

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

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

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

WATANIYA INSURANCE COMPANY
(A Saudi Joint Stock Company)
Condensed Interim Financial Statements
For the three-month and nine-month periods ended September 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 September 30, 2025 and the related condensed statements of income and comprehensive income for the three-month and nine-month periods then ended, and condensed statements of changes in equity and cash flows for the nine-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

Abdullah Oudah Althagafi
License Number 455

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November 10, 2025 G
Corresponding to Jumada Al-Awwal 19, 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 September 30, 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	5	16,831	53,693
Term deposits	6	902,800	1,029,675
Financial assets at fair value through profit or loss ("FVTPL")	7	400,941	292,853
Financial assets at amortised cost	8	60,871	16,244
Financial assets at fair value through other comprehensive income ("FVOCI")	9	63,626	61,118
Other receivables and prepaid expenses	10	21,632	17,415
Reinsurance contract assets	11	452,427	569,906
Right-of-use assets		3,438	4,628
Property and equipment		8,283	12,877
Intangible assets		29,122	32,058
Statutory deposit	12	39,983	39,983
Accrued income on statutory deposit	12	5,951	4,372
TOTAL ASSETS		2,005,905	2,134,822
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accrued expenses and other liabilities	13	40,960	29,225
Insurance contract liabilities	11	1,285,706	1,451,052
Reinsurance contract liability	11	10,231	5,132
Lease liabilities		3,910	4,710
Zakat and income tax payable	14	16,157	15,147
Employee benefits obligations		21,545	18,774
Accrued income on statutory deposit	12	2,727	1,148
TOTAL LIABILITIES		1,381,236	1,525,188
<u>EQUITY</u>			
Share capital	15	400,000	400,000
Statutory reserve	16	42,271	42,271
Retained earnings		120,695	108,168
Fair value reserve for investments		61,703	59,195
TOTAL EQUITY		624,669	609,634
TOTAL LIABILITIES AND EQUITY		2,005,905	2,134,822



Chief Executive Officer & Managing Director



Chief Financial Officer

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 nine-month periods ended September 30, 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	Three-month period ended September 30, 2025 (Unaudited)	Three-month period ended September 30, 2024 (Unaudited)	Nine-month period ended September 30, 2025 (Unaudited)	Nine-month period ended September 30, 2024 (Unaudited)
Insurance revenue	18	435,676	466,226	1,338,762	1,309,527
Insurance service expenses	18	(354,793)	(369,735)	(1,010,335)	(951,220)
Net expenses from reinsurance contracts	18	(75,082)	(85,207)	(315,430)	(307,346)
Insurance service result from Company's directly written business		5,801	11,284	12,997	50,961
Share of surplus / (deficit) from insurance pools		670	(249)	1,730	829
Total insurance service result		6,471	11,035	14,727	51,790
Net gains on investments measured at FVTPL	7	9,058	6,439	11,098	10,590
Commission income from financial assets not measured at FVTPL		14,490	14,881	44,042	41,118
Dividend income		4	6	11	16
Net investment return		23,552	21,326	55,151	51,724
Net finance expense from insurance contracts	23	(2,390)	(7,170)	(14,223)	(16,652)
Net finance income from reinsurance contracts	23	1,383	3,795	8,321	10,350
Net insurance finance expense		(1,007)	(3,375)	(5,902)	(6,302)
Net insurance and investment result		29,016	28,986	63,976	97,212
Other income		80	(35)	264	357
Other operating expenses		(15,248)	(10,320)	(36,708)	(14,605)
Profit for the period attributable to the shareholders before zakat and income tax		13,848	18,631	27,532	82,964
Zakat	14	(6,250)	(3,500)	(13,000)	(11,900)
Income tax	14	(250)	(250)	(500)	(500)
Net profit for the period attributable to the shareholders		7,348	14,881	14,032	70,564
Earnings per share (Basic and diluted) (expressed in SAR per share)	15	0.18	0.37	0.35	1.76



Chief Executive Officer & Managing Director



Chief Financial Officer

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 nine-month periods ended September 30, 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended September 30, 2025 (Unaudited)	Three-month period ended September 30, 2024 (Unaudited)	Nine -month period ended September 30, 2025 (Unaudited)	Nine-month period ended September 30, 2024 (Unaudited)
Net profit for the period attributable to the shareholders	7,348	14,881	14,032	70,564
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 (loss) / gain on defined benefit obligations	(496)	127	(1,505)	273
Total comprehensive income for the period attributable to the shareholders	6,852	15,008	15,035	70,837



Chief Executive Officer & Managing Director



Chief Financial Officer

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

Nine-month period ended September 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
<i>Total comprehensive income for the period</i>					
Net profit for the period attributable to the shareholders	-	-	14,032	-	14,032
Net changes in fair value of investment measured at FVOCI	-	-	-	2,508	2,508
Remeasurement loss on defined benefit obligations	-	-	(1,505)	-	(1,505)
Total comprehensive income for the period attributable to the shareholders	-	-	12,527	2,508	15,035
Balance at the end of the period – (unaudited)	400,000	42,271	120,695	61,703	624,669

