112,727
<u>Adjustments for non-cash and non-operating items:</u>			
Depreciation of property and equipment		9,636	6,118
Amortization of intangible assets		14,878	7,285
Commission income on investments and deposits		(56,947)	(38,150)
Dividends on investments		(13,684)	(11,939)
Realized gain on investments measured at fair value	6	(24,527)	(5,579)
Unrealized gain on investments measured at fair value	6	(24,519)	(46,283)
Change in expected credit losses on financial assets		(7)	(10)
Gains on disposal of property and equipment	7	(20,308)	-
Finance cost on lease assets		702	94
Provision for end-of-service benefits (EOSB)		4,567	3,861
<u>Changes in operating assets and liabilities:</u>			
Insurance contract assets	12	(20,526)	8,793
Insurance contract liabilities	12	(71,377)	214,202
Reinsurance contract assets	12	(62,277)	6,347
Reinsurance contract liabilities	12	6,697	(2,790)
Prepaid expenses and other assets		(31,190)	69,340
Accrued expenses and other liabilities	8	71,339	(85,549)
		(124,141)	238,467
End-of-service benefits paid		(4,105)	(1,528)
Zakat and income tax paid		(21,400)	(7,587)
Net cash (used in) / generated from operating activities		(149,646)	229,352
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments, net	6	(132,129)	(16,665)
Financial assets for unit linked insurance contracts, net		(7,588)	(20,143)
Commission income received on investments and deposits		58,854	43,736
Dividends received on investments		13,684	11,939
Disposals / (additions) of short term deposits		214,007	(44,407)
Additions of long term deposits		(1,321)	(95,000)
Movement in intangible assets, net		(11,390)	(31,792)
Movement in property and equipment, net	7	(1,027)	(8,303)
Net cash generated from / (used in) investing activities		133,090	(160,635)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability paid		(8,203)	(3,774)
Net cash used in financing activities		(8,203)	(3,774)
Net change in cash and cash equivalents		(24,759)	64,943
Cash and cash equivalents, beginning of the period	5	512,411	534,210
Cash and cash equivalents, end of the period	5	487,652	599,153



Chief Financial Officer


Chief Executive Officer


Board member

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

1. GENERAL

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

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

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

On 2 Jumada II, 1424H, corresponding to July 31, 2003, the Law on the Supervision of Cooperative Insurance Companies (Insurance Law) was promulgated by Royal Decree Number (M/32). On 28 Jumada II, 1429H corresponding to July 2, 2008, Insurance Authority (IA) previously 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 number (TMN/16/20087) to transact insurance activities in Saudi Arabia.

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

The share capital of the Company as of September 30, 2024, amounted to SAR 850.6 million comprising of 85.1 million shares of SAR 10 each (December 31, 2023: SAR 850.6 million comprising of 85.1 million shares of SAR 10 each). Refer note 15.

Proposed Right Issue

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

During the period, the Board of Directors after discussing the Rights Issue with the financial advisor, decided on February 25, 2024 (corresponding to 15/8/1445H) to amend its recommendation to the Extraordinary General Assembly regarding the increase of the Company's capital by offering of Rights Issue and change the offering amount to SAR 467.5 million instead of SAR 425 million, through offering a total of 42.5 million ordinary shares of a nominal value of SAR 10 per share, with an offer price of SAR 11 per share. Capital Market Authority (CMA) has approved the application of the proposed Rights Issue on August 5, 2024 (corresponding 01/02/1446H).

However, this is subject to relevant regulatory requirements and procedures in addition to Company's Extraordinary General Assembly's (EGM) approval.

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

2. BASIS OF PREPARATION

(a) Basis of presentation

The interim condensed financial statements of the Company as at and for the period ended September 30, 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) as endorsed in the Kingdom of Saudi Arabia.

The financial statements of the Company as at and for the period ended September 30, 2024, respectively, were prepared in compliance with the IAS 34 and the International Financial Reporting Standards (IFRS) respectively, as modified by Insurance Authority (IA) previously known as "SAMA" for the accounting of zakat and income tax (relating to the application of IAS 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax) and the Regulations for Companies in the Kingdom of Saudi Arabia.

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

The interim condensed financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI) and liabilities for defined benefit obligations. Except for property and equipment, intangible assets, statutory deposit, accrued income on statutory deposit, certain investments measured at amortized cost, long-term deposits, goodwill, end-of-service benefits and accrued income payable to Insurance Authority (IA), all other assets and liabilities are of short-term nature, unless, stated otherwise.

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

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

The interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2023.

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

(b) Seasonality of operations

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

2. BASIS OF PREPARATION (CONTINUED)

(c) Critical accounting judgments, estimates and assumptions

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2023.

Some of the critical accounting judgements, estimates and assumptions made during the period are as follows:

(1) PAA Eligibility Testing

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

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

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

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

(2) Unit of account

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

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

(3) Discount rates

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

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

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

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

(5) Liability for incurred claims

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

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

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

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

(6) Going Concern

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

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2023, except as explained below:

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

Standard interpretation, amendments	Description
Amendment to IFRS-16 - Leases on sale and lease back	These amendments include requirements for sale and leaseback transactions in IFRS-16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cashflows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendment IAS 01- Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.
IFRS S1 - General requirements for disclosure of sustainability-related financial information.	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
IFRS S2 - Climate-related disclosures (subject to endorsement from SOCPA)	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risk and opportunities.

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

Standard interpretation, amendments	Description	Effective date
Amendments to IAS 21 - Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	January 1, 2025
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale of contribution of assets that do not constitute a business as defined in IFRS-3 Business Combinations and the gain or loss resulting from the sale of contribution to an associate or joint venture of assets that constitute a business as defined in IFRS-3 is recognized in full.	Effective date deferred indefinitely
IFRS 18 - Presentation and disclosure in financial statements	The new standard sets out the requirements for presentation and disclosure of financial statements (mainly SOI), aiming to improve the structure and content of the primary financial statements for all entities applying IFRS. This standard will supersede IAS 8.	January 1, 2027

Note: There is no material impact on the Company's financial statements due to the above

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****4. GOODWILL AND INTANGIBLE ASSETS****(a) Goodwill**

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

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

Based on the recent impairment assessment, goodwill was not impaired as at December 31, 2023.

(b) Intangible assets

Intangibles assets comprise of the followings:

	September 30,	December 31,
	2024	2023
	(Unaudited)	(Audited)
	SAR "000"	
<i>Intangibles assets recognized after the merger with MAA</i>		
1) Customer Contract ('ALICO')	5,454	5,454
2) Customer Relationship	2,832	2,832
3) Product Licenses (Protection & Savings)	24,847	24,847
<i>Intangibles assets recognized after the merger with SABB Takaful</i>		
4) Individual Life	52,670	52,670
5) General Takaful	4,831	4,831
Total intangible assets acquired through mergers	90,634	90,634
Other intangible assets (IT software, etc.)	86,357	74,966
Total intangible assets	176,991	165,600
Accumulated amortization on intangible assets	(58,913)	(44,034)
Net Intangible assets	118,078	121,566

(1) Customer Contract ('ALICO')

On the date of merger with Metlife (MAA) in 2020, Walaa acquired the Saudi run-off portfolio of American Life Insurance Company (ALICO) which was transferred initially to MAA on April 1, 2015 as per the portfolio transfer agreement entered between MetLife ALICO and MAA and was 100% reinsured back to MetLife under a quota-share reinsurance agreement. This portfolio includes long term life protection, savings insurance products and personal accident policies. As per the terms of the portfolio transfer agreement and the quota-share reinsurance agreement, the Company is entitled to a reinsurance commission at an agreed rate and reimbursement of all expenses related to administration of the portfolio. The management has employed "Multi Period Excess Earning Method" for valuing the contractual customer relationship and is considered to have a useful life of 83 years based on the run-off of the customer portfolio.

4. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(2) Customer Relationship

Customer relationship intangible was recognized as a result of merger with MAA in 2020. IAS 38 specifies that if an entity can evidence that it can control economic benefits from non-contractual relationships, those customer relationships are identified as separable and can be recognized as an intangible asset. Arab National Bank (has a relationship and was also 30% stakeholder of MAA) has historically contributed a consistent revenue stream for MAA with various insurance agreements. Hence, the relationship has been regarded to represent a Customer Relationship intangible. The management has employed "Multi Period Excess Earning Method" for valuing the non-contractual customer relationship and is considered to have a useful life of 6 years.

(3) Product Licenses (Protection & Savings)

As a result of merger with MAA in 2020, Walaa acquired the Protection & Savings Insurance License. This license has been identified as an intangible asset. This life insurance intangible was valued using the "Multi Period Excess Earning Method" from the Protection & savings Line of Business for valuing product licenses. This is considered to be an intangible asset with an indefinite life and will therefore be subject to the annual impairment assessments.

The intangible assets with indefinite life acquired through business combinations as mentioned above will be reviewed annually, and assessed the recoverable amount of the cash generating unit (or a group of cash generating units) to which the intangible assets with indefinite life are related. Based on the current impairment assessment carried out at 31 December 2023, the product license was not impaired.

(4) Individual Life

As a result of merger with SABB Takaful in 2022, the Company has acquired the Individual Life insurance segment which comprises of Unit Linked insurance policies (ULIP) (Regular Saving, Simple Saving, Education, Retirement and Single Premium) from SABB Takaful effective the Acquisition Date. SABB Bank in the past has consistently generated revenues for SABB Takaful. The relationship has been spanning for more than 10 years, hence considered as a customer relationship with an estimated useful life of 10 years.

Historically, SABB Takaful was able to achieve 76% of its budgeted revenue. Hence, considered the same for FY23 and FY24 and 5% y-o-y growth from FY25 onwards. The Individual life insurance policies have been valued using the "Multi-Period Excess Earning Method". Contributory asset charges (CAC), which include working capital (WC) charge and Assembled Workforce have been adjusted with the underwriting income to arrive at the Excess Earnings. Since the working capital and capex are minimal, the CAC do not have material impact on the cash-flows. An EBIT margin of 5.7% has been considered based on the historical EBIT margin of individual life insurance contracts. A discount factor of 16.6% (WACC + 1%) has been used to discount the excess earnings to arrive at the value of the intangible. The value of the Individual Life Customer Relationship intangible is assumed to be SAR 48.9 million initially that was adjusted by SAR 3.8 million post implementation of IFRS 17.

4. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(5) General Takaful

As a result of merger with SABB Takaful in 2022, the Company has recognized an intangible asset for General Takaful. General Takaful insurance policies consists of policies relating to marine, property, accident & liability, which have a life of one year. Average tenure of the customer relationship with SABB Takaful, for General Takaful insurance policies is between 10 and 12 years, hence it can be assumed that the estimated useful life of the customer relationship is 10 years. A 0.7% y-o-y growth rate has been assumed based on the historical growth of General Takaful contracts. An EBIT margin of 9.7% has been considered based on the historical EBIT margins on these policies.

The intangible is valued using the “Multi-Period Excess Earning Method”. Contributory Asset charges (CAC), which include Working Capital (WC) charge and Assembled Workforce have been adjusted with the underwriting income to arrive at the Excess Earnings. Since the working capital and capex are minimal, the CAC do not have a material impact on the cash flows. A discount factor of 16.6% (WACC+1%) has been used to discount the Excess Earnings to arrive at the value of the customer relationship intangible. The value of the General Takaful customer relationship intangible is assumed to be SAR 4.5 million initially that was adjusted by SAR 0.3 million post implementation of IFRS 17.

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

5. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

(a) Cash and cash equivalents:

Cash and cash equivalents comprise the following:

	Insurance operations		Shareholders' operations		Total	
	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"					
Cash and bank balances	461,738	428,908	5,919	8,506	467,657	437,414
Deposits maturing within 3 months from acquisition date	20,000	75,000	-	-	20,000	75,000
ECL on cash and cash equivalents	(5)	(3)	-	-	(5)	(3)
Total	481,733	503,905	5,919	8,506	487,652	512,411

(b) Short term deposits:

Short term deposits are placed with counterparties that have credit ratings equivalent to A+ to A- under Standard and Poor's, Fitch and Moody's rating Methodology. Short term deposits are placed with local and licensed foreign banks' branches in Kingdom of Saudi Arabia for a period greater than three months from the date of original acquisition and earned Commission Income at competitive rates prevailing in the market. The carrying amounts of the short-term deposits are reasonably approximate to the fair value at the statement of financial position date.

