

**GULF INSURANCE GROUP
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL
INFORMATION
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2026 (UNAUDITED)
AND REPORT ON REVIEW OF INTERIM
CONDENSED FINANCIAL INFORMATION**

GULF INSURANCE GROUP
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

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Report on review of interim condensed financial information

To the shareholders of Gulf Insurance Group
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Gulf Insurance Group (the "Company") as of 31 March 2026 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

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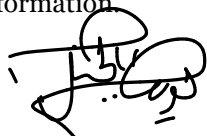


11 May 2026
24 Dhul-Qi'dah 1447 H

GULF INSURANCE GROUP
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	4	147,488	90,467
Short-term deposits		277,499	273,809
Reinsurance contract assets	6,13	402,757	411,624
Investments	5	1,893,470	1,899,250
Prepaid expenses and other assets	8	50,320	52,139
Deferred tax assets		6,378	4,214
Long-term deposits		147,137	147,058
Right-of-use assets		23,302	24,185
Furniture and equipment		4,462	5,115
Intangible assets		20,733	22,747
Accrued income on statutory deposit		2,259	1,599
Goodwill	21	50,000	50,000
Statutory deposit		52,500	52,500
TOTAL ASSETS		3,078,305	3,034,707
LIABILITIES AND EQUITY			
Accrued expenses and other liabilities		119,742	84,668
Insurance contract liabilities	6,13	1,572,929	1,604,746
Reinsurance contract liabilities	6,13	6,667	2,314
Lease liabilities		23,595	23,999
Due to related parties	14	2,534	2,318
Employee benefit obligations		31,185	29,883
Zakat and income tax	16	92,266	83,696
Accrued income payable on statutory deposit		2,259	1,599
TOTAL LIABILITIES		1,851,177	1,833,223
EQUITY			
Share capital	7	525,000	525,000
Statutory reserve	17	190,444	190,444
Retained earnings		480,974	437,070
Fair value reserve on investments	5	30,710	48,970
TOTAL EQUITY		1,227,128	1,201,484
TOTAL LIABILITIES AND EQUITY		3,078,305	3,034,707

The accompanying notes from 1 to 25 are an integral part of this interim condensed financial information.



Yousef S Abalkhail
Chairman of the Board of
Directors



Khalid Al Shuwaier
Chief Executive Officer



Babar Ali Khan
Chief Financial Officer

GULF INSURANCE GROUP

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF INCOME

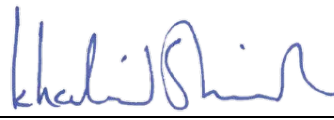
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Insurance revenue	13	417,655	367,569
Insurance service expenses	13	(330,720)	(271,156)
Net expense from reinsurance contracts held	13	(55,357)	(49,145)
Insurance service result from Company's directly written business		31,578	47,268
Share of surplus from insurance pools	10	413	-
Total insurance service result		31,991	47,268
Finance expense from insurance contracts issued	9	(5,499)	(36,658)
Finance income from reinsurance contracts held	9	2,367	10,355
Net insurance financial result		(3,132)	(26,303)
Investment income	15	35,164	24,947
Other operating expenses		(11,939)	(12,409)
Investment and other income - net		23,225	12,538
Total income for the period before zakat and income tax		52,084	33,503
Zakat expense	16	(2,645)	(3,508)
Income tax expense	16	(5,699)	(2,903)
Total income for the period attributable to the shareholders		43,740	27,092
Earnings per share (expressed in Saudi Riyals per share)			
Basic and diluted earnings per share	19	0.83	0.52

The accompanying notes from 1 to 25 are an integral part of this interim condensed financial information.