Nine-month period ended September 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
<i>Total comprehensive income for the period</i>					
Net profit for the period attributable to the shareholders	-	-	70,564	-	70,564
Remeasurement gain on defined benefit obligations	-	-	273	-	273
Total comprehensive income for the period attributable to the shareholders	-	-	70,837	-	70,837
Balance at the end of the period – (unaudited)	400,000	21,661	95,919	41,535	559,115


Chief Executive Officer & Managing Director


Chief Financial Officer

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

	Notes	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period attributable to the shareholders before zakat and income tax		27,532	82,964
Adjustments for non-cash items:			
Depreciation of property and equipment and amortization of intangible assets		7,661	7,251
Depreciation of right-of-use assets		1,190	529
Finance cost on lease liabilities		245	114
Net gains on investments measured at FVTPL		(11,098)	(10,590)
Provision for employee benefits obligations		3,385	2,940
Commission income from financial assets not measured at FVTPL		(44,042)	(41,118)
Expected credit loss adjustment		-	288
Dividend income		(11)	(16)
		(15,138)	42,362
Changes in operating assets and liabilities:			
Other receivables and prepaid expenses	10	(4,217)	(9,378)
Reinsurance contract assets	11	117,479	63,055
Accrued expenses and other liabilities	13	11,735	6,177
Insurance contract liabilities	11	(165,346)	177,740
Reinsurance contract liability	11	5,099	2,554
		(50,388)	282,510
Zakat and income tax paid		(12,490)	(11,185)
Payment of employee benefits obligation		(2,119)	(1,164)
Net cash (used in) / generated from operating activities		(64,997)	270,161
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property and equipment		(131)	(1,035)
Additions to investments held at amortised cost		(43,758)	(7,001)
Additions to FVTPL investments		(96,990)	(55,000)
Withdrawal from investment at FVTPL		-	77
Placements in term deposits	6	(687,065)	(1,041,523)
Proceeds from term deposits matured	6	804,213	807,040
Commission income from financial assets not measured at FVTPL		52,900	25,535
Dividend income		11	16
Net cash generated from / (used in) investing activities		29,180	(271,891)
CASH FLOW FROM FINANCING ACTIVITIES			
Principal element of lease payments		(697)	(1,046)
Interest element of lease payments		(348)	-
Net cash used in financing activities		(1,045)	(1,046)
Net decrease in cash and cash equivalents		(36,862)	(2,776)
Cash and cash equivalents at the beginning of the period		53,693	22,730
Cash and cash equivalents at the end of the period		16,831	19,954
SUPPLEMENTAL SCHEDULE OF NON CASH INFORMATION			
Right-of-use assets recorded against lease liabilities		-	5,024
Remeasurement (loss) / gain on defined benefit obligations		(1,505)	273
Net changes in fair value of investment measured at FVOCI – equity instruments		2,508	-


Chief Executive Officer & Managing Director


Chief Financial Officer

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****September 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, financial assets at fair value through profit or loss ("FVTPL"), 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 amortised cost, financial assets at fair value through other comprehensive income ("FVOCI"), right-of-use assets, property and equipment, intangible assets and 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 September 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, however these amendments had no material impact on the condensed interim financial statements of the Company.

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. There is no financial 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
September 30, 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

5. Cash and cash equivalents

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in hand	40	40
Bank balances	16,804	43,666
Deposits with original maturity of less than 3 months	-	10,000
Expected credit loss	(13)	(13)
	16,831	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.

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

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

6. Term deposits

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Term Deposits	883,315	1,000,463
Accrued commission income	19,659	29,386
Expected credit loss	(174)	(174)
	902,800	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:

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

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

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

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment in discretionary portfolios	7.1	347,941	284,853
Investment in Tier-1 sukuks	7.2	53,000	8,000
		400,941	292,853

7.1 Investment in discretionary portfolios:

Movement in investment in discretionary portfolio is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period / year	284,853	220,260
Additions during the period / year	51,990	50,000
Withdrawal during the period / year	-	(77)
Changes in fair value of investments	11,098	14,670
Balance at end of the period / year	347,941	284,853

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:

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

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 0.827 million during the period (September 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% per annum. These Sukuks have a maturity duration of 5 years commencing from January 21, 2025. The Company has earned commission income of SAR 0.90 million during the period (September 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 Bank 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 0.326 million during the period (September 30, 2024: SAR 0.126 million) The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks have been classified as FVTPL.

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

(All amounts in Saudi Riyals thousands unless otherwise stated)

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 Sukuku 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 0.236 million during the period (September 30, 2024: Nil). The profit distribution on these sukuku is at the discretion of the issuer therefore these sukuku classified as FVTPL.

