

**WATANIYA INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REVIEW REPORT**

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

**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed Interim Financial Statements**  
**For the three-month and six-month periods ended June 30, 2025**

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

The shareholders  
Wataniya Insurance Company  
(A Saudi Joint Stock Company)  
Kingdom of Saudi Arabia

### Introduction

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

### Scope of review

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

### Conclusion

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

for KPMG Professional Services  
Company

**Nasser Ahmed Al Shutairy**  
License Number 454



for PricewaterhouseCoopers

**Mufaddal Ali**  
License Number 447



August 10, 2025 G  
Corresponding to Safar 16, 1447 H  
Jeddah, Kingdom of Saudi Arabia

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

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**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed statement of financial position**  
**As at June 30, 2025**  
 (All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	June 30 2025 (Unaudited)	December 31 2024 (Audited)
<b><u>ASSETS</u></b>			
Cash and cash equivalents	5	43,580	53,693
Term deposits	6	906,859	1,029,675
Financial assets at fair value through profit or loss ("FVTPL")	7	364,893	292,853
Financial assets at amortised cost	8	52,368	16,244
Financial assets at fair value through other comprehensive income ("FVOCI")	9	63,626	61,118
Other receivables and prepaid expenses	10	24,256	17,415
Reinsurance contract assets	11	467,036	569,906
Right-of-use assets		3,834	4,628
Property and equipment		9,754	12,877
Intangible assets		30,100	32,058
Statutory deposit	12	39,983	39,983
Accrued income on statutory deposit	12	5,419	4,372
<b>TOTAL ASSETS</b>		<b>2,011,708</b>	<b>2,134,822</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Accrued expenses and other liabilities	13	32,842	29,225
Insurance contract liabilities	11	1,315,246	1,451,052
Reinsurance contract liability	11	4,881	5,132
Lease liabilities		3,836	4,710
Zakat and income tax payable	14	9,657	15,147
Employee benefits obligations		25,234	18,774
Accrued income on statutory deposit	12	2,195	1,148
<b>TOTAL LIABILITIES</b>		<b>1,393,891</b>	<b>1,525,188</b>
<b><u>EQUITY</u></b>			
Share capital	15	400,000	400,000
Statutory reserve	16	42,271	42,271
Retained earnings		113,843	108,168
Fair value reserve for investments	9	61,703	59,195
<b>TOTAL EQUITY</b>		<b>617,817</b>	<b>609,634</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,011,708</b>	<b>2,134,822</b>




The accompanying notes 1 to 28 form an integral part of these financial statements.

**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed statement of income**  
**For the three-month and six-month periods ended June 30, 2025**  
**(All amounts in Saudi Riyals thousands unless otherwise stated)**

		Three-month period ended June 30, 2025 (Unaudited)	Three-month period ended June 30, 2024 (Unaudited)	Six-month period ended June 30, 2025 (Unaudited)	Six-month period ended June 30, 2024 (Unaudited)
Note					
Insurance revenue	18	450,919	433,472	903,086	843,301
Insurance service expenses	18	(370,668)	(324,923)	(655,542)	(581,485)
Net expenses from reinsurance contracts	18	(78,451)	(91,805)	(240,348)	(222,139)
<b>Insurance service result from Company's directly written business</b>		<b>1,800</b>	<b>16,744</b>	<b>7,196</b>	<b>39,677</b>
Share of surplus from insurance pools		386	1,078	1,060	1,078
<b>Total insurance service result</b>		<b>2,186</b>	<b>17,822</b>	<b>8,256</b>	<b>40,755</b>
Net gains / (loss) on investments measured at FVTPL	7	684	(247)	2,040	4,151
Commission income from financial assets not measured at FVTPL		14,760	14,100	29,552	26,237
Dividend income		3	5	7	10
<b>Net investment return</b>		<b>15,447</b>	<b>13,858</b>	<b>31,599</b>	<b>30,398</b>
Net finance expense from insurance contracts	23	(3,390)	(3,179)	(11,833)	(9,482)
Net finance income from reinsurance contracts	23	2,013	1,566	6,938	6,555
<b>Net insurance finance expense</b>		<b>(1,377)</b>	<b>(1,613)</b>	<b>(4,895)</b>	<b>(2,927)</b>
<b>Net insurance and investment result</b>		<b>16,256</b>	<b>30,067</b>	<b>34,960</b>	<b>68,226</b>
Other income		77	165	184	392
Other operating expenses		(12,387)	2,570	(21,460)	(4,285)
<b>Profit for the period attributable to the shareholders before zakat and income tax</b>		<b>3,946</b>	<b>32,802</b>	<b>13,684</b>	<b>64,333</b>
Zakat	14	(3,350)	(4,400)	(6,750)	(8,400)
Income tax	14	(150)	-	(250)	(250)
<b>Net profit for the period attributable to the shareholders</b>		<b>446</b>	<b>28,402</b>	<b>6,684</b>	<b>55,683</b>
<b>Earnings per share (Basic and diluted) (expressed in SAR per share)</b>	15	<b>0.01</b>	<b>0.71</b>	<b>0.17</b>	<b>1.39</b>





The accompanying notes 1 to 28 form an integral part of these financial statements.

**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed statement of comprehensive income**  
**For the three-month and six-month periods ended June 30, 2025**  
 (All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended June 30, 2025 (Unaudited)	Three- month period ended June 30, 2024 (Unaudited)	Six-month period ended June 30, 2025 (Unaudited)	Six-month period ended June 30, 2024 (Unaudited)
Net profit for the period attributable to the shareholders	446	28,402	6,684	55,683
Other comprehensive income				
<i>Items that will not be reclassified to statement of income in subsequent years</i>				
Net changes in fair value of investment measured at FVOCI – equity instruments	-	-	2,508	-
Remeasurement gain / (loss) on defined benefit obligations	181	162	(1,009)	146
<b>Total comprehensive income for the period attributable to the shareholders</b>	<b>627</b>	<b>28,564</b>	<b>8,183</b>	<b>55,829</b>





The accompanying notes 1 to 28 form an integral part of these financial statements.

S. Alkhatib

**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Statement of changes in equity**  
**For the six-month period ended June 30, 2025**  
 (All amounts in Saudi Riyals thousands unless otherwise stated)

Six-month period ended June 30, 2025

Note	Share capital	Statutory reserve	Retained earnings	Fair value reserve for investments	Total
Balance at the beginning of the period – (Audited)	400,000	42,271	108,168	59,195	609,634
<b>Total comprehensive income for the period</b>					
Net profit for the period attributable to the shareholders	-	-	6,684	-	6,684
Net changes in fair value of investment measured at FVOCI	-	-	-	2,508	2,508
Remeasurement loss on defined benefit obligations	-	-	(1,009)	-	(1,009)
<b>Total comprehensive income for the period attributable to the shareholders</b>	-	-	5,675	2,508	8,183
Balance at the end of the period – (unaudited)	400,000	42,271	113,843	61,703	617,817

Six-month period ended June 30, 2024

	Share capital	Statutory reserve	Retained earnings	Fair value reserve for investments	Total
Balance at the beginning of the period – (Audited)	400,000	21,661	25,082	41,535	488,278
<b>Total comprehensive income for the period</b>					
Net profit for the period attributable to the shareholders	-	-	55,683	-	55,683
Remeasurement loss on defined benefit obligations	-	-	146	-	146
<b>Total comprehensive income for the period attributable to the shareholders</b>	-	-	55,829	-	55,829
Balance at the end of the period – (unaudited)	400,000	21,661	80,911	41,535	544,107

The accompanying notes 1 to 28 form an integral part of these financial statements.




S. Al-Balawi



**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed statement of cash flows**  
**For the six-month period ended June 30, 2025**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

		June 30 2025 (Unaudited)	June 30, 2024 (Unaudited)
	Note		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the period attributable to the shareholders before zakat and income tax		13,684	64,333
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment and amortization of intangible assets		5,212	4,878
Depreciation of right-of-use assets		794	132
Finance cost on lease liabilities		171	28
Net gains on investments measured at FVTPL		(2,040)	(4,151)
Provision for employee benefits obligations		6,194	1,975
Commission income from financial assets not measured at FVTPL		(29,552)	(26,237)
Dividend income		(7)	(10)
		(5,544)	40,948
<b>Changes in operating assets and liabilities:</b>			
Other receivables and prepaid expenses	10	(6,841)	(6,032)
Reinsurance contract assets	11	102,870	71,881
Accrued expenses and other liabilities	13	3,617	5,214
Insurance contract liabilities	11	(135,806)	76,038
Reinsurance contract liability	11	(251)	2,029
		(41,955)	190,078
Zakat and income tax paid		(12,490)	(10,803)
Payment of employee benefits obligation		(743)	(853)
<b>Net cash (used in) / generated from operating activities</b>		<b>(55,188)</b>	<b>178,422</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment		(131)	(1,036)
Additions to investments held at amortised cost		(35,034)	(5,000)
Additions to FVTPL investments		(70,000)	-
Placements in term deposits	6	(508,750)	(1,001,897)
Proceeds from term deposits matured	6	615,307	807,040
Commission income from financial assets not measured at FVTPL		44,721	18,951
Dividend income		7	10
<b>Net cash generated from / (used in) investing activities</b>		<b>46,120</b>	<b>(181,932)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Principal element of lease payments		(697)	(1,046)
Interest element of lease payments		(348)	-
<b>Net cash used in financing activities</b>		<b>(1,045)</b>	<b>(1,046)</b>
Net change in cash and cash equivalents		(10,113)	(4,556)
Cash and cash equivalents at the beginning of the period		53,693	22,730
<b>Cash and cash equivalents at the end of the period</b>		<b>43,580</b>	<b>18,174</b>
<b>SUPPLEMENTAL SCHEDULE OF NON CASH INFORMATION</b>			
Right-of-use assets recorded against lease liabilities		-	5,421
Remeasurement (loss) / gain on defined benefit obligations		(1,009)	146
Net changes in fair value of investment measured at FVOCI – equity instruments		2,508	-

The accompanying notes 1 to 28 form an integral part of these financial statements.



