

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

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

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

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Crowe Solutions for Professional Consulting
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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Walaa Cooperative Insurance Company (the "Company") and its subsidiary (collectively referred to as the "Group")** as at 31 March 2026, and the related interim condensed consolidated statements of income, and comprehensive income for the three months periods then ended and the related interim condensed consolidated statement of changes in equity and cash flows for the three months period then ended and other explanatory notes ("interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at and for the three months periods ended 31 March 2026 of the Group are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

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07 May 2026
20 Dhul Qidah, 1447H



WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	Notes	As at March 31, 2026 (Unaudited)	As at December 31, 2025 (Audited)
SAR "000"			
Assets			
Cash and cash equivalents	8.1	514,966	407,070
Short term deposits	8.2	210,129	233,414
Prepaid expenses and other assets	10	89,006	86,232
Reinsurance contract assets for non unit-linked business	4.2	1,724,397	1,921,806
Financial assets for unit-linked insurance contracts		504,668	516,571
Statutory deposit		127,558	127,558
Accrued income on statutory deposit		1,577	7,048
Investments	9	1,440,963	1,489,762
Long term deposits		409,170	410,601
Property and equipment, net	14	55,012	56,455
Right of use assets, net	11	14,024	16,085
Intangible assets	12	104,851	107,452
Goodwill	13	76,729	76,729
Total assets		5,273,050	5,456,783
Liabilities and equity			
Liabilities			
Insurance contract liabilities for non unit-linked business	4.1	2,840,569	3,016,112
Insurance contract liabilities for unit-linked business	4.1	517,841	525,983
Reinsurance contract liabilities for non unit-linked business	4.2	4,706	3,161
Reinsurance contract liabilities for unit-linked business	4.2	483	393
Accrued expenses and other liabilities	15	99,814	113,392
Lease liabilities	11	10,229	15,090
Accrued income on statutory deposit payable to Insurance Authority		1,577	7,048
Provision for zakat and income tax	20	65,209	60,278
Provision for end-of-service benefits (EOSB)		43,751	42,692
Total liabilities		3,584,179	3,784,149
Equity			
Share capital	21	1,275,583	1,275,583
Share premium	21	228,280	228,280
Statutory reserve		92,775	92,775
Fair value reserve for investments	9.2	140,345	140,345
Accumulated losses		(41,842)	(58,022)
Total shareholders' equity		1,695,141	1,678,961
Remeasurement of EOSB		(9,227)	(9,227)
Non-controlling interest		2,957	2,900
Total equity		1,688,871	1,672,634
Total liabilities and equity		5,273,050	5,456,783


Chief Financial Officer


Chief Executive Officer



Board member

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	Notes	Three-month period ended	
		March 31, 2026	March 31, 2025
		(Unaudited)	(Unaudited)
SAR "000"			
Insurance revenue	5.1	633,177	788,219
Insurance service expenses	5.2	(265,318)	(430,594)
Insurance service results before reinsurance contracts held		367,859	357,625
Allocation of reinsurance premiums	5.3	(363,163)	(427,812)
Amounts recoverable from reinsurers for incurred claims	5.4	(2,191)	21,806
Net expenses from reinsurance contracts held		(365,354)	(406,006)
Insurance service results		2,505	(48,381)
Commission income on investments and deposits		20,274	22,972
Dividends on investments		2,932	3,467
Realized gain / (loss) on investments measured at fair value	9.1	19,565	(6,387)
Unrealized loss on investments measured at fair value	9.1	(11,550)	(22,643)
Change in expected credit losses on financial assets		(5)	(7)
Net investment income / (loss)		31,216	(2,598)
Finance expense from insurance contracts issued		(23,035)	(9,290)
Finance income from reinsurance contracts held		19,150	5,725
Net insurance finance expenses		(3,885)	(3,565)
Net insurance and investment results		29,836	(54,544)
Other operating income		2,502	-
Other income		656	685
Other operating expenses	7	(11,826)	(9,091)
Net income / (loss) for the period before zakat & tax		21,168	(62,950)
Zakat and Income tax charge for the period	20	(4,931)	(5,000)
Net income / (loss) for the period after zakat & tax attributable to:		16,237	(67,950)
- non-controlling interest		57	-
- shareholders		16,180	(67,950)
Earning / (loss) per share (expressed in SAR per share)			
Basic and diluted earning / (loss) per share	25	0.13	(0.53)
Weighted average number of ordinary outstanding shares (in thousand shares)		127,558	127,558


Chief Financial Officer


Chief Executive Officer


Board Member

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2026

	Three-month period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
	SAR "000"	
Net income / (loss) for the period	16,237	(67,950)
Other comprehensive income:		
<i>Items that will not be reclassified to consolidated statement of income in subsequent periods</i>		
Net changes in fair value of investments measured at fair value through other comprehensive income (FVOCI)	9.2 -	5,016
Total comprehensive income / (loss) for the period attributable to:	16,237	(62,934)
- non-controlling interest	57	-
- shareholders	16,180	(62,934)



Chief Financial Officer



Chief Executive Officer



Board member

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

Notes	Share capital	Share premium	Statutory reserve	Fair value reserve for investments	Accumulated losses	Total shareholders' equity	Remeasurement of EOSB	non-controlling Interest	Total equity
					SAR "000"				
Balance as at December 31, 2025 (Audited)	1,275,583	228,280	92,775	140,345	(58,022)	1,678,961	(9,227)	2,900	1,672,634
Comprehensive income for the period:									
Net income for the period attributable to the shareholders	-	-	-	-	16,180	16,180	-	-	16,180
Net income for the period attributable to non-controlling interest	-	-	-	-	-	-	-	57	57
Total comprehensive income for the period	-	-	-	-	16,180	16,180	-	57	16,237
Balance as at March 31, 2026 (Unaudited)	1,275,583	228,280	92,775	140,345	(41,842)	1,695,141	(9,227)	2,957	1,688,871


Chief Financial Officer


Chief Executive Officer


Board member

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WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

Notes	Share capital	Share premium	Statutory reserve	Fair value reserve for investments	Retained earnings	Total shareholders' equity	Remeasurement of EOSB	non-controlling Interest	Total equity
SAR "000"									
Balance as at December 31, 2024 (Audited)	1,275,583	228,280	92,775	117,149	117,794	1,831,581	(7,563)	-	1,824,018
Comprehensive loss for the period:									
Net loss for the period attributable to the shareholders	-	-	-	-	(67,950)	(67,950)	-	-	(67,950)
Net changes in fair value of investments measured at FVOCI	9.2	-	-	5,016	-	5,016	-	-	5,016
Total comprehensive loss for the period	-	-	-	5,016	(67,950)	(62,934)	-	-	(62,934)
Balance as at March 31, 2025 (Unaudited)	1,275,583	228,280	92,775	122,165	49,844	1,768,647	(7,563)	-	1,761,084



Chief Financial Officer



Chief Executive Officer



Board member

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	Notes	Three-month period ended	
		March 31, 2026	March 31, 2025
		(Unaudited)	(Unaudited)
		SAR "000"	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period before zakat and income tax		21,168	(62,950)
<u>Adjustments for non-cash and non-operating items:</u>			
Depreciation of property and equipment	14	1,912	1,586
Depreciation of right of use assets	11	2,061	1,983
Amortization of intangible assets	13	3,467	3,241
Commission income on investments and deposits		(20,274)	(22,972)
Dividends on investments		(2,932)	(3,467)
Realized (gain) / loss on investments measured at fair value	9.1	(19,565)	6,387
Unrealized loss on investments measured at fair value	9.1	11,550	22,643
Change in expected credit losses on financial assets		4	9
Finance cost on lease liabilities		7	230
Provision for end-of-service benefits (EOSB)		1,916	1,733
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liabilities for non unit-linked business	4.1	(175,543)	(169,483)
Insurance contract liabilities for unit-linked business	4.1	(8,142)	(11,550)
Reinsurance contract assets for non unit-linked business	4.2	197,409	(120,213)
Reinsurance contract assets for unit-linked business	4.2	-	164
Reinsurance contract liabilities for non unit-linked business	4.2	1,545	547
Reinsurance contract liabilities for unit-linked business	4.2	90	158
Prepaid expenses and other assets	10	(2,791)	8,850
Accrued expenses and other liabilities	15	(13,578)	(13,187)
		(1,696)	(356,291)
End-of-service benefits paid		(857)	(1,205)
Net cash used in operating activities		(2,553)	(357,496)



Chief Financial Officer



Chief Executive Officer



Board member

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

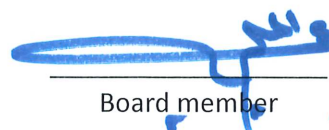
	Notes	Three-month period ended	
		March 31, 2026	March 31, 2025
		(Unaudited)	(Unaudited)
		SAR "000"	
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets for unit linked insurance contracts, net		11,903	11,668
Purchase of investments measured at FVTPL	9.1	(10,707)	(35,402)
Disposals of investments measured at FVTPL	9.1	64,162	44,589
Purchase of investments measured at amortized cost	9.3	-	(80,000)
Disposals of investments measured at amortized cost	9.3	-	89,839
Commission income received on investments and deposits		23,633	24,570
Dividends received on investments		2,932	3,467
Disposals of / (additions to) short term deposits		23,288	(84,099)
Disposals of / (additions to) long term deposits		1,441	(996)
Additions to intangible assets, net	12	(866)	(1,230)
Disposals of right of use assets, net	11	217	-
Additions to property and equipment	14	(469)	(8,055)
Net cash generated from / (used in) investing activities		115,534	(35,649)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		(5,085)	(5,160)
Net cash used in financing activities		(5,085)	(5,160)
Net change in cash and cash equivalents		107,896	(398,305)
Cash and cash equivalents, beginning of the period	8.1	407,070	962,268
Cash and cash equivalents, end of the period	8.1	514,966	563,963



Chief Financial Officer



Chief Executive Officer



Board member

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements.

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

1. GENERAL

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

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

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

On 2 Jumada II, 1424H, corresponding to July 31, 2003, the Law on the Supervision of Cooperative Insurance Companies (Insurance Law) was promulgated by Royal Decree Number (M/32). On 28 Jumada II, 1429H corresponding to July 2, 2008, Insurance Authority (IA) (formerly Saudi Central Bank "SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license number (TMN/16/20087) to transact insurance activities in Saudi Arabia.

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

The share capital of the Company as of March 31, 2026 amounted to SAR 1,275.583 million comprising of 127.558 million shares of SAR 10 each (December 31, 2025: SAR 1,275.583 million comprising of 127.558 million shares of SAR 10 each). Refer note 21.

The Company has one subsidiary "Aspire Underwriting Agency Ltd (ASPIRE)", a Managing General Agent (MGA) based in Dubai International Financial Center (DIFC), UAE, with 88% ownership interest. Refer note 13b.

These interim condensed consolidated financial statements comprise the Company and its subsidiary (together referred to as the "Group").

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements of the Group 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 pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (IFRS that are endorsed in the Kingdom of Saudi Arabia). These interim condensed consolidated financial statements also comply with Regulations for Companies in the Kingdom of Saudi Arabia and the Group's By-Laws.

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

These interim condensed consolidated financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI), financial assets for unit-linked insurance contracts and liabilities for defined benefit obligations. The Group's interim condensed consolidated statement of financial position is not presented using a current/non-current classification. However, following balances would generally be classified as non-current: investments measured at amortized costs, investments in joint ventures, financial assets for unit-linked insurance contracts, long term deposits, property and equipment, right of use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposits, lease liabilities, accrued income on statutory deposits payable to Insurance Authority, provision for end-of-service benefits and those balances of insurance and reinsurance contract assets and liabilities that would not be settled within next twelve months. All other assets and liabilities would generally be classified as current.

The interim condensed consolidated statements of financial position, income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 23 of the interim condensed consolidated financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations (the implementing regulations). The implementing regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed consolidated financial statements prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations. (Refer to Note 23 for supplementary disclosures).

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

In preparing the Group-level interim condensed consolidated financial statements in compliance with IFRS, 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 or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for transactions and events in similar circumstances.

The interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2025.

2. BASIS OF PREPARATION (CONTINUED)

(b) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary "Aspire". The financial statements of the subsidiary are prepared for the same reporting period as that of the Company.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and;
- The Group's voting rights and potential voting rights.

The financial statements of the subsidiary are included in the interim condensed consolidated financial statements of the Group from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when it loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Company gains control until the date it ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interest

Non-controlling interest is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Elimination of intra-group transactions

Intra-group balances and transactions, and any unrealized income and expenses and cash flows relating to transactions arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Functional and presentation currency

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

(d) Seasonality of operations

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

2. BASIS OF PREPARATION (CONTINUED)

(e) Critical accounting judgments, estimates and assumptions

The preparation of interim condensed consolidated 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. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2025.

(1) PAA Eligibility Testing

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

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

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

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

(2) Unit of account

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

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

(3) Discount rates

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

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

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

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

(5) Liability for incurred claims

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

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

(6) Measurement of the Expected Credit Loss Allowance (ECL)

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behavior. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk;
- determining the criteria and definition of default;
- choosing appropriate models and assumptions for the measurement of ECL; and
- establishing groups of similar financial assets for the purpose of measuring ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

(7) Fair value of financial instruments

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

(8) Going Concern

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in preparation of the annual consolidated financial statements for the year ended December 31, 2025. Below is the summary of new IFRS standards, IFRIC interpretations, and amendments thereof, not adopted by the Group as explained below:

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

Standard interpretation, amendments	Description
Amendment to IFRS-16 - Leases on sale and lease back	These amendments include requirements for sale and leaseback transactions in IFRS-16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cashflows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendment IAS 01- Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.
Amendments to IAS 21 - Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment sets out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.
IFRS S1 - General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
IFRS S2 - Climate-related disclosures (subject to endorsement from SOCPA)	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

Standard interpretation, amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only applies to the gain or loss resulting from the sale of contribution of assets that do not constitute a business as defined in IFRS-3 Business Combinations and the gain or loss resulting from the sale of contribution to an associate or joint venture of assets that constitute a business as defined in IFRS-3 is recognized in full.	Effective date deferred indefinitely
IFRS 18 - Presentation and disclosure in financial statements	The new standard sets out the requirements for presentation and disclosure of financial statements (mainly SOI), aiming to improve the structure and content of the primary financial statements for all entities applying IFRS. This standard will supersede IAS 8.	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 is a voluntary standard for eligible subsidiaries without public accountability wherein the eligible subsidiary applies the requirements of other IFRS Accounting Standards but with reduced disclosure requirements.	January 1, 2027

Note: There is no material impact on the Group's interim condensed consolidated financial statements due to the above changes.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS

An analysis of the amounts presented in the interim condensed consolidated statement of financial position for insurance and reinsurance contract assets and liabilities by valuation approach (PAA / GMM / VFA) has been included in the tables below:

4.1 Insurance contracts assets and liabilities	Valuation Approach	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR "000"			
Medical	PAA	-	219,032	-	223,866
Motor	PAA	-	310,024	-	360,045
Property	PAA	-	1,237,967	-	1,305,766
Energy	PAA	-	168,382	-	262,653
Engineering	PAA	-	433,440	-	377,894
P&S - non unit-linked	PAA	-	99,852	-	98,674
P&C - others	PAA	-	327,169	-	342,510
4.1.1 Total PAA		-	2,795,866	-	2,971,408
P&C - others	GMM	-	43,980	-	43,980
P&S - non unit-linked	GMM	-	723	-	724
P&S - unit-linked	VFA	-	517,841	-	525,983
4.1.2 Total GMM/VFA		-	562,544	-	570,687
Insurance contract Liabilities for non unit-linked business	PAA, GMM	-	2,840,569	-	3,016,112
Insurance contract Liabilities for unit-linked business	VFA	-	517,841	-	525,983
4.2 Reinsurance contracts assets and liabilities	Valuation Approach	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
		Assets	Liabilities	Assets	Liabilities
		SAR "000"			
Medical	PAA	-	4,706	-	3,161
Motor	PAA	3,241	-	3,387	-
Property	PAA	1,164,813	-	1,213,022	-
Energy	PAA	79,450	-	182,265	-
Engineering	PAA	318,817	-	321,724	-
P&S - non unit-linked	PAA	18,033	-	13,791	-
P&C - others	PAA	116,893	-	164,467	-
4.2.1 Total PAA		1,701,247	4,706	1,898,656	3,161
P&C - others	GMM	23,150	-	23,150	-
P&S - unit-linked	GMM	-	483	-	393
4.2.2 Total GMM		23,150	483	23,150	393
Reinsurance contract assets and liabilities for non unit-linked business	PAA, GMM	1,724,397	4,706	1,921,806	3,161
Reinsurance contract assets for unit-linked business	GMM	-	483	-	393

