

---

**ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)**

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

---

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
For the three-month and nine-month periods ended 30 September 2025

---

<b><u>INDEX</u></b>	<b><u>PAGES</u></b>
Independent Auditors' Report on the review of condensed interim financial statements	1
Condensed statement of financial position	2
Condensed statement of income	3
Condensed statement of comprehensive income	4
Condensed statement of changes in equity	5
Condensed statement of cashflows	6
Notes to the condensed interim financial statements	7 – 57

**KPMG Professional Services Company**

Zahran Business Center  
Prince Sultan Street  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

**Headquarters in Riyadh**

**PKF Al Bassam**  
Chartered Accountants

P.O. Box 15651  
Jeddah 21454  
Kingdom of Saudi Arabia  
Head Office - Riyadh  
License No. 520/11/323

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

To the Shareholders of  
AlJazira Takaful Taawuni Company  
(A Saudi Joint Stock Company)  
Kingdom of Saudi Arabia

**Introduction**

We have reviewed the accompanying condensed statement of financial position of AlJazira Takaful Taawuni Company – a Saudi Joint Company as at 30 September 2025, the condensed statements of income and comprehensive income for the three-month and nine-month periods then ended, the condensed statements of changes in equity and cash flows for the nine-month period then ended, and notes to 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 (IAS) 34, "Interim Financial Reporting" that is 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 September 2025 of AlJazira Takaful Taawuni Company are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.


**For KPMG Professional Services  
Company**

  
**Abdullah Oudah Althagafi**  
License No. 455



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.

**For PKF Al Bassam Chartered  
Accountants**

  
**Ahmed A. Mohandis**  
License No. 477



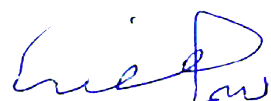
PKF Al Bassam Chartered Accountants] C.R. 1010385804 P.P. License 520/11/323 is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the action or inaction of any individual member or correspondent firm.

Jeddah, 20 Jumada Al Awal 1447H  
Corresponding to 11 November 2025

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
As at 30 September 2025

	Notes	30 September 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
<b>ASSETS</b>			
Cash and cash equivalents	4	72,669	169,782
Investments held to cover unit-linked liabilities at fair value through profit or loss	5.1	1,605,096	1,570,520
Investments held at fair value through profit or loss	5.2	272,268	261,801
Investment held at fair value through other comprehensive income	5.3	63,664	61,155
Investments held at amortised cost	5.4	572,283	514,100
Reinsurance contract assets	6.1	172,761	164,596
Due from a related party	12	2,747	6,182
Prepayments and other assets		14,577	12,203
Property and equipment		6,701	6,610
Right-of-use assets	11	14,970	13,705
Intangible assets		6,488	5,051
Accrued income on statutory deposit	10	6,501	4,524
Statutory deposit	10	65,990	65,990
Goodwill		232,255	232,255
<b>TOTAL ASSETS</b>		<b>3,108,970</b>	<b>3,088,474</b>
<b>LIABILITIES</b>			
Accrued expenses and other liabilities		29,983	22,869
Insurance contract liabilities	6.1	2,040,579	2,029,738
Provision for employee end of service benefits		7,253	6,534
Lease liabilities	11	14,863	13,728
Zakat and income tax	13	16,568	35,405
Accrued income on statutory deposit	10	6,501	4,524
<b>TOTAL LIABILITIES</b>		<b>2,115,747</b>	<b>2,112,798</b>
<b>EQUITY</b>			
Share capital	18	660,000	660,000
Share premium		87,286	87,286
Statutory reserve	9	64,503	64,503
Retained earnings		119,451	104,413
Fair value reserve for investments		61,741	59,232
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>992,981</b>	<b>975,434</b>
Remeasurement reserve of employee end of service benefits - related to insurance operations		242	242
<b>TOTAL EQUITY</b>		<b>993,223</b>	<b>975,676</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,108,970</b>	<b>3,088,474</b>

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Managing Director

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED STATEMENT OF INCOME**

For the three-month and nine-month periods ended 30 September 2025

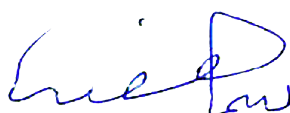
	Notes	<i>Three-month period ended 30 September 2025 (Unaudited) SAR '000</i>	<i>Three-month period ended 30 September 2024 (Unaudited) SAR '000</i>	<i>Nine-month period ended 30 September 2025 (Unaudited) SAR '000</i>	<i>Nine-month period ended 30 September 2024 (Unaudited) SAR '000</i>
Insurance revenue	7	95,670	76,702	266,566	250,941
Insurance service expenses	7	(78,015)	(70,905)	(207,582)	(319,296)
Net (expenses) / income from reinsurance contracts held	7	(1,746)	927	(24,029)	98,750
<b>Insurance service result from Company's directly written business</b>		<b>15,909</b>	<b>6,724</b>	<b>34,955</b>	<b>30,395</b>
Share of surplus from insurance pools		--	223	2,845	2,909
<b>Total insurance service result</b>		<b>15,909</b>	<b>6,947</b>	<b>37,800</b>	<b>33,304</b>
Net income on investments held at FVTPL	5.1 & 5.2	65,468	77,039	118,955	199,024
Commission income on investments held at amortised cost	5.4	5,319	4,665	15,876	13,432
Commission income on short term deposits	4	199	753	1,122	2,500
Net impairment reversal on financial assets		--	(8)	--	(8)
<b>Net investment return</b>		<b>70,986</b>	<b>82,449</b>	<b>135,953</b>	<b>214,948</b>
Net finance expense from insurance contracts issued	8	(62,014)	(69,981)	(115,115)	(193,280)
Net finance income / (expense) from reinsurance contracts held	8	436	(3,709)	3,369	1,995
<b>Net insurance finance expense</b>		<b>(61,578)</b>	<b>(73,690)</b>	<b>(111,746)</b>	<b>(191,285)</b>
<b>Net insurance and investment result</b>		<b>25,317</b>	<b>15,706</b>	<b>62,007</b>	<b>56,967</b>
Other income		113	1,560	218	2,377
Other operating expenses		(9,775)	(5,451)	(23,934)	(21,257)
<b>Income for the period attributable to the shareholders before zakat and income tax</b>		<b>15,655</b>	<b>11,815</b>	<b>38,291</b>	<b>38,087</b>
Zakat charge	13.1	(922)	(2,761)	(3,042)	(4,871)
Income tax	13.2	(88)	205	(411)	(86)
<b>Net income for the period attributable to the shareholders</b>		<b>14,645</b>	<b>9,259</b>	<b>34,838</b>	<b>33,130</b>
Weighted average number of ordinary shares outstanding (in thousands of shares)	18	66,000	66,000	66,000	66,000
<b>Earnings per share for the period (SAR / share) (Basic and diluted)</b>	18	<b>0.22</b>	<b>0.14</b>	<b>0.53</b>	<b>0.50</b>



Chairman



Managing Director



Chief Financial Officer

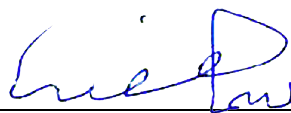
The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
For the three-month and nine-month periods ended 30 September 2025

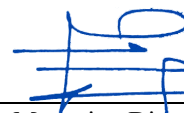
		<i>Three-month period ended 30 September 2025 (Unaudited) SAR'000</i>	<i>Three-month period ended 30 September 2024 (Unaudited) SAR'000</i>	<i>Nine-month period ended 30 September 2025 (Unaudited) SAR'000</i>	<i>Nine-month period ended 30 September 2024 (Unaudited) SAR'000</i>
<b>Net income for the period attributable to the shareholders</b>		<b>14,645</b>	9,259	<b>34,838</b>	33,130
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to statement of income in subsequent years</i>					
Net change in fair value of investment held at FVOCI – equity instruments	5.3	--	--	<b>2,509</b>	--
<b>Total comprehensive income for the period</b>		<b>14,645</b>	9,259	<b>37,347</b>	33,130



Chairman



Chief Financial Officer



Managing Director

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

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED STATEMENT OF CHANGES IN EQUITY  
For the nine-month period ended 30 September 2025

	Shareholders' equity						Re-measurement reserve of employee benefits – related to insurance operations	Total equity
	Share capital SAR'000	Share premium SAR'000	Statutory reserve SAR'000	Retained earnings SAR'000	Fair value revaluation reserve SAR'000	Total shareholders' equity SAR'000	SAR'000	SAR'000
Balance at 1 January 2025 – (Audited)	660,000	87,286	64,503	104,413	59,232	975,434	242	975,676
Net income for the period attributable to the shareholders	--	--	--	34,838	--	34,838	--	34,838
Other comprehensive income	--	--	--	--	2,509	2,509	--	2,509
Total comprehensive income for the period attributable to shareholders	--	--	--	34,838	2,509	37,347	--	37,347
Transactions with the shareholders of the Company:								
Cash dividend (Note 18.1)	--	--	--	(19,800)	--	(19,800)	--	(19,800)
Balance as at 30 September 2025 - (Unaudited)	660,000	87,286	64,503	119,451	61,741	992,981	242	993,223
Balance at 1 January 2024 – (Audited)	660,000	87,286	57,062	94,451	41,561	940,360	(84)	940,276
Net income for the period attributable to the shareholders	--	--	--	33,130	--	33,130	--	33,130
Other comprehensive income	--	--	--	--	--	--	--	--
Total comprehensive income for the period attributable to shareholders	--	--	--	33,130	--	33,130	--	33,130
Cash dividend (Note 18.1)	--	--	--	(19,800)	--	(19,800)	--	(19,800)
Balance as at 30 September 2024 - (Unaudited)	660,000	87,286	57,062	107,781	41,561	953,690	(84)	953,606

Chairman

Chief Financial Officer

Managing Director

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

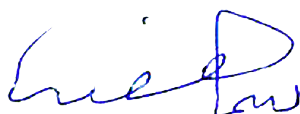


**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED STATEMENT OF CASHFLOWS**  
For the nine-month period ended 30 September 2025

	Notes	30 September 2025 (Unaudited) SAR'000	30 September 2024 (Unaudited) SAR'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period attributable to the shareholders		34,838	33,130
<b>Adjustments for non-cash items:</b>			
Commission from investments held at amortised cost	5.4	(15,876)	(13,432)
Net income on investments held at FVTPL	5.2	(8,020)	(10,218)
Commission income on short term deposits	4	(1,122)	(2,500)
Depreciation and amortization		2,322	1,362
Depreciation of right-of-use assets		1,530	1,272
Finance cost on lease liabilities	11	585	322
Net impairment loss on financial assets		--	8
Gain on modification of lease		--	(64)
Expense charged to profit or loss related to employee's benefit		1,126	1,125
Zakat and income tax expense	13	3,453	4,957
		<u>18,836</u>	<u>15,962</u>
<u>Changes in operating assets and liabilities:</u>			
Insurance and reinsurance contract assets and liabilities		2,676	92,223
Investments held to cover unit-linked liabilities		(34,576)	(100,282)
Due to and from related parties		3,435	4,338
Prepayments and other assets		(2,374)	3,874
Accrued expenses and other liabilities		<u>7,114</u>	<u>3,787</u>
Cash generated from operations		<u>(4,889)</u>	<u>19,902</u>
Zakat and income tax paid	13	(22,290)	(28,131)
Employee end of service benefits paid		<u>(407)</u>	<u>(1,435)</u>
<b>Net cash used in operating activities</b>		<u>(27,586)</u>	<u>(9,664)</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of investments held at FVTPL	5.2	--	4,988
Purchase of investments held at FVTPL	5.2	(10,000)	(19,607)
Purchase of investments held at amortised cost	5.4	(60,000)	(33,516)
Proceeds from redemption of investment held at amortised cost	5.4	7,057	15,177
Commission received from investments held at amortised cost	5.4	10,636	15,570
Income received from investments held at FVTPL	5.2	7,553	8,273
Commission income on short term deposits	4	1,122	2,226
Purchase of property and equipment and intangible assets		<u>(3,850)</u>	<u>(7,334)</u>
<b>Net cash used in investing activities</b>		<u>(47,482)</u>	<u>(14,223)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities – principal portion	11	(1,660)	(1,673)
Repayment of lease liabilities – interest portion		(585)	(572)
Dividend paid	18.1	<u>(19,800)</u>	<u>--</u>
<b>Net cash used in financing activities</b>		<u>(22,045)</u>	<u>(2,245)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(97,113)</u>	<u>(26,132)</u>
Cash and cash equivalents at the beginning of the period	4	<u>169,782</u>	<u>117,616</u>
<b>Cash and cash equivalents at the end of the period</b>	4	<u>72,669</u>	<u>91,484</u>



Chairman



Chief Financial Officer



Managing Director

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



**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

---

**1. GENERAL**

AlJazira Takaful Taawuni Company (the “Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia pursuant to the Council of Ministers’ resolution No. 137 dated 27 Rabi' Al-Thani 1431H (corresponding to 12 April 2010) and Royal Decree No. M/23 dated 28 Rabi' Al-Thani 1431H corresponding to 13 April 2010. The Company obtained its Commercial Registration (“CR”) 4030251980 and Unified Number 7001791990 on 2 Ramadan 1434H corresponding to 10 July 2013 and Ministry of Commerce’s Resolution dated 24 Sha’baan 1434H corresponding to 3 July 2013. The Company operates only in the Kingdom of Saudi Arabia. The Company has the following branches, and the assets, liabilities, and results of operations of these branches and offices are included in these condensed interim financial statements:

<u>Branch</u>	<u>CR Number</u>	<u>Date</u>
Riyadh	1010435872	13 Shawwal 1436
AlKhobar	2051224259	24 Jumada Al-Awal 1440

The registered office address of the Company is:  
Building No. 3217, Hira Street, Al-Salamah District  
P.O. Box 5215, Jeddah 21422, Kingdom of Saudi Arabia.