6. INVESTMENTS

Investments are classified as follows:

	Insurance operations		Shareholders' operations		Total	
	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"					
Investments measured at amortized cost	139,330	138,914	497,830	401,244	637,160	540,158
Investments measured at Fair Value Through Profit and Loss account (FVTPL)	-	-	563,814	484,537	563,814	484,537
Investments measured at Fair Value Through Other Comprehensive Income (FVOCI)	-	-	92,549	86,925	92,549	86,925
Total	139,330	138,914	1,154,193	972,706	1,293,523	1,111,620

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****6. INVESTMENTS (CONTINUED)**

(a) The movement in investments measured at amortized costs is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"	
Opening balance	540,158	509,939
Purchases	106,306	68,621
Matured during the period	(10,032)	(38,860)
Amortization and change in expected credit loss	728	458
Closing balance	637,160	540,158

(b) The movement in investments measured at fair value through profit and loss account (FVTPL) is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"	
Opening balance	484,537	366,187
Purchases	170,823	279,477
Disposals	(140,592)	(251,025)
Realized gain on disposals	24,527	9,202
Changes in fair value of investments, net	24,519	80,696
Closing balance	563,814	484,537

(c) The movement in investments measured at fair value through other comprehensive income (FVOCI) is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"	
Opening balance	86,925	79,406
Purchases	5,624	-
Changes in fair value of investments, net	-	7,519
Closing balance	92,549	86,925

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****7. PROPERTY AND EQUIPMENT, NET**

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"	
Land	35,463	16,400
Furniture and fixtures	5,494	6,381
Computer equipment	7,432	8,419
Vehicles	38	54
Right of use assets	25,205	4,230
Total	73,632	35,484

During the period, the Company has sold its land for a total price of SAR 36.7 million and realized a gain of SAR 20.31 million that was booked as 'Other Income' in the interim condensed statement of income.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"	
Accrued expenses and other liabilities	238,942	167,541
Lease rentals	21,640	2,754
Total	260,582	170,295

9. COMMITMENTS AND CONTINGENCIES

The Company's commitments and contingencies are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	SAR "000"	
Letters of Guarantee	21,850	16,507

- (a) The Company has submitted these bank guarantees to various parties which are fully covered by margin deposits amounting to SAR 21.9 million (2023: SAR 16.5 million).
- (b) The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company's management, based on independent legal advice, believes that the outcome of court cases will not have a material impact on the Company's income or financial condition.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

11. OPERATING SEGMENTS

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

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

Segment assets do not include cash and cash equivalents, short term deposits, accrued income on investments and deposits, prepaid expenses and other assets, due from shareholders' operations, statutory deposit, accrued income on statutory deposit, investments, long term deposits, property and equipment, intangible assets and goodwill. Accordingly, these are included in unallocated assets.

Segment liabilities do not include accrued expenses and other liabilities, accrued income payable to Insurance Authority, due to insurance operations, provision for zakat and income tax, provision for end-of-service benefits (EOSB). Accordingly, these are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

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

The segment information provided to the Company's chief executive officer for the reportable segments for the Company's total assets and liabilities as at September 30, 2024 and December 31, 2023, its total revenues, expenses, and net income for the three and nine month periods then ended, are as follows:

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

11. OPERATING SEGMENTS (CONTINUED)

Segmental statement of financial position

	Medical	Motor	Property	Energy	Engineering	Protection and Savings (P&S) - Non-Linked SAR "000"	P&S - Linked	Property and Casualty (P&C) - Others	Total insurance operations	Shareholders operations	Total
As at September 30, 2024 (Unaudited)											
Assets											
Insurance contract assets	-	-	20,526	-	-	-	-	-	20,526	-	20,526
Reinsurance contract assets	-	9,840	7,688	339,651	248,679	23,345	558	222,394	852,155	-	852,155
Financial assets for unit linked insurance contracts	-	-	-	-	-	-	550,823	-	550,823	-	550,823
Unallocated assets	-	-	-	-	-	-	-	-	1,353,852	1,407,261	2,761,113
Total assets	-	9,840	28,214	339,651	248,679	23,345	551,381	222,394	2,777,356	1,407,261	4,184,617
Liabilities and equity											
Insurance contract liabilities	275,000	469,046	-	378,401	348,713	66,272	560,570	385,292	2,483,294	-	2,483,294
Reinsurance contract liabilities	6,697	-	-	-	-	-	-	-	6,697	-	6,697
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	287,365	1,407,261	1,694,626
Total liabilities and shareholders' equity	281,697	469,046	-	378,401	348,713	66,272	560,570	385,292	2,777,356	1,407,261	4,184,617

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

11. OPERATING SEGMENTS (CONTINUED)

Segmental statement of financial position (Continued)

	Medical	Motor	Property	Energy	Engineering	Protection and Savings (P&S) - Non-Linked SAR "000"	P&S - Linked	Property and Casualty (P&C) - Others	Total insurance operations	Shareholders operations	Total
As at December 31, 2023											
(Audited)											
Assets											
Insurance contract assets	-	-	-	-	-	-	-	-	-	-	-
Reinsurance contract assets	392	8,111	141,722	228,464	167,396	63,596	111	180,086	789,878	-	789,878
Financial assets for unit linked insurance contracts	-	-	-	-	-	-	543,235	-	543,235	-	543,235
Unallocated assets	-	-	-	-	-	-	-	-	1,419,430	1,354,706	2,774,136
Total assets	392	8,111	141,722	228,464	167,396	63,596	543,346	180,086	2,752,543	1,354,706	4,107,249
Liabilities and equity											
Insurance contract liabilities	306,853	547,750	219,864	239,388	251,320	97,227	552,247	340,022	2,554,671	-	2,554,671
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-	-	-
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	197,872	1,354,706	1,552,578
Total liabilities and shareholders' equity	306,853	547,750	219,864	239,388	251,320	97,227	552,247	340,022	2,752,543	1,354,706	4,107,249

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
11. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
11. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

For the three-month period ended	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
September 30, 2023 (Unaudited)	SAR "000"									
Insurance revenue	152,565	114,522	59,221	161,931	57,246	54,086	3,399	138,697	-	741,667
Insurance service expenses	(166,187)	(123,422)	(11,698)	(19,831)	(11,166)	(47,436)	(677)	(30,659)	-	(411,076)
Insurance service results before reinsurance contracts held	(13,622)	(8,900)	47,523	142,100	46,080	6,650	2,722	108,038	-	330,591
Allocation of reinsurance premiums	(818)	(106)	(48,650)	(161,486)	(33,242)	(15,745)	(94)	(109,069)	-	(369,210)
Amounts recoverable from reinsurers for incurred claims	1,636	1,512	6,426	19,107	4,007	16,491	46	3,071	-	52,296
Net expenses from reinsurance contracts held	818	1,406	(42,224)	(142,379)	(29,235)	746	(48)	(105,998)	-	(316,914)
Insurance service results	(12,804)	(7,494)	5,299	(279)	16,845	7,396	2,674	2,040	-	13,677
Commission income on investments and deposits	-	-	-	-	-	-	-	-	16,404	16,404
Dividends on investments	-	-	-	-	-	-	-	-	4,651	4,651
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	2,252	2,252
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	2,369	2,369
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	(5)	(5)
Net investment income	-	-	-	-	-	-	-	-	25,671	25,671
Finance income / (expense) from insurance contracts issued	1,464	1,647	3,324	655	622	1,461	(2,712)	1,251	-	7,712
Finance expense from reinsurance contracts held	(10)	-	(3,339)	(654)	(614)	(1,297)	(3)	(1,285)	-	(7,202)
Net insurance finance income / (expenses)	1,454	1,647	(15)	1	8	164	(2,715)	(34)	-	510
Net insurance and investment results	(11,350)	(5,847)	5,284	(278)	16,853	7,560	(41)	2,006	25,671	39,858
Other income										5,524
Other operating expenses										(607)
Net income for the period before zakat & tax, attributable to the shareholders										44,775
Zakat and income tax charge for the period										(5,000)
Net income for the period after zakat & tax, attributable to the shareholders										39,775

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
11. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

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

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
11. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

For the nine-month period ended	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
September 30, 2023 (Unaudited)	SAR "000"									
Insurance revenue	504,224	331,025	153,650	478,281	115,340	166,338	10,873	346,760	-	2,106,491
Insurance service expenses	(508,945)	(364,433)	(19,850)	(31,027)	(32,811)	(129,190)	(2,027)	(104,973)	-	(1,193,256)
Insurance service results before reinsurance contracts held	(4,721)	(33,408)	133,800	447,254	82,529	37,148	8,846	241,787	-	913,235
Allocation of reinsurance premiums	(2,019)	(1,851)	(128,050)	(468,634)	(82,841)	(53,453)	(329)	(242,116)	-	(979,293)
Amounts recoverable from reinsurers for incurred claims	2,605	3,709	(12,403)	20,710	13,647	27,012	176	32,504	-	87,960
Net expenses from reinsurance contracts held	586	1,858	(140,453)	(447,924)	(69,194)	(26,441)	(153)	(209,612)	-	(891,333)
Insurance service results	(4,135)	(31,550)	(6,653)	(670)	13,335	10,707	8,693	32,175	-	21,902
Commission income on investments and deposits	-	-	-	-	-	-	-	-	38,150	38,150
Dividends on investments	-	-	-	-	-	-	-	-	11,939	11,939
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	5,579	5,579
Unrealized gain on investments measured at fair value	-	-	-	-	-	-	-	-	46,283	46,283
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	6	6
Net investment income	-	-	-	-	-	-	-	-	101,957	101,957
Finance expense from insurance contracts issued	(663)	(805)	(563)	-	(268)	(2,595)	(64)	(990)	-	(5,948)
Finance income / (expense) from reinsurance contracts held	-	-	485	-	229	1,021	(18)	87	-	1,804
Net insurance finance expenses	(663)	(805)	(78)	-	(39)	(1,574)	(82)	(903)	-	(4,144)
Net insurance and investment results	(4,798)	(32,355)	(6,731)	(670)	13,296	9,133	8,611	31,272	101,957	119,715
Other income										7,944
Other operating expenses										(14,932)
Net income for the period before zakat & tax, attributable to the shareholders										112,727
Zakat and income tax charge for the period										(10,000)
Net income for the period after zakat & tax, attributable to the shareholders										102,727

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS
12.1 Insurance Contract Assets and Liabilities by valuation approaches

An analysis of the amounts presented in the balance sheet for insurance contract assets and liabilities by valuation approach (PAA / GMM / VFA) has been included in the table below:

Insurance contracts assets and liabilities	Valuation Approach	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR "000"			
Medical	PAA	-	275,000	-	306,853
Motor	PAA	-	469,046	-	547,750
Property	PAA	20,526	-	-	219,864
Energy	PAA	-	378,401	-	239,388
Engineering	PAA	-	348,713	-	251,320
P&S - non-linked	PAA	-	65,841	-	96,655
P&C - others	PAA	-	339,023	-	306,017
12.1.1 Total PAA		20,526	1,876,024	-	1,967,847
P&S - non-linked	GMM	-	431	-	572
P&S - linked	VFA	-	560,570	-	552,247
P&C - others	GMM	-	46,269	-	34,005
12.1.2 Total GMM/VFA		-	607,270	-	586,824
Total insurance contract assets and liabilities		20,526	2,483,294	-	2,554,671

12.2 Reinsurance Contract Assets and Liabilities by valuation approaches

An analysis of the amounts presented in the balance sheet for reinsurance contract assets and liabilities by valuation approach (PAA / GMM / VFA) has been included in the table below:

Reinsurance contracts assets and liabilities	Valuation Approach	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR "000"			
Medical	PAA	-	6,697	392	-
Motor	PAA	9,840	-	8,111	-
Property	PAA	7,688	-	141,722	-
Energy	PAA	339,651	-	228,464	-
Engineering	PAA	248,679	-	167,396	-
P&S - non-linked	PAA	23,345	-	63,596	-
P&C - others	PAA	191,875	-	157,543	-
12.2.1 Total PAA		821,078	6,697	767,224	-
P&S - linked	GMM	558	-	111	-
P&C - others	GMM	30,519	-	22,543	-
12.2.2 Total GMM		31,077	-	22,654	-
Total reinsurance contract assets and liabilities		852,155	6,697	789,878	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

12.1.1 Insurance contracts - PAA -

Total	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening insurance contract liabilities	949,383	18,386	961,831	38,247	1,967,847	458,719	15,644	1,109,965	45,818	1,630,146
Opening insurance contract (assets)	-	-	-	-	-	(39,292)	-	27,300	3,199	(8,793)
Net opening insurance contract liabilities	949,383	18,386	961,831	38,247	1,967,847	419,427	15,644	1,137,265	49,017	1,621,353
Insurance revenue	(2,450,917)	-	-	-	(2,450,917)	(2,872,509)	-	-	-	(2,872,509)
Incurred claims and other expenses	-	-	1,370,124	22,121	1,392,245	-	-	1,599,402	27,042	1,626,444
Losses on onerous contracts & (loss reversals)	-	(5,033)	-	-	(5,033)	-	2,742	-	-	2,742
Changes to liabilities for incurred claims	-	-	(158,768)	(25,600)	(184,368)	-	-	(217,538)	(38,669)	(256,207)
Insurance acquisition costs	238,472	-	-	-	238,472	290,244	-	-	-	290,244
Surplus distribution for the period	-	-	525	-	525	-	-	10,423	-	10,423
Insurance service expenses	238,472	(5,033)	1,211,881	(3,479)	1,441,841	290,244	2,742	1,392,287	(11,627)	1,673,646
Insurance service result before reinsurance contracts held	(2,212,445)	(5,033)	1,211,881	(3,479)	(1,009,076)	(2,582,265)	2,742	1,392,287	(11,627)	(1,198,863)
Finance expenses from insurance contracts issued	-	-	18,001	4	18,005	186	-	5,922	10	6,118
Total changes in the statement of income	(2,212,445)	(5,033)	1,229,882	(3,475)	(991,071)	(2,582,079)	2,742	1,398,209	(11,617)	(1,192,745)
Insurance pool portfolio transition impact	-	-	-	-	-	60,737	-	1,098	847	62,682
Premium received	2,276,050	-	-	-	2,276,050	3,407,469	-	-	-	3,407,469
Claims and directly attributable expenses paid	-	-	(1,177,093)	-	(1,177,093)	-	-	(1,574,741)	-	(1,574,741)
Insurance acquisition expenses paid	(220,235)	-	-	-	(220,235)	(356,171)	-	-	-	(356,171)
Net cash flows for insurance contracts	2,055,815	-	(1,177,093)	-	878,722	3,051,298	-	(1,574,741)	-	1,476,557
Net closing insurance contract liabilities	792,753	13,353	1,014,620	34,772	1,855,498	949,383	18,386	961,831	38,247	1,967,847
Closing insurance contract liabilities	927,670	13,353	901,751	33,250	1,876,024	949,383	18,386	961,831	38,247	1,967,847
Closing insurance contract (assets)	(134,917)	-	112,869	1,522	(20,526)	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.1 Insurance contracts - PAA -
Medical