8 Financial assets at amortised cost

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Rawabi Holding Sukuku	8.1	10,000	5,000
Saudi Government Sukuku	8.2	33,161	-
Saudi Real Estate Refinance Company Sukuku	8.3	9,000	9,000
Others	8.4	7,623	2,026
Commission accrued		1,091	222
Gross amount – total		60,875	16,248
Expected credit loss		(4)	(4)
Net amount – total		60,871	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 sukuku with a coupon rate of 8.50% per annum and 50 Sukuku at a face value of SAR 0.1 million per sukuku 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 0.526 million during the period (September 30, 2024: SAR 0.203 million).

8.2 These represent the Company's investment in Saudi Government sukuku, 33,000 sukuku at a face value of SAR 0.001 million with yields ranging from 4.82% to 5.28% and original maturity duration ranging from 4 years to 10 years. The Company has earned a commission income of SAR 0.684 million during the period (September 30, 2024: Nil).

8.3 These represent 5 Sukuku at a face value of SAR 1 million per Sukuku with a coupon rate of 2.11% per annum and 4 Sukuku at a face value of SAR 1 million per Sukuku 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 0.170 million during the period (September 30, 2024: SAR 0.170 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 10.56% to 16.32% commencing from July 28, 2024. The Company has earned a commission income of SAR 0.733 million during the period (September 30, 2024: 0.022 million).

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:

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

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

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Staff receivables	7,138	7,745
Prepayments	5,461	2,304
Margin deposits	5,192	5,073
Due from Malath for pool deal	393	219
Due from Al Etihad Cooperative for pool deal	972	-
Due from Tawuniya for pool deals	-	661
Others	2,476	1,413
	21,632	17,415

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11 Insurance and reinsurance contracts

11.1 Composition of the statement of financial position

During the three-month period ended September 30, 2025, the Company revised its operating segment structure to align with changes in internal reporting and management oversight. As part of this revision, the aggregation basis for insurance and reinsurance contract disclosures has been updated. Comparative information for prior period has been restated to ensure consistency and comparability (also see note 23).

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:

	Motor	Property & Casualty	Term life	Total
As at September 30, 2025 – (Unaudited)				
Insurance contracts				
Insurance contract assets	-	-	-	-
Insurance contract liabilities	632,110	600,045	53,551	1,285,706
	<u>632,110</u>	<u>600,045</u>	<u>53,551</u>	<u>1,285,706</u>
Reinsurance contracts				
Reinsurance contract assets	805	418,049	33,573	452,427
Reinsurance contract liability	(10,231)	-	-	(10,231)
	<u>(9,426)</u>	<u>418,049</u>	<u>33,573</u>	<u>442,196</u>
	Motor	Property & Casualty	Term life	Total
As at December 31, 2024 – (Audited) - Restated				
Insurance contracts				
Insurance contract assets	-	-	-	-
Insurance contract liabilities	615,611	711,236	124,205	1,451,052
	<u>615,611</u>	<u>711,236</u>	<u>124,205</u>	<u>1,451,052</u>
Reinsurance contracts				
Reinsurance contract assets	1,279	525,310	43,317	569,906
Reinsurance contract liability	(5,132)	-	-	(5,132)
	<u>(3,853)</u>	<u>525,310</u>	<u>43,317</u>	<u>564,774</u>

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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 September 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	(1,338,762)	-	-	-	(1,338,762)	(1,796,142)	-	-	-	(1,796,142)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses*	-	-	994,353	11,862	1,006,215	-	-	1,272,225	20,488	1,292,713
Losses on onerous contracts	-	5,757	-	-	5,757	-	3,764	-	-	3,764
Changes that relate to past service	-	-	(149,676)	(20,325)	(170,001)	-	-	(134,034)	(16,852)	(150,886)
Insurance acquisition cashflows amortisation	168,364	-	-	-	168,364	198,448	-	-	-	198,448
Insurance service expenses	168,364	5,757	844,677	(8,463)	1,010,335	198,448	3,764	1,138,191	3,636	1,344,039
Finance expense from insurance contracts	-	-	14,223	-	14,223	-	-	18,521	-	18,521
Total changes in the statement of income	(1,170,398)	5,757	858,900	(8,463)	(314,204)	(1,597,694)	3,764	1,156,712	3,636	(433,582)
Cashflows										
Premiums received	1,264,311	-	-	-	1,264,311	1,880,518	-	-	-	1,880,518
Claims and other incurred insurance service expenses paid	-	-	(950,111)	-	(950,111)	-	-	(1,079,859)	-	(1,079,859)
Insurance acquisition cashflows paid	(165,342)	-	-	-	(165,342)	(212,462)	-	-	-	(212,462)
Total cash inflows / (outflows)	1,098,969	-	(950,111)	-	148,858	1,668,056	-	(1,079,859)	-	588,197
Insurance contracts										
Insurance contract liabilities – closing	472,988	9,523	771,999	31,196	1,285,706	544,417	3,766	863,210	39,659	1,451,052
Insurance contract assets – closing	-	-	-	-	-	-	-	-	-	-
Closing balance – net	472,988	9,523	771,999	31,196	1,285,706	544,417	3,766	863,210	39,659	1,451,052