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

4.1.1 Insurance contracts - PAA -

Total	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening insurance contract liabilities	762,441	32,131	2,070,633	106,203	2,971,408	885,982	34,338	1,114,088	39,768	2,074,176
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	762,441	32,131	2,070,633	106,203	2,971,408	885,982	34,338	1,114,088	39,768	2,074,176
Insurance revenue	(630,991)	-	-	-	(630,991)	(3,091,082)	-	-	-	(3,091,082)
Incurred claims and other expenses	-	-	659,280	11,579	670,859	-	-	2,566,814	81,020	2,647,834
Changes in loss component	-	(13,952)	-	-	(13,952)	-	(2,207)	-	-	(2,207)
Changes to liabilities for incurred claims	-	-	(433,896)	(16,005)	(449,901)	-	-	(219,611)	(14,538)	(234,149)
Insurance acquisition costs	57,374	-	-	-	57,374	300,499	-	-	-	300,499
Surplus distribution expense	-	-	529	-	529	-	-	-	-	-
Insurance service expenses	57,374	(13,952)	225,913	(4,426)	264,909	300,499	(2,207)	2,347,203	66,482	2,711,977
Insurance service results before reinsurance contracts held	(573,617)	(13,952)	225,913	(4,426)	(366,082)	(2,790,583)	(2,207)	2,347,203	66,482	(379,105)
Finance expenses from insurance contracts issued	-	-	23,006	-	23,006	-	-	22,040	(47)	21,993
Total changes in the interim condensed consolidated statement of income	(573,617)	(13,952)	248,919	(4,426)	(343,076)	(2,790,583)	(2,207)	2,369,243	66,435	(357,112)
Premiums received	515,240	-	-	-	515,240	2,923,736	-	-	-	2,923,736
Claims and directly attributable expenses paid	-	-	(287,787)	-	(287,787)	-	-	(1,412,698)	-	(1,412,698)
Insurance acquisition expenses paid	(59,919)	-	-	-	(59,919)	(256,694)	-	-	-	(256,694)
Net cash flows for insurance contracts	455,321	-	(287,787)	-	167,534	2,667,042	-	(1,412,698)	-	1,254,344
Net closing insurance contract liabilities	644,145	18,179	2,031,765	101,777	2,795,866	762,441	32,131	2,070,633	106,203	2,971,408
Closing insurance contract liabilities	644,145	18,179	2,031,765	101,777	2,795,866	762,441	32,131	2,070,633	106,203	2,971,408
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Medical

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	98,163	9,805	110,686	5,212	223,866	62,466	7,509	124,519	5,560	200,054
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	98,163	9,805	110,686	5,212	223,866	62,466	7,509	124,519	5,560	200,054
Insurance revenue	(103,343)	-	-	-	(103,343)	(389,522)	-	-	-	(389,522)
Incurred claims and other expenses	-	-	104,516	1,903	106,419	-	-	370,841	2,907	373,748
Changes in loss component	-	(5,371)	-	-	(5,371)	-	2,296	-	-	2,296
Changes to liabilities for incurred claims	-	-	(4,445)	(2,806)	(7,251)	-	-	3,795	(3,254)	541
Insurance acquisition costs	14,611	-	-	-	14,611	81,417	-	-	-	81,417
Surplus distribution expense	-	-	213	-	213	-	-	-	-	-
Insurance service expenses	14,611	(5,371)	100,284	(903)	108,621	81,417	2,296	374,636	(347)	458,002
Insurance service results before reinsurance contracts held	(88,732)	(5,371)	100,284	(903)	5,278	(308,105)	2,296	374,636	(347)	68,480
Finance expenses from insurance contracts issued	-	-	925	-	925	-	-	1,653	(1)	1,652
Total changes in the interim condensed consolidated statement of income	(88,732)	(5,371)	101,209	(903)	6,203	(308,105)	2,296	376,289	(348)	70,132
Premiums received	108,920	-	-	-	108,920	399,281	-	-	-	399,281
Claims and directly attributable expenses paid	-	-	(105,493)	-	(105,493)	-	-	(390,122)	-	(390,122)
Insurance acquisition expenses paid	(14,464)	-	-	-	(14,464)	(55,479)	-	-	-	(55,479)
Net cash flows for insurance contracts	94,456	-	(105,493)	-	(11,037)	343,802	-	(390,122)	-	(46,320)
Net closing insurance contract liabilities	103,887	4,434	106,402	4,309	219,032	98,163	9,805	110,686	5,212	223,866
Closing insurance contract liabilities	103,887	4,434	106,402	4,309	219,032	98,163	9,805	110,686	5,212	223,866
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Motor

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	158,538	22,326	172,740	6,441	360,045	315,993	26,829	190,396	7,517	540,735
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	158,538	22,326	172,740	6,441	360,045	315,993	26,829	190,396	7,517	540,735
Insurance revenue	(100,657)	-	-	-	(100,657)	(666,452)	-	-	-	(666,452)
Incurred claims and other expenses	-	-	100,975	1,934	102,909	-	-	730,710	4,563	735,273
Changes in loss component	-	(8,581)	-	-	(8,581)	-	(4,503)	-	-	(4,503)
Changes to liabilities for incurred claims	-	-	(5,432)	(1,367)	(6,799)	-	-	(13,991)	(5,639)	(19,630)
Insurance acquisition costs	18,468	-	-	-	18,468	114,570	-	-	-	114,570
Surplus distribution expense	-	-	209	-	209	-	-	-	-	-
Insurance service expenses	18,468	(8,581)	95,752	567	106,206	114,570	(4,503)	716,719	(1,076)	825,710
Insurance service results before reinsurance contracts held	(82,189)	(8,581)	95,752	567	5,549	(551,882)	(4,503)	716,719	(1,076)	159,258
Finance expenses from insurance contracts issued	-	-	1,426	-	1,426	-	-	3,149	-	3,149
Total changes in the interim condensed consolidated statement of income	(82,189)	(8,581)	97,178	567	6,975	(551,882)	(4,503)	719,868	(1,076)	162,407
Premiums received	66,591	-	-	-	66,591	487,467	-	-	-	487,467
Claims and directly attributable expenses paid	-	-	(106,049)	-	(106,049)	-	-	(737,524)	-	(737,524)
Insurance acquisition expenses paid	(17,538)	-	-	-	(17,538)	(93,040)	-	-	-	(93,040)
Net cash flows for insurance contracts	49,053	-	(106,049)	-	(56,996)	394,427	-	(737,524)	-	(343,097)
Net closing insurance contract liabilities	125,402	13,745	163,869	7,008	310,024	158,538	22,326	172,740	6,441	360,045
Closing insurance contract liabilities	125,402	13,745	163,869	7,008	310,024	158,538	22,326	172,740	6,441	360,045
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -

Property	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening insurance contract liabilities	155,597	-	1,095,487	54,682	1,305,766	97,486	-	207,155	5,572	310,213
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	155,597	-	1,095,487	54,682	1,305,766	97,486	-	207,155	5,572	310,213
Insurance revenue	(130,708)	-	-	-	(130,708)	(641,823)	-	-	-	(641,823)
Incurred claims and other expenses	-	-	318,559	1,553	320,112	-	-	962,409	47,721	1,010,130
Changes in loss component	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(319,423)	(1,963)	(321,386)	-	-	(41,951)	1,389	(40,562)
Insurance acquisition costs	5,360	-	-	-	5,360	30,368	-	-	-	30,368
Surplus distribution expense	-	-	25	-	25	-	-	-	-	-
Insurance service expenses	5,360	-	(839)	(410)	4,111	30,368	-	920,458	49,110	999,936
Insurance service results before reinsurance contracts held	(125,348)	-	(839)	(410)	(126,597)	(611,455)	-	920,458	49,110	358,113
Finance expenses from insurance contracts issued	-	-	14,218	-	14,218	-	-	6,099	-	6,099
Total changes in the interim condensed consolidated statement of income	(125,348)	-	13,379	(410)	(112,379)	(611,455)	-	926,557	49,110	364,212
Premiums received	71,529	-	-	-	71,529	702,133	-	-	-	702,133
Claims and directly attributable expenses paid	-	-	(21,979)	-	(21,979)	-	-	(38,225)	-	(38,225)
Insurance acquisition expenses paid	(4,970)	-	-	-	(4,970)	(32,567)	-	-	-	(32,567)
Net cash flows for insurance contracts	66,559	-	(21,979)	-	44,580	669,566	-	(38,225)	-	631,341
Net closing insurance contract liabilities	96,808	-	1,086,887	54,272	1,237,967	155,597	-	1,095,487	54,682	1,305,766
Closing insurance contract liabilities	96,808	-	1,086,887	54,272	1,237,967	155,597	-	1,095,487	54,682	1,305,766
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Energy

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	124,742	-	131,348	6,563	262,653	118,061	-	119,682	3,275	241,018
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	124,742	-	131,348	6,563	262,653	118,061	-	119,682	3,275	241,018
Insurance revenue	(142,737)	-	-	-	(142,737)	(582,577)	-	-	-	(582,577)
Incurred claims and other expenses	-	-	48,709	2,421	51,130	-	-	126,870	6,445	133,315
Changes in loss component	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(42,466)	(2,167)	(44,633)	-	-	(80,055)	(3,157)	(83,212)
Insurance acquisition costs	359	-	-	-	359	853	-	-	-	853
Surplus distribution expense	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	359	-	6,243	254	6,856	853	-	46,815	3,288	50,956
Insurance service results before reinsurance contracts held	(142,378)	-	6,243	254	(135,881)	(581,724)	-	46,815	3,288	(531,621)
Finance expenses from insurance contracts issued	-	-	1,111	-	1,111	-	-	1,492	-	1,492
Total changes in the interim condensed consolidated statement of income	(142,378)	-	7,354	254	(134,770)	(581,724)	-	48,307	3,288	(530,129)
Premiums received	43,119	-	-	-	43,119	589,590	-	-	-	589,590
Claims and directly attributable expenses paid	-	-	(2,268)	-	(2,268)	-	-	(36,641)	-	(36,641)
Insurance acquisition expenses paid	(352)	-	-	-	(352)	(1,185)	-	-	-	(1,185)
Net cash flows for insurance contracts	42,767	-	(2,268)	-	40,499	588,405	-	(36,641)	-	551,764
Net closing insurance contract liabilities	25,131	-	136,434	6,817	168,382	124,742	-	131,348	6,563	262,653
Closing insurance contract liabilities	25,131	-	136,434	6,817	168,382	124,742	-	131,348	6,563	262,653
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Engineering

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	175,800	-	187,330	14,764	377,894	215,952	-	89,067	3,666	308,685
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	175,800	-	187,330	14,764	377,894	215,952	-	89,067	3,666	308,685
Insurance revenue	(52,816)	-	-	-	(52,816)	(208,103)	-	-	-	(208,103)
Incurred claims and other expenses	-	-	25,805	1,230	27,035	-	-	149,489	11,294	160,783
Changes in loss component	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	3,701	(4,614)	(913)	-	-	(32,757)	(196)	(32,953)
Insurance acquisition costs	5,780	-	-	-	5,780	24,627	-	-	-	24,627
Surplus distribution expense	-	-	18	-	18	-	-	-	-	-
Insurance service expenses	5,780	-	29,524	(3,384)	31,920	24,627	-	116,732	11,098	152,457
Insurance service results before reinsurance contracts held	(47,036)	-	29,524	(3,384)	(20,896)	(183,476)	-	116,732	11,098	(55,646)
Finance expenses from insurance contracts issued	-	-	2,184	-	2,184	-	-	2,656	-	2,656
Total changes in the interim condensed consolidated statement of income	(47,036)	-	31,708	(3,384)	(18,712)	(183,476)	-	119,388	11,098	(52,990)
Premiums received	89,205	-	-	-	89,205	169,391	-	-	-	169,391
Claims and directly attributable expenses paid	-	-	(3,742)	-	(3,742)	-	-	(21,125)	-	(21,125)
Insurance acquisition expenses paid	(11,205)	-	-	-	(11,205)	(26,067)	-	-	-	(26,067)
Net cash flows for insurance contracts	78,000	-	(3,742)	-	74,258	143,324	-	(21,125)	-	122,199
Net closing insurance contract liabilities	206,764	-	215,296	11,380	433,440	175,800	-	187,330	14,764	377,894
Closing insurance contract liabilities	206,764	-	215,296	11,380	433,440	175,800	-	187,330	14,764	377,894
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Protection and Savings (P&S) - non-linked

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	(69,177)	-	162,002	5,849	98,674	(94,584)	-	189,452	7,108	101,976
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	(69,177)	-	162,002	5,849	98,674	(94,584)	-	189,452	7,108	101,976
Insurance revenue	(16,340)	-	-	-	(16,340)	(146,930)	-	-	-	(146,930)
Incurred claims and other expenses	-	-	34,495	1,375	35,870	-	-	144,277	3,907	148,184
Changes in loss component	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(20,954)	641	(20,313)	-	-	(29,233)	(5,166)	(34,399)
Insurance acquisition costs	2,920	-	-	-	2,920	11,729	-	-	-	11,729
Surplus distribution expense	-	-	10	-	10	-	-	-	-	-
Insurance service expenses	2,920	-	13,551	2,016	18,487	11,729	-	115,044	(1,259)	125,514
Insurance service results before reinsurance contracts held	(13,420)	-	13,551	2,016	2,147	(135,201)	-	115,044	(1,259)	(21,416)
Finance expenses from insurance contracts issued	-	-	1,397	-	1,397	-	-	3,893	-	3,893
Total changes in the interim condensed consolidated statement of income	(13,420)	-	14,948	2,016	3,544	(135,201)	-	118,937	(1,259)	(17,523)
Premiums received	35,449	-	-	-	35,449	174,640	-	-	-	174,640
Claims and directly attributable expenses paid	-	-	(34,820)	-	(34,820)	-	-	(146,387)	-	(146,387)
Insurance acquisition expenses paid	(2,995)	-	-	-	(2,995)	(14,032)	-	-	-	(14,032)
Net cash flows for insurance contracts	32,454	-	(34,820)	-	(2,366)	160,608	-	(146,387)	-	14,221
Net closing insurance contract liabilities	(50,143)	-	142,130	7,865	99,852	(69,177)	-	162,002	5,849	98,674
Closing insurance contract liabilities	(50,143)	-	142,130	7,865	99,852	(69,177)	-	162,002	5,849	98,674
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.1 Insurance contracts - PAA -
Property and Casualty (P&C) - others