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	115,331	18,301	165,856	7,365	306,853	182,360	581	109,243	12,670	304,854
Opening insurance contract (assets)	-	-	-	-	-	(36,647)	-	27,300	3,199	(6,148)
Net opening insurance contract liabilities	115,331	18,301	165,856	7,365	306,853	145,713	581	136,543	15,869	298,706
Insurance revenue	(483,617)	-	-	-	(483,617)	(667,999)	-	-	-	(667,999)
Incurred claims and other expenses	-	-	437,114	6,222	443,336	-	-	607,545	6,362	613,907
Losses on onerous contracts & (loss reversals)	-	(4,948)	-	-	(4,948)	-	17,720	-	-	17,720
Changes to liabilities for incurred claims	-	-	52,471	(5,402)	47,069	-	-	7,123	(14,936)	(7,813)
Insurance acquisition costs	83,099	-	-	-	83,099	100,806	-	-	-	100,806
Surplus distribution for the period	-	-	104	-	104	-	-	1,726	-	1,726
Insurance service expenses	83,099	(4,948)	489,689	820	568,660	100,806	17,720	616,394	(8,574)	726,346
Insurance service result before reinsurance contracts held	(400,518)	(4,948)	489,689	820	85,043	(567,193)	17,720	616,394	(8,574)	58,347
Finance expenses from insurance contracts issued	-	-	2,779	1	2,780	-	-	606	2	608
Total changes in the statement of income	(400,518)	(4,948)	492,468	821	87,823	(567,193)	17,720	617,000	(8,572)	58,955
Insurance pool portfolio transition impact	-	-	-	-	-	9,490	-	(2,558)	68	7,000
Premium received	449,113	-	-	-	449,113	651,994	-	-	-	651,994
Claims and directly attributable expenses paid	-	-	(486,927)	-	(486,927)	-	-	(585,129)	-	(585,129)
Insurance acquisition expenses paid	(81,862)	-	-	-	(81,862)	(124,673)	-	-	-	(124,673)
Net cash flows for insurance contracts	367,251	-	(486,927)	-	(119,676)	527,321	-	(585,129)	-	(57,808)
Net closing insurance contract liabilities	82,064	13,353	171,397	8,186	275,000	115,331	18,301	165,856	7,365	306,853
Closing insurance contract liabilities	82,064	13,353	171,397	8,186	275,000	115,331	18,301	165,856	7,365	306,853
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.1 Insurance contracts - PAA -

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	394,696	85	147,084	5,885	547,750	124,696	14,263	152,010	10,899	301,868
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	394,696	85	147,084	5,885	547,750	124,696	14,263	152,010	10,899	301,868
Insurance revenue	(590,226)	-	-	-	(590,226)	(512,526)	-	-	-	(512,526)
Incurred claims and other expenses	-	-	493,677	3,820	497,497	-	-	435,801	4,212	440,013
Losses on onerous contracts & (loss reversals)	-	(85)	-	-	(85)	-	(14,178)	-	-	(14,178)
Changes to liabilities for incurred claims	-	-	(11,985)	(4,123)	(16,108)	-	-	8,048	(9,226)	(1,178)
Insurance acquisition costs	88,952	-	-	-	88,952	100,815	-	-	-	100,815
Surplus distribution for the period	-	-	127	-	127	-	-	1,325	-	1,325
Insurance service expenses	88,952	(85)	481,819	(303)	570,383	100,815	(14,178)	445,174	(5,014)	526,797
Insurance service result before reinsurance contracts held	(501,274)	(85)	481,819	(303)	(19,843)	(411,711)	(14,178)	445,174	(5,014)	14,271
Finance expenses from insurance contracts issued	-	-	1,835	-	1,835	-	-	730	-	730
Total changes in the statement of income	(501,274)	(85)	483,654	(303)	(18,008)	(411,711)	(14,178)	445,904	(5,014)	15,001
Premium received	440,789	-	-	-	440,789	800,230	-	-	-	800,230
Claims and directly attributable expenses paid	-	-	(451,805)	-	(451,805)	-	-	(450,830)	-	(450,830)
Insurance acquisition expenses paid	(49,680)	-	-	-	(49,680)	(118,519)	-	-	-	(118,519)
Net cash flows for insurance contracts	391,109	-	(451,805)	-	(60,696)	681,711	-	(450,830)	-	230,881
Net closing insurance contract liabilities	284,531	-	178,933	5,582	469,046	394,696	85	147,084	5,885	547,750
Closing insurance contract liabilities	284,531	-	178,933	5,582	469,046	394,696	85	147,084	5,885	547,750
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.1 Insurance contracts - PAA -

Property	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening insurance contract liabilities	61,093	-	156,077	2,694	219,864	(83,475)	-	367,565	6,978	291,068
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	61,093	-	156,077	2,694	219,864	(83,475)	-	367,565	6,978	291,068
Insurance revenue	(311,900)	-	-	-	(311,900)	(223,437)	-	-	-	(223,437)
Incurred claims and other expenses	-	-	81,408	981	82,389	-	-	77,652	1,143	78,795
Losses on onerous contracts & (loss reversals)	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(67,380)	(2,153)	(69,533)	-	-	(49,757)	(5,427)	(55,184)
Insurance acquisition costs	16,243	-	-	-	16,243	14,896	-	-	-	14,896
Surplus distribution for the period	-	-	8	-	8	-	-	101	-	101
Insurance service expenses	16,243	-	14,036	(1,172)	29,107	14,896	-	27,996	(4,284)	38,608
Insurance service result before reinsurance contracts held	(295,657)	-	14,036	(1,172)	(282,793)	(208,541)	-	27,996	(4,284)	(184,829)
Finance expenses from insurance contracts issued	-	-	3,466	-	3,466	-	-	533	-	533
Total changes in the statement of income	(295,657)	-	17,502	(1,172)	(279,327)	(208,541)	-	28,529	(4,284)	(184,296)
Premium received	120,825	-	-	-	120,825	369,687	-	-	-	369,687
Claims and directly attributable expenses paid	-	-	(60,710)	-	(60,710)	-	-	(240,017)	-	(240,017)
Insurance acquisition expenses paid	(21,178)	-	-	-	(21,178)	(16,578)	-	-	-	(16,578)
Net cash flows for insurance contracts	99,647	-	(60,710)	-	38,937	353,109	-	(240,017)	-	113,092
Net closing insurance contract liabilities	(134,917)	-	112,869	1,522	(20,526)	61,093	-	156,077	2,694	219,864
Closing insurance contract liabilities	-	-	-	-	-	61,093	-	156,077	2,694	219,864
Closing insurance contract (assets)	(134,917)	-	112,869	1,522	(20,526)	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.1 Insurance contracts - PAA -
Energy

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	143,539	-	91,289	4,560	239,388	197,014	-	75,428	3,770	276,212
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	143,539	-	91,289	4,560	239,388	197,014	-	75,428	3,770	276,212
Insurance revenue	(441,968)	-	-	-	(441,968)	(634,409)	-	-	-	(634,409)
Incurred claims and other expenses	-	-	75,453	3,866	79,319	-	-	104,747	4,560	109,307
Losses on onerous contracts & (loss reversals)	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(38,040)	(2,349)	(40,389)	-	-	(75,419)	(3,770)	(79,189)
Insurance acquisition costs	4,247	-	-	-	4,247	4,160	-	-	-	4,160
Surplus distribution for the period	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	4,247	-	37,413	1,517	43,177	4,160	-	29,328	790	34,278
Insurance service result before reinsurance contracts held	(437,721)	-	37,413	1,517	(398,791)	(630,249)	-	29,328	790	(600,131)
Finance expenses from insurance contracts issued	-	-	1,123	-	1,123	-	-	-	-	-
Total changes in the statement of income	(437,721)	-	38,536	1,517	(397,668)	(630,249)	-	29,328	790	(600,131)
Premium received	545,772	-	-	-	545,772	583,957	-	-	-	583,957
Claims and directly attributable expenses paid	-	-	(8,196)	-	(8,196)	-	-	(13,467)	-	(13,467)
Insurance acquisition expenses paid	(895)	-	-	-	(895)	(7,183)	-	-	-	(7,183)
Net cash flows for insurance contracts	544,877	-	(8,196)	-	536,681	576,774	-	(13,467)	-	563,307
Net closing insurance contract liabilities	250,695	-	121,629	6,077	378,401	143,539	-	91,289	4,560	239,388
Closing insurance contract liabilities	250,695	-	121,629	6,077	378,401	143,539	-	91,289	4,560	239,388
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.1 Insurance contracts - PAA -

Engineering	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	150,431	-	95,813	5,076	251,320	8,249	-	69,658	2,419	80,326
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	150,431	-	95,813	5,076	251,320	8,249	-	69,658	2,419	80,326
Insurance revenue	(189,391)	-	-	-	(189,391)	(177,669)	-	-	-	(177,669)
Incurred claims and other expenses	-	-	59,627	1,085	60,712	-	-	70,539	3,857	74,396
Losses on onerous contracts & (loss reversals)	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(41,304)	(4,082)	(45,386)	-	-	(26,801)	(1,200)	(28,001)
Insurance acquisition costs	16,322	-	-	-	16,322	14,975	-	-	-	14,975
Surplus distribution for the period	-	-	6	-	6	-	-	107	-	107
Insurance service expenses	16,322	-	18,329	(2,997)	31,654	14,975	-	43,845	2,657	61,477
Insurance service result before reinsurance contracts held	(173,069)	-	18,329	(2,997)	(157,737)	(162,694)	-	43,845	2,657	(116,192)
Finance expenses from insurance contracts issued	-	-	2,244	-	2,244	-	-	271	-	271
Total changes in the statement of income	(173,069)	-	20,573	(2,997)	(155,493)	(162,694)	-	44,116	2,657	(115,921)
Premium received	292,027	-	-	-	292,027	322,022	-	-	-	322,022
Claims and directly attributable expenses paid	-	-	(16,066)	-	(16,066)	-	-	(17,961)	-	(17,961)
Insurance acquisition expenses paid	(23,075)	-	-	-	(23,075)	(17,146)	-	-	-	(17,146)
Net cash flows for insurance contracts	268,952	-	(16,066)	-	252,886	304,876	-	(17,961)	-	286,915
Net closing insurance contract liabilities	246,314	-	100,320	2,079	348,713	150,431	-	95,813	5,076	251,320
Closing insurance contract liabilities	246,314	-	100,320	2,079	348,713	150,431	-	95,813	5,076	251,320
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.1 Insurance contracts - PAA -
Protection and Savings (P&S) - non-linked

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	(54,464)	-	144,669	6,450	96,655	(45,456)	800	182,999	5,585	143,928
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	(54,464)	-	144,669	6,450	96,655	(45,456)	800	182,999	5,585	143,928
Insurance revenue	(145,326)	-	-	-	(145,326)	(212,463)	-	-	-	(212,463)
Incurred claims and other expenses	-	-	117,579	3,870	121,449	-	-	203,315	4,045	207,360
Losses on onerous contracts & (loss reversals)	-	-	-	-	-	-	(800)	-	-	(800)
Changes to liabilities for incurred claims	-	-	(9,160)	(4,199)	(13,359)	-	-	(53,710)	(3,180)	(56,890)
Insurance acquisition costs	6,739	-	-	-	6,739	6,490	-	-	-	6,490
Surplus distribution for the period	-	-	262	-	262	-	-	6,809	-	6,809
Insurance service expenses	6,739	-	108,681	(329)	115,091	6,490	(800)	156,414	865	162,969
Insurance service result before reinsurance contracts held	(138,587)	-	108,681	(329)	(30,235)	(205,973)	(800)	156,414	865	(49,494)
Finance expenses from insurance contracts issued	-	-	2,697	-	2,697	-	-	2,790	-	2,790
Total changes in the statement of income	(138,587)	-	111,378	(329)	(27,538)	(205,973)	(800)	159,204	865	(46,704)
Premium received	135,794	-	-	-	135,794	203,761	-	-	-	203,761
Claims and directly attributable expenses paid	-	-	(124,445)	-	(124,445)	-	-	(197,534)	-	(197,534)
Insurance acquisition expenses paid	(14,625)	-	-	-	(14,625)	(6,796)	-	-	-	(6,796)
Net cash flows for insurance contracts	121,169	-	(124,445)	-	(3,276)	196,965	-	(197,534)	-	(569)
Net closing insurance contract liabilities	(71,882)	-	131,602	6,121	65,841	(54,464)	-	144,669	6,450	96,655
Closing insurance contract liabilities	(71,882)	-	131,602	6,121	65,841	(54,464)	-	144,669	6,450	96,655
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**12.1.1 Insurance contracts - PAA -
Property and Casualty (P&C) - others**