*This includes surplus distribution of SAR 1.98 million for the period ended September 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 September 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
Opening balance – net	31,559	-	(569,346)	(26,987)	(564,774)	(42,739)	-	(558,455)	(26,719)	(627,913)
Allocation of reinsurance premium paid	324,686	-	-	-	324,686	527,351	-	-	-	527,351
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	(110,275)	(3,568)	(113,843)	-	-	(223,414)	(8,618)	(232,032)
Changes to amounts recoverable for incurred claims	-	-	92,866	11,721	104,587	-	-	76,442	8,350	84,792
Amounts recoverable from reinsurers – net	-	-	(17,409)	8,153	(9,256)	-	-	(146,972)	(268)	(147,240)
Finance income from reinsurance contracts	-	-	(8,321)	-	(8,321)	-	-	(11,730)	-	(11,730)
Total changes in the statement of income	324,686	-	(25,730)	8,153	307,109	527,351	-	(158,702)	(268)	368,381
Cashflows										
Premiums ceded and acquisition cashflows paid	(295,342)	-	-	-	(295,342)	(453,053)	-	-	-	(453,053)
Recoveries from reinsurance	-	-	110,811	-	110,811	-	-	147,811	-	147,811
Total cash (outflows) / inflows	(295,342)	-	110,811	-	(184,531)	(453,053)	-	147,811	-	(305,242)
Reinsurance contracts										
Reinsurance contract assets – closing	50,672	-	(484,265)	(18,834)	(452,427)	26,427	-	(569,346)	(26,987)	(569,906)
Reinsurance contract liabilities – closing	10,231	-	-	-	10,231	5,132	-	-	-	5,132
Closing balance – net	60,903	-	(484,265)	(18,834)	(442,196)	31,559	-	(569,346)	(26,987)	(564,774)

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12 Statutory deposit

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Statutory deposit	40,000	40,000
Expected credit loss	(17)	(17)
	39,983	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 September 30, 2025 (December 31, 2024: SAR 40 million), in a bank designated by Insurance Authority (IA). Accrued income on this deposit is payable to IA amounting to SAR 2.73 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:

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

13 Accrued expenses and other liabilities

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued expenses	16,591	19,081
Value added tax payable	16,788	2,453
Payable for reinsurance's withholding tax	490	976
Other liabilities	7,091	6,715
	40,960	29,225

14 Zakat and income tax payable

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

	Zakat	Income tax	Total
Balance at beginning of the period	14,333	814	15,147
Provision for the period	13,000	500	13,500
Payment during the period	(11,918)	(572)	(12,490)
Balance at end of the period (Unaudited)	15,415	742	16,157

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14 Zakat and income tax payable (continued)

14.2 Provision for zakat and income tax (continued)

	Zakat	Income tax	Total
Balance at beginning of the year	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)
Balance at end of the year (Audited)	14,333	814	15,147

Zakat is payable at 2.58% of the approximate zakat base (excluding adjusted net income for the year) and 2.50% 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:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	%	%
Zakat share in capital and profit	96.91	96.91
Income tax share in capital and profit	3.09	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 September 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 nine-month periods September 30, 2025 and September 30, 2024 have 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.

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

The basic earnings per share is calculated as follows:

	Three-month period ended September 30,2025 (Unaudited)	Three-month period ended September 30,2024 (Unaudited)	Nine-month period ended September 30,2025 (Unaudited)	Nine-month period ended September 30,2024 (Unaudited)
Net profit for the period attributable to the shareholders	7,348	14,881	14,032	70,564
Weighted average number of ordinary shares	40,000	40,000	40,000	40,000
Basic earnings per share	0.18	0.37	0.35	1.76

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 amount 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 5.19 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.

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

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18 Insurance revenue and expenses

During the three-month period ended September 30, 2025, the Company revised its operating segment structure to align with changes in internal reporting and management oversight. As part of this revision, the aggregation basis for insurance and reinsurance contract disclosures has also been updated. Comparative information for prior period has been restated to ensure consistency and comparability (also see note 23).

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 nine-month periods ended September 30, 2025 and September 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 September 30, 2025 (Unaudited)

	Motor	Property & Casualty	Term life	Total
Insurance revenue from contracts measured under PAA	287,608	126,099	21,969	435,676
Insurance revenue – total	287,608	126,099	21,969	435,676
Incurred claims and other incurred insurance service expenses*	(272,876)	(28,591)	(4,641)	(306,108)
Losses on onerous contracts	(743)	-	-	(743)
Changes that relate to past service	(7,135)	8,268	4,353	5,486
Insurance acquisition cash flows amortisation	(35,096)	(16,075)	(2,257)	(53,428)
Insurance service expenses – total	(315,850)	(36,398)	(2,545)	(354,793)
Allocation of reinsurance premium paid	(1,683)	(62,448)	(13,943)	(78,074)
Amounts recoverable from reinsurers				
Claims recovered and other directly attributable expenses	(4)	9,971	2,390	12,357
Changes to amounts recoverable for incurred claims	14	(5,844)	(3,535)	(9,365)
Amounts recoverable from reinsurers – net	10	4,127	(1,145)	2,992
Net expenses from reinsurance contracts – total	(1,673)	(58,321)	(15,088)	(75,082)
Insurance service result from Company's directly written business	(29,915)	31,380	4,336	5,801
Share of surplus from insurance pools	-	-	-	670
Total insurance service result	(29,915)	31,380	4,336	6,471

*This includes surplus distribution of SAR 0.37 million for the three-month period ended September 30, 2025.