**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**1 General**

Wataniya Insurance Company (the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia under Commercial Registration No. 4030200981 dated 1 Jumada II 1431H (corresponding to May 15, 2010) and Ministry of Commerce Resolution number 158/K dated Jumada Al Awal 12, 1431H (corresponding to April 26, 2010). The Registered Office address of the Company is Juffali Building, Madina Road, Jeddah, Saudi Arabia.

The Company is licensed to conduct insurance business in Saudi Arabia under Cooperative insurance principles in accordance with Royal Decree No M/53 dated Shawwal 21, 1430 H (corresponding to October 10, 2009) pursuant to Council of Ministers' Resolution No. 330 dated Shawwal 16, 1430 H (corresponding to October 5, 2009). Insurance Authority, as the principal authority responsible for the application and administration of the Insurance Law and its Insurance Implementing Regulations, granted the Company a license number TMN/29/20106 valid up to Rajab 2, 1449H (corresponding to November 30, 2027). The Company was listed on the Saudi stock exchange (Tadawul) on June 16, 2010.

The objectives of the Company are to provide general insurance and related services in accordance with its by-laws and applicable regulations in the Kingdom of Saudi Arabia.

**2 Basis of preparation****(a) Statement of compliance**

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

As required by the Saudi Arabian Insurance Implementation Regulations (herein referred to as "Insurance Regulations"), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Insurance Regulations require a clear segregation of assets, liabilities, income and expenses of the insurance and shareholders operations. Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts.

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

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

**(b) Basis of measurement**

The condensed interim financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit or loss and fair value through other comprehensive income and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method.

**(c) Basis of presentation**

The condensed interim financial statements do not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended December 31, 2024. The Company's condensed statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, term deposits, other receivables and prepaid expenses, accrued income on statutory deposit, accrued expenses and other liabilities, zakat and income tax payable and accrued income payable to Insurance Authority. The following balances would generally be classified as non-current: Financial assets at fair value through profit or loss ("FVTPL"), financial assets at amortised cost, financial assets at fair value through other comprehensive income ("FVOCI"), right-of-use assets, property and equipment, intangible assets, statutory deposit. The balances which are of mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract assets / liabilities, lease liabilities and employee benefit obligations.

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

### **(d) Functional and presentation currency**

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

### **(e) Fiscal year**

The Company follows a fiscal year ending on December 31.

### **(f) Seasonality of operations**

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

### **(g) Changes in products and services**

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

## **3. Material accounting policies**

The material accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2024.

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

A number of new amendments became applicable for the current reporting period and the Company had to change its accounting policies as a result of adopting the following amendments:

#### **a) Amendments to IAS 21 - Lack of Exchangeability**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Company did not identify an impact as a result of these amendments.

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

The Company has chosen not to early adopt the following new standards, interpretations and amendments to existing standards which have been issued but not yet effective and is currently assessing their impact.

#### **a) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.**

These amendments address the classification and measurement of financial instruments and related disclosures. The key changes include adjustments to the treatment of financial instruments, particularly in relation to the measurement of certain hybrid contracts, and more detailed disclosures related to financial instruments under IFRS 7. These amendments are designed to provide more transparency in how financial instruments are classified and measured.

#### **Effective date:**

Annual periods beginning on or after January 1, 2026.

#### **Impact assessment**

Management is currently in the process of assessing the impact of these amendments, however, no material impact is expected based on the current operations of the Company.

### **3 Material accounting policies (continued)**

#### **3.2 New standards, amendments and interpretations not yet applied by the Company (continued)**

##### **b) IFRS 19 - Subsidiaries without Public Accountability: Disclosures.**

IFRS 19 introduces new disclosure requirements for subsidiaries that do not have public accountability. The standard requires these subsidiaries to provide additional disclosures related to financial performance, position, and cash flows, thereby enhancing transparency for users of the financial statements. The disclosures aim to provide a clearer picture of the financial health of subsidiaries without public accountability.

##### Effective date:

Annual periods beginning on or after January 1, 2027.

##### Impact assessment

Management has assessed the applicability of IFRS 19 and concluded that it does not apply to the Company. Therefore, no further disclosure is necessary.

##### **c) IFRS 18 - Presentation and Disclosure in Financial Statements**

IFRS 18 introduces updates related to the presentation and disclosure of financial information in financial statements. The amendments focus on improving the consistency and comparability of financial statement presentations across entities, including changes in the presentation of income, expenses, and liabilities. The goal is to enhance the clarity and transparency of financial reporting.

##### Effective date:

Annual periods beginning on or after January 1, 2027.

##### Impact assessment

Management is currently in the process of assessing the impact of this amendment.

### **4 Critical accounting judgments, estimates and assumptions**

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

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

**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial statements**  
**June 30, 2025**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**5. Cash and cash equivalents**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Cash in hand	<b>40</b>	40
Bank balances	<b>28,023</b>	43,666
Deposits with original maturity of less than 3 months	<b>15,530</b>	10,000
Expected credit loss	<b>(13)</b>	(13)
	<b>43,580</b>	53,693

The bank balances are with banks, registered in Saudi Arabia and are denominated in Saudi Riyals and US Dollars.

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of A to BBB. The Company's exposures to credit risk are not collateralized.

Term deposits with original maturity of less than 3 months are placed with a commercial bank registered in Saudi Arabia and yield income at rates of 5.30% to 5.50% per annum (December 31, 2024: 5.30% per annum).

Movement in allowance for expected credit losses (ECL) on cash and cash equivalents is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at beginning of the period / year	<b>13</b>	9
ECL allowance recognised in statement of income during the period / year	<b>-</b>	4
Balance at end of the period / year	<b>13</b>	13

**6. Term deposits**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Term Deposits	<b>893,906</b>	1,000,463
Accrued commission income	<b>13,127</b>	29,386
Expected credit loss	<b>(174)</b>	(174)
	<b>906,859</b>	1,029,675

Term deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 4.93% to 6.50% per annum (December 31, 2024: 4.93% to 6.10% per annum).

The gross carrying amount of term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of A to BBB. The Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on term deposits is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at beginning of the period / year	<b>174</b>	282
ECL reversal recognised in statement of income during the period / year	<b>-</b>	(108)
Balance at end of the period / year	<b>174</b>	174

**WATANIYA INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial statements**  
**June 30, 2025**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**7 Financial assets at fair value through profit or loss ("FVTPL")**

	<b>Note</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Investment in discretionary portfolios	7.1	<b>311,893</b>	284,853
Investment in Tier-1 sukuks	7.2	<b>53,000</b>	8,000
		<b>364,893</b>	<b>292,853</b>

**7.1 Investment in discretionary portfolios:**

Movement in investment in discretionary portfolio is as follows:

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Balance at beginning of the period / year	<b>284,853</b>	220,260
Additions during the period / year	<b>25,000</b>	50,000
Withdrawal during the period / year	-	(77)
Changes in fair value of investments	<b>2,040</b>	14,670
Balance at end of the period / year	<b>311,893</b>	<b>284,853</b>

FVTPL includes investments managed by three Fund managers under the discretionary portfolio of investments where all such investments are carried at fair value as provided by the Fund managers. These fund managers keep such investments in various fixed income securities, mutual funds, equity investments, sukuks and murabaha placements.

**7.2 Investment in Tier-1 sukuks:**

	<b>Note</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Arab National Bank Sukuks	7.2.1	<b>20,000</b>	-
Riyad Bank Sukuks	7.2.2	<b>20,000</b>	-
Saudi Fransi Bank Sukuks	7.2.3	<b>8,000</b>	8,000
Bank Al Jazira Sukuks	7.2.4	<b>5,000</b>	-
		<b>53,000</b>	<b>8,000</b>

**7.2.1** This represents the Company's investment in Arab National Bank Tier 1 Sukuks. These represent 20 Sukuks at a face value of SAR 1 million per Sukuk with a coupon rate of 6.20% per annum. These Sukuks have a maturity duration of 5 years commencing from January 29, 2025. The Company has earned commission income of SAR 0.52 million during the period (June 30, 2024: Nil). The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks have been classified as FVTPL.