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	118,778	-	211,040	12,692	342,510	170,608	-	193,817	7,070	371,495
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	118,778	-	211,040	12,692	342,510	170,608	-	193,817	7,070	371,495
Insurance revenue	(84,390)	-	-	-	(84,390)	(455,675)	-	-	-	(455,675)
Incurred claims and other expenses	-	-	26,221	1,163	27,384	-	-	82,218	4,183	86,401
Changes in loss component	-	-	-	-	-	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(44,877)	(3,729)	(48,606)	-	-	(25,419)	1,485	(23,934)
Insurance acquisition costs	9,876	-	-	-	9,876	36,935	-	-	-	36,935
Surplus distribution expense	-	-	54	-	54	-	-	-	-	-
Insurance service expenses	9,876	-	(18,602)	(2,566)	(11,292)	36,935	-	56,799	5,668	99,402
Insurance service results before reinsurance contracts held	(74,514)	-	(18,602)	(2,566)	(95,682)	(418,740)	-	56,799	5,668	(356,273)
Finance expenses from insurance contracts issued	-	-	1,745	-	1,745	-	-	3,098	(46)	3,052
Total changes in the interim condensed consolidated statement of income	(74,514)	-	(16,857)	(2,566)	(93,937)	(418,740)	-	59,897	5,622	(353,221)
Insurance pool portfolio transition impact	-	-	-	-	-	-	-	-	-	-
Premiums received	100,427	-	-	-	100,427	401,234	-	-	-	401,234
Claims and directly attributable expenses paid	-	-	(13,436)	-	(13,436)	-	-	(42,674)	-	(42,674)
Insurance acquisition expenses paid	(8,395)	-	-	-	(8,395)	(34,324)	-	-	-	(34,324)
Net cash flows for insurance contracts	92,032	-	(13,436)	-	78,596	366,910	-	(42,674)	-	324,236
Net closing insurance contract liabilities	136,296	-	180,747	10,126	327,169	118,778	-	211,040	12,692	342,510
Closing insurance contract liabilities	136,296	-	180,747	10,126	327,169	118,778	-	211,040	12,692	342,510
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - GMM/VFA -

Total	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC			LFRC		LIC		
	excluding LC	LC	excluding RA	RA	Total	excluding LC	LC	excluding RA	RA	Total
		SAR "000"				SAR "000"				
Opening insurance contract liabilities	566,218	709	3,551	209	570,687	592,858	951	5,514	310	599,633
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	566,218	709	3,551	209	570,687	592,858	951	5,514	310	599,633
Expected claims expenses	(24)	-	-	-	(24)	594	-	-	-	594
Expected directly attributable expenses	(372)	-	-	-	(372)	(1,741)	-	-	-	(1,741)
Loss component run off	(764)	-	-	-	(764)	(3,191)	-	-	-	(3,191)
Expected other insurance service expenses	66	-	-	-	66	(3,424)	-	-	-	(3,424)
Changes in risk adjustment for non-financial risk	(10)	-	-	-	(10)	(81)	-	-	-	(81)
CSM recognized during the period	(791)	-	-	-	(791)	(4,194)	-	-	-	(4,194)
Recovery of insurance acquisition cash flows	(291)	-	-	-	(291)	(1,176)	-	-	-	(1,176)
Insurance revenue	(2,186)	-	-	-	(2,186)	(13,213)	-	-	-	(13,213)
Incurred claims and other expenses	-	-	200	-	200	-	-	4,208	248	4,456
Changes in loss component	-	(55)	-	-	(55)	-	(239)	-	-	(239)
Changes to liabilities for incurred claims	-	-	(24)	(3)	(27)	-	-	(3,942)	(344)	(4,286)
Insurance acquisition costs	291	-	-	-	291	1,176	-	-	-	1,176
Surrenders and maturities	(30,575)	-	30,575	-	-	(121,553)	-	121,553	-	-
Insurance service expenses	(30,284)	(55)	30,751	(3)	409	(120,377)	(239)	121,819	(96)	1,107
Insurance service results before reinsurance contracts held	(32,470)	(55)	30,751	(3)	(1,777)	(133,590)	(239)	121,819	(96)	(12,106)
Finance expenses from insurance contracts issued	4	-	23	2	29	(59)	(3)	66	11	15
Total changes in the interim condensed consolidated statement of income	(32,466)	(55)	30,774	(1)	(1,748)	(133,649)	(242)	121,885	(85)	(12,091)
Changes in fair value of unit-linked investments	9,186	-	-	-	9,186	47,194	-	-	-	47,194
Insurance pool portfolio impact of participation ratio change	-	-	-	-	-	(31,821)	-	(926)	(16)	(32,763)
Premiums received	15,312	-	-	-	15,312	92,145	-	-	-	92,145
Claims and directly attributable expenses paid	-	-	(30,774)	-	(30,774)	-	-	(122,922)	-	(122,922)
Insurance acquisition expenses paid	(119)	-	-	-	(119)	(509)	-	-	-	(509)
Net cash flows for insurance contracts	15,193	-	(30,774)	-	(15,581)	91,636	-	(122,922)	-	(31,286)
Net closing insurance contract liabilities	558,131	654	3,551	208	562,544	566,218	709	3,551	209	570,687
Closing insurance contract liabilities	558,131	654	3,551	208	562,544	566,218	709	3,551	209	570,687
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - GMM -
Property and Casualty (P&C) - others*

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	42,677	-	1,279	24	43,980	52,924	-	2,066	34	55,024
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	42,677	-	1,279	24	43,980	52,924	-	2,066	34	55,024
Expected claims expenses	-	-	-	-	-	683	-	-	-	683
Expected other insurance service expenses	-	-	-	-	-	(3,673)	-	-	-	(3,673)
Changes in risk adjustment for non-financial risk	-	-	-	-	-	(31)	-	-	-	(31)
CSM recognized during the period	-	-	-	-	-	(540)	-	-	-	(540)
Insurance revenue	-	-	-	-	-	(3,561)	-	-	-	(3,561)
Incurring claims and other expenses	-	-	-	-	-	-	-	1,293	20	1,313
Changes to liabilities for incurred claims	-	-	-	-	-	-	-	(490)	(15)	(505)
Insurance service expenses	-	-	-	-	-	-	-	803	5	808
Insurance service results before reinsurance contracts held	-	-	-	-	-	(3,561)	-	803	5	(2,753)
Finance expenses from insurance contracts issued	-	-	-	-	-	(74)	-	(43)	1	(116)
Total changes in the interim condensed consolidated statement of income	-	-	-	-	-	(3,635)	-	760	6	(2,869)
Insurance pool portfolio impact of participation ratio change	-	-	-	-	-	(31,821)	-	(926)	(16)	(32,763)
Premiums received	-	-	-	-	-	25,209	-	-	-	25,209
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	(621)	-	(621)
Net cash flows for insurance contracts	-	-	-	-	-	25,209	-	(621)	-	24,588
Net closing insurance contract liabilities	42,677	-	1,279	24	43,980	42,677	-	1,279	24	43,980
Closing insurance contract liabilities	42,677	-	1,279	24	43,980	42,677	-	1,279	24	43,980
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

* This portfolio is for an Industry Pool "Inherent Defect Insurance" (IDI) and the proportionate share of the Group is recorded upon receipt of signed financials from the insurance pool leader.

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - GMM -
Protection and Savings (P&S) - non-linked

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	643	4	71	6	724	546	3	94	7	650
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	643	4	71	6	724	546	3	94	7	650
Expected claims expenses	(24)	-	-	-	(24)	(89)	-	-	-	(89)
Expected directly attributable expenses	(2)	-	-	-	(2)	(12)	-	-	-	(12)
Loss component run off	-	-	-	-	-	-	-	-	-	-
Expected other insurance service expenses	1	-	-	-	1	-	-	-	-	-
Changes in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	(20)	-	-	-	(20)	(88)	-	-	-	(88)
Recovery of insurance acquisition cash flows	-	-	-	-	-	(2)	-	-	-	(2)
Insurance revenue	(45)	-	-	-	(45)	(191)	-	-	-	(191)
Incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-
Changes in loss component	-	(4)	-	-	(4)	-	1	-	-	1
Changes to liabilities for incurred claims	-	-	(1)	-	(1)	-	-	(27)	(1)	(28)
Insurance acquisition costs	-	-	-	-	-	2	-	-	-	2
Surrenders and maturities	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	-	(4)	(1)	-	(5)	2	1	(27)	(1)	(25)
Insurance service results before reinsurance contracts held	(45)	(4)	(1)	-	(50)	(189)	1	(27)	(1)	(216)
Finance expenses from insurance contracts issued	4	-	1	-	5	15	-	4	-	19
Total changes in the interim condensed consolidated statement of income	(41)	(4)	-	-	(45)	(174)	1	(23)	(1)	(197)
Premiums received	44	-	-	-	44	272	-	-	-	272
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	-	(1)	-	-	-	(1)
Net cash flows for insurance contracts	44	-	-	-	44	271	-	-	-	271
Net closing insurance contract liabilities	646	-	71	6	723	643	4	71	6	724
Closing insurance contract liabilities	646	-	71	6	723	643	4	71	6	724
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.1.2 Insurance contracts - VFA -
Protection and Savings (P&S) - linked

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	LFRC		LIC		Total	LFRC		LIC		Total
	excluding LC	LC	excluding RA	RA		excluding LC	LC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening insurance contract liabilities	522,898	705	2,201	179	525,983	539,388	948	3,354	269	543,959
Opening insurance contract (assets)	-	-	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	522,898	705	2,201	179	525,983	539,388	948	3,354	269	543,959
Expected claims expenses	-	-	-	-	-	-	-	-	-	-
Expected directly attributable expenses	(370)	-	-	-	(370)	(1,729)	-	-	-	(1,729)
Loss component run off	(764)	-	-	-	(764)	(3,191)	-	-	-	(3,191)
Expected other insurance service expenses	65	-	-	-	65	249	-	-	-	249
Changes in risk adjustment for non-financial risk	(10)	-	-	-	(10)	(50)	-	-	-	(50)
CSM recognized during the period	(771)	-	-	-	(771)	(3,566)	-	-	-	(3,566)
Recovery of insurance acquisition cash flows	(291)	-	-	-	(291)	(1,174)	-	-	-	(1,174)
Insurance revenue	(2,141)	-	-	-	(2,141)	(9,461)	-	-	-	(9,461)
Incurring claims and other expenses	-	-	200	-	200	-	-	2,915	228	3,143
Changes in loss component	-	(51)	-	-	(51)	-	(240)	-	-	(240)
Changes to liabilities for incurred claims	-	-	(23)	(3)	(26)	-	-	(3,425)	(328)	(3,753)
Insurance acquisition costs	291	-	-	-	291	1,174	-	-	-	1,174
Surrenders and maturities	(30,575)	-	30,575	-	-	(121,553)	-	121,553	-	-
Insurance service expenses	(30,284)	(51)	30,752	(3)	414	(120,379)	(240)	121,043	(100)	324
Insurance service results before reinsurance contracts held	(32,425)	(51)	30,752	(3)	(1,727)	(129,840)	(240)	121,043	(100)	(9,137)
Finance expenses from insurance contracts issued	-	-	22	2	24	-	(3)	105	10	112
Total changes in the interim condensed consolidated statement of income	(32,425)	(51)	30,774	(1)	(1,703)	(129,840)	(243)	121,148	(90)	(9,025)
Changes in fair value of unit-linked investments	9,186	-	-	-	9,186	47,194	-	-	-	47,194
Premiums received	15,268	-	-	-	15,268	66,664	-	-	-	66,664
Claims and directly attributable expenses paid	-	-	(30,774)	-	(30,774)	-	-	(122,301)	-	(122,301)
Insurance acquisition expenses paid	(119)	-	-	-	(119)	(508)	-	-	-	(508)
Net cash flows for insurance contracts	15,149	-	(30,774)	-	(15,625)	66,156	-	(122,301)	-	(56,145)
Net closing insurance contract liabilities	514,808	654	2,201	178	517,841	522,898	705	2,201	179	525,983
Closing insurance contract liabilities	514,808	654	2,201	178	517,841	522,898	705	2,201	179	525,983
Closing insurance contract (assets)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

4.2.1 Reinsurance contracts - PAA -

Total	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	140,688	-	1,668,896	89,072	1,898,656	(7,443)	-	688,294	21,358	702,209
Opening reinsurance contract (liabilities)	(11,936)	140	8,240	395	(3,161)	(10,892)	-	7,261	329	(3,302)
Net opening reinsurance contract assets	128,752	140	1,677,136	89,467	1,895,495	(18,335)	-	695,555	21,687	698,907
Allocation of reinsurance premiums	(363,082)	-	-	-	(363,082)	(1,698,539)	-	-	-	(1,698,539)
Incurring claims and other expenses	-	-	110,046	11,341	121,387	-	-	1,241,426	65,744	1,307,170
Changes in loss recovery component	-	(140)	-	-	(140)	-	140	-	-	140
Changes to AIC for past services	-	-	(107,593)	(15,840)	(123,433)	-	-	(167,302)	2,039	(165,263)
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	8,072	-	8,072
Amounts recoverable from reinsurance for incurred claims	-	(140)	2,453	(4,499)	(2,186)	-	140	1,082,196	67,783	1,150,119
Net (expenses) / income from reinsurance contracts held	(363,082)	(140)	2,453	(4,499)	(365,268)	(1,698,539)	140	1,082,196	67,783	(548,420)
Finance income from reinsurance contracts held	1	-	19,153	-	19,154	-	-	13,384	(3)	13,381
Total changes in the interim condensed consolidated statement of income	(363,081)	(140)	21,606	(4,499)	(346,114)	(1,698,539)	140	1,095,580	67,780	(535,039)
Premiums paid	170,815	-	-	-	170,815	1,904,174	-	-	-	1,904,174
Claims recovered	-	-	(9,649)	-	(9,649)	-	-	(109,813)	-	(109,813)
Fixed commissions received	(14,006)	-	-	-	(14,006)	(58,548)	-	-	-	(58,548)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	(4,186)	-	(4,186)
Net cash flows for reinsurance contracts	156,809	-	(9,649)	-	147,160	1,845,626	-	(113,999)	-	1,731,627
Net closing reinsurance contract assets	(77,520)	-	1,689,093	84,968	1,696,541	128,752	140	1,677,136	89,467	1,895,495
Closing reinsurance contract assets	(64,891)	-	1,681,484	84,654	1,701,247	140,688	-	1,668,896	89,072	1,898,656
Closing reinsurance contract (liabilities)	(12,629)	-	7,609	314	(4,706)	(11,936)	140	8,240	395	(3,161)

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Medical

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening reinsurance contract (liabilities)	(11,936)	140	8,240	395	(3,161)	(10,892)	-	7,261	329	(3,302)
Net opening reinsurance contract assets	(11,936)	140	8,240	395	(3,161)	(10,892)	-	7,261	329	(3,302)
Allocation of reinsurance premiums	(694)	-	-	-	(694)	(2,424)	-	-	-	(2,424)
Incurring claims and other expenses	-	-	1,054	312	1,366	-	-	3,982	52	4,034
Changes in loss recovery component	-	(140)	-	-	(140)	-	140	-	-	140
Changes to AIC for past services	-	-	(1,108)	(393)	(1,501)	-	-	266	14	280
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	(140)	(54)	(81)	(275)	-	140	4,248	66	4,454
Net (expenses) / income from reinsurance contracts held	(694)	(140)	(54)	(81)	(969)	(2,424)	140	4,248	66	2,030
Finance income from reinsurance contracts held	1	-	57	-	58	-	-	51	-	51
Total changes in the interim condensed consolidated statement of income	(693)	(140)	3	(81)	(911)	(2,424)	140	4,299	66	2,081
Premiums paid	-	-	-	-	-	1,881	-	-	-	1,881
Claims recovered	-	-	(634)	-	(634)	-	-	(3,320)	-	(3,320)
Fixed commissions received	-	-	-	-	-	(501)	-	-	-	(501)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	-	-	(634)	-	(634)	1,380	-	(3,320)	-	(1,940)
Net closing reinsurance contract assets	(12,629)	-	7,609	314	(4,706)	(11,936)	140	8,240	395	(3,161)
Closing reinsurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing reinsurance contract (liabilities)	(12,629)	-	7,609	314	(4,706)	(11,936)	140	8,240	395	(3,161)