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

	Motor	Property & Casualty	Term life	Total
Insurance revenue from contracts measured under PAA	838,326	399,167	101,269	1,338,762
Insurance revenue – total	838,326	399,167	101,269	1,338,762
Incurred claims and other incurred insurance service expenses*	(810,996)	(115,382)	(79,837)	(1,006,215)
Losses on onerous contracts	(5,757)	-	-	(5,757)
Changes that relate to past service	44,249	102,982	22,770	170,001
Insurance acquisition cash flows amortisation	(109,885)	(52,199)	(6,280)	(168,364)
Insurance service expenses – total	(882,389)	(64,599)	(63,347)	(1,010,335)
Allocation of reinsurance premium paid	(9,020)	(244,310)	(71,356)	(324,686)
Amounts recoverable from reinsurers				
Claims recovered and other directly attributable expenses	(9)	56,271	57,581	113,843
Changes to amounts recoverable for incurred claims	1,833	(89,349)	(17,071)	(104,587)
Amounts recoverable from reinsurers – net	1,824	(33,078)	40,510	9,256
Net expenses from reinsurance contracts – total	(7,196)	(277,388)	(30,846)	(315,430)
Insurance service result from Company's directly written business	(51,259)	57,180	7,076	12,997
Share of surplus from insurance pools	-	-	-	1,730
Total insurance service result	(51,259)	57,180	7,076	14,727

*This includes surplus distribution of SAR 1.98 million for the nine-month period ended September 30, 2025.

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18 Insurance revenue and expenses (continued)

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

	Motor	Property & Casualty	Term life	Total
Insurance revenue from contracts measured under PAA	272,594	145,517	48,115	466,226
Insurance revenue – total	272,594	145,517	48,115	466,226
Incurred claims and other incurred insurance service expenses*	(248,106)	(49,502)	(45,427)	(343,035)
Changes that relate to past service	8,378	12,690	2,131	23,199
Insurance acquisition cash flows amortisation	(31,481)	(16,599)	(1,819)	(49,899)
Insurance service expenses – total	(271,209)	(53,411)	(45,115)	(369,735)
Allocation of reinsurance premium paid	(2,894)	(103,153)	(31,467)	(137,514)
Amounts recoverable from reinsurers				
Claims recovered and other directly attributable expenses	(730)	26,508	36,437	62,215
Changes to amounts recoverable for incurred claims	745	(9,062)	(1,591)	(9,908)
Amounts recoverable from reinsurers – net	15	17,446	34,846	52,307
Net (expenses) / income from reinsurance contracts – total	(2,879)	(85,707)	3,379	(85,207)
Insurance service result from Company's directly written business	(1,494)	6,399	6,379	11,284
Share of surplus from insurance pools	-	-	-	(249)
Total insurance service result	(1,494)	6,399	6,379	11,035

*This includes surplus distribution of SAR 1.45 million for the three-month period ended September 30, 2024.

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

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18 Insurance revenue and expenses (continued)

For the nine-month period ended September 30, 2024 (Unaudited) - Restated

	Motor	Property & Casualty	Term life	Total
Insurance revenue from contracts measured under PAA	755,316	433,054	121,157	1,309,527
Insurance revenue – total	755,316	433,054	121,157	1,309,527
Incurred claims and other incurred insurance service expenses*	(662,626)	(121,627)	(115,445)	(899,698)
Reversal of losses on onerous contracts	2	-	-	2
Changes that relate to past service	27,888	47,512	13,833	89,233
Insurance acquisition cash flows amortisation	(85,002)	(50,475)	(5,280)	(140,757)
Insurance service expenses – total	(719,738)	(124,590)	(106,892)	(951,220)
Allocation of reinsurance premium paid	(7,477)	(316,649)	(89,584)	(413,710)
Amounts recoverable from reinsurers				
Claims recovered and other directly attributable expenses	(8)	66,951	86,717	153,660
Changes to amounts recoverable for incurred claims	789	(37,205)	(10,880)	(47,296)
Amounts recoverable from reinsurers – net	781	29,746	75,837	106,364
Net expenses from reinsurance contracts – total	(6,696)	(286,903)	(13,747)	(307,346)
Insurance service result from Company's directly written business	28,882	21,561	518	50,961
Share of surplus from insurance pools	-	-	-	829
Total insurance service result	28,882	21,561	518	51,790

*This includes surplus distribution of SAR 8.94 million for the nine-month period ended September 30, 2024.