**7.2.2** This represents the Company's investment in Riyad Bank Tier 1 Sukuks. These represent 80 Sukuks at a face value of SAR 0.25 million per Sukuk with a coupon rate of 6.00% per annum. These Sukuks have a maturity duration of 5 years commencing from January 21, 2025. The Company has earned commission income of SAR 0.60 million during the period (June 30, 2024: Nil). The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks have been classified as FVTPL.

**7.2.3** This represents the Company's investment in Saudi Fransi Tier 1 Sukuks. These represent 3 Sukuks at a face value of SAR 1 million per Sukuk with a coupon rate of 4.50% per annum and 5 Sukuks at a face value of SAR 1 million per Sukuk with a coupon rate of 6%. These Sukuks have a maturity duration of 5 years commencing from November 3, 2020 and September 3, 2024, respectively. The Company has earned commission income of SAR 0.22 million during the period (June 30, 2024: SAR 0.068 million) The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks have been classified as FVTPL.

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**7 Financial assets at fair value through profit or loss ("FVTPL") (continued)****7.2 Investment in Tier-1 sukuku (continued)**

**7.2.4** This represents the Company's investment in Bank Al Jazira Tier 1 Sukuku. These represent 5 Sukuku at a face value of SAR 1 million per Sukuk with a coupon rate of 6.30% per annum. These Sukuku have a maturity duration of 5 years commencing from January 9, 2025. The Company has earned commission income of SAR 0.16 million during the period (June 30, 2024: Nil). The profit distribution on these sukuku is at the discretion of the issuer therefore these sukuku have been classified as FVTPL.

**8 Financial assets at amortised cost**

	<b>Note</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Rawabi Holding Sukuk	8.1	<b>10,000</b>	5,000
Saudi Government Sukuku	8.2	<b>24,820</b>	-
Saudi Real Estate Refinance Company Sukuku	8.3	<b>9,000</b>	9,000
Others	8.4	<b>7,240</b>	2,026
Commission accrued		<b>1,312</b>	222
Gross amount – total		<b>52,372</b>	16,248
Expected credit loss		<b>(4)</b>	(4)
Net amount – total		<b>52,368</b>	16,244

**8.1** These represent the Company's investment in Rawabi Holding sukuku, 50 Sukuku at a face value of SAR 0.1 million per sukuk with a coupon rate of 8.50% per annum and 50 Sukuku at a face value of SAR 0.1 million per sukuk with a coupon rate of 8.30% per annum. These Sukuku have a maturity duration of 3 years commencing from March 31, 2024 and March 13, 2025, respectively. The Company has earned a commission income of SAR 0.32 million during the period (June 30, 2024: SAR 0.106 million).

**8.2** These represent the Company's investment in Saudi Government sukuku, 25,000 sukuku at a face value of SAR 0.001 million with yields ranging from 4.85% to 5.14% and original maturity duration ranging from 4 years to 10 years. The Company has earned a commission income of SAR 0.30 million during the period (June 30, 2024: Nil).

**8.3** These represent 5 Sukuku at a face value of SAR 1 million per Sukuk with a coupon rate of 2.11% per annum and 4 Sukuku at a face value of SAR 1 million per Sukuk with a coupon rate of 3.04% per annum. These Sukuku have a maturity duration of 7 years and 10 years commencing from March 3, 2021, and December 09, 2021, respectively. The Company has earned a commission income of SAR 0.114 million during the period (June 30, 2024: SAR 0.114 million).

**8.4** These represents the Company's investment in Tameed Crowd Funding Platform at a face value of SAR 7 million with coupon rates ranging from 11.04% to 16.32% commencing from July 28, 2024. The Company has earned a commission income of SAR 0.364 million during the period (June 30, 2024: Nil).

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB, whereas non-investment grade represents un-rated exposures. The Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on investments measured at amortised cost is as follows:

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Balance at beginning of the period / year	<b>4</b>	7
ECL reversal recognised in statement of income during the period / year	<b>-</b>	(3)
Balance at end of the period / year	<b>4</b>	4



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**9 Financial assets at fair value through other comprehensive income ("FVOCI")**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at beginning of the period / year	<b>61,118</b>	43,458
Changes in fair value of investments	<b>2,508</b>	17,660
Balance at end of the period / year	<b>63,626</b>	61,118

The above represents the Company's 3.45% (December 31, 2024: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company at a cost of Saudi Riyal 1.92 million. These shares are un-quoted and are carried at fair value. Refer to Note 20 for details relating to fair valuation techniques.

All investments are from the shareholders operations and are placed inside the Kingdom of Saudi Arabia.

**10 Other receivables and prepaid expenses**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Staff receivables	<b>7,453</b>	7,745
Prepayments	<b>7,809</b>	2,304
Margin deposits	<b>5,081</b>	5,073
Due from Malath for pool deal	<b>393</b>	219
Due from Al Etihad Cooperative for pool deal	<b>302</b>	-
Due from Tawuniya for pool deals	<b>-</b>	661
Others	<b>3,218</b>	1,413
	<b>24,256</b>	17,415

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**11 Insurance and reinsurance contracts**

**11.1 Composition of the statement of financial position**

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

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
<b>As at June 30, 2025 – (Unaudited)</b>								
<b>Insurance contracts</b>								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	<b>33,067</b>	<b>105,689</b>	<b>463,678</b>	<b>169,404</b>	<b>85,522</b>	<b>381,507</b>	<b>76,379</b>	<b>1,315,246</b>
	<b>33,067</b>	<b>105,689</b>	<b>463,678</b>	<b>169,404</b>	<b>85,522</b>	<b>381,507</b>	<b>76,379</b>	<b>1,315,246</b>
<b>Reinsurance contracts</b>								
Reinsurance contract assets	<b>21,585</b>	<b>49,281</b>	<b>560</b>	<b>(1)</b>	<b>62,280</b>	<b>293,893</b>	<b>39,438</b>	<b>467,036</b>
Reinsurance contract liability	-	-	<b>(4,881)</b>	-	-	-	-	<b>(4,881)</b>
	<b>21,585</b>	<b>49,281</b>	<b>(4,321)</b>	<b>(1)</b>	<b>62,280</b>	<b>293,893</b>	<b>39,438</b>	<b>462,155</b>
	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
<b>As at December 31, 2024 – (Audited)</b>								
<b>Insurance contracts</b>								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	<b>37,345</b>	<b>133,131</b>	<b>486,897</b>	<b>128,714</b>	<b>159,330</b>	<b>381,430</b>	<b>124,205</b>	<b>1,451,052</b>
	<b>37,345</b>	<b>133,131</b>	<b>486,897</b>	<b>128,714</b>	<b>159,330</b>	<b>381,430</b>	<b>124,205</b>	<b>1,451,052</b>
<b>Reinsurance contracts</b>								
Reinsurance contract assets	<b>17,310</b>	<b>95,343</b>	<b>1,277</b>	<b>2</b>	<b>126,758</b>	<b>285,899</b>	<b>43,317</b>	<b>569,906</b>
Reinsurance contract liability	-	-	<b>(5,132)</b>	-	-	-	-	<b>(5,132)</b>
	<b>17,310</b>	<b>95,343</b>	<b>(3,855)</b>	<b>2</b>	<b>126,758</b>	<b>285,899</b>	<b>43,317</b>	<b>564,774</b>

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**11 Insurance and reinsurance contracts (continued)**
**11.2 Analysis by remaining coverage and incurred claims**
**11.2.1 Insurance contracts:**

	As at June 30, 2025 – (Unaudited)					As at December 31, 2024 – (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities – opening	544,417	3,766	863,210	39,659	1,451,052	474,055	2	786,357	36,023	1,296,437
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance – net	544,417	3,766	863,210	39,659	1,451,052	474,055	2	786,357	36,023	1,296,437
Insurance revenue	(903,086)	-	-	-	(903,086)	(1,796,142)	-	-	-	(1,796,142)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses*	-	-	688,166	11,941	700,107	-	-	1,272,225	20,488	1,292,713
Losses on onerous contracts	-	5,014	-	-	5,014	-	3,764	-	-	3,764
Changes that relate to past service	-	-	(145,333)	(19,182)	(164,515)	-	-	(134,034)	(16,852)	(150,886)
Insurance acquisition cashflows amortisation	114,936	-	-	-	114,936	198,448	-	-	-	198,448
Insurance service expenses	114,936	5,014	542,833	(7,241)	655,542	198,448	3,764	1,138,191	3,636	1,344,039
Finance expense from insurance contracts	-	-	11,833	-	11,833	-	-	18,521	-	18,521
Total changes in the statement of income	(788,150)	5,014	554,666	(7,241)	(235,711)	(1,597,694)	3,764	1,156,712	3,636	(433,582)
Cashflows										
Premiums received	840,579	-	-	-	840,579	1,880,518	-	-	-	1,880,518
Claims and other incurred insurance service expenses paid	-	-	(629,628)	-	(629,628)	-	-	(1,079,859)	-	(1,079,859)
Insurance acquisition cashflows paid	(111,046)	-	-	-	(111,046)	(212,462)	-	-	-	(212,462)
Total cash inflows / (outflows)	729,533	-	(629,628)	-	99,905	1,668,056	-	(1,079,859)	-	588,197
Insurance contracts										
Insurance contract liabilities – closing	485,800	8,780	788,248	32,418	1,315,246	544,417	3,766	863,210	39,659	1,451,052
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	485,800	8,780	788,248	32,418	1,315,246	544,417	3,766	863,210	39,659	1,451,052

\*This includes surplus distribution of SAR 1.61 million for the period ended June 30, 2025 (December 31, 2024: SAR 12.22 million).