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Motor

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	(1,255)	-	4,425	217	3,387	(1,272)	-	4,328	197	3,253
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(1,255)	-	4,425	217	3,387	(1,272)	-	4,328	197	3,253
Allocation of reinsurance premiums	(174)	-	-	-	(174)	(1,078)	-	-	-	(1,078)
Incurring claims and other expenses	-	-	(27)	246	219	-	-	-	-	-
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	(4)	(217)	(221)	-	-	1,146	20	1,166
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(31)	29	(2)	-	-	1,146	20	1,166
Net (expenses) / income from reinsurance contracts held	(174)	-	(31)	29	(176)	(1,078)	-	1,146	20	88
Finance income from reinsurance contracts held	-	-	31	-	31	-	-	30	-	30
Total changes in the interim condensed consolidated statement of income	(174)	-	-	29	(145)	(1,078)	-	1,176	20	118
Premiums paid	-	-	-	-	-	1,317	-	-	-	1,317
Claims recovered	-	-	(1)	-	(1)	-	-	(1,079)	-	(1,079)
Fixed commissions received	-	-	-	-	-	(222)	-	-	-	(222)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	-	-	(1)	-	(1)	1,095	-	(1,079)	-	16
Net closing reinsurance contract assets	(1,429)	-	4,424	246	3,241	(1,255)	-	4,425	217	3,387
Closing reinsurance contract assets	(1,429)	-	4,424	246	3,241	(1,255)	-	4,425	217	3,387
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -

Property	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	43,230	-	1,114,740	55,052	1,213,022	(172,432)	-	236,343	6,111	70,022
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	43,230	-	1,114,740	55,052	1,213,022	(172,432)	-	236,343	6,111	70,022
Allocation of reinsurance premiums	(118,594)	-	-	-	(118,594)	(590,867)	-	-	-	(590,867)
Incurred claims and other expenses	-	-	27,823	2,806	30,629	-	-	933,216	46,519	979,735
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	(32,658)	(2,588)	(35,246)	-	-	(35,033)	2,422	(32,611)
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	2,905	-	2,905
Amounts recoverable from reinsurance for incurred claims	-	-	(4,835)	218	(4,617)	-	-	901,088	48,941	950,029
Net (expenses) / income from reinsurance contracts held	(118,594)	-	(4,835)	218	(123,211)	(590,867)	-	901,088	48,941	359,162
Finance income from reinsurance contracts held	-	-	14,090	-	14,090	-	-	6,076	-	6,076
Total changes in the interim condensed consolidated statement of income	(118,594)	-	9,255	218	(109,121)	(590,867)	-	907,164	48,941	365,238
Premiums paid	70,333	-	-	-	70,333	829,219	-	-	-	829,219
Claims recovered	-	-	(4,904)	-	(4,904)	-	-	(26,383)	-	(26,383)
Fixed commissions received	(4,517)	-	-	-	(4,517)	(22,690)	-	-	-	(22,690)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	(2,384)	-	(2,384)
Net cash flows for reinsurance contracts	65,816	-	(4,904)	-	60,912	806,529	-	(28,767)	-	777,762
Net closing reinsurance contract assets	(9,548)	-	1,119,091	55,270	1,164,813	43,230	-	1,114,740	55,052	1,213,022
Closing reinsurance contract assets	(9,548)	-	1,119,091	55,270	1,164,813	43,230	-	1,114,740	55,052	1,213,022
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Energy

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	55,280	-	120,938	6,047	182,265	105,529	-	119,994	3,286	228,809
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	55,280	-	120,938	6,047	182,265	105,529	-	119,994	3,286	228,809
Allocation of reinsurance premiums	(137,127)	-	-	-	(137,127)	(565,851)	-	-	-	(565,851)
Incurring claims and other expenses	-	-	43,697	2,398	46,095	-	-	114,952	5,731	120,683
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	(41,242)	(2,242)	(43,484)	-	-	(77,928)	(2,970)	(80,898)
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	2,455	156	2,611	-	-	37,024	2,761	39,785
Net (expenses) / income from reinsurance contracts held	(137,127)	-	2,455	156	(134,516)	(565,851)	-	37,024	2,761	(526,066)
Finance income from reinsurance contracts held	-	-	978	-	978	-	-	1,479	-	1,479
Total changes in the interim condensed consolidated statement of income	(137,127)	-	3,433	156	(133,538)	(565,851)	-	38,503	2,761	(524,587)
Premiums paid	31,785	-	-	-	31,785	517,664	-	-	-	517,664
Claims recovered	-	-	(305)	-	(305)	-	-	(37,559)	-	(37,559)
Fixed commissions received	(757)	-	-	-	(757)	(2,062)	-	-	-	(2,062)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	31,028	-	(305)	-	30,723	515,602	-	(37,559)	-	478,043
Net closing reinsurance contract assets	(50,819)	-	124,066	6,203	79,450	55,280	-	120,938	6,047	182,265
Closing reinsurance contract assets	(50,819)	-	124,066	6,203	79,450	55,280	-	120,938	6,047	182,265
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Engineering

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	104,786	-	202,138	14,800	321,724	133,844	-	101,064	3,662	238,570
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	104,786	-	202,138	14,800	321,724	133,844	-	101,064	3,662	238,570
Allocation of reinsurance premiums	(44,007)	-	-	-	(44,007)	(172,039)	-	-	-	(172,039)
Incurring claims and other expenses	-	-	17,769	2,162	19,931	-	-	129,826	10,316	140,142
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	6,777	(5,670)	1,107	-	-	(25,704)	822	(24,882)
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	5,167	-	5,167
Amounts recoverable from reinsurance for incurred claims	-	-	24,546	(3,508)	21,038	-	-	109,289	11,138	120,427
Net (expenses) / income from reinsurance contracts held	(44,007)	-	24,546	(3,508)	(22,969)	(172,039)	-	109,289	11,138	(51,612)
Finance income from reinsurance contracts held	-	-	2,148	-	2,148	-	-	2,455	-	2,455
Total changes in the interim condensed consolidated statement of income	(44,007)	-	26,694	(3,508)	(20,821)	(172,039)	-	111,744	11,138	(49,157)
Premiums paid	24,986	-	-	-	24,986	160,414	-	-	-	160,414
Claims recovered	-	-	(1,225)	-	(1,225)	-	-	(8,868)	-	(8,868)
Fixed commissions received	(5,847)	-	-	-	(5,847)	(17,433)	-	-	-	(17,433)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	(1,802)	-	(1,802)
Net cash flows for reinsurance contracts	19,139	-	(1,225)	-	17,914	142,981	-	(10,670)	-	132,311
Net closing reinsurance contract assets	79,918	-	227,607	11,292	318,817	104,786	-	202,138	14,800	321,724
Closing reinsurance contract assets	79,918	-	227,607	11,292	318,817	104,786	-	202,138	14,800	321,724
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.1 Reinsurance contracts - PAA -
Protection and Savings (P&S) - non-linked

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	(33,279)	-	44,843	2,227	13,791	(32,666)	-	59,237	2,078	28,649
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(33,279)	-	44,843	2,227	13,791	(32,666)	-	59,237	2,078	28,649
Allocation of reinsurance premiums	(3,932)	-	-	-	(3,932)	(24,191)	-	-	-	(24,191)
Incurring claims and other expenses	-	-	6,724	1,424	8,148	-	-	14,781	629	15,410
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	(3,379)	(709)	(4,088)	-	-	(18,832)	(480)	(19,312)
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	3,345	715	4,060	-	-	(4,051)	149	(3,902)
Net (expenses) / income from reinsurance contracts held	(3,932)	-	3,345	715	128	(24,191)	-	(4,051)	149	(28,093)
Finance income from reinsurance contracts held	-	-	367	-	367	-	-	1,104	-	1,104
Total changes in the interim condensed consolidated statement of income	(3,932)	-	3,712	715	495	(24,191)	-	(2,947)	149	(26,989)
Premiums paid	6,444	-	-	-	6,444	24,212	-	-	-	24,212
Claims recovered	-	-	(2,395)	-	(2,395)	-	-	(11,447)	-	(11,447)
Fixed commissions received	(302)	-	-	-	(302)	(634)	-	-	-	(634)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	6,142	-	(2,395)	-	3,747	23,578	-	(11,447)	-	12,131
Net closing reinsurance contract assets	(31,069)	-	46,160	2,942	18,033	(33,279)	-	44,843	2,227	13,791
Closing reinsurance contract assets	(31,069)	-	46,160	2,942	18,033	(33,279)	-	44,843	2,227	13,791
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.2.1 Reinsurance contracts - PAA -
Property and Casualty (P&C) - others**

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	(28,074)	-	181,812	10,729	164,467	(40,446)	-	167,328	6,024	132,906
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	(28,074)	-	181,812	10,729	164,467	(40,446)	-	167,328	6,024	132,906
Allocation of reinsurance premiums	(58,554)	-	-	-	(58,554)	(342,089)	-	-	-	(342,089)
Incurring claims and other expenses	-	-	13,006	1,993	14,999	-	-	44,669	2,497	47,166
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	(35,979)	(4,021)	(40,000)	-	-	(11,217)	2,211	(9,006)
Changes in profit commission/ sliding scale commission	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurance for incurred claims	-	-	(22,973)	(2,028)	(25,001)	-	-	33,452	4,708	38,160
Net (expenses) / income from reinsurance contracts held	(58,554)	-	(22,973)	(2,028)	(83,555)	(342,089)	-	33,452	4,708	(303,929)
Finance income from reinsurance contracts held	-	-	1,482	-	1,482	-	-	2,189	(3)	2,186
Total changes in the interim condensed consolidated statement of income	(58,554)	-	(21,491)	(2,028)	(82,073)	(342,089)	-	35,641	4,705	(301,743)
Premiums paid	37,267	-	-	-	37,267	369,467	-	-	-	369,467
Claims recovered	-	-	(185)	-	(185)	-	-	(21,157)	-	(21,157)
Fixed commissions received	(2,583)	-	-	-	(2,583)	(15,006)	-	-	-	(15,006)
Profit commission / sliding scale commission received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	34,684	-	(185)	-	34,499	354,461	-	(21,157)	-	333,304
Net closing reinsurance contract assets	(51,944)	-	160,136	8,701	116,893	(28,074)	-	181,812	10,729	164,467
Closing reinsurance contract assets	(51,944)	-	160,136	8,701	116,893	(28,074)	-	181,812	10,729	164,467
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.2 Reinsurance contracts - GMM -

Total	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	22,318	-	832	-	23,150	37,131	2	1,905	46	39,084
Opening reinsurance contract (liabilities)	(899)	1	468	37	(393)	-	-	-	-	-
Net opening reinsurance contract assets	21,419	1	1,300	37	22,757	37,131	2	1,905	46	39,084
Expected claims recoverable	(145)	-	-	-	(145)	(1,199)	-	-	-	(1,199)
Change in risk adjustment for non-financial risk	-	-	-	-	-	(13)	-	-	-	(13)
Experience adjustments	-	-	-	-	-	(1,942)	-	-	-	(1,942)
CSM recognized during the period	64	-	-	-	64	(195)	-	-	-	(195)
Allocation of reinsurance premiums	(81)	-	-	-	(81)	(3,349)	-	-	-	(3,349)
Incurred claims and other expenses	-	-	-	-	-	-	-	1,223	41	1,264
Changes in loss recovery component	-	-	-	-	-	-	(1)	-	-	(1)
Changes to AIC for past services	-	-	(5)	-	(5)	-	-	(1,018)	(53)	(1,071)
Amounts recoverable from reinsurance for incurred claims	-	-	(5)	-	(5)	-	(1)	205	(12)	192
Net (expenses) / income from reinsurance contracts held	(81)	-	(5)	-	(86)	(3,349)	(1)	205	(12)	(3,157)
Finance income from reinsurance contracts held	(9)	-	5	-	(4)	52	-	(42)	3	13
Total changes in the interim condensed consolidated statement of income	(90)	-	-	-	(90)	(3,297)	(1)	163	(9)	(3,144)
Insurance pool portfolio impact of participation ratio change	-	-	-	-	-	(20,575)	-	(628)	-	(21,203)
Premiums paid	-	-	-	-	-	10,804	-	-	-	10,804
Claims recovered	-	-	-	-	-	-	-	(140)	-	(140)
Fixed commissions received	-	-	-	-	-	(2,644)	-	-	-	(2,644)
Net cash flows for reinsurance contracts	-	-	-	-	-	8,160	-	(140)	-	8,020
Net closing reinsurance contract assets	21,329	1	1,300	37	22,667	21,419	1	1,300	37	22,757
Closing reinsurance contract assets	22,318	-	832	-	23,150	22,318	-	832	-	23,150
Closing reinsurance contract (liabilities)	(989)	1	468	37	(483)	(899)	1	468	37	(393)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
4.2.2 Reinsurance contracts - GMM -
Property and Casualty (P&C) - others

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
	SAR "000"					SAR "000"				
Opening reinsurance contract assets	22,318	-	832	-	23,150	37,606	-	1,314	-	38,920
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	22,318	-	832	-	23,150	37,606	-	1,314	-	38,920
Expected claims recoverable	-	-	-	-	-	(630)	-	-	-	(630)
Change in risk adjustment for non-financial risk	-	-	-	-	-	(13)	-	-	-	(13)
Experience adjustments	-	-	-	-	-	(1,942)	-	-	-	(1,942)
CSM recognized during the period	-	-	-	-	-	(366)	-	-	-	(366)
Allocation of reinsurance premiums	-	-	-	-	-	(2,951)	-	-	-	(2,951)
Incurred claims and other expenses	-	-	-	-	-	-	-	693	-	693
Changes in loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes to AIC for past services	-	-	-	-	-	-	-	(443)	-	(443)
Amounts recoverable from reinsurance for incurred claims	-	-	-	-	-	-	-	250	-	250
Net (expenses) / income from reinsurance contracts held	-	-	-	-	-	(2,951)	-	250	-	(2,701)
Finance income from reinsurance contracts held	-	-	-	-	-	78	-	(64)	-	14
Total changes in the interim condensed consolidated statement of income	-	-	-	-	-	(2,873)	-	186	-	(2,687)
Insurance pool portfolio impact of participation ratio change	-	-	-	-	-	(20,575)	-	(628)	-	(21,203)
Premiums paid	-	-	-	-	-	10,804	-	-	-	10,804
Claims recovered	-	-	-	-	-	-	-	(40)	-	(40)
Fixed commissions received	-	-	-	-	-	(2,644)	-	-	-	(2,644)
Net cash flows for reinsurance contracts	-	-	-	-	-	8,160	-	(40)	-	8,120
Net closing reinsurance contract assets	22,318	-	832	-	23,150	22,318	-	832	-	23,150
Closing reinsurance contract assets	22,318	-	832	-	23,150	22,318	-	832	-	23,150
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.2.2 Reinsurance contracts - GMM -
Protection and Savings (P&S) - linked**

	For the period ended March 31, 2026 (Unaudited)					For the year ended December 31, 2025 (Audited)				
	AFRC		AIC		Total	AFRC		AIC		Total
	excluding LRC	LRC	excluding RA	RA		excluding LRC	LRC	excluding RA	RA	
SAR "000"					SAR "000"					
Opening reinsurance contract assets	-	-	-	-	-	(475)	2	591	46	164
Opening reinsurance contract (liabilities)	(899)	1	468	37	(393)	-	-	-	-	-
Net opening reinsurance contract assets	(899)	1	468	37	(393)	(475)	2	591	46	164
Expected claims recoverable	(145)	-	-	-	(145)	(569)	-	-	-	(569)
Change in risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	-	-
Experience adjustments	-	-	-	-	-	-	-	-	-	-
CSM recognized during the period	64	-	-	-	64	171	-	-	-	171
Allocation of reinsurance premiums	(81)	-	-	-	(81)	(398)	-	-	-	(398)
Incurred claims and other expenses	-	-	-	-	-	-	-	530	41	571
Changes in loss recovery component	-	-	-	-	-	-	(1)	-	-	(1)
Changes to AIC for past services	-	-	(5)	-	(5)	-	-	(575)	(53)	(628)
Amounts recoverable from reinsurance for incurred claims	-	-	(5)	-	(5)	-	(1)	(45)	(12)	(58)
Net (expenses) / income from reinsurance contracts held	(81)	-	(5)	-	(86)	(398)	(1)	(45)	(12)	(456)
Finance income from reinsurance contracts held	(9)	-	5	-	(4)	(26)	-	22	3	(1)
Total changes in the interim condensed consolidated statement of income	(90)	-	-	-	(90)	(424)	(1)	(23)	(9)	(457)
Premiums paid	-	-	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-	-	(100)	-	(100)
Fixed commissions received	-	-	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	-	-	-	-	-	-	-	(100)	-	(100)
Net closing reinsurance contract assets	(989)	1	468	37	(483)	(899)	1	468	37	(393)
Closing reinsurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing reinsurance contract (liabilities)	(989)	1	468	37	(483)	(899)	1	468	37	(393)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