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	138,757	-	161,043	6,217	306,017	75,331	-	153,062	3,497	231,890
Opening insurance contract (assets)	-	-	-	-	-	(2,645)	-	-	-	(2,645)
Net opening insurance contract liabilities	138,757	-	161,043	6,217	306,017	72,686	-	153,062	3,497	229,245
Insurance revenue	(288,489)	-	-	-	(288,489)	(444,006)	-	-	-	(444,006)
Incurred claims and other expenses	-	-	105,266	2,277	107,543	-	-	99,803	2,863	102,666
Losses on onerous contracts & (loss reversals)	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(43,370)	(3,292)	(46,662)	-	-	(27,022)	(930)	(27,952)
Insurance acquisition costs	22,870	-	-	-	22,870	48,102	-	-	-	48,102
Surplus distribution for the period	-	-	18	-	18	-	-	355	-	355
Insurance service expenses	22,870	-	61,914	(1,015)	83,769	48,102	-	73,136	1,933	123,171
Insurance service result before reinsurance contracts held	(265,619)	-	61,914	(1,015)	(204,720)	(395,904)	-	73,136	1,933	(320,835)
Finance expenses from insurance contracts issued	-	-	3,857	3	3,860	186	-	992	8	1,186
Total changes in the statement of income	(265,619)	-	65,771	(1,012)	(200,860)	(395,718)	-	74,128	1,941	(319,649)
Insurance pool portfolio transition impact	-	-	-	-	-	51,247	-	3,656	779	55,682
Premium received	291,730	-	-	-	291,730	475,818	-	-	-	475,818
Claims and directly attributable expenses paid	-	-	(28,944)	-	(28,944)	-	-	(69,803)	-	(69,803)
Insurance acquisition expenses paid	(28,920)	-	-	-	(28,920)	(65,276)	-	-	-	(65,276)
Net cash flows for insurance contracts	262,810	-	(28,944)	-	233,866	410,542	-	(69,803)	-	340,739
Net closing insurance contract liabilities	135,948	-	197,870	5,205	339,023	138,757	-	161,043	6,217	306,017
Closing insurance contract liabilities	135,948	-	197,870	5,205	339,023	138,757	-	161,043	6,217	306,017
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.2 Insurance contracts - GMM/VFA -

Total	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening insurance contract liabilities	579,549	2,898	4,137	240	586,824	486,958	1,389	2,021	158	490,526
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	579,549	2,898	4,137	240	586,824	486,958	1,389	2,021	158	490,526
Expected claims expenses	(1,003)	-	-	-	(1,003)	(994)	-	-	-	(994)
Expected directly attributable expenses	(3,843)	-	-	-	(3,843)	(6,703)	-	-	-	(6,703)
Loss component run off	(2,543)	-	-	-	(2,543)	(3,836)	-	-	-	(3,836)
Expected other insurance service expenses	(176)	-	-	-	(176)	322	-	-	-	322
Change in risk adjustment for non-financial risk	(11)	-	-	-	(11)	(87)	-	-	-	(87)
CSM recognized during the period	(1,274)	-	-	-	(1,274)	(2,616)	-	-	-	(2,616)
Recovery of insurance acquisition cash flows	(915)	-	-	-	(915)	(1,219)	-	-	-	(1,219)
Insurance revenue	(9,765)	-	-	-	(9,765)	(15,133)	-	-	-	(15,133)
Incurred claims and other expenses	-	-	2,382	94	2,476	-	-	3,995	128	4,123
Losses on onerous contracts & (loss reversals)	-	(459)	-	-	(459)	-	1,512	-	-	1,512
Changes to liabilities for incurred claims	-	-	(335)	(71)	(406)	-	-	(1,236)	(58)	(1,294)
Insurance acquisition costs	914	-	-	-	914	1,219	-	-	-	1,219
Surrenders and maturities	(88,430)	-	88,430	-	-	(112,669)	-	112,669	-	-
Insurance service expenses	(87,516)	(459)	90,477	23	2,525	(111,450)	1,512	115,428	70	5,560
Insurance service result before reinsurance contracts held	(97,281)	(459)	90,477	23	(7,240)	(126,583)	1,512	115,428	70	(9,573)
Finance expenses from insurance contracts issued	(77)	(93)	156	12	(2)	41	(3)	117	12	167
Total changes in the statement of income	(97,358)	(552)	90,633	35	(7,242)	(126,542)	1,509	115,545	82	(9,406)
Changes in fair value of unit-linked investments	50,648	-	-	-	50,648	103,336	-	-	-	103,336
Insurance pool portfolio transition impact	(106)	-	-	-	(106)	14,570	-	64	-	14,634
Premium received	66,886	-	-	-	66,886	102,822	-	-	-	102,822
Claims and directly attributable expenses paid	-	-	(89,317)	-	(89,317)	-	-	(113,493)	-	(113,493)
Insurance acquisition expenses paid	(423)	-	-	-	(423)	(1,595)	-	-	-	(1,595)
Net cash flows for insurance contracts	66,463	-	(89,317)	-	(22,854)	101,227	-	(113,493)	-	(12,266)
Net closing insurance contract liabilities	599,196	2,346	5,453	275	607,270	579,549	2,898	4,137	240	586,824
Closing insurance contract liabilities	599,196	2,346	5,453	275	607,270	579,549	2,898	4,137	240	586,824
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.2 Insurance contracts - GMM/VFA -
Protection and Savings (P&S) - non-linked

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	495	3	69	5	572	209	1	47	4	261
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	495	3	69	5	572	209	1	47	4	261
Expected claims expenses	(78)	-	-	-	(78)	(70)	-	-	-	(70)
Expected directly attributable expenses	(13)	-	-	-	(13)	(8)	-	-	-	(8)
Loss component run off	-	-	-	-	-	-	-	-	-	-
Expected other insurance service expenses	-	-	-	-	-	-	-	-	-	-
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	(107)	-	-	-	(107)	(196)	-	-	-	(196)
Recovery of insurance acquisition cash flows	(1)	-	-	-	(1)	(2)	-	-	-	(2)
Insurance revenue	(199)	-	-	-	(199)	(276)	-	-	-	(276)
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts & (loss reversals)	-	2	-	-	2	-	2	-	-	2
Changes to liabilities for incurred claims	-	-	19	2	21	-	-	19	1	20
Insurance acquisition costs	-	-	-	-	-	2	-	-	-	2
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	-	2	19	2	23	2	2	19	1	24
Insurance service result before reinsurance contracts held	(199)	2	19	2	(176)	(274)	2	19	1	(252)
Finance expenses from insurance contracts issued	12	-	4	-	16	-	-	3	-	3
Total changes in the statement of income	(187)	2	23	2	(160)	(274)	2	22	1	(249)
Premium received	19	-	-	-	19	560	-	-	-	560
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	19	-	-	-	19	560	-	-	-	560
Net closing insurance contract liabilities	327	5	92	7	431	495	3	69	5	572
Closing insurance contract liabilities	327	5	92	7	431	495	3	69	5	572
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.2 Insurance contracts - GMM/VFA -
Protection and Savings (P&S) - linked

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	546,043	2,895	3,074	235	552,247	486,749	1,388	1,974	154	490,265
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	546,043	2,895	3,074	235	552,247	486,749	1,388	1,974	154	490,265
Expected claims expenses	-	-	-	-	-	-	-	-	-	-
Expected directly attributable expenses	(3,830)	-	-	-	(3,830)	(6,695)	-	-	-	(6,695)
Loss component run off	(2,543)	-	-	-	(2,543)	(3,836)	-	-	-	(3,836)
Expected other insurance service expenses	295	-	-	-	295	322	-	-	-	322
Change in risk adjustment for non-financial risk	(11)	-	-	-	(11)	(87)	-	-	-	(87)
CSM recognized during the period	(1,059)	-	-	-	(1,059)	(2,418)	-	-	-	(2,418)
Recovery of insurance acquisition cash flows	(914)	-	-	-	(914)	(1,217)	-	-	-	(1,217)
Insurance revenue	(8,062)	-	-	-	(8,062)	(13,931)	-	-	-	(13,931)
Incurred claims and other expenses	-	-	1,317	85	1,402	-	-	2,736	128	2,864
Losses on onerous contracts & (loss reversals)	-	(461)	-	-	(461)	-	1,510	-	-	1,510
Changes to liabilities for incurred claims	-	-	(354)	(73)	(427)	-	-	(1,255)	(59)	(1,314)
Insurance acquisition costs	914	-	-	-	914	1,217	-	-	-	1,217
Surrenders and maturities	(88,430)	-	88,430	-	-	(112,669)	-	112,669	-	-
Insurance service expenses	(87,516)	(461)	89,393	12	1,428	(111,452)	1,510	114,150	69	4,277
Insurance service result before reinsurance contracts held	(95,578)	(461)	89,393	12	(6,634)	(125,383)	1,510	114,150	69	(9,654)
Finance expenses from insurance contracts issued	-	(93)	138	12	57	-	(3)	114	12	123
Total changes in the statement of income	(95,578)	(554)	89,531	24	(6,577)	(125,383)	1,507	114,264	81	(9,531)
Changes in fair value of unit-linked investments	50,648	-	-	-	50,648	103,336	-	-	-	103,336
Premium received	53,865	-	-	-	53,865	82,936	-	-	-	82,936
Claims and directly attributable expenses paid	-	-	(89,190)	-	(89,190)	-	-	(113,164)	-	(113,164)
Insurance acquisition expenses paid	(423)	-	-	-	(423)	(1,595)	-	-	-	(1,595)
Net cash flows for insurance contracts	53,442	-	(89,190)	-	(35,748)	81,341	-	(113,164)	-	(31,823)
Net closing insurance contract liabilities	554,555	2,341	3,415	259	560,570	546,043	2,895	3,074	235	552,247
Closing insurance contract liabilities	554,555	2,341	3,415	259	560,570	546,043	2,895	3,074	235	552,247
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.1.2 Insurance contracts - GMM/VFA -
Property and Casualty (P&C) - others

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	33,011	-	994	-	34,005	-	-	-	-	-
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	33,011	-	994	-	34,005	-	-	-	-	-
Expected claims expenses	(925)	-	-	-	(925)	(924)	-	-	-	(924)
Expected directly attributable expenses	-	-	-	-	-	-	-	-	-	-
Loss component run off	-	-	-	-	-	-	-	-	-	-
Expected other insurance service expenses	(471)	-	-	-	(471)	-	-	-	-	-
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	(108)	-	-	-	(108)	(2)	-	-	-	(2)
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-
Insurance revenue	(1,504)	-	-	-	(1,504)	(926)	-	-	-	(926)
Incurred claims and other expenses	-	-	1,065	9	1,074	-	-	1,259	-	1,259
Losses on onerous contracts & (loss reversals)	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Insurance acquisition costs	-	-	-	-	-	-	-	-	-	-
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	-	-	1,065	9	1,074	-	-	1,259	-	1,259
Insurance service result before reinsurance contracts held	(1,504)	-	1,065	9	(430)	(926)	-	1,259	-	333
Finance expenses from insurance contracts issued	(89)	-	14	-	(75)	41	-	-	-	41
Total changes in the statement of income	(1,593)	-	1,079	9	(505)	(885)	-	1,259	-	374
Insurance pool portfolio transition impact	(106)	-	-	-	(106)	14,570	-	64	-	14,634
Premium received	13,002	-	-	-	13,002	19,326	-	-	-	19,326
Claims and directly attributable expenses paid	-	-	(127)	-	(127)	-	-	(329)	-	(329)
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	13,002	-	(127)	-	12,875	19,326	-	(329)	-	18,997
Net closing insurance contract liabilities	44,314	-	1,946	9	46,269	33,011	-	994	-	34,005
Closing insurance contract liabilities	44,314	-	1,946	9	46,269	33,011	-	994	-	34,005
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

12.2.1 Reinsurance contracts - PAA -

Total	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	111,067	-	632,922	23,235	767,224	3,091	-	778,837	19,459	801,387
Opening reinsurance contract (liabilities)	-	-	-	-	-	(3,931)	-	1,111	131	(2,689)
Net opening reinsurance contract assets	111,067	-	632,922	23,235	767,224	(840)	-	779,948	19,590	798,698
Allocation of reinsurance premiums	(1,103,361)	-	-	-	(1,103,361)	(1,321,410)	-	-	-	(1,321,410)
Incurred claims and other expenses	-	-	265,786	8,306	274,092	-	-	331,997	13,333	345,330
Changes to AIC for past services	-	-	(188,005)	(14,693)	(202,698)	-	-	(205,485)	(9,741)	(215,226)
Change in profit commission/ sliding scale commission	-	-	2,664	-	2,664	-	-	10,153	-	10,153
Amounts recoverable from reinsurance for incurred claims	-	-	80,445	(6,387)	74,058	-	-	136,665	3,592	140,257
Net (expenses) / income from reinsurance contracts held	(1,103,361)	-	80,445	(6,387)	(1,029,303)	(1,321,410)	-	136,665	3,592	(1,181,153)
Finance income from reinsurance contracts held	-	-	10,969	1	10,970	(29)	-	2,166	1	2,138
Total changes in the statement of income	(1,103,361)	-	91,414	(6,386)	(1,018,333)	(1,321,439)	-	138,831	3,593	(1,179,015)
Insurance pool portfolio transition impact	-	-	-	-	-	533	-	260	52	845
Premium paid	1,267,683	-	-	-	1,267,683	1,452,853	-	-	-	1,452,853
Claims recovered	-	-	(114,467)	-	(114,467)	-	-	(280,569)	-	(280,569)
Fixed commission received	(87,726)	-	-	-	(87,726)	(20,040)	-	-	-	(20,040)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	(5,548)	-	(5,548)
Net cash flows for reinsurance contracts	1,179,957	-	(114,467)	-	1,065,490	1,432,813	-	(286,117)	-	1,146,696
Net closing reinsurance contract assets	187,663	-	609,869	16,849	814,381	111,067	-	632,922	23,235	767,224
Closing reinsurance contract assets	198,437	-	605,981	16,660	821,078	111,067	-	632,922	23,235	767,224
Closing reinsurance contract (liabilities)	(10,774)	-	3,888	189	(6,697)	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.1 Reinsurance contracts - PAA -
Medical