From 23 November 2023 the Insurance Authority (IA) became the authorized regulator (herein after referred to as “the Regulator”) of the insurance industry in the Kingdom of Saudi Arabia, however, laws and regulations issued previously by the Saudi Central Bank (“SAMA”) related to the insurance sector will remain in effect until further instructions are issued by the Regulator. The objectives of the Company are to engage in providing insurance products that include protection and saving insurance products and related services in accordance with its By-Laws and applicable regulations in the Kingdom of Saudi Arabia. On 13 Jumada al-Thani 1442H (corresponding to 26 January 2021), the Company amended its By-Laws to include the objective of practicing general insurance and health insurance business. The Company received license number TMN/34/201312 dated 15 Safar 1435H (corresponding to 18 December 2013) from SAMA to conduct insurance business.

During the period ended 30 September 2025, the Company introduced two new products, the Istithmar Plus, a single premium unit-linked policy under individual life segment, and the Domestic Helper Policy under non-life segment. Both products have been approved by the Insurance Authority. The Istithmar Plus product is accounted for under the Variable Fee Approach (VFA), whereas the Domestic Helper Policy is accounted for under the Premium Allocation Approach (PAA).

The Company is owned 97.71% by Saudi shareholders’ and the general public subject to Zakat and 2.29% by non-Saudi shareholders subject to income tax.

**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”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

As required by the Saudi Arabian Insurance Regulations (the Implementation Regulations), the Company maintains separate books of accounts for “Insurance Operations” and “Shareholders’ Operations”. Accordingly, assets, liabilities, revenues and expenses clearly attributable to either operation, are recorded in the respective books of accounts and disclosed in these condensed interim financial statements.

In preparing the Company’s financial statements in compliance with IFRS Accounting Standards 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.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

---

**2. BASIS OF PREPARATION (continued)**

***b) Basis of measurement***

The condensed interim financial statements have been prepared on the historical cost basis, except for investments held to cover unit-linked liabilities, investments held at fair value through profit or loss and investments held at fair value through other comprehensive income that are measured at fair value and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cashflows that are expected to arise as the Company fulfils its contractual obligations and a contractual service margin ("CSM") in accordance with IFRS 17. Further, the condensed interim financial statements are prepared using the accrual basis of accounting and the going concern assumption.

***c) Basis of presentation***

The condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended 31 December 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. 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, prepayments and other assets, accrued income on statutory deposit, accrued expenses and other liabilities, zakat and income tax, accrued income on statutory deposit and due from a related party.

The balances which are considered non-current include investments held at fair value through profit or loss, investments held at amortised cost, investments held at fair value through other comprehensive income, property and equipment, right-of-use assets, intangible assets, statutory deposit, employee benefits and goodwill.

The balances which are of mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract assets and lease liabilities.

***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) Seasonality of operations***

Other than normal seasonality in the Medical Insurance Business in the Kingdom of Saudi Arabia, there are no seasonal changes that may affect the insurance operations of the Company.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

---

**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 31 December 2024 except as explained below:

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

A number of other amendments became applicable for the current reporting period i.e. for reporting periods beginning on or after 1 January 2025. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

<u>Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
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.	1 January 2025

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

Certain new interpretations issued but not yet effective up to the date of issuance of the Company's condensed interim financial statements are listed below. The listing is of interpretations issued, which the Company reasonably expects to be applicable at a future date. Management is in the process of assessing the impact of such new interpretations on its financial statements however no material impact is expected based on the current operations of the Company. The Company intends to adopt these interpretations when they are effective.

<u>Interpretation</u>	<u>Description</u>	<u>Effective date</u>
Amendments to the Classification and Measurement of Financial Instruments and power purchase arrangements – 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, guidance on derecognition of financial liability settled through electronic transfers 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. Further, the amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**3. MATERIAL ACCOUNTING POLICIES (continued)**

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

<b><u>Interpretation</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
Annual Improvements to IFRS Accounting Standards — Volume 11	The pronouncement comprises the amendments of IFRS 1: Hedge accounting by a first-time adopter, IFRS 7: Gain or loss on derecognition, IFRS 7: Disclosure of deferred difference between fair value and transaction price, IFRS 7: Introduction and credit risk disclosures, IFRS 9: Lessee derecognition of lease liabilities, IFRS 9: Transaction price, IFRS 10: Determination of a 'de facto agent' and IAS 7: Cost method.	1 January 2026
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.	1 January 2027
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.	1 January 2027
IFRS S1 & IFRS S2, 'Climate related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Not yet endorsed by the SOCPA

**3.3. 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. During the period ended 30 September 2025, the management has further disaggregated its unit of account for its motor portfolio under non-life segment and included a new cohort, "Motor Third Party Liability – Corporate" for further granularity. 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 31 December 2024 other than disaggregation of cohorts.

**4. CASH AND CASH EQUIVALENTS**

	<b>30 September 2025 (Unaudited) SAR '000</b>	<b>31 December 2024 (Audited) SAR '000</b>
Cash at banks	<b>72,681</b>	122,863
Short term deposits	<b>--</b>	46,932
	<b>72,681</b>	169,795
Less: allowance for expected credit loss	<b>(12)</b>	(13)
Total	<b>72,669</b>	169,782

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**4. CASH AND CASH EQUIVALENTS (continued)**

Cash and cash equivalents include the amount of SAR 69.1 million (31 December 2024: SAR 129.65 million) held with Bank AlJazira “the founding shareholder”. 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.

Short term deposits represent deposits with Bank AlJazira “the founding shareholder” that have an original maturity of less than 90 days. During the nine-month period ended 30 September 2025, the Company recorded commission income from short term deposits amounting to SAR 1.12 million (30 September 2024: SAR 2.5 million).

**5. INVESTMENTS**

	<i>30 September 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
<i>Investments held to cover unit-linked liabilities at fair value through profit or loss (note 5.1)</i>	<u>1,605,096</u>	<u>1,570,520</u>
<i>Investments held at FVTPL (note 5.2)</i>		
Tier 1 Sukuks	255,034	242,166
Equity shares – quoted	<u>17,234</u>	<u>19,635</u>
	<u>272,268</u>	<u>261,801</u>
<i>Investment held at FVOCI (note 5.3)</i>		
Equity shares in Najm	<u>63,664</u>	<u>61,155</u>
<i>Investments held at amortised cost (note 5.4)</i>		
Sukuks	404,893	414,123
Murabaha deposits	167,413	100,000
Less: allowance for expected credit loss	<u>(23)</u>	<u>(23)</u>
	<u>572,283</u>	<u>514,100</u>

**5.1 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

Investments held to cover unit-linked liabilities are classified as fair value through profit or loss (FVTPL) investments. Investment of Insurance operations comprises of units of mutual funds denominated in Saudi Arabian Riyals (SAR) and United States Dollars (USD) managed by AlJazira Capital, “the founding shareholder”.

<b>Mutual funds</b>	<b>Denomination</b>	<i>30 September 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
AlJazira Saudi Equities Fund	SAR	445,166	470,583
AlJazira Diversified Aggressive Fund	SAR	334,650	307,674
AlJazira International Equities Fund	USD	232,123	216,622
AlJazira Japanese Equities Fund	USD	169,827	165,975
AlJazira European Equities Fund	USD	157,997	147,361
AlJazira Saudi Riyal Murabaha Fund	SAR	141,531	143,759
AlJazira Diversified Balanced Fund	SAR	93,274	90,417
AlJazira Diversified Conservative Fund	SAR	30,528	28,129
<b>Total</b>		<u>1,605,096</u>	<u>1,570,520</u>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**5. INVESTMENTS (continued)**

**5.1 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

The movement in investments held to cover unit-linked liabilities during the period is as follows:

	<b>30 September 2025 (Unaudited) SAR'000</b>	<b>30 September 2024 (Unaudited) SAR'000</b>
Balance at the beginning of the period	1,570,520	1,532,445
Redemptions during the period, net	(75,663)	(88,524)
Changes in fair value during the period	110,239	188,806
<b>Balance at the end of the period</b>	<b>1,605,096</b>	<b>1,632,727</b>

**5.2 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**

The fair value through profit or loss investments represent investments in quoted equity shares and investment in corporate sukuk that are perpetual, which failed solely payment of principal and interest (SPPI) assessment.

The investments in corporate sukuk carry a markup of 3.5% to 6.0%. Movement in investment in corporate sukuk during the period ended is as follows:

	<b>30 September 2025 (Unaudited) SAR'000</b>	<b>30 September 2024 (Unaudited) SAR'000</b>
Balance at beginning of the period	242,166	247,142
Purchases during the period	10,000	--
Disposals during the period	--	(4,988)
Net income for the period	10,421	2,852
Net income received during the period	(7,553)	--
<b>Balance at the end of the period</b>	<b>255,034</b>	<b>245,006</b>

The movement in investment in equity securities during the period is as follows:

	<b>30 September 2025 (Unaudited) SAR'000</b>	<b>30 September 2024 (Unaudited) SAR'000</b>
Balance at beginning of the period	19,635	--
Purchases during the period	--	19,607
Fair value change during the period	(2,401)	(637)
<b>Balance at the end of the period</b>	<b>17,234</b>	<b>18,970</b>

During the period, the Company earned a dividend of SR 0.70 million from the investment in quoted equity securities (30 September 2024: 0.34 million).

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**5.3 INVESTMENTS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)**

	<i>30 September 2025 (Unaudited) SAR'000</i>	<i>30 September 2024 (Unaudited) SAR'000</i>
Balance at the beginning of the period	61,155	43,484
Changes in fair value of the investment	2,509	--
Balance at the end of the period	<u>63,664</u>	<u>43,484</u>

The above represents Company's holding of 3.45% (31 December 2024: 3.45%) in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are unquoted and are carried at fair value. The Company has determined the fair value of its investment in Najm to be SAR 63.67 million as at 31 March 2025 based on the valuation exercise performed by an independent valuer. The management believes that there is no significant change in the fair value during the period ended 30 September 2025. Refer to note 14 for the details relating to fair value techniques.

**5.4 INVESTMENTS HELD AT AMORTISED COST**

Investments held at amortised cost represent Sukuks with remaining maturities of 12 to 30 years. The average coupon rate on these sukuk ranges between 1.83% to 5.8% per annum (30 September 2024: 1.83% to 4.33%). Investments held at amortised cost also include Murabaha deposit of SAR 160 million (31 December 2024: SAR 100 million) with a maturity period of more than 90 days and carry commission at the rate of 5.35% to 5.80% per annum (31 December 2024: 6.2%).