4.3.1 Insurance contracts - GMM/VFA	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
Total	SAR "000"				SAR "000"			
Opening insurance contract liabilities	492,870	2,779	75,038	570,687	499,136	3,091	97,406	599,633
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	492,870	2,779	75,038	570,687	499,136	3,091	97,406	599,633
Changes that relate to current services	(961)	(10)	(791)	(1,762)	56,797	157	(4,158)	52,796
Changes that relate to future services	(116)	(17)	144	11	(74,727)	1,412	12,206	(61,109)
Changes that relate to past services	(23)	(3)	-	(26)	(3,468)	(325)	-	(3,793)
Insurance service results before reinsurance contracts held	(1,100)	(30)	(647)	(1,777)	(21,398)	1,244	8,048	(12,106)
Finance expenses from insurance contracts	(211)	5	235	29	(3,895)	96	3,814	15
Total changes in interim condensed consolidated statement of income	(1,311)	(25)	(412)	(1,748)	(25,293)	1,340	11,862	(12,091)
Changes in fair value of unit-linked investments	9,186	-	-	9,186	47,194	-	-	47,194
Insurance pool portfolio impact of participation ratio change	-	-	-	-	3,119	(1,652)	(34,230)	(32,763)
Premiums received	15,312	-	-	15,312	92,145	-	-	92,145
Claims and directly attributable expenses paid	(30,774)	-	-	(30,774)	(122,922)	-	-	(122,922)
Insurance acquisition expenses paid	(119)	-	-	(119)	(509)	-	-	(509)
Net cash flows for insurance contracts	(15,581)	-	-	(15,581)	(31,286)	-	-	(31,286)
Net closing insurance contract liabilities	485,164	2,754	74,626	562,544	492,870	2,779	75,038	570,687
Closing insurance contract liabilities	485,164	2,754	74,626	562,544	492,870	2,779	75,038	570,687
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.3.1 Insurance contracts - GMM -
P&C - others**

	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of	Risk Adjustment	Contractual Service	Total	Estimates of	Risk Adjustment	Contractual Service	Total
	PVFCF	(RA)	Margin (CSM)		PVFCF	(RA)	Margin (CSM)	
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	(1,310)	2,328	42,962	43,980	(2,669)	2,442	55,251	55,024
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	(1,310)	2,328	42,962	43,980	(2,669)	2,442	55,251	55,024
Changes that relate to current services	-	-	-	-	58,905	(22)	(504)	58,379
Changes that relate to future services	-	-	-	-	(82,671)	1,485	20,067	(61,119)
Changes that relate to past services	-	-	-	-	(18)	5	-	(13)
Insurance service result before reinsurance contracts held	-	-	-	-	(23,784)	1,468	19,563	(2,753)
Finance expenses from insurance contracts	-	-	-	-	(2,564)	70	2,378	(116)
Total changes in interim condensed consolidated statement of income	-	-	-	-	(26,348)	1,538	21,941	(2,869)
Insurance pool portfolio impact of participation ratio change	-	-	-	-	3,119	(1,652)	(34,230)	(32,763)
Premiums received	-	-	-	-	25,209	-	-	25,209
Claims and directly attributable expenses paid	-	-	-	-	(621)	-	-	(621)
Insurance acquisition expenses paid	-	-	-	-	-	-	-	-
Net cash flows for insurance contracts	-	-	-	-	24,588	-	-	24,588
Net closing insurance contract liabilities	(1,310)	2,328	42,962	43,980	(1,310)	2,328	42,962	43,980
Closing insurance contract liabilities	(1,310)	2,328	42,962	43,980	(1,310)	2,328	42,962	43,980
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.3.1 Insurance contracts - GMM -
P&S - non-linked**

	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of	Risk Adjustment	Contractual Service	Total	Estimates of	Risk Adjustment	Contractual Service	Total
	PVFCF	(RA)	Margin (CSM)		PVFCF	(RA)	Margin (CSM)	
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	48	7	669	724	23	9	618	650
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	48	7	669	724	23	9	618	650
Changes that relate to current services	(27)	-	(20)	(47)	(102)	-	(88)	(190)
Changes that relate to future services	(35)	-	33	(2)	(120)	-	121	1
Changes that relate to past services	(1)	-	-	(1)	(25)	(2)	-	(27)
Insurance service result before reinsurance contracts held	(63)	-	13	(50)	(247)	(2)	33	(216)
Finance expenses from insurance contracts	-	-	5	5	1	-	18	19
Total changes in interim condensed consolidated statement of income	(63)	-	18	(45)	(246)	(2)	51	(197)
Premiums received	44	-	-	44	272	-	-	272
Claims and directly attributable expenses paid	-	-	-	-	-	-	-	-
Insurance acquisition expenses paid	-	-	-	-	(1)	-	-	(1)
Net cash flows for insurance contracts	44	-	-	44	271	-	-	271
Net closing insurance contract liabilities	29	7	687	723	48	7	669	724
Closing insurance contract liabilities	29	7	687	723	48	7	669	724
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)
**4.3.1 Insurance contracts - VFA -
P&S - linked**

	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of	Risk Adjustment	Contractual Service	Total	Estimates of	Risk Adjustment	Contractual Service	Total
	PVFCF	(RA)	Margin (CSM)		PVFCF	(RA)	Margin (CSM)	
	SAR "000"				SAR "000"			
Opening insurance contract liabilities	494,132	444	31,407	525,983	501,782	640	41,537	543,959
Opening insurance contract (assets)	-	-	-	-	-	-	-	-
Net opening insurance contract liabilities	494,132	444	31,407	525,983	501,782	640	41,537	543,959
Changes that relate to current services	(934)	(10)	(771)	(1,715)	(2,006)	179	(3,566)	(5,393)
Changes that relate to future services	(81)	(17)	111	13	8,064	(73)	(7,982)	9
Changes that relate to past services	(22)	(3)	-	(25)	(3,425)	(328)	-	(3,753)
Insurance service result before reinsurance contracts held	(1,037)	(30)	(660)	(1,727)	2,633	(222)	(11,548)	(9,137)
Finance expenses from insurance contracts	(211)	5	230	24	(1,332)	26	1,418	112
Total changes in interim condensed consolidated statement of income	(1,248)	(25)	(430)	(1,703)	1,301	(196)	(10,130)	(9,025)
Changes in fair value of unit-linked investments	9,186	-	-	9,186	47,194	-	-	47,194
Premiums received	15,268	-	-	15,268	66,664	-	-	66,664
Claims and directly attributable expenses paid	(30,774)	-	-	(30,774)	(122,301)	-	-	(122,301)
Insurance acquisition expenses paid	(119)	-	-	(119)	(508)	-	-	(508)
Net cash flows for insurance contracts	(15,625)	-	-	(15,625)	(56,145)	-	-	(56,145)
Net closing insurance contract liabilities	486,445	419	30,977	517,841	494,132	444	31,407	525,983
Closing insurance contract liabilities	486,445	419	30,977	517,841	494,132	444	31,407	525,983
Closing insurance contract (assets)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.3.2 Reinsurance contracts - GMM - <u>Total</u>	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening reinsurance contract assets	2,903	1,946	18,301	23,150	7,594	1,962	29,528	39,084
Opening reinsurance contract (liabilities)	468	37	(898)	(393)	-	-	-	-
Net opening reinsurance contract assets	3,371	1,983	17,403	22,757	7,594	1,962	29,528	39,084
Changes that relate to current services	(145)	-	64	(81)	34,421	50	(195)	34,276
Changes that relate to future services	145	-	(145)	-	(43,578)	1,408	5,801	(36,369)
Changes that relate to past services	(5)	-	-	(5)	(1,011)	(53)	-	(1,064)
Net (expenses) / income from reinsurance contracts held	(5)	-	(81)	(86)	(10,168)	1,405	5,606	(3,157)
Finance income from reinsurance contracts held	5	-	(9)	(4)	(1,516)	68	1,461	13
Total changes in interim condensed consolidated statement of income	-	-	(90)	(90)	(11,684)	1,473	7,067	(3,144)
Insurance pool portfolio impact of participation ratio change	-	-	-	-	(558)	(1,453)	(19,192)	(21,203)
Premiums paid	-	-	-	-	10,804	-	-	10,804
Claims recovered	-	-	-	-	(140)	-	-	(140)
Fixed commissions received	-	-	-	-	(2,644)	-	-	(2,644)
Net cash flows for reinsurance contracts	-	-	-	-	8,020	-	-	8,020
Net closing reinsurance contract assets	3,371	1,983	17,313	22,667	3,372	1,982	17,403	22,757
Closing reinsurance contract assets	2,903	1,946	18,301	23,150	2,903	1,946	18,301	23,150
Closing reinsurance contract (liabilities)	468	37	(988)	(483)	469	36	(898)	(393)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.3.2 Reinsurance contracts - GMM - P&C - others	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening reinsurance contract assets	2,903	1,946	18,301	23,150	7,002	1,916	30,002	38,920
Opening reinsurance contract (liabilities)	-	-	-	-	-	-	-	-
Net opening reinsurance contract assets	2,903	1,946	18,301	23,150	7,002	1,916	30,002	38,920
Changes that relate to current services	-	-	-	-	34,460	9	(366)	34,103
Changes that relate to future services	-	-	-	-	(44,147)	1,408	6,371	(36,368)
Changes that relate to past services	-	-	-	-	(436)	-	-	(436)
Net (expenses) / income from reinsurance contracts held	-	-	-	-	(10,123)	1,417	6,005	(2,701)
Finance income from reinsurance contracts held	-	-	-	-	(1,538)	66	1,486	14
Total changes in interim condensed consolidated statement of income	-	-	-	-	(11,661)	1,483	7,491	(2,687)
Insurance pool portfolio impact of participation ratio change	-	-	-	-	(558)	(1,453)	(19,192)	(21,203)
Premiums paid	-	-	-	-	10,804	-	-	10,804
Claims recovered	-	-	-	-	(40)	-	-	(40)
Fixed commissions received	-	-	-	-	(2,644)	-	-	(2,644)
Net cash flows for reinsurance contracts	-	-	-	-	8,120	-	-	8,120
Net closing reinsurance contract assets	2,903	1,946	18,301	23,150	2,903	1,946	18,301	23,150
Closing reinsurance contract assets	2,903	1,946	18,301	23,150	2,903	1,946	18,301	23,150
Closing reinsurance contract (liabilities)	-	-	-	-	-	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

4.3.2 Reinsurance contracts - GMM - P&S - linked	For the period ended March 31, 2026 (Unaudited)				For the year ended December 31, 2025 (Audited)			
	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total	Estimates of PVFCF	Risk Adjustment (RA)	Contractual Service Margin (CSM)	Total
	SAR "000"				SAR "000"			
Opening reinsurance contract assets	-	-	-	-	592	46	(474)	164
Opening reinsurance contract (liabilities)	468	37	(898)	(393)	-	-	-	-
Net opening reinsurance contract assets	468	37	(898)	(393)	592	46	(474)	164
Changes that relate to current services	(145)	-	64	(81)	(39)	41	171	173
Changes that relate to future services	145	-	(145)	-	569	-	(570)	(1)
Changes that relate to past services	(5)	-	-	(5)	(575)	(53)	-	(628)
Net (expenses) / income from reinsurance contracts held	(5)	-	(81)	(86)	(45)	(12)	(399)	(456)
Finance income from reinsurance contracts held	5	-	(9)	(4)	22	2	(25)	(1)
Total changes in interim condensed consolidated statement of income	-	-	(90)	(90)	(23)	(10)	(424)	(457)
Premiums paid	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	(100)	-	-	(100)
Fixed commissions received	-	-	-	-	-	-	-	-
Net cash flows for reinsurance contracts	-	-	-	-	(100)	-	-	(100)
Net closing reinsurance contract assets	468	37	(988)	(483)	469	36	(898)	(393)
Closing reinsurance contract assets	-	-	-	-	-	-	-	-
Closing reinsurance contract (liabilities)	468	37	(988)	(483)	469	36	(898)	(393)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
4. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

	For the period ended March 31, 2026 (Unaudited)			For the period ended March 31, 2025 (Unaudited)		
	Non-onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
	SAR "000"			SAR "000"		
Insurance acquisition cash flows	52	144	196	3,596	120	3,716
Claims and other directly attributable expenses	38	12	50	1,278	18	1,296
Estimates of the present value of future cash outflows	90	156	246	4,874	138	5,012
Estimates of the present value of future cash inflows	(213)	-	(213)	(11,512)	-	(11,512)
Risk adjustment for non-financial risk	1	1	2	362	1	363
Contractual service margin (CSM)	122	-	122	6,276	-	6,276
Increase in insurance contract liabilities from the new contracts issued	-	157	157	-	139	139

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

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

	For the period ended March 31, 2026 (Unaudited)				For the period ended March 31, 2025 (Unaudited)			
	Full retrospective	Modified retrospective	Fair value	Total	Full retrospective	Modified retrospective	Fair value	Total
	SAR "000"				SAR "000"			
Insurance revenue	1,349	634	203	2,186	4,461	252	783	5,496
CSM at the beginning of the period	66,213	5,425	3,400	75,038	82,576	5,405	9,425	97,406
CSM recognized during the period for services provided	(520)	(163)	(108)	(791)	(758)	(141)	(256)	(1,155)
Changes in estimates that adjust the CSM	54	(29)	(3)	22	2,965	(98)	(106)	2,761
Contracts initially recognized during the period	122	-	-	122	6,276	-	-	6,276
Finance expenses from insurance contracts	128	100	7	235	1,584	12	153	1,749
Amount recognized as income during the period	(216)	(92)	(104)	(412)	10,067	(227)	(209)	9,631
CSM at the end of the period	65,997	5,333	3,296	74,626	92,643	5,178	9,216	107,037

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

5. INSURANCE SERVICE RESULT	Three-month period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
	SAR "000"	
5.1 Insurance revenue		
<i>Contracts measured under GMM/VFA:</i>		
Expected claims expenses	24	(871)
Expected directly attributable expenses	372	464
Loss component run off	764	827
Expected other insurance service expenses	(66)	3,605
Changes in risk adjustment for non-financial risk	10	23
CSM recognized during the period	791	1,155
Recovery of insurance acquisition cash flows	291	293
Insurance revenue from contracts measured under GMM/VFA	2,186	5,496
<i>Contracts measured under PAA:</i>		
Premiums earned	641,053	791,404
Change in expected credit losses	(10,062)	(8,681)
Insurance revenue from contracts measured under PAA	630,991	782,723
Total insurance revenue	633,177	788,219
5.2 Insurance service expenses		
Incurred claims and other expenses	(671,059)	(488,102)
Changes in loss component for onerous contracts	14,007	(62)
Changes to liabilities for incurred claims for past services	449,928	128,992
Insurance acquisition costs	(57,665)	(71,422)
Surplus distribution expense	(529)	-
Total Insurance Service Expenses	(265,318)	(430,594)
Insurance service results before reinsurance contracts held	367,859	357,625
5.3 Allocation of reinsurance (RI) premiums		
<i>Contracts measured under GMM:</i>		
Expected claims recoverable	(145)	(272)
Change in risk adjustment for non-financial risk	-	(2)
Experience adjustments	-	(1,619)
CSM recognized during the period	64	(128)
Allocation of RI premiums from contracts measured under GMM	(81)	(2,021)
<i>Contracts measured under PAA:</i>		
Reinsurance premiums expense	(378,158)	(441,761)
Reinsurance commissions earned	15,076	15,970
Allocation of RI premiums from contracts measured under PAA	(363,082)	(425,791)
Total allocation of reinsurance premiums	(363,163)	(427,812)
5.4 Amounts recoverable from reinsurers for incurred claims		
Incurred claims and other expenses	121,387	120,859
Changes in loss recovery component for onerous contracts	(140)	-
Change in amounts recoverable for incurred claims for past services	(123,438)	(99,053)
Total amounts recoverable from reinsurers for incurred claims	(2,191)	21,806
Net expenses from reinsurance contracts held	(365,354)	(406,006)
Insurance service results	2,505	(48,381)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****6. GROSS WRITTEN PREMIUM**