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	(8,472)	-	8,490	374	392	11	-	-	-	11
Opening reinsurance contract (liabilities)	-	-	-	-	-	(3,614)	-	1,111	131	(2,372)
Net opening reinsurance contract assets	(8,472)	-	8,490	374	392	(3,603)	-	1,111	131	(2,361)
Allocation of reinsurance premiums	(1,847)	-	-	-	(1,847)	(3,229)	-	-	-	(3,229)
Incurred claims and other expenses	-	-	2,942	152	3,094	-	-	3,590	143	3,733
Changes to AIC for past services	-	-	(667)	(337)	(1,004)	-	-	(33)	100	67
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	2,275	(185)	2,090	-	-	3,557	243	3,800
Net (expenses) / income from reinsurance contracts held	(1,847)	-	2,275	(185)	243	(3,229)	-	3,557	243	571
Finance income from reinsurance contracts held	-	-	67	-	67	-	-	-	-	-
Total changes in the statement of income	(1,847)	-	2,342	(185)	310	(3,229)	-	3,557	243	571
Premium paid	(448)	-	-	-	(448)	(494)	-	-	-	(494)
Claims recovered	-	-	(6,944)	-	(6,944)	-	-	3,822	-	3,822
Fixed commission received	(7)	-	-	-	(7)	(1,146)	-	-	-	(1,146)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	(455)	-	(6,944)	-	(7,399)	(1,640)	-	3,822	-	2,182
Net closing reinsurance contract assets	(10,774)	-	3,888	189	(6,697)	(8,472)	-	8,490	374	392
Closing reinsurance contract assets	-	-	-	-	-	(8,472)	-	8,490	374	392
Closing reinsurance contract (liabilities)	(10,774)	-	3,888	189	(6,697)	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.1 Reinsurance contracts - PAA -
Motor

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	(107)	-	7,910	308	8,111	-	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	-	(314)	-	-	-	(314)
Net opening reinsurance contract assets	(107)	-	7,910	308	8,111	(314)	-	-	-	(314)
Allocation of reinsurance premiums	(1,164)	-	-	-	(1,164)	(2,028)	-	-	-	(2,028)
Incurred claims and other expenses	-	-	3,745	89	3,834	-	-	7,400	288	7,688
Changes to AIC for past services	-	-	(4,043)	(89)	(4,132)	-	-	(4)	20	16
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(298)	-	(298)	-	-	7,396	308	7,704
Net (expenses) / income from reinsurance contracts held	(1,164)	-	(298)	-	(1,462)	(2,028)	-	7,396	308	5,676
Finance income from reinsurance contracts held	-	-	62	-	62	-	-	-	-	-
Total changes in the statement of income	(1,164)	-	(236)	-	(1,400)	(2,028)	-	7,396	308	5,676
Premium paid	2,664	-	-	-	2,664	2,009	-	-	-	2,009
Claims recovered	-	-	480	-	480	-	-	514	-	514
Fixed commission received	(15)	-	-	-	(15)	226	-	-	-	226
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	2,649	-	480	-	3,129	2,235	-	514	-	2,749
Net closing reinsurance contract assets	1,378	-	8,154	308	9,840	(107)	-	7,910	308	8,111
Closing reinsurance contract assets	1,378	-	8,154	308	9,840	(107)	-	7,910	308	8,111
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.1 Reinsurance contracts - PAA -

Property	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	(33,805)	-	172,701	2,826	141,722	(56,735)	-	375,688	6,978	325,931
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(33,805)	-	172,701	2,826	141,722	(56,735)	-	375,688	6,978	325,931
Allocation of reinsurance premiums	(276,745)	-	-	-	(276,745)	(184,482)	-	-	-	(184,482)
Incurred claims and other expenses	-	-	62,304	1,002	63,306	-	-	61,416	1,060	62,476
Changes to AIC for past services	-	-	(60,726)	(2,038)	(62,764)	-	-	(62,255)	(5,212)	(67,467)
Change in profit commission/ sliding scale commission	-	-	1,946	-	1,946	-	-	4,199	-	4,199
Amounts recoverable from reinsurance for incurred claims	-	-	3,524	(1,036)	2,488	-	-	3,360	(4,152)	(792)
Net (expenses) / income from reinsurance contracts held	(276,745)	-	3,524	(1,036)	(274,257)	(184,482)	-	3,360	(4,152)	(185,274)
Finance income from reinsurance contracts held	-	-	3,317	-	3,317	-	-	444	-	444
Total changes in the statement of income	(276,745)	-	6,841	(1,036)	(270,940)	(184,482)	-	3,804	(4,152)	(184,830)
Premium paid	206,324	-	-	-	206,324	197,799	-	-	-	197,799
Claims recovered	-	-	(35,737)	-	(35,737)	-	-	(205,420)	-	(205,420)
Fixed commission received	(33,681)	-	-	-	(33,681)	9,613	-	-	-	9,613
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	(1,371)	-	(1,371)
Net cash flows for reinsurance contracts	172,643	-	(35,737)	-	136,906	207,412	-	(206,791)	-	621
Net closing reinsurance contract assets	(137,907)	-	143,805	1,790	7,688	(33,805)	-	172,701	2,826	141,722
Closing reinsurance contract assets	(137,907)	-	143,805	1,790	7,688	(33,805)	-	172,701	2,826	141,722
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.1 Reinsurance contracts - PAA -
Energy

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	131,648	-	92,206	4,610	228,464	90,715	-	75,267	3,763	169,745
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	131,648	-	92,206	4,610	228,464	90,715	-	75,267	3,763	169,745
Allocation of reinsurance premiums	(437,226)	-	-	-	(437,226)	(623,472)	-	-	-	(623,472)
Incurred claims and other expenses	-	-	72,626	3,767	76,393	-	-	92,198	4,610	96,808
Changes to AIC for past services	-	-	(36,801)	(2,483)	(39,284)	-	-	(75,259)	(3,763)	(79,022)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	35,825	1,284	37,109	-	-	16,939	847	17,786
Net (expenses) / income from reinsurance contracts held	(437,226)	-	35,825	1,284	(400,117)	(623,472)	-	16,939	847	(605,686)
Finance income from reinsurance contracts held	-	-	1,124	-	1,124	-	-	-	-	-
Total changes in the statement of income	(437,226)	-	36,949	1,284	(398,993)	(623,472)	-	16,939	847	(605,686)
Premium paid	523,232	-	-	-	523,232	671,047	-	-	-	671,047
Claims recovered	-	-	(11,274)	-	(11,274)	-	-	-	-	-
Fixed commission received	(1,778)	-	-	-	(1,778)	(6,642)	-	-	-	(6,642)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	521,454	-	(11,274)	-	510,180	664,405	-	-	-	664,405
Net closing reinsurance contract assets	215,876	-	117,881	5,894	339,651	131,648	-	92,206	4,610	228,464
Closing reinsurance contract assets	215,876	-	117,881	5,894	339,651	131,648	-	92,206	4,610	228,464
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.1 Reinsurance contracts - PAA -
Engineering

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	58,149	-	104,336	4,911	167,396	(3,272)	-	79,528	2,375	78,631
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	58,149	-	104,336	4,911	167,396	(3,272)	-	79,528	2,375	78,631
Allocation of reinsurance premiums	(160,263)	-	-	-	(160,263)	(136,437)	-	-	-	(136,437)
Incurred claims and other expenses	-	-	45,597	1,085	46,682	-	-	55,555	2,986	58,541
Changes to AIC for past services	-	-	(36,227)	(3,879)	(40,106)	-	-	(25,875)	(450)	(26,325)
Change in profit commission/ sliding scale commission	-	-	718	-	718	-	-	5,954	-	5,954
Amounts recoverable from reinsurance for incurred claims	-	-	10,088	(2,794)	7,294	-	-	35,634	2,536	38,170
Net (expenses) / income from reinsurance contracts held	(160,263)	-	10,088	(2,794)	(152,969)	(136,437)	-	35,634	2,536	(98,267)
Finance income from reinsurance contracts held	-	-	2,062	-	2,062	-	-	208	-	208
Total changes in the statement of income	(160,263)	-	12,150	(2,794)	(150,907)	(136,437)	-	35,842	2,536	(98,059)
Premium paid	270,564	-	-	-	270,564	202,039	-	-	-	202,039
Claims recovered	-	-	(1,892)	-	(1,892)	-	-	(6,857)	-	(6,857)
Fixed commission received	(36,482)	-	-	-	(36,482)	(4,181)	-	-	-	(4,181)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	(4,177)	-	(4,177)
Net cash flows for reinsurance contracts	234,082	-	(1,892)	-	232,190	197,858	-	(11,034)	-	186,824
Net closing reinsurance contract assets	131,968	-	114,594	2,117	248,679	58,149	-	104,336	4,911	167,396
Closing reinsurance contract assets	131,968	-	114,594	2,117	248,679	58,149	-	104,336	4,911	167,396
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**12.2.1 Reinsurance contracts - PAA -
Protection and Savings (P&S) - non-linked**

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	(49,820)	-	108,391	5,025	63,596	(67,859)	-	139,837	4,293	76,271
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(49,820)	-	108,391	5,025	63,596	(67,859)	-	139,837	4,293	76,271
Allocation of reinsurance premiums	(19,950)	-	-	-	(19,950)	(63,292)	-	-	-	(63,292)
Incurred claims and other expenses	-	-	11,122	498	11,620	-	-	61,717	2,433	64,150
Changes to AIC for past services	-	-	(16,428)	(3,332)	(19,760)	-	-	(32,277)	(1,701)	(33,978)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(5,306)	(2,834)	(8,140)	-	-	29,440	732	30,172
Net (expenses) / income from reinsurance contracts held	(19,950)	-	(5,306)	(2,834)	(28,090)	(63,292)	-	29,440	732	(33,120)
Finance income from reinsurance contracts held	-	-	1,336	-	1,336	-	-	1,031	-	1,031
Total changes in the statement of income	(19,950)	-	(3,970)	(2,834)	(26,754)	(63,292)	-	30,471	732	(32,089)
Premium paid	40,842	-	-	-	40,842	81,345	-	-	-	81,345
Claims recovered	-	-	(54,342)	-	(54,342)	-	-	(61,917)	-	(61,917)
Fixed commission received	3	-	-	-	3	(14)	-	-	-	(14)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	40,845	-	(54,342)	-	(13,497)	81,331	-	(61,917)	-	19,414
Net closing reinsurance contract assets	(28,925)	-	50,079	2,191	23,345	(49,820)	-	108,391	5,025	63,596
Closing reinsurance contract assets	(28,925)	-	50,079	2,191	23,345	(49,820)	-	108,391	5,025	63,596
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**12.2.1 Reinsurance contracts - PAA -
Property and Casualty (P&C) - others**

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	13,474	-	138,888	5,181	157,543	40,231	-	108,517	2,050	150,798
Opening reinsurance contract (liabilities)	-	-	-	-	-	(3)	-	-	-	(3)
Net opening reinsurance contract assets	13,474	-	138,888	5,181	157,543	40,228	-	108,517	2,050	150,795
Allocation of reinsurance premiums	(206,166)	-	-	-	(206,166)	(308,470)	-	-	-	(308,470)
Incurred claims and other expenses	-	-	67,450	1,713	69,163	-	-	50,121	1,813	51,934
Changes to AIC for past services	-	-	(33,113)	(2,535)	(35,648)	-	-	(9,782)	1,265	(8,517)
Change in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	34,337	(822)	33,515	-	-	40,339	3,078	43,417
Net (expenses) / income from reinsurance contracts held	(206,166)	-	34,337	(822)	(172,651)	(308,470)	-	40,339	3,078	(265,053)
Finance income from reinsurance contracts held	-	-	3,001	1	3,002	(29)	-	483	1	455
Total changes in the statement of income	(206,166)	-	37,338	(821)	(169,649)	(308,499)	-	40,822	3,079	(264,598)
Insurance pool portfolio transition impact	-	-	-	-	-	533	-	260	52	845
Premium paid	224,505	-	-	-	224,505	299,108	-	-	-	299,108
Claims recovered	-	-	(4,758)	-	(4,758)	-	-	(10,711)	-	(10,711)
Fixed commission received	(15,766)	-	-	-	(15,766)	(17,896)	-	-	-	(17,896)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	208,739	-	(4,758)	-	203,981	281,212	-	(10,711)	-	270,501
Net closing reinsurance contract assets	16,047	-	171,468	4,360	191,875	13,474	-	138,888	5,181	157,543
Closing reinsurance contract assets	16,047	-	171,468	4,360	191,875	13,474	-	138,888	5,181	157,543
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.2 Reinsurance contracts - GMM-VFA -