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

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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 September 30, 2025 (Unaudited)	Three-month period ended September 30, 2024 (Unaudited)	Nine-month period ended September 30, 2025 (Unaudited)	Nine-month period ended September 30, 2024 (Unaudited)
<u>Shareholder with significant influence</u>				
Insurance policies sold	-	10	658	1,287
Claims paid	74	18	159	159
Expenses incurred	1,949	943	3,502	2,871
<u>Entities controlled or jointly controlled by shareholder with significant influence</u>				
Insurance policies sold	3,252	8,473	26,448	41,266
Claims paid	4,322	5,093	11,583	12,490
Facultative premiums ceded	63	63	338	630
Facultative claims recovered	-	27	75	432
Facultative commission received	-	-	-	1
Expenses incurred	763	1,103	3,578	3,675

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 September 30, 2025 (Unaudited)	Three-month period ended September 30, 2024 (Unaudited)	Nine-month period ended September 30, 2025 (Unaudited)	Nine-month period ended September 30, 2024 (Unaudited)
<u>Key management personnel and close relatives</u>				
Insurance policies sold	3	-	23	-
Claims paid	-	-	17	-
Remuneration and related expenses	3,534	3,145	10,221	9,848
Loans and advances	-	402	450	1,846
Long term employee benefits (reversal) / charge	(798)	122	358	335
<u>Board members and close relatives</u>				
Fees and related expenses	153	68	2,226	2,501
Insurance policies sold	18	-	74	-
Claims paid	-	-	1	-

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19 Related party transactions and balances (continued)

	Balance as at September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Shareholder with significant influence</u>		
Premiums receivable	53	1
Claims payable	1	11
Amounts due for expenses	1,246	-
<u>Entities controlled or jointly controlled by shareholder with significant influence</u>		
Premiums receivable	3,458	6,598
Amounts due for facultative transactions	480	830
Claims payable	2,343	3,716
<u>Others (key management personnel, board members and their close relatives)</u>		
Premiums receivable	-	19
Claims payable	2	2
Employee benefits payable to key management personnel	3,826	3,289
Advances due from key management personnel	1,393	1,704
Fees and related expenses payable to board members	53	-

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.

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20 Fair values of financial instruments (continued)

b) Carrying amounts and fair value (continued)

<u>September 30, 2025 – (Unaudited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	63,626	63,626
Investment measured at fair value through profit or loss (FVTPL)				
Equity	46,733	-	-	46,733
Mutual funds	43,811	61,024	-	104,835
Sukuks	-	211,649	-	211,649
Murabaha placements	-	-	37,724	37,724
	<u>90,544</u>	<u>272,673</u>	<u>101,350</u>	<u>464,567</u>
December 31, 2024 – (Audited)				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	61,118	61,118
Investment measured at fair value through profit or loss (FVTPL)				
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 September 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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	116,974	100,245
Additions during the period / year	5,845	10,027
Disposals during the period / year	(26,210)	(11,354)
Fair value gain recognised on:		
Investments carried at FVTPL*	2,233	396
Investments carried at FVTOCI**	2,508	17,660
Fair value gain	4,741	18,056
Balance at the end of the period / year	101,350	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. 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 by 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

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22 Capital management (continued)

As at September 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 120.69 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.

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

During the three-month period ended September 30, 2025, the Company revised its operating segment structure to align with changes in internal reporting and management oversight. Under the new structure, the Company has restructured its operations around three strategic pillars: Motor, Property & Casualty (P&C), and Term life. This change reflects a shift in how the business is managed internally and how performance is reported to and evaluated by the CODM. Accordingly, Motor Comp and Motor TPL now represent one 'Motor' segment and marine, property, engineering and accident & liability now represent a single 'Property & Casualty' segment. Comparative information for prior period has been restated to ensure consistency and comparability.

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.

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

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

	Motor	Property & Casualty	Term life	Total
Insurance revenue	287,608	126,099	21,969	435,676
Insurance service expenses	(315,850)	(36,398)	(2,545)	(354,793)
Net expenses from reinsurance contracts	(1,673)	(58,321)	(15,088)	(75,082)
Insurance service result from Company's directly written business	(29,915)	31,380	4,336	5,801
Share of surplus from insurance pools	-	-	-	670
Total insurance service result	(29,915)	31,380	4,336	6,471
Net gains on investments measured at FVTPL				9,058
Commission income from financial assets not measured at FVTPL				14,490
Dividend income				4
Net investment return				23,552
Net finance expense from insurance contracts	(833)	(1,402)	(155)	(2,390)
Net finance (expense) / income from reinsurance contracts	(1)	1,256	128	1,383
Net insurance finance expense	(834)	(146)	(27)	(1,007)
Net insurance and investment result				29,016
Other income				80
Other operating expenses				(15,248)
Profit for the period attributable to the shareholders before zakat and income tax				13,848
Zakat				(6,250)
Income tax				(250)
Net profit for the period attributable to the shareholders				7,348