Analysis of gross written premium (GWP) for the period is as follows:

	For the period ended March 31, 2026 (Unaudited)					
	Corporate				Retail	Total
	Micro	Small	Medium	Large	Individual	
	SAR "000"					
Medical	5,664	26,162	24,854	26,750	5,837	89,267
Motor	383	15,108	23,827	12,904	34,212	86,434
Property	117	3,601	13,219	17,500	2	34,439
Energy	-	-	9,943	23,431	-	33,374
Engineering	66	2,529	15,526	28,605	-	46,726
P&S - non-linked	312	125	14,017	10,745	7	25,206
P&S - linked	-	-	-	-	15,339	15,339
P&C - others	1,771	7,308	24,854	30,846	8,357	73,136
Total	8,313	54,833	126,240	150,781	63,754	403,921

	For the period ended March 31, 2025 (Unaudited)					
	Corporate				Retail	Total
	Micro	Small	Medium	Large	Individual	
	SAR "000"					
Medical	9,370	10,710	13,909	21,132	8,382	63,503
Motor	608	3,487	19,021	17,135	132,279	172,530
Property	116	1,483	(14,268)	17,205	542	5,078
Energy	-	-	-	38,373	-	38,373
Engineering	61	1,786	10,517	72,545	1,165	86,074
P&S - non-linked	266	714	23,574	12,392	26	36,972
P&S - linked	-	-	-	-	16,549	16,549
P&C - others	1,189	3,297	25,826	60,636	12,443	103,391
Total	11,610	21,477	78,579	239,418	171,386	522,470

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****7. EXPENSE ALLOCATION ANALYSIS**

Following is the breakdown of expenses incurred during the period by category:

Common general and administrative expenses

Salaries and Staff Cost

Depreciation and amortization

Information Technology Cost

Communication

Occupancy Cost (Rent, Lease Of Office Space)

Travel expenses

Marketing, Advertising And Promotion

Other Expenses

Total**Allocation of common general and administrative expenses is as below:**

Reported as a part of insurance service expenses as other directly attributable expenses allocated to insurance operations

Other operating expenses

Total

Three-month period ended	
March 31, 2026	March 31, 2025
(Unaudited)	(Unaudited)
SAR "000"	
37,563	37,120
7,221	6,809
8,827	1,319
7,221	3,774
1,133	1,382
637	653
555	1,167
6,112	6,637
69,269	58,861
57,443	49,770
11,826	9,091
69,269	58,861

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

8. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

8.1 Cash and cash equivalents:

Cash and cash equivalents comprise the following:

	Insurance operations		Shareholders' operations		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Cash and bank balances	375,803	249,030	56,130	53,049	431,933	302,079
Money market deposits	76,061	104,996	-	-	76,061	104,996
Time deposits maturing within 3 months	-	-	6,978	-	6,978	-
ECL on cash and cash equivalents	(5)	(5)	(1)	-	(6)	(5)
Total	451,859	354,021	63,107	53,049	514,966	407,070

8.2 Short term deposits:

Short term deposits are placed with counterparties that have credit ratings equivalent to A+ to A- as accredited by renowned credit rating agencies. Short term deposits are placed with local and licensed foreign banks' branches in Kingdom of Saudi Arabia for a period greater than three months and less than or equal to 1 year from the date of original acquisition. The Commission Income is earned at competitive rates prevailing in the market. The carrying amounts of these short-term deposits are reasonably approximate to the fair value at the consolidated statement of financial position date.

9. INVESTMENTS

Investments are classified as follows:

Note	Insurance operations		Shareholders' operations		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Investments measured at FVTPL	9.1	-	-	495,138	540,578	495,138
Investments measured at FVOCI	9.2	-	-	156,692	156,692	156,692
Investments measured at amortized cost	9.3	131,309	132,064	632,624	635,228	763,933
Investment in joint venture	9.4	-	-	25,200	25,200	25,200
Total		131,309	132,064	1,309,654	1,357,698	1,440,963

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

9. INVESTMENTS (CONTINUED)

9.1 Investments measured at fair value through statement of income (FVTPL)

(a) The breakdown of financial assets measured at FVTPL is as follows:

	Domestic		International		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Investment in listed equities	267,969	303,964	2,511	2,912	270,480	306,876
Investment in listed funds	108,348	107,938	25,112	29,645	133,460	137,583
Investment in unlisted funds	76,911	81,832	14,287	14,287	91,198	96,119
Total	453,228	493,734	41,910	46,844	495,138	540,578

(b) The movement in investments measured at FVTPL is as follows:

	Insurance operations		Shareholders' operations		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Opening balance	-	-	540,578	538,563	540,578	538,563
Purchases	-	-	10,707	291,561	10,707	291,561
Disposals	-	-	(64,162)	(235,676)	(64,162)	(235,676)
Realized (loss) / gain on disposals	-	-	19,565	4,765	19,565	4,765
Unrealized (loss) / gain due to changes in fair value	-	-	(11,550)	(58,635)	(11,550)	(58,635)
Closing balance	-	-	495,138	540,578	495,138	540,578

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

9. INVESTMENTS (CONTINUED)

9.2 Investments measured at fair value through statement of comprehensive income (FVOCI)

(a) The breakdown of financial assets measured at FVOCI is as follows:

	Domestic		International		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Non-listed equities:						
- Najm	145,444	145,444	-	-	145,444	145,444
- Others	-	-	11,248	11,248	11,248	11,248
Total	145,444	145,444	11,248	11,248	156,692	156,692

(b) The movement in investments measured at FVOCI is as follows:

	Insurance operations		Shareholders' operations		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Opening balance	-	-	156,692	127,872	156,692	127,872
Purchases	-	-	-	5,624	-	5,624
Changes in fair value of investments	-	-	-	23,196	-	23,196
Closing balance	-	-	156,692	156,692	156,692	156,692

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

9. INVESTMENTS (CONTINUED)

9.3 Investments measured at amortized cost

(a) The breakdown of investments measured at amortized cost after considering accrued commission income and ECL adjustments is as follows:

	Domestic		International		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Sukuks	763,933	767,292	-	-	763,933	767,292
Total	763,933	767,292	-	-	763,933	767,292

(b) The movement in investments measured at amortized cost is as follows:

	Insurance operations		Shareholders' operations		Total	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"					
Opening balance	132,064	141,564	635,228	568,123	767,292	709,687
Purchases	-	-	-	218,751	-	218,751
Maturity	-	(9,867)	-	(155,000)	-	(164,867)
Commission income	1,104	4,559	7,768	27,905	8,872	32,464
Commissions collected	(2,008)	(4,743)	(10,504)	(25,125)	(12,512)	(29,868)
Amortization of discount / (premium), net	149	552	132	589	281	1,141
Expected credit loss adjustments	-	(1)	-	(15)	-	(16)
Closing balance	131,309	132,064	632,624	635,228	763,933	767,292

9.4 Investment in Joint Venture

The Group has invested SAR 25.2 million for a 42% interest in a joint venture to support its business operations. The joint venture has started its operations at a limited scale as of the current reporting date. The impact of operations on the Group is immaterial.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****10. PREPAID EXPENSES AND OTHER ASSETS**

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Prepaid Rent	1,041	723
Prepaid expenses, subscription and fees	37,007	38,697
Prepaid staff expenses	17,611	18,936
Other receivables	33,403	27,914
Expected credit losses (ECL) on other receivables	(56)	(38)
Total	89,006	86,232

11. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for buildings used in its operations. Leases of these buildings generally have lease terms between 1 and 5 years. The Group is restricted from assigning and subleasing the leased assets.

Following are the details of right-of-use assets recognized and the movements during the period / year:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Cost:		
Opening balance	30,074	30,919
Acquired through business combination	-	1,834
Additions	-	218
Disposals	(217)	(2,897)
Closing balance	29,857	30,074
Accumulated depreciation		
Opening balance	13,989	7,736
Acquired through business combination	-	1,180
Charge for the period / year	2,061	7,970
Disposals	(217)	(2,897)
Closing balance	15,833	13,989
Net book value of right of use assets		
Closing balance	14,024	16,085

Following is the breakup of lease liabilities as at the end of the period based on the expected cash outflows:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Lease liabilities due within 1 year	5,183	5,213
Lease liabilities due after 1 year	5,046	9,877
Total Lease liabilities	10,229	15,090

The Group had total cash outflows for leases of SAR 5.09 million during the three-month period ended March 31, 2026 (SAR 5.16 million during the same period in 2025).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****12. INTANGIBLES**

Intangibles assets comprise of the following:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Intangible assets recognized after the merger with MAA		
(1) Customer Contract ('ALICO')	5,454	5,454
(2) Customer Relationship	2,832	2,832
(3) Product Licenses (Protection & Savings)	24,847	24,847
Intangibles assets recognized after the merger with SABB Takaful		
(4) Individual Life	52,670	52,670
(5) General Takaful	4,831	4,831
Total intangible assets acquired through mergers	90,634	90,634
Other intangible assets (IT software, etc.)	94,200	93,334
Total intangible assets	184,834	183,968
Accumulated amortization on intangible assets	(79,983)	(76,516)
Net intangible assets	104,851	107,452

(1) Customer Contract ('ALICO')

The Group exercised purchase price allocation to identify intangibles after the acquisition of MetLife AIG ANB (MAA) and resultant to that exercise, Customer contract (ALICO) was identified as an intangible. As a result of acquisition of MAA, the Group acquired Saudi run-off portfolio of American Life Insurance Company "ALICO" which was transferred initially to MAA on April 1st, 2015 as per the portfolio transfer agreement entered between MetLife ALICO and MAA and was 100% reinsured back to MetLife under a quota-share reinsurance agreement. This portfolio includes long term life protection, savings insurance products and personal accident policies. As per the terms of the portfolio transfer agreement and the quota-share reinsurance agreement, the Group is entitled to a reinsurance commission at an agreed rate and reimbursement of all expenses related to administration of the portfolio. The management has employed "Multi Period Excess Earning Method" for valuing the contractual customer relationship and is considered to have a useful life of 83 years based on the run-off of the customer portfolio at the time of acquisition.

(2) Customer Relationship

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

12. INTANGIBLES (CONTINUED)

(3) Product Licenses (Protection & Savings)

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

Impairment assessment is done annually by the end of each year. Based on the recent impairment assessment conducted for 2025, product license was not impaired as at December 31, 2025.

(4) Individual Life

Individual life intangible was recognized based on the purchase price allocation exercise after the acquisition of SABB Takaful Insurance Company. As a result of acquisition of SABB Takaful, the Group acquired the Individual Life insurance segment which comprises of Unit Linked Insurance Policies "ULIP" (Regular Saving, Simple Saving, Education, Retirement and Single Premium). SABB Bank in the past has consistently generated revenues for SABB Takaful. The relationship has been spanning for more than 10 years, hence considered as a customer relationship with an estimated useful life of 10 years at the time of acquisition.

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

(5) General Takaful

General Takaful Customer Relationship intangible was also recognized based on the purchase price allocation exercise after the acquisition of SABB Takaful Insurance Company. General Takaful insurance policies consist of policies relating to marine, property, accident and liability, which have a life of one year. Average tenure of the customer relationship with SABB Takaful, for General Takaful insurance policies is between 10 and 12 years, hence it can be assumed that the estimated useful life of the customer relationship is 10 years at the time of acquisition. A 0.7% y-o-y growth rate has been assumed based on the historical growth of General Takaful contracts.

An EBIT margin of 9.7% has been considered based on the historical EBIT margins on these policies.

Customer relationship intangible is valued using the "Multi-Period Excess Earning Method". Contributory Asset charges which include Working Capital charge and Assembled Workforce have been adjusted with the underwriting income to arrive at the Excess Earnings. Since the working capital and capex are minimal, the CAC do not have a material impact on the cash flows. A discount factor of 16.6% (WACC+1%) has been used to discount the Excess Earnings to arrive at the value of the customer relationship intangible.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****13. GOODWILL**

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SAR "000"	
Goodwill recognized on acquisition of :		
(a) MetLife AIG ANB Cooperative Insurance Company (MAA)	24,415	24,415
(b) Aspire Underwriting Agency Ltd (ASPIRE)	52,314	52,314
Closing balance	76,729	76,729

(a) Acquisition of MAA

The Company has recognized goodwill amounting to SAR 24.415 million after the merger with MetLife AIG ANB Cooperative Insurance Company (MAA). During the year ended December 31, 2020, the shareholders in the EGM held on January 27, 2020 corresponding to 2 Jumada II 1441H approved the proposed merger of the Company and MAA to be effected by way of a merger pursuant to Articles 191, 192, and 193 of the Companies Law issued under Royal Decree No. M3 dated 28/1/1437H (corresponding to 10/11/2015G), through the issuance of 0.657761444444444 new shares in the Company for each share in MAA subject to the terms and conditions of the Merger Agreement. The purchase consideration was determined to be SAR 191.566 million which consisted of the issuance of 11,839,706 new shares to the shareholders of MAA.

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

Impairment assessment is done annually by the end of each year. Based on the recent impairment assessment conducted for 2025, goodwill was not impaired as at December 31, 2025.

(b) Acquisition of ASPIRE

During the year 2025, the Company acquired 88% ownership of Aspire Underwriting Agency Ltd (ASPIRE), a Managing General Agent (MGA) based in Dubai International Financial Center (DIFC), UAE. The acquisition is in line with Walaa's interest to expand and diversify its inward reinsurance business.

The Company signed a binding offer letter on April 10, 2025 to acquire 8,800 shares representing 88% stake of Aspire for a value of SAR 68.21 million, payable in cash.

The Company and ASPIRE received required approvals from Insurance Authority (IA) and Dubai Financial Services Authority (DFSA) respectively before the acquisition date i.e. May 15, 2025.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****13. GOODWILL (CONTINUED)****(b) Acquisition of ASPIRE (Continued)****Identifiable assets acquired and liabilities assumed**

The following table summarizes the provisional fair values of assets acquired, and liabilities assumed at the date of acquisition:

	<u>May 15, 2025</u>
	<u>SAR "000"</u>
ASSETS	
Cash and cash equivalents	31,325
Security deposits	96
Receivables, net	52,395
Prepaid expenses and other assets	4,571
Fixed assets	10
Right of use assets	654
TOTAL	<u>89,051</u>
LIABILITIES	
Current liabilities	70,538
Non-current liabilities	450
TOTAL LIABILITIES	<u>70,988</u>
ASPIRE's NET ASSETS AS AT ACQUISITION DATE	<u>18,063</u>
-Share of non-controlling interest (12%)	2,168
-Share of the Company (Walaa) (88%)	<u>15,895</u>

The non-controlling interest in the acquiree has been measured at the proportionate share of the acquiree's identifiable net assets, resulting in the recognition of goodwill based on the partial goodwill method. Accordingly, only the parent company's share of goodwill has been recognized in these interim condensed consolidated financial statements.

	<u>May 15, 2025</u>
	<u>SAR "000"</u>
Purchase Consideration	68,209
Walaa's share of net assets as at acquisition date (88%)	(15,895)
Provisional goodwill arising from the acquisition	<u>52,314</u>

The purchase consideration was determined to be SAR 68.209 million which was settled in cash. This resulted in a provisional goodwill amounting to SAR 52.314 million.