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**11 Insurance and reinsurance contracts (continued)**
**11.2 Analysis by remaining coverage and incurred claims (continued)**
**11.2.2 Reinsurance contracts held:**

	As at June 30, 2025 – (Unaudited)					As at December 31, 2024 – (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk		Excluding loss-recovery component	Loss-recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts										
Reinsurance contract assets – opening	26,427	-	(569,346)	(26,987)	(569,906)	(46,749)	-	(558,455)	(26,719)	(631,923)
Reinsurance contract liabilities – opening	5,132	-	-	-	5,132	4,010	-	-	-	4,010
<b>Opening balance – net</b>	<b>31,559</b>	<b>-</b>	<b>(569,346)</b>	<b>(26,987)</b>	<b>(564,774)</b>	<b>(42,739)</b>	<b>-</b>	<b>(558,455)</b>	<b>(26,719)</b>	<b>(627,913)</b>
<b>Allocation of reinsurance premium paid</b>	<b>246,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246,612</b>	527,351	-	-	-	527,351
<b>Amounts recoverable from reinsurers</b>										
Claims recovered and other directly attributable expenses	-	-	(97,314)	(4,172)	(101,486)	-	-	(223,414)	(8,618)	(232,032)
Changes to amounts recoverable for incurred claims	-	-	83,595	11,627	95,222	-	-	76,442	8,350	84,792
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(13,719)</b>	<b>7,455</b>	<b>(6,264)</b>	<b>-</b>	<b>-</b>	<b>(146,972)</b>	<b>(268)</b>	<b>(147,240)</b>
Finance income from reinsurance contracts	-	-	(6,938)	-	(6,938)	-	-	(11,730)	-	(11,730)
<b>Total changes in the statement of income</b>	<b>246,612</b>	<b>-</b>	<b>(20,657)</b>	<b>7,455</b>	<b>233,410</b>	527,351	-	(158,702)	(268)	368,381
<b>Cashflows</b>										
Premiums ceded and acquisition cashflows paid	(203,655)	-	-	-	(203,655)	(453,053)	-	-	-	(453,053)
Recoveries from reinsurance	-	-	72,864	-	72,864	-	-	147,811	-	147,811
<b>Total cash (outflows) / inflows</b>	<b>(203,655)</b>	<b>-</b>	<b>72,864</b>	<b>-</b>	<b>(130,791)</b>	<b>(453,053)</b>	<b>-</b>	<b>147,811</b>	<b>-</b>	<b>(305,242)</b>
Reinsurance contracts										
Reinsurance contract assets – closing	69,635	-	(517,139)	(19,532)	(467,036)	26,427	-	(569,346)	(26,987)	(569,906)
Reinsurance contract liabilities – closing	4,881	-	-	-	4,881	5,132	-	-	-	5,132
<b>Closing balance – net</b>	<b>74,516</b>	<b>-</b>	<b>(517,139)</b>	<b>(19,532)</b>	<b>(462,155)</b>	<b>31,559</b>	<b>-</b>	<b>(569,346)</b>	<b>(26,987)</b>	<b>(564,774)</b>

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**12 Statutory deposit**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Statutory deposit	<b>40,000</b>	40,000
Expected credit loss	<b>(17)</b>	(17)
	<b>39,983</b>	39,983

As required by Insurance Regulations, the Company has deposited an amount equivalent to 10% of its paid-up share capital, amounting to SAR 40 million as at June 30, 2025 (December 31, 2024: SAR 40 million), in a bank designated by IA. Accrued income on this deposit is payable to Insurance Authority (IA) amounting to SAR 2.20 million (December 31, 2024: SAR 1.15 million) and this deposit cannot be withdrawn without approval from IA. As requested by IA, the Company has released the accrued income on statutory deposit to IA up to June 30, 2024 amounting to SAR 3.22 million. The statutory deposit is shown on the statement of financial position net of ECL allowance.

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

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at beginning of the period / year	<b>17</b>	31
ECL reversal in statement of income during the period / year	<b>-</b>	(14)
Balance at end of the period / year	<b>17</b>	17

**13 Accrued expenses and other liabilities**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Accrued expenses	<b>13,544</b>	19,081
Value added tax payable	<b>10,522</b>	2,453
Payable for reinsurance's withholding tax	<b>334</b>	976
Other liabilities	<b>8,442</b>	6,715
	<b>32,842</b>	29,225

**14 Zakat and income tax**

**14.1 Components of zakat base**

Significant components of zakat base of the Company attributable to the Saudi shareholders, which are subject to adjustment under zakat and income tax regulations, are shareholders' equity at the end of the period and certain other items. Zakat base has been computed based on the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the Zakat, Tax and Customs Authority ("ZATCA") could be different from the declaration filed by the Company.

**14.2 Provision for zakat and income tax**

	<b>Zakat</b>	<b>Income tax</b>	<b>Total</b>
January 1, 2025	<b>14,333</b>	<b>814</b>	<b>15,147</b>
Provision for the period	<b>6,750</b>	<b>250</b>	<b>7,000</b>
Payment during the period	<b>(11,918)</b>	<b>(572)</b>	<b>(12,490)</b>
June 30, 2025 (Unaudited)	<b>9,165</b>	<b>492</b>	<b>9,657</b>

**14 Zakat and income tax (continued)**

**14.2 Provision for zakat and income tax (continued)**

	Zakat	Income tax	Total
January 1, 2024	11,972	627	12,599
Provision for the current year	13,133	600	13,733
Payments during the year	(10,390)	(413)	(10,803)
Payments relating to prior period	(382)	-	(382)
December 31, 2024 (Audited)	14,333	814	15,147

Zakat is payable at 2.578% of the approximate zakat base (excluding adjusted net income for the year) and 2.5% of adjusted net income for the year attributable to Saudi shareholders.

Provision for income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Company, less allowances for foreign shareholders' share in the losses carry forwarded from previous year calculated in accordance with the guidelines provided in the income tax regulations.

The shareholding percentage subject to zakat and income tax is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
	%	%
<b>Zakat share in capital and profit</b>	<b>96.91</b>	96.91
<b>Income tax share in capital and profit</b>	<b>3.09</b>	3.09

**14.3 Status of assessments**

**Year ended December 31, 2011 to 2022**

The zakat and income tax assessments have been finalized up to and including the year 2022.

**Year ended December 31, 2023**

The Company has filed its zakat and income tax return for the year ended December 31, 2023 which is under review by the ZATCA.

**Year ended December 31, 2024**

The Company has filed its zakat and income tax return for the year ended December 31, 2024 and has obtained a provisional tax clearance certificate valid up to April 30, 2026.

**15 Share capital and basic and diluted earnings per share**

The authorized, issued and paid-up capital of the Company at June 30, 2025 is SAR 400 million divided into 40 million shares of SAR 10 each (December 31, 2024: SAR 400 million divided into 40 million shares of SAR 10 each).

All ordinary shares rank equally with regard to Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Earnings per share:

Earnings per share for the three-month and six-month periods June 30, 2025 and June 30, 2024 has been calculated by dividing the net profit for the respective periods attributable to the shareholders by the weighted average number of ordinary shares at the reporting date. Diluted earnings per share is not applicable to the Company.



**15 Share capital and basic and diluted earnings per share (continued)**

The basic earnings per share is calculated as follows:

	<b>Three-month period ended June 30, 2025 (Unaudited)</b>	<b>Three-month period ended June 30, 2024 (Unaudited)</b>	<b>Six-month period ended June 30, 2025 (Unaudited)</b>	<b>Six-month period ended June 30, 2024 (Unaudited)</b>
<b>Net profit for the period attributable to the shareholders</b>	446	28,402	6,684	55,683
<b>Weighted average number of ordinary shares</b>	40,000	40,000	40,000	40,000
<b>Basic earnings per share</b>	0.01	0.71	0.17	1.39

**16 Statutory reserve**

As required by the Insurance Regulations issued by IA, 20% of the net profit for the year after adjusting accumulated losses, has to be set aside from net profit for the year as a statutory reserve until this amounts to 100% of the paid-up share capital. This reserve is not available for distribution to the shareholders until the liquidation of the Company. The required amount, if any, would be transferred at the year end.