Total	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	21,259	392	961	42	22,654	-	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	-	(1,048)	-	444	35	(569)
Net opening reinsurance contract assets	21,259	392	961	42	22,654	(1,048)	-	444	35	(569)
Expected claims recoverable	(2,096)	-	-	-	(2,096)	(404)	-	-	-	(404)
CSM recognized during the period	31	-	-	-	31	201	-	-	-	201
Allocation of reinsurance premiums	(2,065)	-	-	-	(2,065)	(203)	-	-	-	(203)
Incurred claims and other expenses	-	-	1,500	-	1,500	-	-	648	16	664
Loss recovery component for onerous contracts	-	(84)	-	-	(84)	-	392	-	-	392
Changes to AIC for past services	-	-	74	-	74	-	-	(4)	(11)	(15)
Amounts recoverable from reinsurance for incurred claims	-	(84)	1,574	-	1,490	-	392	644	5	1,041
Net (expenses) / income from reinsurance contracts held	(2,065)	(84)	1,574	-	(575)	(203)	392	644	5	838
Finance income from reinsurance contracts held	(1,457)	9	776	2	(670)	(229)	-	21	2	(206)
Total changes in the statement of income	(3,522)	(75)	2,350	2	(1,245)	(432)	392	665	7	632
Insurance pool portfolio transition impact	-	-	-	-	-	4,135	-	-	-	4,135
Premium paid	11,417	-	-	-	11,417	22,154	-	-	-	22,154
Claims recovered	-	-	(75)	-	(75)	-	-	(148)	-	(148)
Fixed commission received	(1,674)	-	-	-	(1,674)	(3,550)	-	-	-	(3,550)
Net cash flows for reinsurance contracts	9,743	-	(75)	-	9,668	18,604	-	(148)	-	18,456
Net closing reinsurance contract assets	27,480	317	3,236	44	31,077	21,259	392	961	42	22,654
Closing reinsurance contract assets	27,480	317	3,236	44	31,077	21,259	392	961	42	22,654
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**12.2.2 Reinsurance contracts - GMM-VFA -
Protection and Savings (P&S) - linked**

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	(858)	392	535	42	111	-	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	-	(1,048)	-	444	35	(569)
Net opening reinsurance contract assets	(858)	392	535	42	111	(1,048)	-	444	35	(569)
Expected claims recoverable	(432)	-	-	-	(432)	(600)	-	-	-	(600)
CSM recognized during the period	83	-	-	-	83	204	-	-	-	204
Allocation of reinsurance premiums	(349)	-	-	-	(349)	(396)	-	-	-	(396)
Incurred claims and other expenses	-	-	-	-	-	-	-	222	16	238
Loss recovery component for onerous contracts	-	(84)	-	-	(84)	-	392	-	-	392
Changes to AIC for past services	-	-	74	-	74	-	-	(4)	(11)	(15)
Amounts recoverable from reinsurance for incurred claims	-	(84)	74	-	(10)	-	392	218	5	615
Net (expenses) / income from reinsurance contracts held	(349)	(84)	74	-	(359)	(396)	392	218	5	219
Finance income from reinsurance contracts held	(22)	9	27	2	16	(41)	-	21	2	(18)
Total changes in the statement of income	(371)	(75)	101	2	(343)	(437)	392	239	7	201
Premium paid	865	-	-	-	865	627	-	-	-	627
Claims recovered	-	-	(75)	-	(75)	-	-	(148)	-	(148)
Fixed commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	865	-	(75)	-	790	627	-	(148)	-	479
Net closing reinsurance contract assets	(364)	317	561	44	558	(858)	392	535	42	111
Closing reinsurance contract assets	(364)	317	561	44	558	(858)	392	535	42	111
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.2.2 Reinsurance contracts - GMM-VFA -
Property and Casualty (P&C) - others

	For the period ended September 30, 2024 (Unaudited)					For the year ended December 31, 2023 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	22,117	-	426	-	22,543	-	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	22,117	-	426	-	22,543	-	-	-	-	-
Expected claims recoverable	(1,664)	-	-	-	(1,664)	196	-	-	-	196
CSM recognized during the period	(52)	-	-	-	(52)	(3)	-	-	-	(3)
Allocation of reinsurance premiums	(1,716)	-	-	-	(1,716)	193	-	-	-	193
Incurred claims and other expenses	-	-	1,500	-	1,500	-	-	426	-	426
Loss recovery component for onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	1,500	-	1,500	-	-	426	-	426
Net (expenses) / income from reinsurance contracts held	(1,716)	-	1,500	-	(216)	193	-	426	-	619
Finance income from reinsurance contracts held	(1,435)	-	749	-	(686)	(188)	-	-	-	(188)
Total changes in the statement of income	(3,151)	-	2,249	-	(902)	5	-	426	-	431
Insurance pool portfolio transition impact	-	-	-	-	-	4,135	-	-	-	4,135
Premium paid	10,552	-	-	-	10,552	21,527	-	-	-	21,527
Claims recovered	-	-	-	-	-	-	-	-	-	-
Fixed commission received	(1,674)	-	-	-	(1,674)	(3,550)	-	-	-	(3,550)
Net cash flows for reinsurance contracts	8,878	-	-	-	8,878	17,977	-	-	-	17,977
Net closing reinsurance contract assets	27,844	-	2,675	-	30,519	22,117	-	426	-	22,543
Closing reinsurance contract assets	27,844	-	2,675	-	30,519	22,117	-	426	-	22,543
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

12.3 Insurance contracts (GMM/VFA)	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Total								
Opening insurance contract liabilities	532,510	1,664	52,650	586,824	452,951	919	36,656	490,526
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	532,510	1,664	52,650	586,824	452,951	919	36,656	490,526
Changes that relate to current services	(6,510)	92	(725)	(7,143)	(7,542)	41	(2,614)	(10,115)
Changes that relate to future services	(12,960)	613	12,649	302	2,720	113	(997)	1,836
Changes that relate to past services	(335)	(64)	-	(399)	(1,236)	(58)	-	(1,294)
Insurance service result before reinsurance contracts held	(19,805)	641	11,924	(7,240)	(6,058)	96	(3,611)	(9,573)
Finance expenses from insurance contracts	(1,603)	35	1,566	(2)	(1,621)	44	1,744	167
Total changes in the statement of income	(21,408)	676	13,490	(7,242)	(7,679)	140	(1,867)	(9,406)
Changes in fair value of unit-linked investments	50,648	-	-	50,648	103,336	-	-	103,336
Insurance pool portfolio transition impact	(106)	-	-	(106)	(3,832)	605	17,861	14,634
Premium received	66,886	-	-	66,886	102,822	-	-	102,822
Claims and directly attributable expenses paid	(89,317)	-	-	(89,317)	(113,493)	-	-	(113,493)
Insurance acquisition expenses paid	(423)	-	-	(423)	(1,595)	-	-	(1,595)
Net cash flows for insurance contracts	(22,854)	-	-	(22,854)	(12,266)	-	-	(12,266)
Net closing insurance contract liabilities	538,790	2,340	66,140	607,270	532,510	1,664	52,650	586,824
Closing insurance contract liabilities	538,790	2,340	66,140	607,270	532,510	1,664	52,650	586,824
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
12.3 Insurance contracts (GMM/VFA)
P&S - non-linked

	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of	Risk Adjustment	Contractual Service	Total	Estimates of	Risk Adjustment	Contractual Service	Total
	PVFCF	(RA)	Margin (CSM)		PVFCF	(RA)	Margin (CSM)	
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	86	5	481	572	32	4	225	261
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	86	5	481	572	32	4	225	261
Changes that relate to current services	(91)	-	(107)	(198)	(79)	-	(196)	(275)
Changes that relate to future services	(25)	-	27	2	(441)	-	444	3
Changes that relate to past services	19	1	-	20	19	1	-	20
Insurance service result before reinsurance contracts held	(97)	1	(80)	(176)	(501)	1	248	(252)
Finance expenses from insurance contracts	7	-	9	16	(5)	-	8	3
Total changes in the statement of income	(90)	1	(71)	(160)	(506)	1	256	(249)
Premium received	19	-	-	19	560	-	-	560
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	19	-	-	19	560	-	-	560
Net closing insurance contract liabilities	15	6	410	431	86	5	481	572
Closing insurance contract liabilities	15	6	410	431	86	5	481	572
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

12.3 Insurance contracts (GMM/VFA)	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	535,159	327	16,761	552,247	452,919	915	36,431	490,265
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	535,159	327	16,761	552,247	452,919	915	36,431	490,265
Changes that relate to current services	(5,055)	74	(1,059)	(6,040)	(7,796)	41	(2,418)	(10,173)
Changes that relate to future services	(543)	(11)	387	(167)	21,172	(614)	(18,725)	1,833
Changes that relate to past services	(354)	(73)	-	(427)	(1,255)	(59)	-	(1,314)
Insurance service result before reinsurance contracts held	(5,952)	(10)	(672)	(6,634)	12,121	(632)	(21,143)	(9,654)
Finance expenses from insurance contracts	(233)	15	275	57	(1,394)	44	1,473	123
Total changes in the statement of income	(6,185)	5	(397)	(6,577)	10,727	(588)	(19,670)	(9,531)
Changes in fair value of unit-linked investments	50,648	-	-	50,648	103,336	-	-	103,336
Premium received	53,865	-	-	53,865	82,936	-	-	82,936
Claims and directly attributable expenses paid	(89,190)	-	-	(89,190)	(113,164)	-	-	(113,164)
Insurance acquisition expenses paid	(423)	-	-	(423)	(1,595)	-	-	(1,595)
Net cash flows for insurance contracts	(35,748)	-	-	(35,748)	(31,823)	-	-	(31,823)
Net closing insurance contract liabilities	543,874	332	16,364	560,570	535,159	327	16,761	552,247
Closing insurance contract liabilities	543,874	332	16,364	560,570	535,159	327	16,761	552,247
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

12.3 Insurance contracts (GMM/VFA) P&C - others	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	(2,735)	1,332	35,408	34,005	-	-	-	-
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	(2,735)	1,332	35,408	34,005	-	-	-	-
Changes that relate to current services	(1,364)	18	441	(905)	333	-	-	333
Changes that relate to future services	(12,392)	624	12,235	467	(18,011)	727	17,284	-
Changes that relate to past services	-	8	-	8	-	-	-	-
Insurance service result before reinsurance contracts held	(13,756)	650	12,676	(430)	(17,678)	727	17,284	333
Finance expenses from insurance contracts	(1,377)	20	1,282	(75)	(222)	-	263	41
Total changes in the statement of income	(15,133)	670	13,958	(505)	(17,900)	727	17,547	374
Insurance pool portfolio transition impact	(106)	-	-	(106)	(3,832)	605	17,861	14,634
Premium received	13,002	-	-	13,002	19,326	-	-	19,326
Claims and directly attributable expenses paid	(127)	-	-	(127)	(329)	-	-	(329)
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	12,875	-	-	12,875	18,997	-	-	18,997
Net closing insurance contract liabilities	(5,099)	2,002	49,366	46,269	(2,735)	1,332	35,408	34,005
Closing insurance contract liabilities	(5,099)	2,002	49,366	46,269	(2,735)	1,332	35,408	34,005
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

12.3 Reinsurance contracts (GMM-VFA)	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of	Risk Adjustment	Contractual Service	Total	Estimates of	Risk Adjustment	Contractual Service	Total
	PVFCF	(RA)	Margin (CSM)		PVFCF	(RA)	Margin (CSM)	
Total	SAR "000"				SAR "000"			
Opening reinsurance contract assets	(4,072)	(1,169)	27,895	22,654	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	444	35	(1,048)	(569)
Net opening reinsurance contract assets	(4,072)	(1,169)	27,895	22,654	444	35	(1,048)	(569)
Changes that relate to current services	3,226	1,815	(2,639)	2,402	253	7	201	461
Changes that relate to future services	(5,776)	1,025	200	(4,551)	(13,240)	(649)	14,280	391
Changes that relate to past services	1,574	-	-	1,574	(12)	(2)	-	(14)
Net (expenses) / income from reinsurance contracts held	(976)	2,840	(2,439)	(575)	(12,999)	(644)	14,481	838
Finance income from reinsurance contracts held	(1,592)	(14)	936	(670)	(377)	2	169	(206)
Total changes in the statement of income	(2,568)	2,826	(1,503)	(1,245)	(13,376)	(642)	14,650	632
Insurance pool portfolio transition impact	-	-	-	-	(9,596)	(562)	14,293	4,135
Premium paid	11,417	-	-	11,417	22,154	-	-	22,154
Claims recovered	(75)	-	-	(75)	(148)	-	-	(148)
Fixed commission received	(1,674)	-	-	(1,674)	(3,550)	-	-	(3,550)
Net cash flows for reinsurance contracts	9,668	-	-	9,668	18,456	-	-	18,456
Net closing reinsurance contract assets	3,028	1,657	26,392	31,077	(4,072)	(1,169)	27,895	22,654
Closing reinsurance contract assets	3,028	1,657	26,392	31,077	(4,072)	(1,169)	27,895	22,654
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

12.3 Reinsurance contracts (GMM-VFA)	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
P&S - linked	SAR "000"				SAR "000"			
Opening reinsurance contract assets	536	42	(467)	111	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	444	35	(1,048)	(569)
Net opening reinsurance contract assets	536	42	(467)	111	444	35	(1,048)	(569)
Changes that relate to current services	(433)	-	83	(350)	(369)	7	204	(158)
Changes that relate to future services	(434)	-	350	(84)	(27)	-	418	391
Changes that relate to past services	75	-	-	75	(12)	(2)	-	(14)
Net (expenses) / income from reinsurance contracts held	(792)	-	433	(359)	(408)	5	622	219
Finance income from reinsurance contracts held	27	2	(13)	16	21	2	(41)	(18)
Total changes in the statement of income	(765)	2	420	(343)	(387)	7	581	201
Premium paid	865	-	-	865	627	-	-	627
Claims recovered	(75)	-	-	(75)	(148)	-	-	(148)
Fixed commission received	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	790	-	-	790	479	-	-	479
Net closing reinsurance contract assets	561	44	(47)	558	536	42	(467)	111
Closing reinsurance contract assets	561	44	(47)	558	536	42	(467)	111
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