This acquisition has been accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations, with the Company identified as the acquirer and ASPIRE as the acquiree. The Company has initially recognized the acquired assets and assumed liabilities at their provisional fair values as of the acquisition date. These provisional values are subject to adjustment, if necessary, within the measurement period of up to twelve months from the acquisition date, as permitted by the Standard.

In line with IFRS 3 requirements, these interim condensed consolidated financial statements include the full financial results of the acquiree from the acquisition date onward. The interim condensed consolidated statement of income for the three-month period ended March 31, 2026 reflects a net income attributable to shareholders of SAR 0.58 million generated by the acquiree during the post-acquisition period.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****14. PROPERTY AND EQUIPMENT, NET**

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Land	35,463	35,463
Furniture and fixtures	35,248	35,125
IT equipment	37,023	36,677
Vehicles	311	311
Total assets	108,045	107,576
Accumulated depreciation	(53,033)	(51,121)
Property and equipment, net	55,012	56,455

15. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Accrued expenses	32,922	27,755
Uncleared cheques	258	258
VAT payable to ZATCA, net	2,776	18,750
Contributions payable to GOSI	752	746
Payables to suppliers and service providers	45,204	40,780
Other liabilities	17,902	25,103
Total	99,814	113,392

16. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SAR "000"	
Letters of Guarantee	15,962	15,882

- (a) The Group has submitted these bank guarantees to various parties which are fully covered by margin deposits amounting to SAR 15.96 million (2025: SAR 15.88 million).
- (b) The Group, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Group's management, based on independent legal advice, believes that the outcome of court cases will not have a material impact on the Group's income or financial condition.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****17. FAIR VALUES OF FINANCIAL INSTRUMENTS**

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

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

The management assessed that cash and short-term deposits, premium and reinsurance receivables, receivables from related parties, trade and other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Determination of fair value and fair value hierarchy

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

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

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

Level 3: valuation techniques for which any significant input is not based on observable market data.

Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value. The Group used 'Discounted Cash Flow' method to identify fair value of level 3 unquoted investments, which implies some judgement related to the future income and the applicable discount rates.

March 31, 2026 (Unaudited)	Carrying	Fair value			Total
	value	Level 1	Level 2	Level 3	
	SAR "000"				
Financial assets measured at fair value					
Investments measured at FVTPL	495,138	403,939	-	91,199	495,138
Investment measured at FVOCI	156,692	-	-	156,692	156,692
Total	651,830	403,939	-	247,891	651,830
December 31, 2025 (Audited)	Carrying	Fair value			Total
	value	Level 1	Level 2	Level 3	
	SAR "000"				
Financial assets measured at fair value					
Investments measured at FVTPL	540,578	444,458	-	96,120	540,578
Investment measured at FVOCI	156,692	-	-	156,692	156,692
Total	697,270	444,458	-	252,812	697,270

Transfer between the levels

During the period, there were no transfers into or out of each level.

18. OPERATING SEGMENTS

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

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

Segment assets do not include cash and cash equivalents, short term deposits, prepaid expenses and other assets, due from shareholders' operations, investments, long term deposits, property and equipment, right of use assets and intangible assets. Accordingly, these are included in unallocated assets.

Segment liabilities do not include accrued expenses and other liabilities, lease liabilities, due to shareholders' operations and provision for end-of-service benefits (EOSB). Accordingly, these are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to Chief Operating Officer under related segments and are monitored on a centralized basis.

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

The segment information provided to the Group's Chief Executive Officer for the reportable segments for the Group's total assets and liabilities as at March 31, 2026 and December 31, 2025, its total revenues, expenses, and net income for the three-month periods ended March 31, 2026 and March 31, 2025 are as follows:

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
18. OPERATING SEGMENTS (CONTINUED)
Segmental statement of financial position

	Medical	Motor	Property	Energy	Engineering	Protection and Savings (P&S) - Non-Linked	P&S - Linked	Property and Casualty (P&C) - Others	Total insurance operations	Shareholders' operations	Total
	SAR "000"										
As at March 31, 2026											
(Unaudited)											
Assets											
Reinsurance contract assets for non unit-linked business	-	3,241	1,164,813	79,450	318,817	18,033	-	140,043	1,724,397	-	1,724,397
Financial assets for unit- linked insurance contracts	-	-	-	-	-	-	504,668	-	504,668	-	504,668
Unallocated assets	-	-	-	-	-	-	-	-	1,296,884	1,747,101	3,043,985
Total assets	-	3,241	1,164,813	79,450	318,817	18,033	504,668	140,043	3,525,949	1,747,101	5,273,050
Liabilities and equity											
Insurance contract liabilities for non unit-linked business	219,032	310,024	1,237,967	168,382	433,440	100,575	-	371,149	2,840,569	-	2,840,569
Insurance contract liabilities for unit-linked business	-	-	-	-	-	-	517,841	-	517,841	-	517,841
Reinsurance contract liabilities for non unit-linked business	4,706	-	-	-	-	-	-	-	4,706	-	4,706
Reinsurance contract liabilities for unit-linked business	-	-	-	-	-	-	483	-	483	-	483
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	162,350	1,747,101	1,909,451
Total liabilities and shareholders' equity	223,738	310,024	1,237,967	168,382	433,440	100,575	518,324	371,149	3,525,949	1,747,101	5,273,050

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
18. OPERATING SEGMENTS (CONTINUED)
Segmental statement of financial position (Continued)

	Medical	Motor	Property	Energy	Engineering	Protection and Savings (P&S) - Non-Linked SAR "000"	P&S - Linked	Property and Casualty (P&C) - Others	Total insurance operations	Shareholders' operations	Total
As at December 31, 2025 (Audited)											
Assets											
Reinsurance contract assets for non unit-linked business	-	3,387	1,213,022	182,265	321,724	13,791	-	187,617	1,921,806	-	1,921,806
Financial assets for unit- linked insurance contracts	-	-	-	-	-	-	516,571	-	516,571	-	516,571
Unallocated assets	-	-	-	-	-	-	-	-	1,227,851	1,790,555	3,018,406
Total assets	-	3,387	1,213,022	182,265	321,724	13,791	516,571	187,617	3,666,228	1,790,555	5,456,783
Liabilities and equity											
Insurance contract liabilities for non unit-linked business	223,866	360,045	1,305,766	262,653	377,894	99,398	-	386,490	3,016,112	-	3,016,112
Insurance contract liabilities for unit-linked business	-	-	-	-	-	-	525,983	-	525,983	-	525,983
Reinsurance contract liabilities for non unit-linked business	3,161	-	-	-	-	-	-	-	3,161	-	3,161
Reinsurance contract liabilities for unit-linked business	-	-	-	-	-	-	393	-	393	-	393
Unallocated liabilities and shareholders' equity	-	-	-	-	-	-	-	-	120,579	1,790,555	1,911,134
Total liabilities and shareholders' equity	227,027	360,045	1,305,766	262,653	377,894	99,398	526,376	386,490	3,666,228	1,790,555	5,456,783

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
18. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income

For the three-month period ended March 31, 2026 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	103,343	100,657	130,708	142,737	52,816	16,385	2,141	84,390	-	633,177
Insurance service expenses	(108,621)	(106,206)	(4,111)	(6,856)	(31,920)	(18,482)	(414)	11,292	-	(265,318)
Insurance service results before reinsurance contracts held	(5,278)	(5,549)	126,597	135,881	20,896	(2,097)	1,727	95,682	-	367,859
Allocation of reinsurance premiums	(694)	(174)	(118,594)	(137,127)	(44,007)	(3,932)	(81)	(58,554)	-	(363,163)
Amounts recoverable from reinsurers for incurred claims	(275)	(2)	(4,617)	2,611	21,038	4,060	(5)	(25,001)	-	(2,191)
Net expenses from reinsurance contracts held	(969)	(176)	(123,211)	(134,516)	(22,969)	128	(86)	(83,555)	-	(365,354)
Insurance service results	(6,247)	(5,725)	3,386	1,365	(2,073)	(1,969)	1,641	12,127	-	2,505
Commission income on investments and deposits	-	-	-	-	-	-	-	-	20,274	20,274
Dividends on investments	-	-	-	-	-	-	-	-	2,932	2,932
Realized gain on investments measured at fair value	-	-	-	-	-	-	-	-	19,565	19,565
Unrealized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(11,550)	(11,550)
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	(5)	(5)
Net investment income	-	-	-	-	-	-	-	-	31,216	31,216
Finance expense from insurance contracts issued	(925)	(1,426)	(14,218)	(1,111)	(2,184)	(1,402)	(24)	(1,745)	-	(23,035)
Finance income from reinsurance contracts held	58	31	14,090	978	2,148	367	(4)	1,482	-	19,150
Net insurance finance expenses	(867)	(1,395)	(128)	(133)	(36)	(1,035)	(28)	(263)	-	(3,885)
Net insurance and investment results	(7,114)	(7,120)	3,258	1,232	(2,109)	(3,004)	1,613	11,864	31,216	29,836
Other operating income										2,502
Other income										656
Other operating expenses										(11,826)
Net income for the period before zakat & tax										21,168
Zakat and Income tax charge for the period										(4,931)
Net income for the period after zakat & tax attributable to:										16,237
- non-controlling interest										57
- shareholders										16,180

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18. OPERATING SEGMENTS (CONTINUED)
Segmental statement of income (Continued)

For the three-month period ended March 31, 2025 (Unaudited)	Medical	Motor	Property	Energy	Engineering	P&S - Non-Linked	P&S - Linked	P&C- Others	Unallocated	Total
	SAR "000"									
Insurance revenue	114,912	172,403	151,980	148,031	43,298	32,732	2,456	122,407	-	788,219
Insurance service expenses	(127,327)	(224,285)	(12,596)	1,459	(12,863)	(26,659)	270	(28,593)	-	(430,594)
Insurance service results before reinsurance contracts held	(12,415)	(51,882)	139,384	149,490	30,435	6,073	2,726	93,814	-	357,625
Allocation of reinsurance premiums	(618)	(73)	(143,042)	(144,729)	(35,801)	(5,778)	(101)	(97,670)	-	(427,812)
Amounts recoverable from reinsurers for incurred claims	579	753	5,157	(1,678)	3,996	473	(122)	12,648	-	21,806
Net expenses from reinsurance contracts held	(39)	680	(137,885)	(146,407)	(31,805)	(5,305)	(223)	(85,022)	-	(406,006)
Insurance service results	(12,454)	(51,202)	1,499	3,083	(1,370)	768	2,503	8,792	-	(48,381)
Commission income on investments and deposits	-	-	-	-	-	-	-	-	22,972	22,972
Dividends on investments	-	-	-	-	-	-	-	-	3,467	3,467
Realized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(6,387)	(6,387)
Unrealized loss on investments measured at fair value	-	-	-	-	-	-	-	-	(22,643)	(22,643)
Change in expected credit losses on financial assets	-	-	-	-	-	-	-	-	(7)	(7)
Net investment loss	-	-	-	-	-	-	-	-	(2,598)	(2,598)
Finance expense from insurance contracts issued	(1,047)	(1,537)	(2,457)	(1,118)	(960)	(1,753)	(30)	(388)	-	(9,290)
Finance income from reinsurance contracts held	51	30	2,558	1,114	912	543	1	516	-	5,725
Net insurance finance expenses	(996)	(1,507)	101	(4)	(48)	(1,210)	(29)	128	-	(3,565)
Net insurance and investment results	(13,450)	(52,709)	1,600	3,079	(1,418)	(442)	2,474	8,920	(2,598)	(54,544)
Other operating income										-
Other income										685
Other operating expenses										(9,091)
Net loss for the period before zakat & tax										(62,950)
Zakat and Income tax charge for the period										(5,000)
Net income for the period after zakat & tax attributable to:										(67,950)
- non-controlling interest										-
- shareholders										(67,950)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****19. RELATED PARTY TRANSACTIONS AND BALANCES**

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

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

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

	Transactions for the three-month period ended		Net balance receivable / (payable) as at	
	March 31, 2026 (Unaudited) SAR "000"	March 31, 2025 (Unaudited)	March 31, 2026 (Unaudited) SAR "000"	December 31, 2025 (Audited)
Insurance premium written / receivable from:				
-Board of directors and related parties	71	4,848	121	44
-Key management personnel	11	8	-	-
-Major shareholders and related parties	293	980	174	1,197
Claims paid and payable to:				
-Board of directors and related parties	81	1,487	(394)	(423)
-Key management personnel	-	-	-	-
-Major shareholders and related parties	-	1,558	(13,294)	(12,740)
Other business with board of directors and related parties	-	685	-	-
Policy acquisition costs with major shareholders and related parties	20	641	(2,249)	(2,058)
Rebate income from major shareholders and related parties	145	435	1,403	978

Remuneration and compensation of BOD Members and Top Executives

The following table shows the annual salaries, remuneration and allowances obtained by the Board members and 5 top executives for the period:

	March 31, 2026 (Unaudited)		March 31, 2025 (Unaudited)	
	BOD members (non-executive) SAR "000"	Top Executives including the CEO and CFO SAR "000"	BOD members (non-executive) SAR "000"	Top Executives including the CEO and CFO SAR "000"
Salaries, allowances and other benefits	-	2,279	-	2,136
Annual remuneration and other charges	863	-	1,375	-
End of service provision for the period	-	156	-	890
Total	863	2,435	1,375	3,026

20. ZAKAT, INCOME TAX AND VAT

The Company has filed its zakat and income tax return with Zakat, Tax, and Customs Authority (ZATCA) up to the year ended December 31, 2024, and obtained the required certificate from ZATCA that is valid up to April 30, 2026.

Subsequent to the quarter ended March 31, 2026, the Company has filed zakat and income tax returns with ZATCA up to the year ended December 31, 2025, and obtained the required certificate from ZATCA that is valid up to April 30, 2027.

(a) Status of assessments

Zakat and income tax:

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

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

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

During July 2025, the Company received zakat and income tax audit request from ZATCA for the year 2024 for which the Company submitted the required documents and is awaiting ZATCA's response.

Also, during July 2025, the Company received withholding tax audit request from ZATCA for the year 2024. The Company submitted the required documents and is awaiting ZATCA's response.

Indirect tax (VAT):

During the year 2023, the Company submitted documents required by ZATCA for the years 2021 and 2022. In September 2024, the Company received the assessment order claiming an additional liability of SAR 24.3. The total amount, including the disputed amount, was paid to benefit from the penalty waiver initiative, and all penalties associated with the assessment results were successfully cancelled. In November 2024, the Company accepted an amount of SAR 8.3 million and filed an objection for SAR 16 million, which was related to reinsurance commissions for non-residents. In January 2025, ZATCA accepted the appeal to re-audit for which the Company submitted all the requirements and the results came in May 2025 by reducing the amounts to SAR 14.7 million. The Company submitted an appeal on the re-audit results in June 2025. During August 2025, the Company received ZATCA's response rejecting the appeal submitted by the Company amounting to SAR 14.7 million. The Company has escalated the appeal to General Secretariat of Tax Committees (GSTC). In October 2025, the Company submitted a settlement request to the Internal Settlement Committee and received the response in November 2025 with rejection for the settlement request. The Company has raised escalation to GSTC. Subsequently in 2026, the Company received the GSTC's decision rejecting the appeal submitted by the Company. Accordingly, the Company escalated the case to the Second-Level Appeal Committee and is currently awaiting its decision.

During September 2024, the Company received VAT audit request from ZATCA for the year 2023 for which the Company submitted the required documents. In June 2025, the Company received audit results claiming an additional liability of SAR 0.88 million. The Company has accepted the differences and settled the amount in September 2025, and the case is closed.

In July 2025, the Company received VAT audit request from ZATCA for year 2024. The Company submitted the documents required and is awaiting ZATCA's response.

(b) Provision for zakat and income tax

Provision for zakat has been made at 2.5776% of the higher of approximate zakat base or adjusted net income and 2.5% on adjusted net income attributable to the Saudi shareholders of the Group. Income tax is payable at 20% of the adjusted net income attributable to the foreign shareholders of the Group.