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

	Motor	Property & Casualty	Term life	Total
Insurance revenue	838,326	399,167	101,269	1,338,762
Insurance service expenses	(882,389)	(64,599)	(63,347)	(1,010,335)
Net expenses from reinsurance contracts	(7,196)	(277,388)	(30,846)	(315,430)
Insurance service result from Company's directly written business	(51,259)	57,180	7,076	12,997
Share of surplus from insurance pools	-	-	-	1,730
Total insurance service result	(51,259)	57,180	7,076	14,727
Net gains on investments measured at FVTPL				11,098
Commission income from financial assets not measured at FVTPL				44,042
Dividend income				11
Net investment return				55,151
Net finance expense from insurance contracts	(5,731)	(7,094)	(1,398)	(14,223)
Net finance income from reinsurance contracts	15	6,526	1,780	8,321
Net insurance finance (expense) / income	(5,716)	(568)	382	(5,902)
Net insurance and investment result				63,976
Other income				264
Other operating expenses				(36,708)
Profit for the period attributable to the shareholders before zakat and income tax				27,532
Zakat				(13,000)
Income tax				(500)
Net profit for the period attributable to the shareholders				14,032

During the nine-month period ended 30 September 2025, the Company reported a net profit after zakat and income tax of SAR 14.02 million (September 30, 2024: SAR 70.56 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 portfolio owing to increase in net claims incurred.

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23 Operating segments (continued)

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

	Motor	Property & Casualty	Term life	Total
Insurance revenue	272,594	145,517	48,115	466,226
Insurance service expenses	(271,209)	(53,411)	(45,115)	(369,735)
Net expenses / (income) from reinsurance contracts	(2,879)	(85,707)	3,379	(85,207)
Insurance service result from Company's directly written business	(1,494)	6,399	6,379	11,284
Share of surplus from insurance pools	-	-	-	(249)
Total insurance service result	(1,494)	6,399	6,379	11,035
Net loss on investments measured at FVTPL				6,439
Commission income from financial assets not measured at FVTPL				14,881
Dividend income				6
Net investment return				21,326
Net finance expense from insurance contracts	(1,407)	(5,576)	(187)	(7,170)
Net finance income from reinsurance contracts	2	3,643	150	3,795
Net insurance finance expense	(1,405)	(1,933)	(37)	(3,375)
Net insurance and investment result				28,986
Other income				(35)
Other operating expenses				(10,320)
Profit for the period attributable to the shareholders before zakat and income tax				18,631
Zakat				(3,500)
Income tax				(250)
Net profit for the period attributable to the shareholders				14,881

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23 Operating segments (continued)

For the nine-month period ended September 30, 2024 (Unaudited) - Restated

	Motor	Property & Casualty	Term life	Total
Insurance revenue	755,316	433,054	121,157	1,309,527
Insurance service expenses	(719,738)	(124,590)	(106,892)	(951,220)
Net expenses from reinsurance contracts	(6,696)	(286,903)	(13,747)	(307,346)
Insurance service result from Company's directly written business	28,882	21,561	518	50,961
Share of surplus from insurance pools	-	-	-	829
Total insurance service result	28,882	21,561	518	51,790
Net gains on investments measured at FVTPL				10,590
Commission income from financial assets not measured at FVTPL				41,118
Dividend income				16
Net investment return				51,724
Net finance expense from insurance contracts	(6,163)	(9,285)	(1,204)	(16,652)
Net finance income from reinsurance contracts	8	9,048	1,294	10,350
Net insurance finance (expense) / income	(6,155)	(237)	90	(6,302)
Net insurance and investment result				97,212
Other income				357
Other operating expenses				(14,605)
Profit for the period attributable to the shareholders before zakat and income tax				82,964
Zakat				(11,900)
Income tax				(500)
Net profit for the period attributable to the shareholders				70,564

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23 Operating segments (continued)

As at September 30, 2025 (Unaudited)

	Motor	Property & Casualty	Term life	Total
<u>Assets</u>				
Reinsurance contract assets	805	418,049	33,573	452,427
Unallocated assets	-	-	-	1,553,478
Total assets				2,005,905
<u>Liabilities</u>				
Insurance contract liabilities	632,110	600,045	53,551	1,285,706
Reinsurance contract liability	10,231	-	-	10,231
Unallocated liabilities	-	-	-	85,299
Total liabilities				1,381,236

As at December 31, 2024 (Audited) - Restated

	Motor	Property & Casualty	Term life	Total
<u>Assets</u>				
Reinsurance contract assets	1,279	525,310	43,317	569,906
Unallocated assets	-	-	-	1,564,916
Total assets				2,134,822
<u>Liabilities</u>				
Insurance contract liabilities	615,611	711,236	124,205	1,451,052
Reinsurance contract liability	5,132	-	-	5,132
Unallocated liabilities	-	-	-	69,004
Total liabilities				1,525,188

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%
	100%

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

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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.