12.3 Reinsurance contracts (GMM-VFA)	For the period ended September 30, 2024 (Unaudited)				For the year ended December 31, 2023 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
P&C - others	SAR "000"				SAR "000"			
Opening reinsurance contract assets	(4,608)	(1,211)	28,362	22,543	-	-	-	-
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(4,608)	(1,211)	28,362	22,543	-	-	-	-
Changes that relate to current services	3,659	1,815	(2,722)	2,752	622	-	(3)	619
Changes that relate to future services	(5,342)	1,025	(150)	(4,467)	(13,213)	(649)	13,862	-
Changes that relate to past services	1,499	-	-	1,499	-	-	-	-
Net (expenses) / income from reinsurance contracts held	(184)	2,840	(2,872)	(216)	(12,591)	(649)	13,859	619
Finance income from reinsurance contracts held	(1,619)	(16)	949	(686)	(398)	-	210	(188)
Total changes in the statement of income	(1,803)	2,824	(1,923)	(902)	(12,989)	(649)	14,069	431
Insurance pool portfolio transition impact	-	-	-	-	(9,596)	(562)	14,293	4,135
Premium paid	10,552	-	-	10,552	21,527	-	-	21,527
Claims recovered	-	-	-	-	-	-	-	-
Fixed commission received	(1,674)	-	-	(1,674)	(3,550)	-	-	(3,550)
Net cash flows for reinsurance contracts	8,878	-	-	8,878	17,977	-	-	17,977
Net closing reinsurance contract assets	2,467	1,613	26,439	30,519	(4,608)	(1,211)	28,362	22,543
Closing reinsurance contract assets	2,467	1,613	26,439	30,519	(4,608)	(1,211)	28,362	22,543
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

	For the three-month period ended September 30, 2024			For the three-month period ended September 30, 2023		
	(Unaudited)			(Unaudited)		
	Non-onerous contracts issued	Onerous contracts issued	Total	Non-onerous contracts issued	Onerous contracts issued	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	43,588	29	43,617	58	6	64
Claims and other directly attributable expenses	(1,074)	46	(1,028)	221	8	229
Estimates of the present value of future cash outflows	42,514	75	42,589	279	14	293
Estimates of the present value of future cash inflows	(47,471)	(18)	(47,489)	(465)	(10)	(475)
Risk adjustment for non-financial risk	233	1	234	3	-	3
Contractual service margin (CSM)	4,724	(49)	4,675	183	(4)	179
Increase in insurance contract liabilities from the new contracts issued in the period	-	9	9	-	-	-

	For the nine-month period ended September 30, 2024			For the nine-month period ended September 30, 2023		
	(Unaudited)			(Unaudited)		
	Non-onerous contracts issued	Onerous contracts issued	Total	Non-onerous contracts issued	Onerous contracts issued	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	47,462	72	47,534	893	382	1,275
Claims and other directly attributable expenses	6,371	89	6,460	2,034	430	2,464
Estimates of the present value of future cash outflows	53,833	161	53,994	2,927	812	3,739
Estimates of the present value of future cash inflows	(66,699)	(31)	(66,730)	(4,300)	(569)	(4,869)
Risk adjustment for non-financial risk	584	1	585	29	9	38
Contractual service margin (CSM)	12,282	(86)	12,196	1,344	(87)	1,257
Increase in insurance contract liabilities from the new contracts issued in the period	-	45	45	-	165	165

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
12. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

	For the three-month period ended September 30, 2024				For the three-month period ended September 30, 2023			
	(Unaudited)				(Unaudited)			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	2,320	256	717	3,293	1,942	390	1,120	3,452
CSM at the beginning of the period	58,517	1,206	311	60,034	19,905	5,830	12,164	37,899
CSM recognized during the period for services	135	(31)	(10)	94	(349)	(76)	(124)	(549)
Changes in estimates that adjust the CSM	259	(102)	(86)	71	(2,377)	(2,519)	(7,396)	(12,292)
Contracts initially recognized during the period	4,675	-	-	4,675	179	-	-	179
Finance expenses from insurance contracts issued	1,244	1	21	1,266	159	12	295	466
Total amount recognized in the statement of income	6,313	(132)	(75)	6,106	(2,388)	(2,583)	(7,225)	(12,196)
CSM at the end of the period	64,830	1,074	236	66,140	17,517	3,247	4,939	25,703
	For the nine-month period ended September 30, 2024				For the nine-month period ended September 30, 2023			
	(Unaudited)				(Unaudited)			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	6,701	791	2,273	9,765	5,907	1,335	3,848	11,090
CSM at the beginning of the period	51,213	1,131	306	52,650	17,731	5,441	13,484	36,656
CSM recognized during the period for services	(603)	(92)	(30)	(725)	(1,174)	(337)	(727)	(2,238)
Changes in estimates that adjust the CSM	516	32	(95)	453	(713)	(1,893)	(8,558)	(11,164)
Contracts initially recognized during the period	12,196	-	-	12,196	1,257	-	-	1,257
Finance expenses from insurance contracts issued	1,508	3	55	1,566	416	36	740	1,192
Total amount recognized in the statement of income	13,617	(57)	(70)	13,490	(214)	(2,194)	(8,545)	(10,953)
CSM at the end of the period	64,830	1,074	236	66,140	17,517	3,247	4,939	25,703

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****13. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them.

Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

The following are the details of the major related party transactions during the period and the related balances:

	Transactions for the nine-month period ended		Net balance receivable / (payable) as at	
	September 30, 2024 (Unaudited) SAR "000"	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited) SAR "000"	December 31, 2023 (Audited)
<u>Insurance premium written / receivable from:</u>				
-Board of directors and related parties	36,585	95,331	18,270	3,310
-Key management personnel	134	23	-	-
-Major shareholders and related parties	8,020	18,842	2,872	1,971
<u>Claims paid and payable to:</u>				
-Board of directors and related parties	8,492	56,065	(10,263)	(16,835)
-Key management personnel	10	-	-	-
-Major shareholders and related parties	7,669	28,483	(26,407)	(33,936)
Other business with board of directors and related parties	1,733	-	(1,069)	(3,830)
Policy acquisition costs with major shareholders and related parties	2,886	4,896	(6,228)	(3,820)
Rebate income from major shareholders and related parties	1,398	3,531	909	-

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

	September 30, 2024 (Unaudited) SAR "000"	September 30, 2023 (Unaudited)
Salaries and other allowances	5,746	5,032
Provision for end of service benefits	1,048	824
	6,794	5,856
Remuneration to those charged with governance	4,125	4,250

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

14. ZAKAT, INCOME TAX AND VAT

The Company has filed its zakat and income tax returns with Zakat, Tax, and Customs Authority (ZATCA) up to the year ended December 31, 2023, and obtained the required certificate from ZATCA that is valid up to April 30, 2025.

(a) Status of assessments

Zakat and income tax:

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

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

During the year 2022, the Company received zakat and tax assessments for the years 2019 and 2020 claiming an additional zakat and tax liability amounting to SAR 8.8 million. The Company appealed against these assessments and in order for the objection to be accepted, the Company had partially paid ten percent (10%) of assessed amount. During the year 2023, the internal settlement committee offered an amount of SAR 5.59 million to close the appeal. The Company accepted the offer and paid the settlement amount in 2023 as a full and final settlement.

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

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

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

Indirect tax (VAT):

In addition to above, the Company has received VAT assessments for the years from 2018 to 2020 claiming an additional liability amounting to SAR 27 million. During the year 2023, the Company settled the VAT liability amounting to SAR 9.7 million to get benefit from amnesty of the delay fines. In November 2023, ZATCA re-studied the case which resulted in a credit balance in favour of the Company amounting to SAR 0.23 million, and the case is closed.

During the year 2023, the Company submitted documents required by ZATCA for the years 2021 and 2022, for which the company received in September 2024 the assessment order amounting to SAR 24.3 million. The company is reviewing the assessment and will take the appropriate actions within specified time. Management believes that there is sufficient provision in the books for ongoing assessments.

During September 2024 the company received VAT audit request from ZATCA for year 2023 for which the company is working on the requirements to submit it to ZATCA.

14. ZAKAT, INCOME TAX AND VAT (CONTINUED)

(a) Status of assessments (Continued)

Status of assessments for SABB Takaful:

(merged in 2022, refer note 15)

Zakat and income tax:

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

During the year 2021, ZATCA issued zakat and tax assessments for years 2019 and 2020 claiming an additional zakat and tax liability amounting to SAR 0.4 million for which the Company submitted an objection to ZATCA. Objection result was not in favour of the Company and as a result, the Company paid the amount of SAR 0.4 million in 2023, and the case is closed.

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

Indirect tax (VAT):

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

Status of assessments for MetLife:

(merged in 2020, refer note 15)

Zakat and income tax:

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

Indirect tax (VAT):

During 2021, the Company has received VAT assessment for the year 2020 and requirements were submitted to ZATCA. After receiving the initial assessment, the company paid SAR 0.1 million in November 2023, and the case was closed.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****14. ZAKAT, INCOME TAX AND VAT (CONTINUED)****(b) Provision for zakat and income tax**

Provision for zakat has been made at 2.5776% of the higher of approximate zakat base or adjusted net income and 2.5% on adjusted net income attributable to the Saudi shareholders of the Company.

Income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Company.

(c) Shareholding subject to zakat and income tax

The following is the shareholding percentage for computation as at the end of the period/year:

	September 30,	December 31,
	2024	2023
	(in %)	
Shareholding subject to zakat	89.32	89.32
Shareholding subject to income tax	10.68	10.68

15. SHARE CAPITAL

The authorized, issued and paid-up capital of the Company as at September 30, 2024 amounted to SAR 850.6 million comprising of 85.06 million shares of SAR 10 each (December 31, 2023: SAR 850.6 million comprising of 85.06 million shares of SAR 10 each).

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

The Capital Market Authority had approved an increase in the Company's capital from 400 million Saudi Riyals to 440 million Saudi Riyals by issuing a bonus share for every ten shares owned by the shareholder. The capital was increased through retained earnings draw of 40 million Saudi Riyals. This increase was approved by the Capital Market Authority on Sha'ban 2, 1439H corresponding to April 18, 2018G. The Saudi Central Bank also approved this increase on Safar 9, 1439H, (corresponding to October 29, 2017G).

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

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****15. SHARE CAPITAL (CONTINUED)**

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

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

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

The Board of Directors after discussing the Rights Issue with the financial advisor, decided on February 25, 2024 (corresponding to 15/8/1445H) to amend its recommendation to the Extraordinary General Assembly regarding the increase of the Company's capital by offering of Rights Issue and change the offering amount to SAR 467.5 million instead of SAR 425 million, through offering a total of 42.5 million ordinary shares of a nominal value of SAR 10 per share, with an offer price of SAR 11 per share. Capital Market Authority (CMA) has approved the application of the proposed Rights Issue on August 5, 2024 (corresponding 01/02/1446H).

However, this is subject to relevant regulatory requirements and procedures in addition to Company's Extraordinary General Assembly's (EGM) approval.

Shareholding structure of the Company is as below:

	September 30, 2024 (Unaudited)		
	Authorized and issued	Paid up	
	No. of Shares	SAR "000"	
Saudi British Bank	13,272,100	132,721	132,721
Others	71,786,225	717,862	717,862
Total	85,058,325	850,583	850,583

	December 31, 2023 (Audited)		
	Authorized and issued	Paid up	
	No. of Shares	SAR "000"	
Saudi British Bank	13,272,100	132,721	132,721
Others	71,786,225	717,862	717,862
Total	85,058,325	850,583	850,583

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****16. GROSS WRITTEN PREMIUM (GWP)**

Analysis of gross premium written is as follows:

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

	For the three-month period ended September 30, 2023 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individual	Total
	SAR "000"					
Medical	11,728	8,364	8,884	78,699	22,545	130,220
Motor	1,458	2,755	3,963	11,430	245,095	264,701
Property	12,731	22,825	4,799	56,525	-	96,880
Energy	54	-	1,268	17,651	-	18,973
Engineering	3,314	8,321	26,392	25,559	-	63,586
P&S - non-linked	19,519	153	2,028	29,140	191	51,031
P&S - linked	-	-	-	-	18,241	18,241
P&C - others	6,279	32,219	16,754	47,598	14,144	116,994
Total	55,083	74,637	64,088	266,602	300,216	760,626

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****16. GROSS WRITTEN PREMIUM (GWP) (CONTINUED)**

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

	For the nine-month period ended September 30, 2023 (Unaudited)					
	Corporate				Retail	
	Micro	Small	Medium	Large	Individual	Total
	SAR "000"					
Medical	28,328	22,669	36,771	321,906	90,575	500,249
Motor	6,542	10,198	17,922	50,907	414,571	500,140
Property	34,163	29,235	13,999	72,699	1	150,097
Energy	54	474	1,268	514,423	-	516,219
Engineering	6,857	16,598	42,123	127,307	-	192,885
P&S - non-linked	47,536	1,056	4,784	109,588	377	163,341
P&S - linked	-	-	-	-	60,424	60,424
P&C - others	18,879	59,532	47,866	191,702	64,617	382,596
Total	142,359	139,762	164,733	1,388,532	630,565	2,465,951

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
17. SUPPLEMENTARY INFORMATION