**17 Commitments and contingencies**

- 17.1** The Company's bankers have issued payment guarantees of SAR 5.08 million (December 31, 2024: SAR 5.10 million) to its suppliers on behalf of the Company.
- 17.2** The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

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**18 Insurance revenue and expenses**

An analysis of insurance revenue, insurance service expenses and net income / (expenses) from reinsurance contracts held by portfolio of contracts for the three-month and six-month periods ended June 30, 2025 and June 30, 2024 is included in the following tables. Additional information on amounts recognized in statement of income is included in the insurance and reinsurance contracts balances reconciliation.

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

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue from contracts measured under PAA	21,606	47,015	207,552	66,831	27,337	42,278	38,300	450,919
<b>Insurance revenue – total</b>	<b>21,606</b>	<b>47,015</b>	<b>207,552</b>	<b>66,831</b>	<b>27,337</b>	<b>42,278</b>	<b>38,300</b>	<b>450,919</b>
Incurred claims and other incurred insurance service expenses*	(15,548)	(19,410)	(190,305)	(78,544)	(7,182)	(9,208)	(35,888)	(356,085)
Losses / (Reversal) of losses on onerous contracts	-	-	727	(1,386)	-	-	-	(659)
Changes that relate to past service	2,301	5,619	22,263	(194)	(2,678)	(1,069)	14,344	40,586
Insurance acquisition cash flows amortisation	(2,929)	(5,908)	(31,113)	(4,461)	(2,980)	(5,181)	(1,938)	(54,510)
<b>Insurance service expenses – total</b>	<b>(16,176)</b>	<b>(19,699)</b>	<b>(198,428)</b>	<b>(84,585)</b>	<b>(12,840)</b>	<b>(15,458)</b>	<b>(23,482)</b>	<b>(370,668)</b>
<b>Allocation of reinsurance premium paid</b>	<b>(13,362)</b>	<b>(28,868)</b>	<b>(5,322)</b>	<b>(1,367)</b>	<b>(22,012)</b>	<b>(26,026)</b>	<b>(27,041)</b>	<b>(123,998)</b>
<b>Amounts recoverable from reinsurers</b>								
Claims recovered and other directly attributable expenses	8,899	14,221	17	-	4,447	4,522	26,422	58,528
Changes to amounts recoverable for incurred claims	(1,577)	(2,242)	59	-	1,170	463	(10,854)	(12,981)
<b>Amounts recoverable from reinsurers – net</b>	<b>7,322</b>	<b>11,979</b>	<b>76</b>	<b>-</b>	<b>5,617</b>	<b>4,985</b>	<b>15,568</b>	<b>45,547</b>
<b>Net expenses from reinsurance contracts – total</b>	<b>(6,040)</b>	<b>(16,889)</b>	<b>(5,246)</b>	<b>(1,367)</b>	<b>(16,395)</b>	<b>(21,041)</b>	<b>(11,473)</b>	<b>(78,451)</b>
<b>Insurance service result from Company's directly written business</b>	<b>(610)</b>	<b>10,427</b>	<b>3,878</b>	<b>(19,121)</b>	<b>(1,898)</b>	<b>5,779</b>	<b>3,345</b>	<b>1,800</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	386
<b>Total insurance service result</b>	<b>(610)</b>	<b>10,427</b>	<b>3,878</b>	<b>(19,121)</b>	<b>(1,898)</b>	<b>5,779</b>	<b>3,345</b>	<b>2,186</b>

\*This includes surplus distribution of SAR 0.18 million for the three-month period ended June 30, 2025.

**WATANIYA INSURANCE COMPANY**
**(A Saudi Joint Stock Company)**
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(All amounts in Saudi Riyals thousands unless otherwise stated)

**18 Insurance revenue and expenses (continued)**
**For the six-month period ended June 30, 2025 (Unaudited)**

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue from contracts measured under PAA	45,592	88,691	421,093	129,625	58,393	80,392	79,300	903,086
<b>Insurance revenue – total</b>	<b>45,592</b>	<b>88,691</b>	<b>421,093</b>	<b>129,625</b>	<b>58,393</b>	<b>80,392</b>	<b>79,300</b>	<b>903,086</b>
Incurring claims and other incurred insurance service expenses*	(22,442)	(29,670)	(386,507)	(151,613)	(11,121)	(23,558)	(75,196)	(700,107)
Losses on onerous contracts	-	-	(556)	(4,458)	-	-	-	(5,014)
Changes that relate to past service	9,710	25,747	51,167	217	57,881	1,376	18,417	164,515
Insurance acquisition cash flows amortisation	(6,026)	(12,505)	(65,723)	(9,066)	(6,484)	(11,109)	(4,023)	(114,936)
<b>Insurance service expenses – total</b>	<b>(18,758)</b>	<b>(16,428)</b>	<b>(401,619)</b>	<b>(164,920)</b>	<b>40,276</b>	<b>(33,291)</b>	<b>(60,802)</b>	<b>(655,542)</b>
<b>Allocation of reinsurance premium paid</b>	<b>(29,387)</b>	<b>(61,398)</b>	<b>(5,970)</b>	<b>(1,367)</b>	<b>(46,381)</b>	<b>(44,696)</b>	<b>(57,413)</b>	<b>(246,612)</b>
<b>Amounts recoverable from reinsurers</b>								
Claims recovered and other directly attributable expenses	11,880	17,894	(5)	-	6,285	10,241	55,191	101,486
Changes to amounts recoverable for incurred claims	(6,621)	(17,732)	1,819	-	(58,183)	(969)	(13,536)	(95,222)
<b>Amounts recoverable from reinsurers – net</b>	<b>5,259</b>	<b>162</b>	<b>1,814</b>	<b>-</b>	<b>(51,898)</b>	<b>9,272</b>	<b>41,655</b>	<b>6,264</b>
<b>Net expenses from reinsurance contracts – total</b>	<b>(24,128)</b>	<b>(61,236)</b>	<b>(4,156)</b>	<b>(1,367)</b>	<b>(98,279)</b>	<b>(35,424)</b>	<b>(15,758)</b>	<b>(240,348)</b>
<b>Insurance service result from Company's directly written business</b>	<b>2,706</b>	<b>11,027</b>	<b>15,318</b>	<b>(36,662)</b>	<b>390</b>	<b>11,677</b>	<b>2,740</b>	<b>7,196</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,060
<b>Total insurance service result</b>	<b>2,706</b>	<b>11,027</b>	<b>15,318</b>	<b>(36,662)</b>	<b>390</b>	<b>11,677</b>	<b>2,740</b>	<b>8,256</b>

\*This includes surplus distribution of SAR 1.61 million for the six-month period ended June 30, 2025.

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**18 Insurance revenue and expenses (continued)**

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

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue from contracts measured under PAA	24,165	54,500	215,965	37,255	26,149	41,068	34,370	433,472
<b>Insurance revenue – total</b>	24,165	54,500	215,965	37,255	26,149	41,068	34,370	433,472
Incurred claims and other incurred insurance service expenses*	(4,472)	(9,178)	(113,247)	(29,862)	(10,381)	(7,717)	(34,060)	(208,917)
Reversal of losses on onerous contracts	-	-	-	-	-	-	-	-
Changes that relate to past service	(1,714)	(3,940)	(63,663)	(454)	1,601	947	(2,148)	(69,371)
Insurance acquisition cash flows amortisation	(2,638)	(5,564)	(26,798)	(2,263)	(2,204)	(5,411)	(1,757)	(46,635)
<b>Insurance service expenses – total</b>	(8,824)	(18,682)	(203,708)	(32,579)	(10,984)	(12,181)	(37,965)	(324,923)
<b>Allocation of reinsurance premium paid</b>	(16,063)	(38,284)	(3,434)	-	(21,580)	(29,366)	(30,146)	(138,873)
<b>Amounts recoverable from reinsurers</b>								
Claims recovered and other directly attributable expenses	(3,139)	(26,947)	348	(55)	1,143	312	45	(28,293)
Changes to amounts recoverable for incurred claims	7,263	32,704	437	57	5,381	4,295	25,224	75,361
<b>Amounts recoverable from reinsurers – net</b>	4,124	5,757	785	2	6,524	4,607	25,269	47,068
<b>Net (expenses) / income from reinsurance contracts – total</b>	(11,939)	(32,527)	(2,649)	2	(15,056)	(24,759)	(4,877)	(91,805)
<b>Insurance service result from Company's directly written business</b>	3,402	3,291	9,608	4,678	109	4,128	(8,472)	16,744
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,078
<b>Total insurance service result</b>	3,402	3,291	9,608	4,678	109	4,128	(8,472)	17,822

\*This includes surplus distribution of SAR 3.92 million for the three-month period ended June 30, 2024.