For the three-month period ended September 30, 2025						
Breakdown of GWP	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	-	87,683	18,715	-	-	106,398
Very small	-	25,825	7,885	-	1,573	35,283
Small	-	23,493	30,016	-	4,044	57,553
Medium	-	38,500	23,728	-	3,860	66,088
Corporate	-	179,029	66,261	-	8,222	253,512
Total	-	354,530	146,605	-	17,699	518,834

For the nine-month period ended September 30, 2025						
Breakdown of GWP	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	-	252,135	44,531	-	-	296,666
Very small	-	54,114	18,811	-	2,077	75,002
Small	-	70,432	75,875	-	7,223	153,530
Medium	-	100,749	106,695	-	12,210	219,654
Corporate	-	457,055	181,113	-	46,597	684,765
Total	-	934,485	427,025	-	68,107	1,429,617

For the three-month period ended September 30, 2024						
Breakdown of GWP	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	-	54,670	3,671	-	-	58,341
Very small	-	5,700	5,119	-	124	10,943
Small	-	18,642	15,044	-	3,041	36,727
Medium	-	24,502	26,458	-	2,644	53,604
Corporate	-	124,089	66,508	-	12,878	203,475
Total	-	227,603	116,800	-	18,687	363,090

For the nine-month period ended September 30, 2024						
Breakdown of GWP	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Retail	-	183,641	10,858	-	-	194,499
Very small	-	18,515	12,090	-	516	31,121
Small	-	52,835	49,821	-	7,292	109,948
Medium	-	91,131	114,048	-	9,346	214,525
Corporate	-	508,443	249,649	-	143,205	901,297
Total	-	854,565	436,466	-	160,359	1,451,390

Total insurance revenue of SAR 436 million (2024: SAR 466 million) for the three-month period ended September 30, 2025 is calculated through adjustment of SAR 83 million (2024: SAR 103 million) for the remaining coverage period and the expected premium receipts which reconcile to the total gross written premium of SAR 519 million (2024: SAR 363 million).

Total insurance revenue of SAR 1,339 million (2024: SAR 1,309 million) for the nine-month period ended September 30, 2025 is calculated through adjustment of SAR 91 million (2024: SAR 142 million) for the remaining coverage period and the expected premium receipts which reconcile to the total gross written premium of SAR 1,430 million (2024: SAR 1,451 million).

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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.

For the three-month period ended September 30, 2025						
Item	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	-	354,530	146,605	-	17,699	518,834
Reinsurance premium ceded – globally (including excess of loss)	-	-	(2,178)	-	(2,892)	(5,070)
Reinsurance premium ceded – locally (including excess of loss)	-	(2,693)	(91,149)	-	(9,222)	(103,064)
Net written premium - total	-	351,837	53,278	-	5,585	410,700

For the nine-month period ended September 30, 2025						
Item	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	-	934,485	427,025	-	68,107	1,429,617
Reinsurance premium ceded – globally (including excess of loss)	-	-	(20,195)	-	(12,369)	(32,564)
Reinsurance premium ceded – locally (including excess of loss)	-	(8,664)	(274,424)	-	(32,275)	(315,363)
Net written premium - total	-	925,821	132,406	-	23,463	1,081,690

For the three-month period ended September 30, 2024						
Item	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	-	227,603	116,800	-	18,687	363,090
Reinsurance premium ceded – globally (including excess of loss)	-	1	(3,424)	-	(3,663)	(7,086)
Reinsurance premium ceded – locally (including excess of loss)	-	(3,014)	(86,578)	-	(9,294)	(98,886)
Net written premium – total	-	224,590	26,798	-	5,730	257,118

For the nine-month period ended September 30, 2024						
Item	Medical	Motor	Property & Casualty	Protection & Savings		Total
				Individual	Group (Term life)	
Gross written premium	-	854,565	436,466	-	160,359	1,451,390
Reinsurance premium ceded – globally (including excess of loss)	-	4	(37,286)	-	(12,179)	(49,461)
Reinsurance premium ceded – locally (including excess of loss)	-	(7,599)	(301,142)	-	(103,053)	(411,794)
Net written premium – total	-	846,970	98,038	-	45,127	990,135

Total allocation of reinsurance premium paid of SAR 325 million (2024: SAR 414 million) for the nine-month period ended September 30, 2025 is calculated through adjustment of SAR 23 million (2024: SAR 47 million) for the remaining coverage period net of reinsurance commission which reconcile to the total reinsurance premium ceded (including excess of loss) of SAR 348 million (2024: SAR 461 million).

26 Net Written Premium (continued)

Total allocation of reinsurance premium paid of SAR 78 million (2024: SAR 138 million) for the three-month period ended September 30, 2025 is calculated through adjustment of SAR 30 million (2024: SAR 32 million) for the remaining coverage period net of reinsurance commission which reconcile to the total reinsurance premium ceded (including excess of loss) of SAR 108 million (2024: SAR 106 million).

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 November 4, 2025 corresponding to Jumada Al-Awwal 13,1447H.