The movement in the investments held at amortised cost for the period ended 30 September 2025 and 30 September 2024 is as follows:

	<i>30 September 2025 (Unaudited) SAR'000</i>	<i>30 September 2024 (Unaudited) SAR'000</i>
Balance at the beginning of the period	514,125	503,805
Investments purchased during the period	60,000	33,516
Investments matured during the period	(7,057)	(15,177)
Commission income for the period	15,876	13,432
Commission received during the period	(10,636)	(15,570)
Balance at the end of the period – gross	<u>572,308</u>	<u>520,006</u>
Less: allowance for expected credit loss	(25)	(27)
Balance at the end of the period – net	<u>572,283</u>	<u>519,979</u>

5.4.1 The gross carrying amount of investments held 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 S&P Global Ratings' rating of AAA to BBB.



ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS**

**6.1 Composition of statement of financial position**

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

	Non-life	Individual life	Group life	Total
	SAR'000			
<b><u>30 September 2025 (Unaudited)</u></b>				
<b>Insurance contracts:</b>				
Insurance contract liabilities (see below notes)	<b>340,081</b>	<b>1,658,416</b>	<b>42,082</b>	<b>2,040,579</b>
<b>Reinsurance contracts:</b>				
Reinsurance contract assets (see below notes)	<b>(130,040)</b>	<b>(12,422)</b>	<b>(30,299)</b>	<b>(172,761)</b>
	Non-life	Individual life	Group life	Total
	SAR'000			
<b><u>31 December 2024 (Audited)</u></b>				
<b>Insurance contracts:</b>				
Insurance contract liabilities (see below notes)	326,207	1,609,842	93,689	2,029,738
<b>Reinsurance contracts:</b>				
Reinsurance contract assets (see below notes)	(133,906)	(2,308)	(28,382)	(164,596)

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.1 Non-life insurance contracts:**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Non-life				
	As at 30 September 2025 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	70,389	5,442	228,862	21,514	326,207
Insurance contract assets – opening	--	--	--	--	--
<b>Opening balance – net (Audited)</b>	<b>70,389</b>	<b>5,442</b>	<b>228,862</b>	<b>21,514</b>	<b>326,207</b>
<b><i>Changes in the statement of income</i></b>					
<b>Insurance revenue (note 7)</b>	<b>(184,948)</b>	--	--	--	<b>(184,948)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses (note 7)	--	--	120,980	--	120,980
Insurance acquisition cashflows amortization (note 7)	29,192	--	--	--	29,192
Losses on onerous contracts (note 7)	--	3,831	--	--	3,831
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	18,883	(7,966)	10,917
<b>Insurance service expenses</b>	<b>29,192</b>	<b>3,831</b>	<b>139,863</b>	<b>(7,966)</b>	<b>164,920</b>
Finance expense from insurance contracts (note 8)	--	--	3,233	971	4,204
<b>Total changes in the statement of income</b>	<b>(155,756)</b>	<b>3,831</b>	<b>143,096</b>	<b>(6,995)</b>	<b>(15,824)</b>
<b>Cashflows</b>					
Premiums received	186,759	--	--	--	186,759
Claims and other directly attributable expenses paid	--	--	(127,869)	--	(127,869)
Insurance acquisition cashflows paid	(29,192)	--	--	--	(29,192)
<b>Total cash inflows / (outflows)</b>	<b>157,567</b>	<b>--</b>	<b>(127,869)</b>	<b>--</b>	<b>29,698</b>
<b>Net closing balance</b>	<b>72,200</b>	<b>9,273</b>	<b>244,089</b>	<b>14,519</b>	<b>340,081</b>
Insurance contract liabilities – closing	72,200	9,273	244,089	14,519	340,081
Insurance contract assets – closing	--	--	--	--	--
<b>Closing balance – net (Unaudited)</b>	<b>72,200</b>	<b>9,273</b>	<b>244,089</b>	<b>14,519</b>	<b>340,081</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.1 Non-life insurance contracts (continued):**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Non-life				
	As at 31 December 2024 (Audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
	SAR '000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	72,766	1,384	113,028	3,399	190,577
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	72,766	1,384	113,028	3,399	190,577
<u>Changes in the statement of income</u>					
Insurance revenue	(224,608)	--	--	--	(224,608)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	162,527	--	162,527
Insurance acquisition cash flows amortization	26,344	--	--	--	26,344
Losses on onerous contracts	--	4,058	--	--	4,058
Changes that relate to past service - adjustments to the LIC	--	--	126,618	17,909	144,527
Insurance service expenses	26,344	4,058	289,145	17,909	337,456
Finance expense from insurance contracts	--	--	(24)	206	182
Total changes in the statement of income	(198,264)	4,058	289,121	18,115	113,030
Cash flows					
Premiums received	222,231	--	--	--	222,231
Claims and other directly attributable expenses paid	--	--	(173,287)	--	(173,287)
Insurance acquisition cash flows paid	(26,344)	--	--	--	(26,344)
Total cash inflows / (outflows)	195,887	--	(173,287)	--	22,600
Net closing balance	70,389	5,442	228,862	21,514	326,207
Insurance contract liabilities – closing	70,389	5,442	228,862	21,514	326,207
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	70,389	5,442	228,862	21,514	326,207

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.1 Non-life insurance contracts:**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Non-life				
	As at 30 September 2024 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	72,766	1,384	113,028	3,399	190,577
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	72,766	1,384	113,028	3,399	190,577
<u>Changes in the statement of income</u>					
Insurance revenue (note 7)	(169,227)	--	--	--	(169,227)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	112,075	--	112,075
Insurance acquisition cashflows amortization (note 7)	20,012	--	--	--	20,012
Reversals of losses on onerous contracts (note 7)	--	(572)	--	--	(572)
Changes that relate to past service - adjustments to the LIC (note 7) *	--	--	130,953	20,484	151,437
Insurance service expenses	20,012	(572)	243,028	20,484	282,952
Finance expense from insurance contracts (note 8)	--	--	3,427	154	3,581
Total changes in the statement of income	(149,215)	(572)	246,455	20,638	117,306
Cashflows					
Premiums received	123,780	--	--	--	123,780
Claims and other directly attributable expenses paid	--	--	(113,476)	--	(113,476)
Insurance acquisition cashflows paid	(20,012)	--	--	--	(20,012)
Total cash inflows / (outflows)	103,768	--	(113,476)	--	(9,708)
Net closing balance	27,319	812	246,007	24,037	298,175
Insurance contract liabilities – closing	27,319	812	246,007	24,037	298,175
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	27,319	812	246,007	24,037	298,175

\* The changes that relate to past service adjustments to the LIC mainly include one-off claim amounted to SAR 99.95 million recorded in the insurance contract liabilities as of 30 September 2024.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.2 Non-life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 September 2025 (Unaudited)				
	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	
	SAR'000				
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract liabilities – opening	--	--	--	--	--
<b>Opening balance – net (Audited)</b>	<b>6,309</b>	<b>--</b>	<b>(121,601)</b>	<b>(18,614)</b>	<b>(133,906)</b>
<b>Changes in the statement of income</b>					
<b>Allocation of reinsurance premium paid (note 7)</b>	<b>21,877</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>21,877</b>
<b>Amounts recoverable from reinsurers</b>					
Recoveries of incurred claims and other insurance service expenses	(4,021)	--	(6,039)	8,453	(1,607)
Changes that relate to past service – adjustments to the LIC	--	--	4,465	51	4,516
<b>Amounts recoverable from reinsurers – net (note 7)</b>	<b>(4,021)</b>	<b>--</b>	<b>(1,574)</b>	<b>8,504</b>	<b>2,909</b>
Finance income from reinsurance contracts (note 8)	--	--	(1,856)	(835)	(2,691)
<b>Total changes in the statement of income</b>	<b>17,856</b>	<b>--</b>	<b>(3,430)</b>	<b>7,669</b>	<b>22,095</b>
<b>Cashflows</b>					
Premiums ceded and acquisition cashflows paid	(28,259)	--	--	--	(28,259)
Recoveries from reinsurance	3,991	--	6,039	--	10,030
<b>Total cash (outflows) / inflows</b>	<b>(24,268)</b>	<b>--</b>	<b>6,039</b>	<b>-</b>	<b>(18,229)</b>
<b>Net closing balance</b>	<b>(103)</b>	<b>--</b>	<b>(118,992)</b>	<b>(10,945)</b>	<b>(130,040)</b>
Reinsurance contract assets – closing	(103)	--	(118,992)	(10,945)	(130,040)
Reinsurance contract liabilities – closing	--	--	--	--	--
<b>Closing balance – net (Unaudited)</b>	<b>(103)</b>	<b>--</b>	<b>(118,992)</b>	<b>(10,945)</b>	<b>(130,040)</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.2 Non-life reinsurance contracts (continued):**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Non-life				
	As at 31 December 2024 (Audited)				
	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	
	SAR'000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	4,674	--	(12,108)	(487)	(7,921)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	4,674	--	(12,108)	(487)	(7,921)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid	31,788	--	--	--	31,788
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	(4,228)	--	(7,017)	(17,979)	(29,224)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC	--	--	(110,497)	(118)	(110,615)
Amounts recoverable from reinsurers – net	(4,228)	--	(117,514)	(18,097)	(139,839)
Finance (income) / expense from reinsurance contracts	--	--	238	(30)	208
Total changes in the statement of income	27,560	--	(117,276)	(18,127)	(107,843)
<u>Cash flows</u>					
Premiums ceded and acquisition cash flows paid	(30,219)	--	--	--	(30,219)
Recoveries from reinsurance	4,294	--	7,783	--	12,077
Total cash (outflows) / inflows	(25,925)	--	7,783	--	(18,142)
Net closing balance	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract assets – closing	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	6,309	--	(121,601)	(18,614)	(133,906)

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.2 Non-life reinsurance contracts:**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

						Non-life									
						As at 30 September 2024 (Unaudited)									
						Asset for		Asset for		Total					
						remaining coverage		incurred claims							
						Excluding loss recovery component		Loss recovery component		Estimates of present value of FCF		Risk adjustment for non-financial risk			
										SAR'000					
<u>Reinsurance contracts</u>															
Reinsurance contract assets – opening						4,674		--		(12,108)		(487)		(7,921)	
Reinsurance contract liabilities – opening						--		--		--		--		--	
Opening balance – net (Audited)						4,674		--		(12,108)		(487)		(7,921)	
<u>Changes in the statement of income</u>															
Allocation of reinsurance premium paid (note 7)						17,841		--		--		--		17,841	
Amounts recoverable from reinsurers															
Recoveries of incurred claims and other insurance service expenses						(3,730)		--		(478)		(18,878)		(23,086)	
Changes that relate to past service – adjustments to the LIC *						--		--		(107,530)		(65)		(107,595)	
Amounts recoverable from reinsurers – net (note 7)						(3,730)		--		(108,008)		(18,943)		(130,681)	
Finance income from reinsurance contracts (note 8)						--		--		(1,516)		(22)		(1,538)	
Total changes in the statement of income						14,111		--		(109,524)		(18,965)		(114,378)	
Cashflows															
Premiums ceded and acquisition cashflows paid						(20,229)		--		--		--		(20,229)	
Recoveries from reinsurance						3,756		--		444		--		4,200	
Total cash (outflows) / inflows						(16,473)		--		444		--		(16,029)	
Net closing balance						2,312		--		(121,188)		(19,452)		(138,328)	
Reinsurance contract assets – closing						2,312		--		(121,188)		(19,452)		(138,328)	
Reinsurance contract liabilities – closing						--		--		--		--		--	
Closing balance – net (Unaudited)						2,312		--		(121,188)		(19,452)		(138,328)	

\* It includes an amount of SAR 97 million of reinsurance share recorded against the one-off claims as of 30 September 2024 in the reinsurance contract assets.



ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:

	Individual life			
	As at 30 September 2025 (Unaudited)			
	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
	SAR'000			
<b>Insurance contracts</b>				
Insurance contract liabilities – opening	1,553,613	869	55,360	-- 1,609,842
Insurance contract assets – opening	--	--	--	-- --
<b>Opening balance – net (Audited)</b>	<b>1,553,613</b>	<b>869</b>	<b>55,360</b>	<b>-- 1,609,842</b>
<b>Changes in the statement of income</b>				
Insurance revenue (note 7)	(29,060)	--	--	-- (29,060)
<b>Insurance service expenses</b>				
Incurred claims and other directly attributable expenses (note 7)	--	--	10,278	-- 10,278
Reversal of losses on onerous contracts (note 7)	--	(868)	--	-- (868)
Insurance acquisition cashflows amortization (note 7)	498	--	--	-- 498
<b>Insurance service expenses</b>	<b>498</b>	<b>(868)</b>	<b>10,278</b>	<b>-- 9,908</b>
Investment component	(162,483)	--	162,483	-- --
Net finance expense from insurance contracts (note 8)	110,240	--	--	-- 110,240
<b>Total changes in the statement of income</b>	<b>(80,805)</b>	<b>(868)</b>	<b>172,761</b>	<b>-- 91,088</b>
<b>Cashflows</b>				
Premiums received	117,449	--	--	-- 117,449
Claims and other directly attributable expenses paid	--	--	(158,630)	-- (158,630)
Insurance acquisition cashflows	(1,333)	--	--	-- (1,333)
<b>Total cash inflows / (outflows)</b>	<b>116,116</b>	<b>--</b>	<b>(158,630)</b>	<b>-- (42,514)</b>
<b>Net closing balance</b>	<b>1,588,924</b>	<b>1</b>	<b>69,491</b>	<b>-- 1,658,416</b>
Insurance contract liabilities – closing	1,588,924	1	69,491	-- 1,658,416
Insurance contract assets – closing	--	--	--	-- --
<b>Closing balance – net (Unaudited)</b>	<b>1,588,924</b>	<b>1</b>	<b>69,491</b>	<b>-- 1,658,416</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.3 Individual life insurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 September 2025 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	CSM	Total
	SAR'000			
<b>Insurance contracts</b>				
Insurance contract liabilities – opening	1,469,853	2,089	137,900	1,609,842
Insurance contract assets – opening	--	--	--	--
<b>Opening balance – net (Audited)</b>	<b>1,469,853</b>	<b>2,089</b>	<b>137,900</b>	<b>1,609,842</b>
<b><u>Changes in the statement of income</u></b>				
<b>Changes related to current services</b>				
CSM recognised for services provided	--	--	(17,629)	(17,629)
Change in risk adjustment for non-financial risk for risk expired	--	(254)	--	(254)
Experience adjustments	(2,371)	--	--	(2,371)
	(2,371)	(254)	(17,629)	(20,254)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	(6,212)	133	6,079	--
Changes in estimates that adjust the CSM	(5,272)	(70)	4,472	(870)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	1,972	--	--	1,972
Net finance expense from insurance contracts (note 8)	110,240	--	--	110,240
<b>Total changes in the statement of income</b>	<b>98,357</b>	<b>(191)</b>	<b>(7,078)</b>	<b>91,088</b>
<b>Cashflows</b>				
Premiums received	117,449	--	--	117,449
Claims and other directly attributable expenses paid	(158,630)	--	--	(158,630)
Insurance acquisition cashflows	(1,333)	--	--	(1,333)
<b>Total cash outflows</b>	<b>(42,514)</b>	<b>--</b>	<b>--</b>	<b>(42,514)</b>
<b>Net closing balance</b>	<b>1,525,696</b>	<b>1,898</b>	<b>130,822</b>	<b>1,658,416</b>
Insurance contract liabilities – closing	1,525,696	1,898	130,822	1,658,416
Insurance contract assets – closing	--	--	--	--
<b>Closing balance – net (Unaudited)</b>	<b>1,525,696</b>	<b>1,898</b>	<b>130,822</b>	<b>1,658,416</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.3 Individual life insurance contracts (continued):**

**Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:**

	Individual life				
	As at 31 December 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		<u>Total</u>
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	1,500,101	--	55,466	--	1,555,567
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	1,500,101	--	55,466	--	1,555,567
<u>Changes in the statement of income</u>					
Insurance revenue	(39,286)	--	--	--	(39,286)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	12,618	--	12,618
Changes that relate to past service – adjustments to the LIC	501	--	--	--	501
Insurance acquisition cash flows amortization	--	869	--	--	869
Insurance service expenses	501	869	12,618	--	13,988
Investment component	(211,586)	--	211,586		-
Net finance expense from insurance contracts	165,365	--	--	--	165,365
Total changes in the statement of income	(85,006)	869	224,204	--	140,067
Cash flows					
Premiums received	144,294	--	--	--	144,294
Claims and other directly attributable expenses paid	--	--	(224,310)	--	(224,310)
Insurance acquisition cash flows	(5,776)	--	--	--	(5,776)
Total cash inflows / (outflows)	138,518	--	(224,310)	--	(85,792)
Net closing balance	1,553,613	869	55,360	--	1,609,842
Insurance contract liabilities – closing	1,553,613	869	55,360	--	1,609,842
Insurance contract assets – closing	--	--	-	--	-
Closing balance – net	1,553,613	869	55,360	--	1,609,842

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.3 Individual life insurance contracts (continued):**

**Analysis by measurement component – Contracts not measured under the PAA:**

	Individual life			
	As at 31 December 2024 (Audited)			
	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin (CSM)	Total
	SAR '000			
<u>Insurance contracts</u>				
Insurance contract liabilities – opening	1,404,347	509	150,711	1,555,567
Insurance contract assets – opening	--	--	--	--
Opening balance – net	1,404,347	509	150,711	1,555,567
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	(24,773)	(24,773)
Change in risk adjustment for non-financial risk for risk expired	--	(88)	--	(88)
Experience adjustments	(1,063)			(1,063)
	(1,063)	(88)	(24,773)	(25,924)
Changes that relate to future services				
Contracts initially recognised in the period	(4,111)	120	3,991	--
Changes in estimates that adjust the CSM	(7,569)	1,548	7,971	1,950
	(11,680)	1,668	11,962	1,950
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(1,324)	--	--	(1,324)
Net finance expense from insurance contracts	165,365	--	--	165,365
Total changes in the statement of income	151,298	1,580	(12,811)	140,067
<u>Cash flows</u>				
Premiums received	144,294	--	--	144,294
Claims and other directly attributable expenses paid	(224,310)	--	--	(224,310)
Insurance acquisition cash flows	(5,776)	--	--	(5,776)
Total cash outflows	(85,792)	--	--	(85,792)
Net closing balance	1,469,853	2,089	137,900	1,609,842
Insurance contract liabilities – closing	1,469,853	2,089	137,900	1,609,842
Insurance contract assets – closing	--	--	--	--
Closing balance – net	1,469,853	2,089	137,900	1,609,842

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1 Movements in insurance and reinsurance contract balances (continued)**

**6.1.3 Individual life insurance contracts:**

**Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:**

	Individual life				
	As at 30 September 2024 (Unaudited)				
	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	
	SAR'000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	1,500,101	--	55,466	--	1,555,567
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	1,500,101	--	55,466	--	1,555,567
<u>Changes in the statement of income</u>					
Insurance revenue (note 7)	(26,924)	--	--	--	(26,924)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	5,696	--	5,696
Changes that relate to past service – adjustments to the LIC (note 7)	245	--	--	--	245
Insurance acquisition cashflows amortization (note 7)	--	85	--	--	85
Insurance service expenses	245	85	5,696	--	6,026
Investment component	(164,997)	--	164,997	--	--
Net finance expense from insurance contracts (note 8)	189,095	--	--	--	189,095
Total changes in the statement of income	(2,581)	85	170,693	--	168,197
Cashflows					
Premiums received	105,216	--	--	--	105,216
Claims and other directly attributable expenses paid	--	--	(156,968)	--	(156,968)
Insurance acquisition cashflows	(3,258)	--	-	--	(3,258)
Total cash inflows / (outflows)	101,958	--	(156,968)	--	(55,010)
Net closing balance	1,599,478	85	69,191	--	1,668,754
Insurance contract liabilities – closing	1,599,478	85	69,191	--	1,668,754
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	1,599,478	85	69,191	--	1,668,754

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1 Movements in insurance and reinsurance contract balances (continued)**

**6.1.3 Individual life insurance contracts (continued):**

**Analysis by measurement component – Contracts not measured under the PAA:**

	Individual life			
	As at 30 September 2024 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	CSM	Total
	SAR'000			
<u>Insurance contracts</u>				
Insurance contract liabilities – opening	1,404,347	509	150,711	1,555,567
Insurance contract assets – opening	--	--	--	--
Opening balance – net (Audited)	1,404,347	509	150,711	1,555,567
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	(18,611)	(18,611)
Change in risk adjustment for non-financial risk for risk expired	--	(66)	--	(66)
Experience adjustments	2,878	--	--	2,878
Changes that relate to future services				
Contracts initially recognised in the period	(3,339)	96	3,243	--
Changes in estimates that adjust the CSM	(8,721)	1,753	7,059	91
Changes that relate to past services - Adjustments to liabilities for incurred claims	(5,191)	--	--	(5,191)
Net finance expense from insurance contracts (note 8)	189,095	--	--	189,095
Total changes in the statement of income	174,722	1,783	(8,309)	168,196
Cashflows				
Premiums received	105,217	--	--	105,217
Claims and other directly attributable expenses paid	(156,968)	--	--	(156,968)
Insurance acquisition cashflows	(3,258)	--	--	(3,258)
Total cash outflows	(55,009)	--	--	(55,009)
Net closing balance	1,524,060	2,292	142,402	1,668,754
Insurance contract liabilities – closing	1,524,060	2,292	142,402	1,668,754
Insurance contract assets – closing	--	--	--	--
Closing balance – net (Unaudited)	1,524,060	2,292	142,402	1,668,754

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual Life				
	As at 30 September 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract liabilities – opening	--	--	--	--	--
<b>Opening balance – net (Audited)</b>	<b>(1,817)</b>	<b>(356)</b>	<b>(135)</b>	<b>--</b>	<b>(2,308)</b>
<b><i>Changes in the statement of income</i></b>					
<b>Allocation of reinsurance premium paid (note 7)</b>	<b>2,544</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,544</b>
<b>Amounts recoverable from reinsurers</b>					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	(6,452)	--	(6,452)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	368	--	--	368
<b>Amounts recoverable from reinsurers – net</b>	<b>--</b>	<b>368</b>	<b>(6,452)</b>	<b>--</b>	<b>(6,084)</b>
Finance expense from reinsurance contracts (note 8)	(143)	--	--	--	(143)
<b>Total changes in the statement of income</b>	<b>2,401</b>	<b>368</b>	<b>(6,452)</b>	<b>--</b>	<b>(3,683)</b>
<b>Cashflows</b>					
Premiums ceded and acquisition cashflows paid	(8,362)	--	--	--	(8,362)
Recoveries from reinsurance	--	--	1,931	--	1,931
<b>Total cash (outflows) / inflows</b>	<b>(8,362)</b>	<b>--</b>	<b>1,931</b>	<b>--</b>	<b>(6,431)</b>
<b>Net closing balance</b>	<b>(7,778)</b>	<b>12</b>	<b>(4,656)</b>	<b>--</b>	<b>(12,422)</b>
Reinsurance contract assets – closing	(7,778)	12	(4,656)	--	(12,422)
Reinsurance contract liabilities – closing	--	--	--	--	--
<b>Closing balance – net (Unaudited)</b>	<b>(7,778)</b>	<b>12</b>	<b>(4,656)</b>	<b>--</b>	<b>(12,422)</b>



ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 September 2025 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	Contractual Service Margin	Total
	SAR'000			
<b>Reinsurance contracts</b>				
Reinsurance contract assets – opening	8,736	(34)	(11,010)	(2,308)
Reinsurance contract liabilities – opening	--	--	--	--
<b>Opening balance – net (Audited)</b>	<b>8,736</b>	<b>(34)</b>	<b>(11,010)</b>	<b>(2,308)</b>
<b><u>Changes in the statement of income</u></b>				
<b>Changes related to current services</b>				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	372	4	2,167	2,543
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	54	(1)	(53)	--
Changes in estimates that adjust the CSM	5,217	1	(4,850)	368
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	(6,451)	--	--	(6,451)
Finance expense / (income) from reinsurance contracts (note 8)	242	(1)	(384)	(143)
<b>Total changes in the statement of income</b>	<b>(566)</b>	<b>3</b>	<b>(3,120)</b>	<b>(3,683)</b>
<b>Cashflows</b>				
Premiums paid	(8,362)	--	--	(8,362)
Claims and other directly attributable expenses recovered	1,931	--	--	1,931
<b>Total cash outflows</b>	<b>(6,431)</b>	<b>--</b>	<b>--</b>	<b>(6,431)</b>
<b>Net closing balance</b>	<b>1,739</b>	<b>(31)</b>	<b>(14,130)</b>	<b>(12,422)</b>
Reinsurance contract assets – closing	1,739	(31)	(14,130)	(12,422)
Reinsurance contract liabilities – closing	--	--	--	--
<b>Closing balance – net (unaudited)</b>	<b>1,739</b>	<b>(31)</b>	<b>(14,130)</b>	<b>(12,422)</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.4 Individual life reinsurance contracts (continued):**

**Analysis by measurement component – Contracts not measured under the PAA:**

	Individual Life				
	As at 31 December 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR'000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	--	--	--	--	--
Reinsurance contract liabilities – opening	5,405	--	(4,932)	--	473
Opening balance – net	5,405	--	(4,932)	--	473
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid	4,063	--	--	--	4,063
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(119)	--	(119)
Changes that relate to past service – adjustments to the LIC	--	(356)	--	--	(356)
Amounts recoverable from reinsurers – net	--	(356)	(119)	--	- (475)
Finance expense from reinsurance contracts	42	--	--	--	42
Total changes in the statement of income	4,105	(356)	(119)	--	3,630
<u>Cash flows</u>					
Premiums ceded and acquisition cash flows paid	(11,327)	--	--	--	(11,327)
Recoveries from reinsurance	--	--	4,916	--	4,916
Total cash (outflows) / inflows	(11,327)	--	4,916	--	(6,411)
Net closing balance	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract assets – closing	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	(1,817)	(356)	(135)	--	(2,308)

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances (continued)

6.2.4 Individual life reinsurance contracts (continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 31 December 2024 (Audited)			
	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
	SAR '000			
<u>Reinsurance contracts</u>				
Reinsurance contract assets – opening	--	--	--	--
Reinsurance contract liabilities – opening	7,233	(10)	(6,750)	473
Opening balance – net	7,233	(10)	(6,750)	473
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	1,689	2	2,372	4,063
Changes that relate to future services				
Contracts initially recognised in the year	44	(4)	(40)	--
Changes in estimates that adjust the CSM	5,952	(21)	(6,286)	(355)
	5,996	(25)	(6,326)	(355)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(119)	--	--	(119)
Finance expense / (income) from reinsurance contracts	348	(1)	(306)	41
Total changes in the statement of income	7,914	(24)	(4,260)	3,630
Cash flows				
Premiums paid	(11,327)	--	--	(11,327)
Claims and other directly attributable expenses recovered	4,916	--	--	4,916
Total cash outflows	(6,411)	--	--	(6,411)
Net closing balance	8,736	(34)	(11,010)	(2,308)
Reinsurance contract assets – closing	8,736	(34)	(11,010)	(2,308)
Reinsurance contract liabilities – closing				
Closing balance – net	8,736	(34)	(11,010)	(2,308)

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.4 Individual life reinsurance contracts (continued):**

**Analysis by measurement component – Contracts not measured under the PAA:**

	Individual Life				
	As at 30 September 2024 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	SAR '000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	--	--	--	--	--
Reinsurance contract liabilities – opening	5,405	--	(4,932)	--	473
Opening balance – net (Audited)	5,405	--	(4,932)	--	473
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	4,078	--	--	--	4,078
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	34	2,197	--	2,231
Amounts recoverable from reinsurers – net	--	34	2,197	--	2,231
Finance expense from reinsurance contracts (note 8)	38	--	--	--	38
Total changes in the statement of income	4,116	34	2,197	--	6,347
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(9,592)	--	--	--	(9,592)
Recoveries from reinsurance	--	--	3,452	--	3,452
Total cash (outflows) / inflows	(9,592)	--	3,452	--	(6,140)
Net closing balance	(71)	34	717	--	680
Reinsurance contract assets – closing	--	--	--	--	--
Reinsurance contract liabilities – closing	(71)	34	717	--	680
Closing balance – net (Unaudited)	(71)	34	717	--	680

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances (continued)**

**6.2.4 Individual life reinsurance contracts (continued):**

**Analysis by measurement component – Contracts not measured under the PAA:**

	Individual life			
	As at 30 September 2024 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	Contractual Service Margin	Total
	SAR '000			
<u>Reinsurance contracts</u>				
Reinsurance contract liabilities – opening	--	--	--	--
Reinsurance contract assets – opening	7,233	(10)	(6,750)	473
Opening balance – net (Audited)	7,233	(10)	(6,750)	473
<u>Changes in the statement of income</u>				
Changes related to current services				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	2,500	1	1,576	4,077
Changes that relate to future services				
Contracts initially recognised in the year	36	(3)	(33)	--
Changes in estimates that adjust the CSM	4,530	(24)	(4,506)	--
Changes that relate to past services				
Adjustments to liabilities for incurred claims	2,231	--	--	2,231
Finance expense / (income) from reinsurance contracts (note 8)	266	--	(228)	38
Total changes in the statement of income	9,563	(26)	(3,191)	6,346
Cashflows				
Premiums paid	(9,591)	--	--	(9,591)
Claims and other directly attributable expenses recovered	3,452			3,452
Total cash outflows	(6,139)	--	--	(6,139)
Net closing balance	10,657	(36)	(9,941)	680
Reinsurance contract assets – closing	--	--	--	--
Reinsurance contract liabilities – closing	10,657	(36)	(9,941)	680
Closing balance – net (unaudited)	10,657	(36)	(9,941)	680

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.5 Group life insurance contracts:**

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

Group life					
As at 30 September 2025 (Unaudited)					
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		
SAR'000					
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	53,418	--	38,843	1,428	93,689
Insurance contract assets – opening	--	--	--	--	--
<b>Opening balance – net (Audited)</b>	<b>53,418</b>	<b>--</b>	<b>38,843</b>	<b>1,428</b>	<b>93,689</b>
<b>Changes in the statement of income</b>					
Insurance revenue (note 7)	(52,558)	--	--	--	(52,558)
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses (note 7)	--	--	36,989	(640)	36,349
Insurance acquisition cashflows amortization (note 7)	614	--	--	--	614
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	(4,209)	--	(4,209)
<b>Insurance service expenses</b>	<b>614</b>	<b>--</b>	<b>32,780</b>	<b>(640)</b>	<b>32,754</b>
Finance expense from insurance contracts (note 8)	--	--	605	66	671
<b>Total changes in the statement of income</b>	<b>(51,944)</b>	<b>--</b>	<b>33,385</b>	<b>(574)</b>	<b>(19,133)</b>
<b>Cashflows</b>					
Premiums received	4,622	--	--	--	4,622
Claims and other directly attributable expenses paid	--	--	(36,482)	--	(36,482)
Insurance acquisition cashflows paid	(614)	--	--	--	(614)
<b>Total cash inflows / (outflows)</b>	<b>4,008</b>	<b>--</b>	<b>(36,482)</b>	<b>--</b>	<b>(32,474)</b>
<b>Net closing balance</b>	<b>5,482</b>	<b>--</b>	<b>35,746</b>	<b>854</b>	<b>42,082</b>
Insurance contract liabilities – closing	5,482	--	35,746	854	42,082
Insurance contract assets – closing	--	--	--	--	--
<b>Closing balance – net (Unaudited)</b>	<b>5,482</b>	<b>--</b>	<b>35,746</b>	<b>854</b>	<b>42,082</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.5 Group life insurance contracts (continued):**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Group life				
	As at 31 December 2024 (Audited)				
	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	
	SAR '000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	(2,244)	--	35,293	919	33,968
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	(2,244)	--	35,293	919	33,968
<u>Changes in the statement of income</u>					
Insurance revenue	(75,778)	--	--	--	(75,778)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	39,320	453	39,773
Insurance acquisition cash flows amortization	9,667	--	--	--	9,667
Losses and reversals of losses on onerous contracts	--	--	--	--	--
Changes that relate to past service - adjustments to the LIC	--	--	4,557	--	4,557
Insurance service expenses	9,667	--	43,877	453	53,997
Finance expense from insurance contracts (note 8)			73	56	129
Total changes in the statement of income	(66,111)	--	43,950	509	(21,652)
Cash flows					
Premiums received	131,440	--	--	--	131,440
Claims and other directly attributable expenses paid	--	--	(40,400)	--	(40,400)
Insurance acquisition cash flows paid	(9,667)	--	--	--	(9,667)
Total cash inflows / (outflows)	121,773	--	(40,400)	--	81,373
Net closing balance	53,418	--	38,843	1,428	93,689
Insurance contract liabilities – closing	53,418	--	38,843	1,428	93,689
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	53,418	--	38,843	1,428	93,689



ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1 Movements in insurance and reinsurance contract balances**

**6.1.5 Group life insurance contracts:**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Group life				
	As at 30 September 2024 (Unaudited)				
	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	
	SAR '000				
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	(2,244)	--	35,293	919	33,968
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	(2,244)	--	35,293	919	33,968
<b>Changes in the statement of income</b>					
Insurance revenue (note 7)	(54,790)	--	--	--	(54,790)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	26,829	--	26,829
Insurance acquisition cashflows amortization (note 7)	3,615	--	--	--	3,615
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	--	(126)	(126)
Insurance service expenses	3,615	--	26,829	(126)	30,318
Finance expense from insurance contracts (note 8)	--	--	563	41	604
Total changes in the statement of income	(51,175)	--	27,392	(85)	(23,868)
<b>Cashflows</b>					
Premiums received	55,976	--	--	--	55,976
Claims and other directly attributable expenses paid	--	--	(27,586)	--	(27,586)
Insurance acquisition cashflows paid	(3,615)	--	--	--	(3,615)
Total cash inflows / (outflows)	52,361	--	(27,586)	--	24,775
Net closing balance	(1,058)	--	35,099	834	34,875
Insurance contract liabilities – closing	--	--	35,099	834	35,933
Insurance contract assets – closing	(1,058)	--	--	--	(1,058)
Closing balance – net (Unaudited)	(1,058)	--	35,099	834	34,875

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

6. INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.6 Group life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 30 September 2025 (Unaudited)				
	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	
	SAR'000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	4,511	--	(31,842)	(1,051)	(28,382)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	24,436	--	--	--	24,436
<u>Amounts recoverable from reinsurers</u>					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	(25,629)	338	(25,291)
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	3,638	--	3,638
Amounts recoverable from reinsurers – net	--	--	(21,991)	338	(21,653)
Finance income from reinsurance contracts (note 8)	--	--	(488)	(47)	(535)
Total changes in the statement of income	24,436	--	(22,479)	291	2,248
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(29,794)	--	--	--	(29,794)
Recoveries from reinsurance	--	--	25,629	--	25,629
Total cash (outflows) / inflows	(29,794)	--	25,629	--	(4,165)
Net closing balance	(847)	--	(28,692)	(760)	(30,299)
Reinsurance contract assets – closing	(847)	--	(28,692)	(760)	(30,299)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	(847)	--	(28,692)	(760)	(30,299)