**WATANIYA INSURANCE COMPANY**
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(All amounts in Saudi Riyals thousands unless otherwise stated)

**18 Insurance revenue and expenses (continued)**

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

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue from contracts measured under PAA	40,421	107,911	416,975	65,747	61,514	77,691	73,042	843,301
<b>Insurance revenue – total</b>	<b>40,421</b>	<b>107,911</b>	<b>416,975</b>	<b>65,747</b>	<b>61,514</b>	<b>77,691</b>	<b>73,042</b>	<b>843,301</b>
Incurred claims and other incurred insurance service expenses*	(11,590)	(29,530)	(355,076)	(59,444)	(13,282)	(17,723)	(70,018)	(556,663)
Reversal of losses on onerous contracts	-	-	2	-	-	-	-	2
Changes that relate to past service	2,403	25,126	16,436	3,074	2,372	4,921	11,702	66,034
Insurance acquisition cash flows amortisation	(4,743)	(12,102)	(49,143)	(4,378)	(6,773)	(10,258)	(3,461)	(90,858)
<b>Insurance service expenses – total</b>	<b>(13,930)</b>	<b>(16,506)</b>	<b>(387,781)</b>	<b>(60,748)</b>	<b>(17,683)</b>	<b>(23,060)</b>	<b>(61,777)</b>	<b>(581,485)</b>
<b>Allocation of reinsurance premium paid</b>	<b>(27,289)</b>	<b>(79,550)</b>	<b>(4,583)</b>	<b>-</b>	<b>(49,950)</b>	<b>(56,707)</b>	<b>(58,117)</b>	<b>(276,196)</b>
<b>Amounts recoverable from reinsurers</b>								
Claims recovered and other directly attributable expenses	6,454	16,470	722	-	8,054	9,465	50,280	91,445
Changes to amounts recoverable for incurred claims	(993)	(23,042)	45	(1)	(2,083)	(2,025)	(9,289)	(37,388)
<b>Amounts recoverable from reinsurers – net</b>	<b>5,461</b>	<b>(6,572)</b>	<b>767</b>	<b>(1)</b>	<b>5,971</b>	<b>7,440</b>	<b>40,991</b>	<b>54,057</b>
<b>Net expenses from reinsurance contracts – total</b>	<b>(21,828)</b>	<b>(86,122)</b>	<b>(3,816)</b>	<b>(1)</b>	<b>(43,979)</b>	<b>(49,267)</b>	<b>(17,126)</b>	<b>(222,139)</b>
<b>Insurance service result from Company's directly written business</b>	<b>4,663</b>	<b>5,283</b>	<b>25,378</b>	<b>4,998</b>	<b>(148)</b>	<b>5,364</b>	<b>(5,861)</b>	<b>39,677</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,078
<b>Total insurance service result</b>	<b>4,663</b>	<b>5,283</b>	<b>25,378</b>	<b>4,998</b>	<b>(148)</b>	<b>5,364</b>	<b>(5,861)</b>	<b>40,755</b>

\*This includes surplus distribution of SAR 7.48 million for the six-month period ended June 30, 2024.

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**19 Related party transactions and balances**

Related parties represent shareholders with significant influence, key management personnel (KMP) of the Company and entities controlled or jointly controlled by such shareholders and KMP. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the related party transactions during the period and the related balances:

Nature of transactions	Transactions for the			
	Three-month period ended June 30, 2025 (Unaudited)	Three-month period ended June 30, 2024 (Unaudited)	Six-month period ended June 30, 2025 (Unaudited)	Six-month period ended June 30, 2024 (Unaudited)
<b><u>Shareholder with significant influence</u></b>				
Insurance policies sold / (refund)	-	(5)	658	1,277
Claims paid	50	22	85	141
Expenses incurred	776	927	1,553	1,928
<b><u>Entities controlled or jointly controlled by shareholder with significant influence</u></b>				
Insurance policies sold	5,045	3,330	23,196	32,793
Claims paid	4,118	4,067	7,261	7,397
Facultative premiums ceded	18	211	275	567
Facultative claims recovered	75	-	75	405
Facultative commission received	-	-	-	1
Expenses incurred	1,555	962	2,815	2,572

Key management personnel include senior management and board of directors. The following table shows the salaries, remuneration and allowances obtained by the Board members and executives for the periods ended:

Nature of transactions	Transactions for the			
	Three-month period ended June 30, 2025 (Unaudited)	Three-month period ended June 30, 2024 (Unaudited)	Six-month period ended June 30, 2025 (Unaudited)	Six-month period ended June 30, 2024 (Unaudited)
<b><u>Key management personnel and close relatives</u></b>				
Insurance policies sold	13	-	20	-
Claims paid	10	-	17	-
Remuneration and related expenses	3,290	3,132	6,687	6,703
Loans and advances	450	444	450	1,444
Long term employee benefits charge	187	106	1,156	213
<b><u>Board members and close relatives</u></b>				
Fees and related expenses	487	990	2,073	2,433
Insurance policies sold	36	-	56	-
Claims paid	1	-	1	-



**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**19 Related party transactions and balances (continued)**

	Balance as at June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b><u>Shareholder with significant influence</u></b>		
Premiums receivable	91	1
Claims payable	11	11
Amounts due for expenses	3,622	-
<b><u>Entities controlled or jointly controlled by shareholder with significant influence</u></b>		
Premiums receivable	6,487	6,598
Amounts due for facultative transactions	326	830
Claims payable	1,147	3,716
<b><u>Others (key management personnel, board members and their close relatives)</u></b>		
Premiums receivable	5	19
Claims payable	-	2
Employee benefits payable to key management personnel	4,624	3,289
Advances due from key management personnel	1,547	1,704
Fees and related expenses payable to board members	80	-

**20 Fair values of financial instruments**

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

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

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in these financial statements.

**a) Determination of fair value and fair value hierarchy**

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

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the period end.

**b) Carrying amounts and fair value**

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

**20 Fair values of financial instruments (continued)**

**b) Carrying amounts and fair value (continued)**

<u>June 30, 2025 – (Unaudited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investment measured at fair value through other comprehensive income (FVOCI)</b>				
Equity	-	-	63,626	63,626
<b>Investment measured at fair value through profit or loss (FVTPL)</b>				
Equity	22,627	-	-	22,627
Mutual funds	35,287	49,085	-	84,372
Sukuks	-	194,112	-	194,112
Murabaha placements	-	-	63,782	63,782
	<u>57,914</u>	<u>243,197</u>	<u>127,408</u>	<u>428,519</u>
<b>December 31, 2024 – (Audited)</b>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investment measured at fair value through other comprehensive income (FVOCI)</b>				
Equity	-	-	61,118	61,118
<b>Investment measured at fair value through profit or loss (FVTPL)</b>				
Equity	25,253	-	-	25,253
Mutual funds	33,492	49,414	-	82,906
Sukuks	-	128,838	-	128,838
Murabaha placements	-	-	55,856	55,856
	<u>58,745</u>	<u>178,252</u>	<u>116,974</u>	<u>353,971</u>

The fair value of investment in quoted equity instruments and mutual funds at level 1 is based on quoted prices available in the market. The fair value of investments in mutual funds and sukuks at level 2 is based on the net asset values and value of similar quoted sukuks communicated by the fund manager. The fair value of investments in level 3 Murabaha placements include the Fund administrator report based on interest rates for Murabaha placements as confirmed by the discretionary portfolio manager and the impact of the sensitivity is not material on these Murabaha placements.

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

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

**20 Fair values of financial instruments (continued)**

**b) Carrying amounts and fair value (continued)**

A weight of 60% and 40% are then applied to the fair values determined under both methods, to arrive at the total equity valuation of Najm and the Company then accounts for its share in equity of Najm i.e. 3.45%.

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

There were no transfers between levels of the fair value hierarchy for the period ended June 30, 2025 and year ended December 31, 2024. Additionally, there were no changes in the valuation techniques. Furthermore, there were no transfers into and out of level 3 measurements.

**c) Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy**

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Balance at the beginning of the period / year	<b>116,974</b>	100,245
Additions during the period / year	<b>10,442</b>	10,027
Disposals during the period / year	<b>(2,516)</b>	(11,354)
Fair value gain recognised on:		
Investments carried at FVTPL*	-	396
Investments carried at FVTOCI**	<b>2,508</b>	17,660
Fair value gain	<b>2,508</b>	18,056
Balance at the end of the period / year	<b>127,408</b>	116,974

\* The fair value gain recognised on Investments carried at FVTPL has been recognized within 'Net gains on investments measured at FVTPL' in the condensed statement of income.

\*\* The fair value gain recognised on Investments carried at FVTOCI has been recognized within 'Net changes in fair value of investment measured at FVOCI' in the condensed statement of comprehensive income.

**d) Valuation process**

The Company uses the services of a third-party valuation expert to perform the valuation of investment in Najm required for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO), Investment Committee and the Audit Committee. Discussions of valuation processes and results are held between the CFO, AC, Investment Committee and the Finance team regularly. The main level 3 inputs used by the Company are derived and evaluated as follows:

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

## **21 Risk management**

### **Risk governance**

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organizational structure to meet strategic targets. The Company's philosophy revolves on willing and knowledgeable risk acceptance commensurate with the risk appetite and strategic plan approved by the Board of Directors of the Company. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk.