Interim condensed statement of financial position	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
Assets						
Cash and cash equivalents	481,733	5,919	487,652	503,905	8,506	512,411
Short term deposits	206,986	-	206,986	360,983	59,997	420,980
Accrued income on investments and deposits	13,168	4,909	18,077	15,691	5,026	20,717
Prepaid expenses and other assets	73,432	10,530	83,962	52,764	-	52,764
Insurance contract assets	20,526	-	20,526	-	-	-
Reinsurance contract assets	852,155	-	852,155	789,878	-	789,878
Financial assets for unit linked insurance contracts	550,823	-	550,823	543,235	-	543,235
Due from shareholders' operations	5,305	-	5,305	29,876	-	29,876
Statutory deposit	-	85,058	85,058	-	85,058	85,058
Accrued income on statutory deposit	-	8,215	8,215	-	4,347	4,347
Investments	139,330	1,154,193	1,293,523	138,914	972,706	1,111,620
Long term deposits	356,210	-	356,210	259,914	94,984	354,898
Property and equipment, net	38,169	35,463	73,632	19,084	16,400	35,484
Intangible assets	39,519	78,559	118,078	38,299	83,267	121,566
Goodwill	-	24,415	24,415	-	24,415	24,415
Total assets	2,777,356	1,407,261	4,184,617	2,752,543	1,354,706	4,107,249
Liabilities and equity						
Liabilities						
Insurance contract liabilities	2,483,294	-	2,483,294	2,554,671	-	2,554,671
Reinsurance contract liabilities	6,697	-	6,697	-	-	-
Accrued expenses and other liabilities	257,424	3,158	260,582	168,393	1,902	170,295
Accrued income payable to Insurance Authority	-	8,215	8,215	-	4,347	4,347
Due to insurance operations	-	5,305	5,305	-	29,876	29,876
Provision for zakat and income tax	-	33,883	33,883	-	46,283	46,283
Provision for end-of-service benefits (EOSB)	33,281	503	33,784	32,819	503	33,322
Total liabilities	2,780,696	51,064	2,831,760	2,755,883	82,911	2,838,794
Equity						
Share capital	-	850,583	850,583	-	850,583	850,583
Share premium	-	193,119	193,119	-	193,119	193,119
Statutory reserve	-	79,915	79,915	-	79,915	79,915
Fair value reserve for investments measured at fair value	-	81,827	81,827	-	81,827	81,827
Retained earnings	-	150,753	150,753	-	66,351	66,351
Total shareholders' equity	-	1,356,197	1,356,197	-	1,271,795	1,271,795
Remeasurement of EOSB	(3,340)	-	(3,340)	(3,340)	-	(3,340)
Total equity	(3,340)	1,356,197	1,352,857	(3,340)	1,271,795	1,268,455
Total liabilities and equity	2,777,356	1,407,261	4,184,617	2,752,543	1,354,706	4,107,249

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FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
17. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income for three-month period	September 30, 2024 (Unaudited)			September 30, 2023 (Unaudited)		
	Insurance operations	Share- holders'	Total	Insurance operations	Share- holders'	Total
		operations			operations	
	SAR "000"			SAR "000"		
Insurance revenue	897,433	-	897,433	741,667	-	741,667
Insurance service expenses	(449,688)	-	(449,688)	(411,076)	-	(411,076)
Insurance service results before reinsurance contracts held	447,745	-	447,745	330,591	-	330,591
Allocation of reinsurance premiums	(467,216)	-	(467,216)	(369,210)	-	(369,210)
Amounts recoverable from reinsurers for incurred claims	14,473	-	14,473	52,296	-	52,296
Net expenses from reinsurance contracts held	(452,743)	-	(452,743)	(316,914)	-	(316,914)
Insurance service results	(4,998)	-	(4,998)	13,677	-	13,677
Commission income on investments and deposits	12,242	5,115	17,357	11,771	4,633	16,404
Dividends on investments	-	4,171	4,171	-	4,651	4,651
Realized gain on investments measured at fair value	-	7,829	7,829	-	2,252	2,252
Unrealized gain on investments measured at fair value	-	8,982	8,982	(2,335)	4,704	2,369
Change in expected credit losses on financial assets	(6)	(1)	(7)	(5)	-	(5)
Net investment income	12,236	26,096	38,332	9,431	16,240	25,671
Finance (expense) / income from insurance contracts issued	(1,931)	-	(1,931)	7,712	-	7,712
Finance income / (expense) from reinsurance contracts held	79	-	79	(7,202)	-	(7,202)
Net insurance finance (expenses) / income	(1,852)	-	(1,852)	510	-	510
Net insurance and investment results	5,386	26,096	31,482	23,618	16,240	39,858
Other income	701	-	701	1,407	4,117	5,524
Other operating expenses	(4,637)	(3,695)	(8,332)	2,898	(3,505)	(607)
Net income for the period before zakat & tax	1,450	22,401	23,851	27,923	16,852	44,775
Surplus transferred to shareholders' operations	(1,450)	1,450	-	(27,923)	27,923	-
Net income after transfer of surplus to the shareholders before zakat & tax	-	23,851	23,851	-	44,775	44,775
Zakat and income tax charge	-	(3,750)	(3,750)	-	(5,000)	(5,000)
Net income after zakat & tax, attributable to the shareholders	-	20,101	20,101	-	39,775	39,775
Earnings per share (expressed in SAR per share)						
Basic and diluted earnings per share			0.24			0.47
Weighted average number of ordinary outstanding shares (in thousand shares)			85,058			85,058

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
17. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of income for nine-month period	September 30, 2024 (Unaudited)			September 30, 2023 (Unaudited)		
	Insurance operations	Share- holders'	Total	Insurance operations	Share- holders'	Total
		operations			operations	
SAR "000"			SAR "000"			
Insurance revenue	2,460,682	-	2,460,682	2,106,491	-	2,106,491
Insurance service expenses	(1,444,366)	-	(1,444,366)	(1,193,256)	-	(1,193,256)
Insurance service results before reinsurance contracts held	1,016,316	-	1,016,316	913,235	-	913,235
Allocation of reinsurance premiums	(1,105,426)	-	(1,105,426)	(979,293)	-	(979,293)
Amounts recoverable from reinsurers for incurred claims	75,548	-	75,548	87,960	-	87,960
Net expenses from reinsurance contracts held	(1,029,878)	-	(1,029,878)	(891,333)	-	(891,333)
Insurance service results	(13,562)	-	(13,562)	21,902	-	21,902
Commission income on investments and deposits	38,629	18,318	56,947	25,143	13,007	38,150
Dividends on investments	-	13,684	13,684	-	11,939	11,939
Realized gain on investments measured at fair value	-	24,527	24,527	-	5,579	5,579
Unrealized gain on investments measured at fair value	-	24,519	24,519	-	46,283	46,283
Change in expected credit losses on financial assets	(5)	7	2	6	-	6
Net investment income	38,624	81,055	119,679	25,149	76,808	101,957
Finance expense from insurance contracts issued	(18,003)	-	(18,003)	(5,948)	-	(5,948)
Finance income from reinsurance contracts held	10,300	-	10,300	1,804	-	1,804
Net insurance finance expenses	(7,703)	-	(7,703)	(4,144)	-	(4,144)
Net insurance and investment results	17,359	81,055	98,414	42,907	76,808	119,715
Other income	2,166	20,308	22,474	3,827	4,117	7,944
Other operating expenses	(14,799)	(12,687)	(27,486)	(6,739)	(8,193)	(14,932)
Net income for the period before zakat & tax	4,726	88,676	93,402	39,995	72,732	112,727
Surplus transferred to shareholders' operations	(4,726)	4,726	-	(39,995)	39,995	-
Net income after transfer of surplus to the shareholders before zakat & tax	-	93,402	93,402	-	112,727	112,727
Zakat and income tax charge	-	(9,000)	(9,000)	-	(10,000)	(10,000)
Net income after zakat & tax, attributable to the shareholders	-	84,402	84,402	-	102,727	102,727
Earnings per share (expressed in SAR per share)						
Basic and diluted earnings per share			<u>0.99</u>			<u>1.21</u>
Weighted average number of ordinary outstanding shares (in thousand shares)			<u>85,058</u>			<u>85,058</u>

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

17. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed statement of comprehensive income for three-month period

	<u>September 30, 2024 (Unaudited)</u>			<u>September 30, 2023 (Unaudited)</u>		
	<u>Insurance operations</u>	<u>Share-holders' operations</u>	<u>Total</u>	<u>Insurance operations</u>	<u>Share-holders' operations</u>	<u>Total</u>
Net income for the period attributable to the shareholders	-	20,101	20,101	-	39,775	39,775
Other comprehensive income:						
<i>Items that will not be reclassified to the statement of income in subsequent periods</i>						
Net changes in fair value of investments measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-	-
Total comprehensive income for the period	-	20,101	20,101	-	39,775	39,775

Interim condensed statement of comprehensive income for nine-month period

	<u>September 30, 2024 (Unaudited)</u>			<u>September 30, 2023 (Unaudited)</u>		
	<u>Insurance operations</u>	<u>Share-holders' operations</u>	<u>Total</u>	<u>Insurance operations</u>	<u>Share-holders' operations</u>	<u>Total</u>
Net income for the period attributable to the shareholders	-	84,402	84,402	-	102,727	102,727
Other comprehensive income:						
<i>Items that will not be reclassified to the statement of income in subsequent periods</i>						
Net changes in fair value of investments measured at FVOCI	-	-	-	-	-	-
Total comprehensive income for the period	-	84,402	84,402	-	102,727	102,727

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024****17. SUPPLEMENTARY INFORMATION (CONTINUED)****Interim condensed statement of cash flows for nine-month period**

	September 30, 2024 (Unaudited)			September 30, 2023 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period before zakat and income tax	-	93,402	93,402	-	112,727	112,727
Adjustments for non-cash and non-operating items:						
Depreciation of property and equipment	9,636	-	9,636	6,118	-	6,118
Amortization of intangible assets	10,170	4,708	14,878	6,616	669	7,285
Commission income on investments and deposits	(38,629)	(18,318)	(56,947)	(25,143)	(13,007)	(38,150)
Dividends on investments	-	(13,684)	(13,684)	-	(11,939)	(11,939)
Realized gain on investments measured at fair value	-	(24,527)	(24,527)	-	(5,579)	(5,579)
Unrealized gain on investments measured at fair value	-	(24,519)	(24,519)	-	(46,283)	(46,283)
Change in expected credit losses on financial assets	-	(7)	(7)	(10)	-	(10)
Gains on disposal of property and equipment	-	(20,308)	(20,308)	-	-	-
Finance cost on lease assets	702	-	702	94	-	94
Provision for end-of-service benefits (EOSB)	4,567	-	4,567	3,861	-	3,861
Changes in operating assets and liabilities:						
Insurance contract assets	(20,526)	-	(20,526)	8,793	-	8,793
Insurance contract liabilities	(71,377)	-	(71,377)	214,202	-	214,202
Reinsurance contract assets	(62,277)	-	(62,277)	6,347	-	6,347
Reinsurance contract liabilities	6,697	-	6,697	(2,790)	-	(2,790)
Prepaid expenses and other assets	(20,658)	(10,532)	(31,190)	69,146	194	69,340
Accrued expenses and other liabilities	70,083	1,256	71,339	(84,167)	(1,382)	(85,549)
	(111,612)	(12,529)	(124,141)	203,067	35,400	238,467
End-of-service benefits paid	(4,105)	-	(4,105)	(1,528)	-	(1,528)
Zakat and income tax paid	-	(21,400)	(21,400)	-	(7,587)	(7,587)
Net cash (used in) / generated from operating activities	(115,717)	(33,929)	(149,646)	201,539	27,813	229,352

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024
17. SUPPLEMENTARY INFORMATION (CONTINUED)
Interim condensed statement of cash flows for nine-month period (Continued)

	September 30, 2024 (Unaudited)			September 30, 2023 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
CASH FLOWS FROM INVESTING ACTIVITIES						
Investments, net	(416)	(131,713)	(132,129)	(27,424)	10,759	(16,665)
Financial assets for unit linked insurance contracts, net	(7,588)	-	(7,588)	(20,143)	-	(20,143)
Commission income received on investments and deposits	41,152	17,702	58,854	26,080	17,656	43,736
Dividends received on investments	-	13,684	13,684	-	11,939	11,939
Disposals / (additions) of short term deposits	154,012	59,995	214,007	(99,407)	55,000	(44,407)
Disposals / (additions) of long term deposits	(96,321)	95,000	(1,321)	-	(95,000)	(95,000)
Movement in intangible assets, net	(11,390)	-	(11,390)	(33,650)	1,858	(31,792)
Movement in property and equipment, net	(2,272)	1,245	(1,027)	(8,303)	-	(8,303)
Net cash (used in) / generated from investing activities	77,177	55,913	133,090	(162,847)	2,212	(160,635)
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from shareholders' operations/ (due to insurance operations)	24,571	(24,571)	-	110,467	(110,467)	-
Lease liability paid	(8,203)	-	(8,203)	(3,774)	-	(3,774)
Net cash generated from / (used in) financing activities	16,368	(24,571)	(8,203)	106,693	(110,467)	(3,774)
Net change in cash and cash equivalents	(22,172)	(2,587)	(24,759)	145,385	(80,442)	64,943
Cash and cash equivalents, beginning of the period	503,905	8,506	512,411	424,119	110,091	534,210
Cash and cash equivalents, end of the period	481,733	5,919	487,652	569,504	29,649	599,153

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2024

18. DIVIDEND

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

19. CAPITAL MANAGEMENT

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

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue shares.

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

20. EARNING PER SHARE (EPS)

Basic and diluted earnings per share from shareholders' income is calculated by dividing net income for the period by weighted average number of ordinary shares outstanding during the period.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the change in the presentation methodology adopted by the company in the current period.

However, there is no financial impact of these reclassifications on net income attributable to shareholders and equity.

22. SUBSEQUENT EVENTS

No events have occurred after the statement of financial position date that would have a material impact on the financial position or results of operations as presented in these interim condensed financial statements.

23. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on October 30, 2024, corresponding to Rabi' al-Thani 27, 1446H.