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.6 Group life reinsurance contracts (continued):**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Group life				
	As at 31 December 2024 (Audited)				
	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	
	SAR '000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	--	--	--	--	--
Reinsurance contract liabilities – opening	2,382	--	(28,215)	(775)	(26,608)
Opening balance – net	2,382	--	(28,215)	(775)	(26,608)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid	34,849	--	--	--	34,849
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(23,428)	(229)	(23,657)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC	--	--	(3,565)	--	(3,565)
Amounts recoverable from reinsurers – net	--	--	(26,993)	(229)	(27,222)
Finance income from reinsurance contracts	--	--	(62)	(47)	(109)
Total changes in the statement of income	34,849	--	(27,055)	(276)	7,518
<u>Cash flows</u>					
Premiums ceded and acquisition cash flows paid	(32,720)	--	--	--	(32,720)
Recoveries from reinsurance	--	--	23,428	--	23,428
Total cash (outflows) / inflows	(32,720)	--	23,428	--	(9,292)
Net closing balance	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract assets – closing	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	4,511	--	(31,842)	(1,051)	(28,382)

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**6. INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2 Movements in insurance and reinsurance contract balances**

**6.2.6 Group life reinsurance contracts:**

**Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:**

	Group life				
	As at 30 September 2024 (Unaudited)				
	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	
	SAR '000				
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	2,382	--	(28,215)	(775)	(26,608)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	2,382	--	(28,215)	(775)	(26,608)
<u>Changes in the statement of income</u>					
Allocation of reinsurance premium paid (note 7)	27,065	--	--	--	27,065
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	--	--	(20,959)	147	(20,812)
Recoveries and reversals of recoveries of losses on onerous underlying contracts (note 7)	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	1,528	--	1,528
Amounts recoverable from reinsurers – net	--	--	(19,431)	147	(19,284)
Finance income from reinsurance contracts (note 8)	--	--	(460)	(35)	(495)
Total changes in the statement of income	27,065	--	(19,891)	112	7,286
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(27,513)	--	--	--	(27,513)
Recoveries from reinsurance	--	--	20,958	--	20,958
Total cash (outflows) / inflows	(27,513)	--	20,958	--	(6,555)
Net closing balance	1,934	--	(27,148)	(663)	(25,877)
Reinsurance contract assets – closing	1,934	--	(27,148)	(663)	(25,877)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	1,934	--	(27,148)	(663)	(25,877)

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

7. INSURANCE REVENUE AND EXPENSES

	For the nine-month period ended 30 September 2025 (Unaudited)			
	Non-life	Individual Life	Group Life	Total
	SAR'000			
<b>Contracts not measured under the PAA</b>				
Amounts relating to changes in liabilities for remaining coverage:				
Expected incurred claims and other insurance service expenses	--	7,500	--	7,500
Change in risk adjustment for non-financial risk for risk expired	--	254	--	254
CSM recognized for services provided	--	17,629	--	17,629
Experience adjustments	--	3,677	--	3,677
<b>Insurance revenue from contracts not measured under the PAA</b>	--	29,060	--	29,060
<b>Insurance revenue from contracts measured under the PAA</b>	184,948	--	52,558	237,506
<b>Insurance revenue – total (note 6)</b>	184,948	29,060	52,558	266,566
<b>Insurance service expenses</b>				
Incurred claims and other directly attributable expenses (note 6)	(120,980)	(10,278)	(36,349)	(167,607)
Insurance acquisition cashflows amortization (note 6)	(29,192)	(498)	(614)	(30,304)
(Loss) and reversal of loss on onerous contracts (note 6)	(3,831)	868	--	(2,963)
Changes that relate to past service - adjustments to the LIC (note 6)	(10,917)	--	4,209	(6,708)
<b>Insurance service expenses – total</b>	(164,920)	(9,908)	(32,754)	(207,582)
<b>Net (expenses) / income from reinsurance contracts held</b>				
Allocation of reinsurance premium paid (note 6)	(21,877)	(2,544)	(24,436)	(48,857)
Amounts recoverable from reinsurers – net (note 6)	(2,909)	6,084	21,653	24,828
	(24,786)	3,540	(2,783)	(24,029)
Share of surplus from insurance pools	2,845	--	--	2,845
<b>Total Insurance service result</b>	(1,913)	22,692	17,021	37,800

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**7. INSURANCE REVENUE AND EXPENSES (continued)**

	For the nine-month period ended 30 September 2024 (Unaudited)			
	Non-life	Individual Life	Group Life	Total
	SAR '000			
Contracts not measured under the PAA				
Amounts relating to changes in liabilities for remaining coverage:				
Expected incurred claims and other insurance service expenses	--	8,008	--	8,008
Change in risk adjustment for non-financial risk for				
risk expired	--	66	--	66
CSM recognized for services provided	--	18,611	--	18,611
Experience adjustments	--	239	--	239
Insurance revenue from contracts not measured under the PAA	--	26,924	--	26,924
Insurance revenue from contracts measured under the PAA	169,227	--	54,790	224,017
Insurance revenue – total (note 6)	169,227	26,924	54,790	250,941
Insurance service expenses				
Incurred claims and other directly attributable expenses (note 6)	(112,075)	(5,696)	(26,829)	(144,600)
Insurance acquisition cashflows amortization (note 6)	(20,012)	(245)	(3,615)	(23,872)
Reversals of losses and (loss) on onerous contracts (note 6)	572	(85)	--	487
Changes that relate to past service - adjustments to the LIC (note 6)	(151,437)	--	126	(151,311)
Insurance service expenses – total	(282,952)	(6,026)	(30,318)	(319,296)
Net (expenses) / income from reinsurance contracts held				
Allocation of reinsurance premium paid (note 6)	(17,841)	(4,078)	(27,065)	(48,984)
Amounts recoverable from reinsurers – net (note 6)	130,681	(2,231)	19,284	147,734
	112,840	(6,309)	(7,781)	98,750
Share of surplus from insurance pools	2,909	--	--	2,909
Total Insurance service result	2,024	14,589	16,691	33,304

**8. INSURANCE FINANCE (EXPENSE) / INCOME**

	For the nine-month period ended			
	Non-life	Individual life	Group life	Total
<b>30 September 2025 – (Unaudited)</b>				
Finance expense from insurance contracts issued (note 6)	(4,204)	(110,240)	(671)	(115,115)
Finance income from reinsurance contracts held (note 6)	2,691	143	535	3,369
<b>Finance expense – net</b>	<b>(1,513)</b>	<b>(110,097)</b>	<b>(136)</b>	<b>(111,746)</b>

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**8. INSURANCE FINANCE (EXPENSE) / INCOME (continued)**

	For the Nine-month period ended			
	Non-life	Individual life	Group life	Total
30 September 2024 – (Unaudited)				
Finance expense from insurance contracts issued (note 6)	(3,581)	(189,095)	(604)	(193,280)
Finance (expense) / income from reinsurance contracts held (note 6)	1,538	(38)	495	1,995
Finance expense – net	(2,043)	(189,133)	(109)	(191,285)

**9. STATUTORY RESERVE**

As required by the Implementing Regulations for Cooperative Insurance Law, 20% of the net shareholders income shall be set aside as a statutory reserve until this reserve amounts to 100% of paid capital. The Company makes this transfer on an annual basis at 31 December each year. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

**10. STATUTORY DEPOSIT**

	<b>30 September 2025</b> <i>(Unaudited)</i> <b>SAR ‘000</b>	<b>31 December 2024</b> <i>(Audited)</i> <b>SAR ‘000</b>
Statutory deposit	<b>66,000</b>	66,000
Less: Allowance for expected credit loss	<b>(10)</b>	(10)
	<b>65,990</b>	<b>65,990</b>

In compliance with Insurance Regulations, the Company has deposited an amount equivalent to 10% of its paid-up share capital, amounting to SAR 66 million as at 30 September 2025 (31 December 2024: SAR 66 million), in a bank designated by SAMA. Accrued income on this deposit is payable to the Insurance Authority (IA) amounting to SAR 6.5 million (31 December 2024: SAR 4.5 million) and this deposit cannot be withdrawn without approval from IA. The statutory deposit is shown on the statement of financial position net of ECL allowance. This deposit is held with Bank AlJazira, “the founding shareholder”.

**11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

a) Amounts recognised in the condensed statement of financial position:

The condensed statement of financial position shows the following amounts relating to leases:

**Right-of-use assets**

	<b>30 September 2025</b> <i>(Unaudited)</i> <b>SAR ‘000</b>	<b>30 September 2024</b> <i>(Unaudited)</i> <b>SAR ‘000</b>
<b>Cost</b>		
Balance at the beginning of the period	<b>16,262</b>	4,098
Additions during the period	<b>2,795</b>	14,816
Derecognition during the period	<b>--</b>	(1,529)
Balance at the end of the period	<b>19,057</b>	17,385
<b>Accumulated depreciation</b>		
Balance at the beginning of the period	<b>2,557</b>	2,527
Charge for the period	<b>1,530</b>	1,272
Disposal	<b>--</b>	(632)
Balance at the end of the period	<b>4,087</b>	3,167
<b>Net book value</b>	<b>14,970</b>	14,218

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

**Lease liabilities**

	<i>30 September 2025</i> <i>(Unaudited)</i>	<i>30 September 2024</i> <i>(Unaudited)</i>
	<i>SAR '000</i>	<i>SAR '000</i>
Within one year	2,245	1,660
Later than one year but not later than five years	16,033	15,939
	18,278	17,599
Future finance costs	(3,415)	(4,125)
Total lease liabilities	14,863	13,474
Current portion of lease liabilities	1,481	1,569
Non-current portion of lease liabilities	13,382	11,905
	14,863	13,474
Movement in lease liabilities is as follows:		
Balance at the beginning of the period	13,728	1,542
Additions during the period	2,795	14,816
Finance costs on lease liabilities for the period	585	322
Derecognition during the period	--	(961)
Payments during the period	(2,245)	(2,245)
Balance at the end of the period	14,863	13,474

b) Amounts recognised in the condensed statement of income:

Total finance costs recognised in the condensed statement of income pertaining to lease liabilities amounted to SAR 0.6 million for the period ended 30 September 2025 (30 September 2024: SAR 0.3 million).

c) Details for leasing activities of the Company

The Company leases office premises across the Kingdom of Saudi Arabia. Rental contracts are typically made for a period of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets are not used as security for borrowing purposes.

**12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The Company in the normal course of business, enters into transactions with other entities that fall within the definition of the related party contained in the International Accounting Standard (IAS) 24 – Related Party Disclosures. Related parties represent shareholders with significant influence, key management personnel (KMP) of the Company, their immediate family members, entities controlled or jointly controlled by such shareholders. 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:



**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**12. TRANSACTIONS AND BALANCES RELATED PARTIES (continued)**

**12.1** In addition to the disclosures set out in notes 4, 5.1, and 5.2, the following are the details of major related party transactions during the nine-month period ended:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amount of transactions</u>	
			<b>30 September 2025 (unaudited) SAR'000</b>	<b>30 September 2024 (unaudited) SAR'000</b>
Bank AlJazira	Shareholder with significant influence	Commission income on deposits	<b>6,865</b>	2,500
		Insurance policies sold	<b>21,505</b>	12,905
		Claims paid	<b>27,350</b>	23,410
		Commission paid	<b>467</b>	113
		Investment in sukuk	<b>10,000</b>	--
		Profit on statutory deposit	<b>1,977</b>	2,815
		Profit on sukuk	<b>7,203</b>	6,788
		Purchase of Murabaha deposit	<b>60,000</b>	--
Key management personnel		Salaries, benefits and allowances, net	<b>4,541</b>	4,106
		Insurance policies sold	<b>5</b>	3
Board of directors and committee members		Insurance policies sold	<b>41</b>	36
AlJazira Capital	Subsidiary of shareholder with significant influence	Other income	<b>9,276</b>	10,435
		Custodian charges	<b>314</b>	300
		Insurance policies sold	<b>787</b>	895
Ibrahim Abdul Mohsin Mohammed AlSultan	Immediate family member of KMP	Insurance policies sold	<b>172</b>	175
<i>Other parties*</i>				
Durrah Advanced Development Company	Common directorship	Insurance policies sold	<b>3,228</b>	2,567
		Claims paid	<b>--</b>	14
Consolidated Brother Company	Significant shareholder	Insurance policies sold	<b>34</b>	569
		Claims paid	<b>1</b>	110

\* The above transactions are disclosed in accordance with the local laws and regulations.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

**12. TRANSACTIONS AND BALANCES RELATED PARTIES (continued)**

**12.2 Amount due from related party**

<u>Related parties</u>	<u>Relationship</u>	<b>30 September 2025 (Unaudited) SAR'000</b>	<b>31 December 2024 (Audited) SAR'000</b>
AlJazira Capital	Subsidiary of shareholder with significant influence	2,747	6,182
<b>Others (key management personnel)</b>			
<i>Prepayments and other current assets:</i>			
Advances due from key management		35	359

**12.3** Premium receivable amount disclosed in notes 6.2.1 and 6.2.5, shown in the statement of financial position includes SAR 7.4 million (31 December 2024: SAR 2.8 million) due from related parties.