#### **Risk management structure:**

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

#### **Board of directors:**

The apex of risk governance is the centralized oversight of Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

#### **Audit committee and internal audit department:**

The internal audit department performs risk assessments with senior management annually. The internal audit department examines both adequacy of procedures and the Company's compliance with the procedures through regular audits. Audit findings and recommendations are reported directly to the Audit Committee.

#### **Senior management:**

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

#### **Risk management committee:**

The Board of Directors of the Company has constituted a Risk Management Committee, which oversees the risk management function of the Company and report to Board on a periodic basis. This committee operates under framework established by the Board of Directors.

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

The risks under all insurance contracts issued, reinsurance contracts held by the Company and the risk management policies are consistent with those as disclosed in the annual financial statements for the year ended December 31, 2024.

## **22 Capital management**

Objectives are set by the Board of Directors 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 amounts of dividends paid to shareholders or issue shares.

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

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

- Minimum Capital Requirement
- Premium Solvency Margin
- Claims Solvency Margin

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**(All amounts in Saudi Riyals thousands unless otherwise stated)

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**22 Capital management (continued)**

As at June 30, 2025 consists of Company's regulatory capital which is financed solely by paid-up share capital of SAR 400 million, statutory reserve of SAR 42.27 million, retained earnings of SAR 113.84 million and fair value reserve for investments of SAR 61.70 million (December 31, 2024: paid-up share capital of SAR 400 million, statutory reserve of SAR 42.27 million, retained earnings of SAR 108.17 million and fair value reserve for investments of SAR 59.19 million ), in the statement of financial position.

The amendment made to the Co-operative Insurance Companies Law in accordance with the Royal Decree (M/12) dated 23/1/1443 H (corresponding to 01/09/2021) requires the minimum capital of insurance companies to be SAR 300 million.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements as at June 30, 2025.

**23 Operating segments**

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker (CODM) 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 CODM is measured in a manner consistent with that in the condensed statement of income. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2024.

Segment assets do not include cash and cash equivalents, term deposits, investments, prepaid expenses and other assets, right-of-use assets, property and equipment, intangible assets, statutory deposit and accrued income on statutory deposit. Accordingly, these are included in unallocated assets.

Segment liabilities do not include accrued expenses and other liabilities, lease liabilities, zakat and income tax payable, and accrued income on statutory deposit payable to IA. Accordingly, these are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to CODM under related segments and are monitored on a centralized basis. For management reporting purposes, the Company is organised into business units on the basis of products and services offered by the Company.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at June 30, 2025 and December 31, 2024, its total revenues, expenses, and net income for the three-month and six-month periods then ended June 30, 2025 and June 30, 2024, are as follows:

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**23 Operating segments (continued)****For the three-month period ended June 30, 2025  
(Unaudited)**

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue	21,606	47,015	207,552	66,831	27,337	42,278	38,300	450,919
Insurance service expenses	(16,176)	(19,699)	(198,428)	(84,585)	(12,840)	(15,458)	(23,482)	(370,668)
Net expenses from reinsurance contracts	(6,040)	(16,889)	(5,246)	(1,367)	(16,395)	(21,041)	(11,473)	(78,451)
Insurance service result from Company's directly written business	(610)	10,427	3,878	(19,121)	(1,898)	5,779	3,345	1,800
Share of surplus from insurance pools	-	-	-	-	-	-	-	386
Total insurance service result	(610)	10,427	3,878	(19,121)	(1,898)	5,779	3,345	2,186
Net gains on investments measured at FVTPL								684
Commission income from financial assets not measured at FVTPL								14,760
Dividend income								3
Net investment return								15,447
Net finance expense from insurance contracts	(287)	(890)	(1,041)	(159)	(301)	(348)	(364)	(3,390)
Net finance income from reinsurance contracts	194	828	-	-	336	280	375	2,013
Net insurance finance (expense) / income	(93)	(62)	(1,041)	(159)	35	(68)	11	(1,377)
Net insurance and investment result								16,256
Other income								77
Other operating expenses								(12,387)
Profit for the period attributable to the shareholders before zakat and income tax								3,946
Zakat								(3,350)
Income tax								(150)
Net profit for the period attributable to the shareholders								446



**WATANIYA INSURANCE COMPANY**
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(All amounts in Saudi Riyals thousands unless otherwise stated)

**23 Operating segments (continued)**

For the six-month period ended June 30, 2025 (Unaudited)	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue	45,592	88,691	421,093	129,625	58,393	80,392	79,300	903,086
Insurance service expenses	(18,758)	(16,428)	(401,619)	(164,920)	40,276	(33,291)	(60,802)	(655,542)
Net expenses from reinsurance contracts	(24,128)	(61,236)	(4,156)	(1,367)	(98,279)	(35,424)	(15,758)	(240,348)
Insurance service result from Company's directly written business	2,706	11,027	15,318	(36,662)	390	11,677	2,740	7,196
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,060
Total insurance service result	2,706	11,027	15,318	(36,662)	390	11,677	2,740	8,256
Net gains on investments measured at FVTPL								2,040
Commission income from financial assets not measured at FVTPL								29,552
Dividend income								7
Net investment return								31,599
Net finance expense from insurance contracts	(721)	(2,630)	(4,327)	(571)	(1,482)	(859)	(1,243)	(11,833)
Net finance income from reinsurance contracts	561	2,563	16	-	1,438	708	1,652	6,938
Net insurance finance (expense) / income	(160)	(67)	(4,311)	(571)	(44)	(151)	409	(4,895)
Net insurance and investment result								34,960
Other income								184
Other operating expenses								(21,460)
Profit for the period attributable to the shareholders before zakat and income tax								13,684
Zakat								(6,750)
Income tax								(250)
Net profit for the period attributable to the shareholders								6,684

During the six-month period ended 30 June 2025, the Company reported a net profit after zakat and income tax of SAR 6.7 million (June 30, 2024: SAR 55.6 million). This reduction in net profit after zakat and income tax is primarily attributable to reduction in the net insurance service result for the Motor third party liability portfolio owing to increase in net claims incurred.

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**23 Operating segments (continued)**

For the three-month period ended June 30, 2024 (Unaudited)	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue	24,165	54,500	215,965	37,255	26,149	41,068	34,370	433,472
Insurance service expenses	(8,824)	(18,682)	(203,708)	(32,579)	(10,984)	(12,181)	(37,965)	(324,923)
Net expenses / (income) from reinsurance contracts	(11,939)	(32,527)	(2,649)	2	(15,056)	(24,759)	(4,877)	(91,805)
Insurance service result from Company's directly written business	3,402	3,291	9,608	4,678	109	4,128	(8,472)	16,744
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,078
Total insurance service result	3,402	3,291	9,608	4,678	109	4,128	(8,472)	17,822
Net loss on investments measured at FVTPL								(247)
Commission income from financial assets not measured at FVTPL								14,100
Dividend income								5
Net investment return								13,858
Net finance expense from insurance contracts	(101)	(1,101)	(958)	(85)	(302)	(343)	(289)	(3,179)
Net finance income from reinsurance contracts	114	759	-	-	272	196	225	1,566
Net insurance finance income / (expense)	13	(342)	(958)	(85)	(30)	(147)	(64)	(1,613)
Net insurance and investment result								30,067
Other income								165
Other operating expenses								2,570
Profit for the period attributable to the shareholders before zakat and income tax								32,802
Zakat								(4,400)
Income tax								-
Net profit for the period attributable to the shareholders								28,402

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**23 Operating segments (continued)**

For the six-month period ended June 30, 2024 (Unaudited)	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
Insurance revenue	40,421	107,911	416,975	65,747	61,514	77,691	73,042	843,301
Insurance service expenses	(13,930)	(16,506)	(387,781)	(60,748)	(17,683)	(23,060)	(61,777)	(581,485)
Net expenses from reinsurance contracts	(21,828)	(86,122)	(3,816)	(1)	(43,979)	(49,267)	(17,126)	(222,139)
Insurance service result from Company's directly written business	4,663	5,283	25,378	4,998	(148)	5,364	(5,861)	39,677
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,078
Total insurance service result	4,663	5,283	25,378	4,998	(148)	5,364	(5,861)	40,755
Net gains on investments measured at FVTPL								4,151
Commission income from financial assets not measured at FVTPL								26,237
Dividend income								10
Net investment return								30,398
Net finance expense from insurance contracts	(540)	(1,629)	(4,468)	(288)	(752)	(788)	(1,017)	(9,482)
Net finance income from reinsurance contracts	453	2,003	6	1	739	2,209	1,144	6,555
Net insurance finance (expense) / income	(87)	374	(4,462)	(287)	(13)	1,421	127	(2,927)
Net insurance and investment result								68,226
Other income								392
Other operating expenses								(4,285)
Profit for the period attributable to the shareholders before zakat and income tax								64,333
Zakat								(8,400)
Income tax								(250)
Net profit for the period attributable to the shareholders								55,683

**WATANIYA INSURANCE COMPANY**  
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**June 30, 2025**  
(All amounts in Saudi Riyals thousands unless otherwise stated)