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****20. ZAKAT, INCOME TAX AND VAT (CONTINUED)****(c) Shareholding subject to zakat and income tax**

The following is the shareholding percentage for computation as at the end of the period /year. Actual percentage might vary at the time of computation and submission of zakat and tax return.

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	(in %)	
Shareholding subject to zakat	90.71 %	90.71 %
Shareholding subject to income tax	9.29 %	9.29 %

21. SHARE CAPITAL

The authorized, issued and paid-up capital of the Group as at March 31, 2026 amounted to SAR 1,275.6 million comprising 127.56 million shares of SAR 10 each (December 31, 2025: SAR 1,275.6 million comprising 127.56 million shares of SAR 10 each).

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

The Group's Board of Directors in their meeting held on October 29, 2017 corresponding to 9 Safar 1439H recommended to Extraordinary General Assembly Meeting to increase share capital of the Group by issuing 4 million bonus shares which was approved by Extraordinary General Assembly on May 29, 2018 corresponding to 14 Ramadan 1439H. This resulted in an increase in share capital from SAR 400 million to SAR 440 million.

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

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

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****21. SHARE CAPITAL (CONTINUED)**

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

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

During the year 2024, the Board of Directors after discussing the Rights Issue with the financial advisor, decided on February 25, 2024 (corresponding to 15/8/1445H) to amend its recommendation to the Extraordinary General Assembly regarding the increase of the Group's capital by offering of Rights Issue and change the offering amount to SAR 467.5 million instead of SAR 425 million, through offering a total of 42.5 million ordinary shares of a nominal value of SAR 10 per share, with an offer price of SAR 11 per share. Capital Market Authority (CMA) approved the application of the proposed Rights Issue on August 5, 2024 (corresponding 1 Safar 1446H).

The Extra Ordinary General Assembly of the shareholders approved the right issue in the meeting held on November 26, 2024 (corresponding to 24 Jumada Al Awwal 1446H). After receiving all the required approvals, the right issue was successfully completed in December 25, 2024.

Shareholding structure :

	March 31, 2026 (Unaudited)		
	Authorized and issued		Paid up
	No. of Shares	SAR "000"	
Saudi British Bank	19,903,597	199,036	199,036
Khalifa Abdulatif Abdullah Al Molhem	7,582,641	75,826	75,826
Others	100,072,087	1,000,721	1,000,721
Total	127,558,325	1,275,583	1,275,583
	December 31, 2025 (Audited)		
	Authorized and issued		Paid up
	No. of Shares	SAR "000"	
Saudi British Bank	19,903,597	199,036	199,036
Khalifa Abdulatif Abdullah Al Molhem	7,582,641	75,826	75,826
Others	100,072,087	1,000,721	1,000,721
Total	127,558,325	1,275,583	1,275,583

22. CAPITAL MANAGEMENT

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

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

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

WALAA COOPERATIVE INSURANCE COMPANY

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
23. SUPPLEMENTARY INFORMATION

Interim condensed consolidated statement of financial position	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
Assets						
Cash and cash equivalents	451,859	63,107	514,966	354,021	53,049	407,070
Short term deposits	210,129	-	210,129	229,722	3,692	233,414
Prepaid expenses and other assets	75,510	13,496	89,006	78,647	7,585	86,232
Reinsurance contract assets for non unit-linked business	1,724,397	-	1,724,397	1,921,806	-	1,921,806
Financial assets for unit-linked insurance contracts	504,668	-	504,668	516,571	-	516,571
Statutory deposit	-	127,558	127,558	-	127,558	127,558
Accrued income on statutory deposit	-	1,577	1,577	-	7,048	7,048
Investments	131,309	1,309,654	1,440,963	132,064	1,357,698	1,489,762
Long term deposits	358,765	50,405	409,170	360,204	50,397	410,601
Property and equipment, net	19,525	35,487	55,012	20,965	35,490	56,455
Right of use assets, net	13,722	302	14,024	15,466	619	16,085
Intangible assets	36,065	68,786	104,851	36,762	70,690	107,452
Goodwill	-	76,729	76,729	-	76,729	76,729
Total assets	3,525,949	1,747,101	5,273,050	3,666,228	1,790,555	5,456,783
Liabilities and equity						
Liabilities						
Insurance contract liabilities for non unit-linked business	2,840,569	-	2,840,569	3,016,112	-	3,016,112
Insurance contract liabilities for unit-linked business	517,841	-	517,841	525,983	-	525,983
Reinsurance contract liabilities for non unit-linked business	4,706	-	4,706	3,161	-	3,161
Reinsurance contract liabilities for unit-linked business	483	-	483	393	-	393
Accrued expenses and other liabilities	80,221	19,593	99,814	83,210	30,182	113,392
Lease liabilities	10,011	218	10,229	14,661	429	15,090
Accrued income payable to IA (Due from) / due to shareholders' / insurance operations	38,097	(38,097)	-	(10,254)	10,254	-
Provision for zakat and income tax	-	65,209	65,209	-	60,278	60,278
Provision for end-of-service benefits	43,248	503	43,751	42,189	503	42,692
Total liabilities	3,535,176	49,003	3,584,179	3,675,455	108,694	3,784,149
Equity						
Share capital	-	1,275,583	1,275,583	-	1,275,583	1,275,583
Share premium	-	228,280	228,280	-	228,280	228,280
Statutory reserve	-	92,775	92,775	-	92,775	92,775
Fair value reserve for investments	-	140,345	140,345	-	140,345	140,345
Accumulated losses	-	(41,842)	(41,842)	-	(58,022)	(58,022)
Total shareholders' equity	-	1,695,141	1,695,141	-	1,678,961	1,678,961
Remeasurement of EOSB	(9,227)	-	(9,227)	(9,227)	-	(9,227)
Non-controlling interest	-	2,957	2,957	-	2,900	2,900
Total equity	(9,227)	1,698,098	1,688,871	(9,227)	1,681,861	1,672,634
Total liabilities and equity	3,525,949	1,747,101	5,273,050	3,666,228	1,790,555	5,456,783

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
23. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed consolidated statement of income for the three-month period	March 31, 2026 (Unaudited)			March 31, 2025 (Unaudited)		
	Insurance operations	Share-	Total	Insurance operations	Share-	Total
		holders'			holders'	
		SAR "000"			SAR "000"	
Insurance revenue	633,177	-	633,177	788,219	-	788,219
Insurance service expenses	(265,318)	-	(265,318)	(430,594)	-	(430,594)
Insurance service results before reinsurance contracts held	367,859	-	367,859	357,625	-	357,625
Allocation of reinsurance premiums	(363,163)	-	(363,163)	(427,812)	-	(427,812)
Amounts recoverable from reinsurers for incurred claims	(2,191)	-	(2,191)	21,806	-	21,806
Net expenses from reinsurance contracts held	(365,354)	-	(365,354)	(406,006)	-	(406,006)
Insurance service results	2,505	-	2,505	(48,381)	-	(48,381)
Commission income on investments and deposits	11,531	8,743	20,274	11,966	11,006	22,972
Dividends on investments	-	2,932	2,932	-	3,467	3,467
Realized gain / (loss) on investments measured at fair value	-	19,565	19,565	-	(6,387)	(6,387)
Unrealized loss on investments measured at fair value	-	(11,550)	(11,550)	-	(22,643)	(22,643)
Change in expected credit losses on financial assets	6	(11)	(5)	8	(15)	(7)
Net investment income / (loss)	11,537	19,679	31,216	11,974	(14,572)	(2,598)
Finance expense from insurance contracts issued	(23,035)	-	(23,035)	(9,290)	-	(9,290)
Finance income from reinsurance contracts held	19,150	-	19,150	5,725	-	5,725
Net insurance finance expenses	(3,885)	-	(3,885)	(3,565)	-	(3,565)
Net insurance and investment results	10,157	19,679	29,836	(39,972)	(14,572)	(54,544)
Other operating income	-	2,502	2,502	-	-	-
Other income	656	-	656	685	-	685
Other operating expenses	(6,054)	(5,772)	(11,826)	(4,804)	(4,287)	(9,091)
Net income / (loss) before zakat & tax	4,759	16,409	21,168	(44,091)	(18,859)	(62,950)
(Surplus) / Deficit transferred to shareholders' operations	(4,759)	4,759	-	44,091	(44,091)	-
Net income / (loss) after transfer of surplus to the shareholders operations	-	21,168	21,168	-	(62,950)	(62,950)
Zakat and income tax charge	-	(4,931)	(4,931)	-	(5,000)	(5,000)
Net income / (loss) after zakat & tax attributable to:	-	16,237	16,237	-	(67,950)	(67,950)
- non-controlling interest	-	57	57	-	-	-
- shareholders	-	16,180	16,180	-	(67,950)	(67,950)
Earning / (loss) per share (expressed in SAR per share)						
Basic and diluted earning / (loss) per share			<u>0.13</u>			<u>(0.53)</u>
Weighted average number of ordinary outstanding shares (in thousand shares)			<u>127,558</u>			<u>127,558</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****23. SUPPLEMENTARY INFORMATION (CONTINUED)****Interim condensed consolidated statement of comprehensive income for the three-month period**

	March 31, 2026 (Unaudited)			March 31, 2025 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
Net income / (loss) for the period	-	16,237	16,237	-	(67,950)	(67,950)
Other comprehensive income:						
<i>Items that will not be reclassified to the statement of income in subsequent periods</i>						
Net changes in fair value of investments measured at FVOCI	-	-	-	-	5,016	5,016
Total comprehensive income / (loss) for the period attributable to:	-	16,237	16,237	-	(62,934)	(62,934)
- non-controlling interest	-	57	57	-	-	-
- shareholders	-	16,180	16,180	-	(62,934)	(62,934)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
23. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed consolidated statement of cash flows for the three-month period

	March 31, 2026 (Unaudited)			March 31, 2025 (Unaudited)		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
	SAR "000"			SAR "000"		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income / (loss) for the period before zakat and income tax	-	21,168	21,168	-	(62,950)	(62,950)
Adjustments for non-cash and non-operating items:						
Depreciation of property and equipment	1,908	4	1,912	1,586	-	1,586
Depreciation of right of use assets	1,745	316	2,061	1,983	-	1,983
Amortization of intangible assets	1,563	1,904	3,467	1,691	1,550	3,241
Commission income on investments and deposits	(11,531)	(8,743)	(20,274)	(11,966)	(11,006)	(22,972)
Dividends on investments	-	(2,932)	(2,932)	-	(3,467)	(3,467)
Realized (gain) / loss on investments measured at fair value	-	(19,565)	(19,565)	-	6,387	6,387
Unrealized loss on investments measured at fair value	-	11,550	11,550	-	22,643	22,643
Change in expected credit losses on financial assets	(6)	10	4	(6)	15	9
Finance cost on lease liabilities	-	7	7	230	-	230
Provision for end-of-service benefits (EOSB)	1,870	46	1,916	1,733	-	1,733
Changes in operating assets and liabilities:						
Insurance contract liabilities for non unit-linked business	(175,543)	-	(175,543)	(169,483)	-	(169,483)
Insurance contract liabilities for unit-linked business	(8,142)	-	(8,142)	(11,550)	-	(11,550)
Reinsurance contract assets for non unit-linked business	197,409	-	197,409	(120,213)	-	(120,213)
Reinsurance contract assets for unit-linked business	-	-	-	164	-	164
Reinsurance contract liabilities for non unit-linked business	1,545	-	1,545	547	-	547
Reinsurance contract liabilities for unit-linked business	90	-	90	158	-	158
Prepaid expenses and other assets	3,137	(5,928)	(2,791)	12,608	(3,758)	8,850
Accrued expenses and other liabilities	(2,989)	(10,589)	(13,578)	(15,776)	2,589	(13,187)
	11,056	(12,752)	(1,696)	(308,294)	(47,997)	(356,291)
End-of-service benefits paid	(811)	(46)	(857)	(1,205)	-	(1,205)
Net cash generated from / (used in) operating activities	10,245	(12,798)	(2,553)	(309,499)	(47,997)	(357,496)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
23. SUPPLEMENTARY INFORMATION (CONTINUED)

Interim condensed consolidated statement of cash flows for the three-month period (Continued)

	March 31, 2026 (Unaudited)			March 31, 2025 (Unaudited)		
	Insurance	Share-	Total	Insurance	Share-	Total
	operations	holders' operations		operations	holders' operations	
	SAR "000"			SAR "000"		
CASH FLOWS FROM INVESTING ACTIVITIES						
Financial assets for unit linked insurance contracts, net	11,903	-	11,903	11,668	-	11,668
Purchase of investments - FVTPL	-	(10,707)	(10,707)	-	(35,402)	(35,402)
Disposals of investments - FVTPL	-	64,162	64,162	-	44,589	44,589
Purchase of investments - amortized cost	-	-	-	-	(80,000)	(80,000)
Disposals of investments - amortized cost	-	-	-	9,839	80,000	89,839
Commission income received on investments and deposits	12,286	11,347	23,633	12,968	11,602	24,570
Dividends received on investments	-	2,932	2,932	-	3,467	3,467
Disposals of / (additions to) short term deposits	19,591	3,697	23,288	(3,310)	(80,789)	(84,099)
Disposals of / (additions to) long term deposits	1,447	(6)	1,441	(996)	-	(996)
Additions to intangible assets, net	(866)	-	(866)	(1,230)	-	(1,230)
Disposals of right of use assets, net	-	217	217	-	-	-
Additions to property and equipment	(468)	(1)	(469)	(8,055)	-	(8,055)
Net cash generated from / (used in) investing activities	43,893	71,641	115,534	20,884	(56,533)	(35,649)
CASH FLOWS FROM FINANCING ACTIVITIES						
Due from / (due to) shareholders' operations / insurance operations	48,351	(48,351)	-	(57,499)	57,499	-
Lease liabilities paid	(4,651)	(434)	(5,085)	(5,160)	-	(5,160)
Net cash generated from / (used in) financing activities	43,700	(48,785)	(5,085)	(62,659)	57,499	(5,160)
Net change in cash and cash equivalents	97,838	10,058	107,896	(351,274)	(47,031)	(398,305)
Cash and cash equivalents, beginning of the period	354,021	53,049	407,070	653,091	309,177	962,268
Cash and cash equivalents, end of the period	451,859	63,107	514,966	301,817	262,146	563,963

24. DIVIDEND

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

25. EARNING / (LOSS) PER SHARE (EPS)

Basic and diluted earning / (loss) per share from shareholders' income are calculated by dividing the net income / (loss) for the period after zakat and taxes attributable to the shareholders (excluding the amount attributable to non-controlling interest) by the weighted average number of ordinary shares outstanding during the period.

26. SURETY BOND INSURANCE POOL ARRANGEMENT

On December 11, 2024, the Group signed Surety Bond (SB) agreement with 16 other participating insurance companies relating to surety bond insurance that guarantees contractors' performance in completing projects or fulfilling contractual obligations in favor of the Public Investment Fund, whereby the insurance companies undertake to compensate the Fund for projects in the event of contractors' failure to perform the project.

The Group is acting as a pool leader to manage the SB pool portfolio on behalf of the participating insurance companies, and is exclusively be entitled to management fees for managing the portfolio to be earned over the period of validity of the SB agreement that ends on December 10, 2029. The participating insurance companies will report in their financials the SB portfolio assets, liabilities, revenues and expenses relating to their share in the portfolio in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses. Walaa reports its own share from the SB pool under the 'P&C-others' segment.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the change in the presentation methodology adopted by the Group in the current period. However, there is no financial impact of these reclassifications on net loss attributable to shareholders and equity.

28. SUBSEQUENT EVENTS

No events occurred after March 31, 2026 that would have a material impact on the financial position or results of operations as presented in these interim condensed consolidated financial statements.

29. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved by the Board of Directors on May 1, 2026, corresponding to Dhul Qi'dah 14, 1447 AH.