**12.4** Outstanding claims amount disclosed in notes 6.2.1 and 6.2.5, shown in the statement of financial position includes SAR 30.3 million (31 December 2024: SAR 29.7 million) due to related parties.

**13. ZAKAT AND INCOME TAX**

The Zakat and income tax payable by the Company has been calculated in accordance with zakat and income tax regulations in the Kingdom of Saudi Arabia. The movement in the Zakat and income tax payable during the nine-month period ended 30 September 2025 and 30 September 2024 is as follows:

**13.1 Zakat charge**

	<b>30 September 2025 (Unaudited) SAR'000</b>	<b>30 September 2024 (Unaudited) SAR'000</b>
Balance at the beginning of period	35,319	63,961
Provision for zakat for the period	3,042	4,871
Zakat paid during the period	(21,972)	(27,044)
Balance at the end of the period	16,389	41,788

**13.2 Income tax**

	<b>30 September 2025 (Unaudited) SAR'000</b>	<b>30 September 2024 (Unaudited) SAR'000</b>
Balance at the beginning of period	86	1,087
Income tax for the period	179	86
Prior year adjustment	232	--
Income tax paid during the period	(318)	(1,087)
Balance at the end of the period	179	86
<b>Total zakat and income tax at the end of the period</b>	<b>16,568</b>	<b>41,874</b>

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

---

**13. ZAKAT AND INCOME TAX (continued)**

**13.3 Status of assessments**

The Company has submitted its zakat and income tax returns for the years 2014 to 2024 with the Zakat, Tax and Customs Authority ("ZATCA") and obtained restricted certificates.

The Company settled and closed 2014 assessment by settling outstanding liability of SAR 7,573 thousand. In regard to years 2015 to 2020, these were finalized after receiving the Higher Appeal Committee ("HAC") decision which led to zakat differences of SAR 23,815 thousand for the years 2015, 2017, and 2018, and SAR 16,943 thousand for the years 2016, 2019, and 2020. The Company has agreed with ZATCA to pay these outstanding liabilities in instalments, with final payments due in 2025 and 2027 respectively.

In addition, the Company has also submitted its zakat and income tax returns in relation to Solidarity for the years 2009 to 2020 with the ZATCA and obtained restricted certificates. During the previous years, the ZATCA has issued zakat and income tax assessments in respect of Solidarity for the years 2009 and 2010 and from 2012 to 2018 with additional zakat and income tax liability of SAR 48,546 thousand. The Company submitted a settlement request for the years 2011 to 2018 and accepted the settlement request which resulted in zakat differences amounting to SAR 22,565 thousand. The Company agreed with ZATCA to pay the outstanding liabilities in installments and final payment is due on 27 November 2025. During the year 2024, a decision was issued by the committees to accept the Company's objection for the years 2009 and 2010. During the year 2025, a decision was issued by the committee for the year 2020, asking the Company to pay the zakat SAR 130 thousand, out of which SAR 97 thousand was already paid. The balance amount has been paid by the Company.

The assessments for the years 2021 to 2024 are currently under the ZATCA's review and final assessment is awaited from the ZATCA.

**14. FAIR VALUES OF FINANCIAL INSTRUMENTS**

- a) 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 Company's financial assets consist of cash and cash equivalents, investments held to cover unit-linked liabilities, investments carried at fair value through profit or loss, investments carried at amortised cost, other receivables, and financial liabilities consist of other liabilities, lease liabilities and due to related party. The fair values of financial instruments are not materially different from their carrying values. As at 30 September 2025, apart from the investments which are carried at fair value (note 5), there were no other financial instruments held by the Company that were measured at fair value.

- b) 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 instrument (i.e., without modification or repackaging);

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 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.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

14. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

<b>30 September 2025 (Unaudited)</b>				
	<b>Fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b><u>Investments held at FVTPL:</u></b>				
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,605,096	--	1,605,096
Equity shares	17,234	--	--	17,234
Tier 1 Sukuks	--	255,034	--	255,034
<b><u>Investments held at FVOCI:</u></b>				
Equity shares	--	--	63,664	63,664
<b>Total</b>	<b>17,234</b>	<b>1,860,130</b>	<b>63,664</b>	<b>1,941,028</b>
<b>31 December 2024 (Audited)</b>				
	<b>Fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b><u>Investments held at FVTPL:</u></b>				
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,570,520	--	1,570,520
Equity shares	19,635	--	--	19,635
Tier 1 Sukuks	--	242,166	--	242,166
<b><u>Investments held at FVOCI:</u></b>				
Equity shares	--	--	61,155	61,155
<b>Total</b>	<b>19,635</b>	<b>1,812,686</b>	<b>61,155</b>	<b>1,893,476</b>

Significant unobservable inputs used in the valuation of level 3 investments include fair value estimates from reputable third-party valuer who use technique such as discounted cashflows and other sophisticated models. 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 available. There were no transfers between levels of the fair value hierarchy during the period ended 30 September 2025. Additionally, there were no changes in the valuation techniques. Investments measured at amortised cost include corporate sukuks and Murabaha deposits.

15. RISK MANAGEMENT

Risk is inherent in the Company's activities but is managed through a process of on-going identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability, and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company's policy is to monitor business risk through strategic planning process. The strategy considers the impact of market conditions and available expertise on inherent risks to which the Company is exposed. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk.

***Risk management structure***

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

***Board of Directors***

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

---

**15. RISK MANAGEMENT (continued)**

*Senior management*

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

*Audit Committee*

The Audit Committee is elected by the General Assembly. The Audit Committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting and risk management, the audit thereof and the soundness of the internal controls of the Company.

*Risk Committee*

The Risk Committee is elected by the Board of Directors. The Risk Committee is responsible for the Company's risk management strategy to ensure that the Company's exposure to risks is minimal.

*Internal Audit*

All key operational, financial and risk management processes are audited by Internal Audit. Internal Audit examines the adequacy of the relevant policies and procedures, the Company's compliance with internal policies and regulatory guidelines. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

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 faced by the Company and the manner in which these risks are mitigated by management are summarized below:

**15.1 Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from factors other than credit, market and liquidity risks such as those arising from regulatory requirements. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks, and the adequacy of controls and procedures to address those risks;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

**Insurance risk**

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. For longer tail claims that take some years to settle, there is also inflation risk. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The Head of Operations manages this risk by ensuring that adequate reinsurance cover is taken to restrict the maximum loss payable for any individual claim.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, structured claims management, quarterly review of reserves as well as the use of reinsurance arrangements.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

---

**15. RISK MANAGEMENT (continued)**

**15.1 Operational risk (continued)**

***Insurance risk (continued)***

Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk's mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory. The Company's motor portfolio is reinsured under a non-proportional treaty arrangements.

**a) Concentration of insurance risk**

The Company monitors the concentration of insurance risks primarily by class of business. The major concentration lies in medical, individual life, and group life segments. The Company also monitors the concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk, a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company. Since the Company does not have any foreign operations, hence, all the insurance risks relate to policies written in Saudi Arabia.

**b) Frequency and severity of claims**

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

The frequency and severity of claims can be affected by several factors like natural disasters, floods, environmental and economic, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages these risks through conservative underwriting strategies and effective use of reinsurance arrangements. The Company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes, and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 10% of equity on a gross basis and 2% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 5% of equity. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

***Medical***

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risks and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular view of actual claims experience and product pricing, as well as detailed claims handling procedures. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. The Company has reinsurance cover to limit the losses for any individual claim.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

---

**15. RISK MANAGEMENT (continued)**

**15.1 Operational risk (continued)**

**Motor**

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. In the current year, the Company has only underwritten comprehensive policies for owner/drivers over 18 years of age. The Company also has risk management procedures to control cost of claims. The Company has reinsurance cover to limit the losses for any individual claim.

**Reinsurance risk**

Similar to other insurance companies, in order to minimise the financial exposure arising from large claims, the Company in normal course of business, enters into reinsurance arrangements with the reinsurers. Such reinsurance arrangements provide for greater diversification of business, allow the management to control exposure potential losses arising from large risk, and provide additional capacity for growth. All of the reinsurance is affected under treaty, Quota share and Surplus reinsurance contracts. To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent.
- Reputation of particular reinsurance companies.
- Existing or past business relationship with the reinsurer

**Market risk**

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market commission rates (commission rate risk) and market prices (price risk).

- The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- The Company stipulates diversification benchmarks by type of instrument and geographical area.

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board of Directors gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

**a) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of losses due to exchange rate fluctuations as the Insurance Operations and Shareholders' Operations primarily deal in Saudi Riyals and in US Dollar. Saudi Riyal which is pegged to the US Dollar.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

---

**15. RISK MANAGEMENT (continued)**

**15.1 Operational risk (continued)**

**b) Commission rate risk**

Commission rate risk is the risk that the value or future cashflows of a financial instrument will change because of change in market commission rates. Floating rate instruments expose the Company to cashflow interest risk, whereas fixed interest rate instruments expose the Company to fair value commission rate risk.

There is no direct contractual relationship between financial assets and insurance and reinsurance contracts. However, the Company's commission rate risk policy requires it to manage the extent of net commission rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The Company has no significant concentration of commission rate risk.

**c) Other price risk**

Other price risk is the risk that the fair value or future cashflows of financial instruments or insurance contract assets and / or liabilities will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to price risk arises from its investments in equity securities and mutual funds that invest in equities. Price risk arising from the underlying items of participating contracts is generally borne by contract holders except to the extent of the Company's share of the performance of the underlying items.

**d) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial instruments held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

The Company issues direct participating contracts comprising of investment in mutual funds as underlying items. In unit linked business the plan holder bears the investment risk on the assets held in the unit linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Company has no material credit risk on the unit linked financial assets.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- The Company only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- To minimize its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance counterparties. Accordingly, as a pre-requisite, the parties with whom reinsurance is affected are required to have a minimum acceptable security rating level affirming their financial strength.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

The Company's other financial assets are held with commercial banks and financial institutions with strong financial positions and credit ratings. The Company's policy is to invest in high-quality, liquid (that is, investment-grade) financial instruments. The Company maintains its bank balances, short-term, long term and statutory deposits with banks which have investment grade credit ratings. Investments are made in instruments with either investment grade or satisfactory non-investment grade credit rating.



**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**15. RISK MANAGEMENT (continued)**

**15.1 Operational risk (continued)**

**d) Credit risk (continued)**

The table below shows the maximum exposure to credit risk for the components of the statement of financial position:

	<i>30 September</i> <i>2025</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2024</i> <i>(Audited)</i> <i>SAR'000</i>
Cash and cash equivalents	72,681	169,795
Debt instruments at FVTPL	255,034	242,166
Debt instruments at amortized cost	404,893	514,123
Due from a related party	2,747	6,182
Other assets	6,933	11,061
Reinsurance contract assets	172,761	164,596
Statutory deposit	66,000	66,000
Accrued income on statutory deposit	6,501	4,524
	<b>987,550</b>	<b>1,178,447</b>

**Concentration of credit risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. All of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

**15.2 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets.

**16. CAPITAL MANAGEMENT**

As per guidelines laid out by Insurance Authority (IA) in Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law 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 of SAR 300 million
- Premium Solvency Margin
- Claims Solvency Margin

As at 30 September 2025, the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

---

**17. OPERATING SEGMENT INFORMATION**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Managing Director that makes strategic decisions. For management purposes, the activities of Insurance Operations, which are all in the Kingdom of Saudi Arabia, are reported under four business units, as detailed below:

The non-life segment includes medical, motor and general portfolios. The medical portfolio offers comprehensive medical care to the members of organizations and their dependents on a group basis and individuals in a wide network of hospitals and medical centers throughout the Kingdom of Saudi Arabia. The motor portfolio offers Third-Party Liability Vehicle Insurance product, which solely covers the amounts payable to third parties by the insured and a Vehicle comprehensive Insurance product, which covers all losses or damages incurred to the vehicle, including third party liability. The general portfolio offers Fire and property insurance products, Marine insurance products, Engineering insurance products, other liability insurance contracts, and others.