**23 Operating segments (continued)**

**As at June 30, 2025 (Unaudited)**

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
<b>Assets</b>								
Reinsurance contract assets	21,585	49,281	560	(1)	62,280	293,893	39,438	467,036
Unallocated assets	-	-	-	-	-	-	-	1,544,672
<b>Total assets</b>								<b>2,011,708</b>
<b>Liabilities</b>								
Insurance contract liabilities	33,067	105,689	463,678	169,404	85,522	381,507	76,379	1,315,246
Reinsurance contract liability	-	-	4,881	-	-	-	-	4,881
Unallocated liabilities	-	-	-	-	-	-	-	73,764
<b>Total liabilities</b>								<b>1,393,891</b>

**As at December 31, 2024 (Audited)**

	Marine	Property	Motor-Comp	Motor-TPL	Engineering	Accident & liability	Term life	Total
<b>Assets</b>								
Reinsurance contract assets	17,310	95,343	1,277	2	126,758	285,899	43,317	569,906
Unallocated assets	-	-	-	-	-	-	-	1,564,916
<b>Total assets</b>								<b>2,134,822</b>
<b>Liabilities</b>								
Insurance contract liabilities	37,345	133,131	486,897	128,714	159,330	381,430	124,205	1,451,052
Reinsurance contract liability	-	-	5,132	-	-	-	-	5,132
Unallocated liabilities	-	-	-	-	-	-	-	69,004
<b>Total liabilities</b>								<b>1,525,188</b>

**24 Surplus distribution**

As required by the Implementing Regulations and the by-laws of the Company, surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders' operations	90%
Transfer to Policyholders payable	10%
	<b>100%</b>

In case of deficit arising from insurance operations, the entire deficit is allocated and transferred to shareholders' operations.

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**25 Gross Written Premium**

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

<b>For the three-month period ended June 30, 2025</b>						
<b>Breakdown of GWP</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
<b>Retail</b>	-	<b>77,322</b>	<b>15,568</b>	-	-	<b>92,890</b>
<b>Very small</b>	-	<b>17,438</b>	<b>6,983</b>	-	<b>248</b>	<b>24,669</b>
<b>Small</b>	-	<b>20,283</b>	<b>18,659</b>	-	<b>1,198</b>	<b>40,140</b>
<b>Medium</b>	-	<b>14,386</b>	<b>25,784</b>	-	<b>4,808</b>	<b>44,978</b>
<b>Corporate</b>	-	<b>136,437</b>	<b>40,146</b>	-	<b>21,114</b>	<b>197,697</b>
<b>Total</b>	-	<b>265,866</b>	<b>107,140</b>	-	<b>27,368</b>	<b>400,374</b>

  

<b>For the six-month period ended June 30, 2025</b>						
<b>Breakdown of GWP</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
<b>Retail</b>	-	<b>164,452</b>	<b>25,816</b>	-	-	<b>190,268</b>
<b>Very small</b>	-	<b>28,289</b>	<b>10,926</b>	-	<b>504</b>	<b>39,719</b>
<b>Small</b>	-	<b>46,939</b>	<b>45,859</b>	-	<b>3,179</b>	<b>95,977</b>
<b>Medium</b>	-	<b>62,249</b>	<b>82,967</b>	-	<b>8,350</b>	<b>153,566</b>
<b>Corporate</b>	-	<b>278,026</b>	<b>114,852</b>	-	<b>38,375</b>	<b>431,253</b>
<b>Total</b>	-	<b>579,955</b>	<b>280,420</b>	-	<b>50,408</b>	<b>910,783</b>

  

<b>For the three-month period ended June 30, 2024</b>						
<b>Breakdown of GWP</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
<b>Retail</b>	-	<b>83,705</b>	<b>2,212</b>	-	-	<b>85,917</b>
<b>Very small</b>	-	<b>6,012</b>	<b>2,776</b>	-	<b>255</b>	<b>9,043</b>
<b>Small</b>	-	<b>13,952</b>	<b>18,410</b>	-	<b>1,653</b>	<b>34,015</b>
<b>Medium</b>	-	<b>16,607</b>	<b>28,595</b>	-	<b>3,190</b>	<b>48,392</b>
<b>Corporate</b>	-	<b>181,612</b>	<b>60,487</b>	-	<b>107,850</b>	<b>349,949</b>
<b>Total</b>	-	<b>301,888</b>	<b>112,480</b>	-	<b>112,948</b>	<b>527,316</b>

  

<b>For the six-month period ended June 30, 2024</b>						
<b>Breakdown of GWP</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
<b>Retail</b>	-	<b>128,971</b>	<b>7,187</b>	-	-	<b>136,158</b>
<b>Very small</b>	-	<b>12,815</b>	<b>6,971</b>	-	<b>392</b>	<b>20,178</b>
<b>Small</b>	-	<b>34,193</b>	<b>34,777</b>	-	<b>4,251</b>	<b>73,221</b>
<b>Medium</b>	-	<b>66,629</b>	<b>87,590</b>	-	<b>6,702</b>	<b>160,921</b>
<b>Corporate</b>	-	<b>384,354</b>	<b>183,141</b>	-	<b>130,327</b>	<b>697,822</b>
<b>Total</b>	-	<b>626,962</b>	<b>319,666</b>	-	<b>141,672</b>	<b>1,088,300</b>

Total insurance revenue of SAR 451 million (2024: SAR 433 million) for the three-month period ended June 30, 2025 is calculated through adjustment of SAR 51 million (2024: SAR 94 million) for the remaining coverage period and the expected premium receipts which reconcile to the total gross written premium of SAR 400 million (2024: SAR 527 million).

Total insurance revenue of SAR 903 million (2024: SAR 843 million) for the six-month period ended June 30, 2025 is calculated through adjustment of SAR 8 million (2024: SAR 245 million) for the remaining coverage period and the expected premium receipts which reconcile to the total gross written premium of SAR 911 million (2024: SAR 1,088 million).

**WATANIYA INSURANCE COMPANY****(A Saudi Joint Stock Company)****Notes to the condensed interim financial statements****June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

**26 Net Written Premium**

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

<b>For the three-month period ended June 30, 2025</b>						
<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
Gross written premium	-	265,866	107,140	-	27,368	400,374
Reinsurance premium ceded – globally (including excess of loss)	-	-	(5,601)	-	(2,314)	(7,915)
Reinsurance premium ceded – locally (including excess of loss)	-	(5,266)	(69,971)	-	(14,360)	(89,597)
Net written premium - total		260,600	31,568		10,694	302,862

  

<b>For the six-month period ended June 30, 2025</b>						
<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
Gross written premium	-	579,955	280,420	-	50,408	910,783
Reinsurance premium ceded – globally (including excess of loss)	-	-	(18,017)	-	(9,477)	(27,494)
Reinsurance premium ceded – locally (including excess of loss)	-	(5,971)	(183,275)	-	(23,053)	(212,299)
Net written premium - total		573,984	79,128		17,878	670,990

  

<b>For the three-month period ended June 30, 2024</b>						
<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
Gross written premium	-	301,888	112,480	-	112,948	527,316
Reinsurance premium ceded – globally (including excess of loss)	-	3	(11,936)	-	(2,818)	(14,751)
Reinsurance premium ceded – locally (including excess of loss)	-	(3,405)	(76,306)	-	(81,482)	(161,193)
Net written premium – total	-	298,486	24,238	-	28,648	351,372

  

<b>For the six-month period ended June 30, 2024</b>						
<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Protection &amp; Savings</b>		<b>Total</b>
				<b>Individual</b>	<b>Group (Term life)</b>	
Gross written premium	-	626,962	319,666	-	141,672	1,088,300
Reinsurance premium ceded – globally (including excess of loss)	-	3	(33,862)	-	(8,516)	(42,375)
Reinsurance premium ceded – locally (including excess of loss)	-	(4,585)	(214,564)	-	(93,759)	(312,908)
Net written premium – total	-	622,380	71,240	-	39,397	733,017

Total allocation of reinsurance premium paid of SAR 247 million (2024: SAR 276 million) for the six-month period ended June 30, 2025 is calculated through adjustment of SAR 7 million (2024: SAR 79 million) for the remaining coverage period net of reinsurance commission which reconcile to the total reinsurance premium ceded (including excess of loss) of SAR 240 million (2024: SAR 355 million).

Total allocation of reinsurance premium paid of SAR 124 million (2024: SAR 139 million) for the three-month period ended June 30, 2025 is calculated through adjustment of SAR 26 million (2024: SAR 37 million) for the remaining coverage period net of reinsurance commission which reconcile to the total reinsurance premium ceded (including excess of loss) of SAR 98 million (2024: SAR 176 million).

**WATANIYA INSURANCE COMPANY**

**(A Saudi Joint Stock Company)**

**Notes to the condensed interim financial statements**

**June 30, 2025**

(All amounts in Saudi Riyals thousands unless otherwise stated)

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**27 Subsequent events**

There have been no significant subsequent events since the period end, that would require disclosures or adjustments in these financial statements.

**28 Approval of the financial statements**

These condensed interim financial statements have been approved by the Board of Directors on August 3, 2025 corresponding to Safar 9,1447H