Individual life segment offers life insurance products on an individual basis, including unit-linked investment-oriented products to individuals.

The unallocated assets and liabilities are not reported to the Chief Operating Decision Maker under related segments and are monitored on a centralized basis.

Group life segment offers life protection programs to the members of organizations on a group basis, and credit protection benefits in respect of personal loan given by financing organization. This segment also includes protection benefits in respect of various credit facilities other than personal loans extended by the financing organizations to its customers.

The unallocated assets and liabilities are not reported to the Chief Operating Decision Maker under related segments and are monitored on a centralized basis.

Operating segments do not include Shareholders' operations of the Company.

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

17. OPERATING SEGMENT INFORMATION (continued)

	As at 30 September 2025 (Unaudited)			
	Non-life	Individual life	Group life	Total
	SAR'000			
<b>ASSETS</b>				
Reinsurance contract assets	130,040	12,422	30,299	172,761
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,605,096	--	1,605,096
<b>Total segment assets</b>	<b>130,040</b>	<b>1,617,518</b>	<b>30,299</b>	<b>1,777,857</b>
<b>Unallocated assets</b>				
Cash and cash equivalents				72,669
Investments held at fair value through profit or loss				272,268
Investments held at fair value through other comprehensive income				63,664
Investments held at amortised cost				572,283
Due from a related party				2,747
Prepayments and other assets				14,577
Property and equipment				6,701
Right-of-use assets				14,970
Intangible assets				6,488
Accrued income on statutory deposit				6,501
Statutory deposit				65,990
Goodwill				232,255
<b>Total assets</b>				<b>3,108,970</b>
<b>LIABILITIES</b>				
Insurance contract liabilities	340,081	1,658,416	42,082	2,040,579
<b>Total segment liabilities</b>	<b>340,081</b>	<b>1,658,416</b>	<b>42,082</b>	<b>2,040,579</b>
<b>Unallocated liabilities</b>				
Accrued expenses and other liabilities				30,651
Provision for employee end of service benefits				7,253
Lease liabilities				14,863
Zakat and income tax				14,889
Accrued income on statutory deposit				6,501
<b>TOTAL LIABILITIES</b>				<b>2,114,736</b>
<b>EQUITY</b>				
Share capital				660,000
Share premium				87,286
Statutory reserve				64,503
Retained earnings				120,462
Fair value reserve for investments				61,741
<b>TOTAL SHAREHOLDERS' EQUITY</b>				<b>993,992</b>
Remeasurement reserve of employee end of service benefits - related to insurance operations				242
<b>TOTAL EQUITY</b>				<b>994,234</b>
<b>TOTAL LIABILITIES AND EQUITY</b>				<b>3,108,970</b>

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**17. OPERATING SEGMENT INFORMATION (continued)**

	As at 31 December 2024			
	Non- life	Individual life	Group life	Total
	SAR'000			
<b>ASSETS</b>				
Reinsurance contract assets	133,906	2,308	28,382	164,596
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,570,520	--	1,570,520
Total segment assets	133,906	1,572,828	28,382	1,735,116
Unallocated assets				
Cash and cash equivalents				169,782
Investments held at fair value through profit or loss				261,801
Investments held at fair value through other comprehensive income				61,155
Investments held at amortised cost				514,100
Due from a related party				6,182
Prepayments and other assets				12,203
Property and equipment				6,610
Right-of-use assets				13,705
Intangible assets				5,051
Accrued income on statutory deposit				4,524
Statutory deposit				65,990
Goodwill				232,255
<b>TOTAL ASSETS</b>				<b>3,088,474</b>
<b>LIABILITIES</b>				
Insurance contract liabilities				
	326,207	1,609,842	93,689	2,029,738
Total segment liabilities	326,207	1,609,842	93,689	2,029,738
Unallocated liabilities				
Dividend payable				--
Accrued expenses and other liabilities				22,869
Provision for employee end of service benefits				6,534
Lease liabilities				13,728
Zakat and income tax				35,405
Accrued income on statutory deposit				4,524
<b>TOTAL LIABILITIES</b>				<b>2,112,798</b>
<b>EQUITY</b>				
Share capital				660,000
Share premium				87,286
Statutory reserve				64,503
Retained earnings				104,413
Fair value reserve for investments				59,232
<b>TOTAL SHAREHOLDERS' EQUITY</b>				<b>975,434</b>
Remeasurement reserve of employee benefits - related to Insurance Operations				242
<b>TOTAL EQUITY</b>				<b>975,676</b>
<b>TOTAL LIABILITIES AND EQUITY</b>				<b>3,088,474</b>

ALJAZIRA TAKAFUL TAAWUNI COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
For the nine-month period ended 30 September 2025

17. OPERATING SEGMENT INFORMATION (continued)

	For the nine-month period ended 30 September 2025 (Unaudited)			
	Individual			Total
	Non-life	life	Group life	
	SAR'000	SAR'000	SAR'000	SAR'000
Insurance revenue	184,948	29,060	52,558	266,566
Insurance service expenses	(164,920)	(9,908)	(32,754)	(207,582)
Net income expenses from reinsurance contracts held	(24,786)	3,540	(2,783)	(24,029)
<b>Insurance service result from Company's directly written business</b>	<b>(4,758)</b>	<b>22,692</b>	<b>17,021</b>	<b>34,955</b>
Share of surplus from insurance pools	2,845	--	--	2,845
<b>Total Insurance service result</b>	<b>(1,913)</b>	<b>22,692</b>	<b>17,021</b>	<b>37,800</b>
Net income on investments held at FVTPL				118,955
Commission income on investments held at amortised cost				15,876
Commission income on short term deposits				1,122
Net impairment loss on financial assets				--
<b>Net Investment return</b>				<b>135,953</b>
Net finance expense from insurance contracts issued	(4,204)	(110,240)	(671)	(115,115)
Net finance income from reinsurance contracts held	2,691	143	535	3,369
<b>Net insurance finance expense</b>	<b>(1,513)</b>	<b>(110,097)</b>	<b>(136)</b>	<b>(111,746)</b>
<b>Net insurance and investment result</b>				<b>62,007</b>
Other income				218
Other operating expenses				(23,934)
<b>Income for the period attributable to the shareholders before zakat and income tax</b>				<b>38,291</b>
Zakat charge				(3,042)
Income tax				(411)
<b>Net income for the period attributable to the shareholders</b>				<b>34,838</b>
Weighted average number of ordinary shares outstanding (in thousands of shares)				66,000
<b>Earnings per share for the period (SAR / share) (Basic and diluted)</b>				<b>0.53</b>

Details relating to gross written premium ("GWP") for the period ended 30 September 2025 are disclosed below to comply with the requirements of IA.

30 September 2025 (Unaudited) (SAR'000)						
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term Life)	
Retail	14,056	49,913	7,242	108,094	--	179,305
Very small	14,409	(263)	--	--	--	14,146
Small	32,973	4,574	--	--	--	37,547
Medium	25,752	16,283	--	--	--	42,035
Corporate	9,242	3,076	24,093	--	8,322	44,733
<b>Total</b>	<b>96,432</b>	<b>73,583</b>	<b>31,335</b>	<b>108,094</b>	<b>8,322</b>	<b>317,766</b>

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**17. OPERATING SEGMENT INFORMATION (continued)**

	For the nine-month period ended 30 September 2024 (Unaudited)			
	Non-life	Individual life	Group life	Total
	SAR '000	SAR '000	SAR '000	SAR '000
Insurance revenue	169,227	26,924	54,790	250,941
Insurance service expenses	(282,952)	(6,026)	(30,318)	(319,296)
Net income / (expenses) from reinsurance contracts held	112,840	(6,309)	(7,781)	98,750
Insurance service result from Company's directly written business	(885)	14,589	16,691	30,395
Share of surplus from insurance pools	--	--	--	2,909
Total Insurance service result	(885)	14,589	16,691	33,304
Net income on investments measured at FVTPL				199,024
Commission income on investments measured at amortised cost				13,432
Commission income on short term deposits				2,500
Net impairment loss on financial assets				(8)
Net Investment return				214,948
Net finance expense from insurance contracts issued	(3,581)	(189,095)	(604)	(193,280)
Net finance income / (expense) from reinsurance contracts held	1,538	(38)	495	1,995
Net financial results				56,967
Other income				2,377
Other operating expenses				(21,257)
Income for the period attributable to the shareholders before zakat and income tax				38,087
Zakat charge				(4,871)
Income tax charge				(86)
Net income for the period attributable to the shareholders				33,130
Weighted average number of ordinary shares outstanding (in thousands of shares)				66,000
Earnings per share for the period (SAR / share) (Basic and diluted)				0.50

Details relating to gross written premium for the period ended 30 September 2024 are disclosed below to comply with the requirements of IA.

Breakdown of GWP	30 September 2024 (Unaudited) (SAR'000)					
	Medical	Motor	Property & casualty	Protection & Savings		Total
				Individual	Group (Term Life)	
Retail	--	24,955	45	103,070	--	128,070
Very small	33,596	(57)	--	--	--	33,539
Small	33,916	1,004	--	--	--	34,920
Medium	20,395	8,521	22,454	--	--	51,370
Corporate	6,271	141	--	--	4,666	11,078
Total	94,178	34,564	22,499	103,070	4,666	258,977

**ALJAZIRA TAKAFUL TAAWUNI COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2025

**18. SHARE CAPITAL AND EARNINGS PER SHARE**

The authorized, issued and paid-up capital of the Company at 30 September 2025 is SAR 660 million divided into 66 million shares of SAR 10 each (31 December 2024: SAR 660 million divided into 66 million shares of SAR 10 each).

	<b><i>Percentage of holding</i></b>		<b><i>Amount of share capital</i></b>	
	<b><i>30 September 2025</i></b>	<b><i>31 December 2024</i></b>	<b><i>30 September 2025</i></b>	<b><i>31 December 2024</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Audited)</i></b>	<b><i>(Unaudited)</i></b>	<b><i>(Audited)</i></b>
	<b><i>%</i></b>	<b><i>%</i></b>	<b><i>SAR'000</i></b>	<b><i>SAR'000</i></b>
Founding Shareholders	<b>38.08</b>	38.08	<b>251,310</b>	251,310
General public	<b>61.92</b>	61.92	<b>408,690</b>	408,690
	<b>100.00</b>	100.00	<b>660,000</b>	660,000

The basic and diluted earnings per share is calculated as follows:

	<b><i>Nine-month period ended 30 September 2025</i></b>	<b><i>Nine-month period ended 30 September 2024</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Unaudited)</i></b>
<b>Net profit for the period attributable to the shareholders (SAR'000)</b>	<b>34,838</b>	33,130
<b>Weighted average number of ordinary shares (in thousands of shares)</b>	<b>66,000</b>	66,000
<b>Basic and diluted earnings per share</b>	<b>0.53</b>	0.50

**18.1** On 17 June 2025, the Company in its Extra Ordinary General Meeting, declared a dividend of SAR 19.8 million at SAR 0.30 per share (30 September 2024: a dividend of SAR 19.8 million at SAR 0.30 per share) payable from 7 July 2025 onwards to the shareholders of the Company. The amount has been paid from 6 July 2025 onwards.

**19. CONTINGENCIES AND COMMITMENTS**

The Company is a legal defendant in a case that was filed by a client. The management, supported by legal opinion and related supporting documentation, believes the decision to be in favor of the Company. This matter represents a contingent liability, the outcome of which is dependent on the Arbitrator's decision. Based on the Company's management assessment, the potential outcome is not expected to have a material impact on the financial statements of the Company.

**20. SUBSEQUENT EVENTS**

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

**21. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements have been approved by the Board of Directors on 3 November 2025G corresponding to 12 Jamada Al-Awwal 1447H.