Yousef S. Abalkhail
Chairman of the Board of
Directors



Khalid Al Shuwaier
Chief Executive Officer



Babar Ali Khan
Chief Financial Officer

GULF INSURANCE GROUP

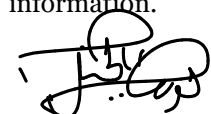
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Total income for the period attributable to the shareholders		43,740	27,092
Other comprehensive income			
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>			
Remeasurement gain on employee benefit obligations		164	794
Net changes in fair value of investments measured at FVOCI (equity instruments)	5	-	2,510
<i>Items that will be reclassified to interim condensed statement of income in subsequent periods</i>			
Net changes in fair value of investments measured at FVOCI (debt instruments)	5	(20,199)	25,614
Deferred tax		1,939	-
Total other comprehensive (loss) income		(18,096)	28,918
Total comprehensive income for the period attributable to the shareholders		25,644	56,010

The accompanying notes from 1 to 25 are an integral part of this interim condensed financial information.



Yousef S Abalkhail
Chairman of the Board of
Directors



Khalid Al Shuwaier
Chief Executive Officer

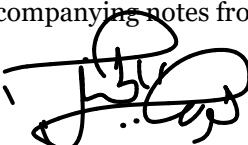


Babar Ali Khan
Chief Financial Officer


GULF INSURANCE GROUP
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Fair value reserve on investments	Total
At 1 January 2026 (Audited)	525,000	190,444	437,070	48,970	1,201,484
Total comprehensive income for the period					
Total income for the period attributable to the shareholders	-	-	43,740	-	43,740
Remeasurement gain on employee benefit obligations	-	-	164	-	164
Net changes in fair value of the investments measured at FVOCI, net of deferred tax	-	-	-	(18,260)	(18,260)
Total comprehensive income (loss) for the period attributable to the shareholders	-	-	43,904	(18,260)	25,644
At 31 March 2026 (Unaudited)	525,000	190,444	480,974	30,710	1,227,128
At 1 January 2025 (Audited)	525,000	165,206	399,401	350	1,089,957
Total comprehensive income for the period					
Total income for the period attributable to the shareholders	-	-	27,092	-	27,092
Remeasurement gain on employee benefit obligations	-	-	794	-	794
Net changes in fair value of the investments measured at FVOCI	-	-	-	28,124	28,124
Total comprehensive income for the period attributable to the shareholders	-	-	27,886	28,124	56,010
At 31 March 2025 (Unaudited)	525,000	165,206	427,287	28,474	1,145,967

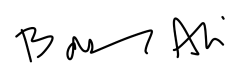
The accompanying notes from 1 to 25 are an integral part of this interim condensed financial information.



Yousef S Abalkhail
Chairman of the Board of Directors



Khalid Al Shuwaier
Chief Executive Officer



Babar Ali Khan
Chief Financial Officer

GULF INSURANCE GROUP

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities			
Total income for the period before zakat and income tax		52,084	33,503
<u>Adjustments for non-cash items:</u>			
Depreciation of furniture and equipment		673	904
Depreciation of right-of-use assets		883	883
Amortisation of intangible assets		2,482	1,986
Finance cost on leases		188	374
Accretion of discount on financial assets at FVOCI	5,15	(2,080)	(2,115)
Unrealised gain on financial assets at FVTPL	5,15	(10,424)	(395)
Amortisation of premium on financial assets at FVOCI	5,15	508	563
Net impairment credit losses reversed on financial assets at FVOCI	5,15	(51)	(336)
Net finance expense from insurance and reinsurance contracts	9	3,132	26,303
Employee benefit obligations		1,543	1,131
<u>Changes in operating assets and liabilities:</u>			
Reinsurance contract assets	6,13	11,234	(2,699)
Prepaid expenses and other assets	8	1,819	(1,076)
Accrued income on statutory deposit		(660)	(653)
Accrued expenses and other liabilities		35,075	(32,212)
Insurance contract liabilities, net	6,13	(32,963)	(83,497)
Due to related parties		216	-
Accrued income payable on statutory deposit		660	653
Cash generated from (used in) operations		64,319	(56,683)
Employee benefit obligations paid		(77)	(1,010)
Net cash inflow (outflow) from operating activities		64,242	(57,693)

(Continued)

GULF INSURANCE GROUP


(A Saudi Joint Stock Company)


INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)


(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Cash flows from investing activities			
(Placement) redemption in short-term deposits, net		(3,690)	31,859
Payments for purchase of investments	5	(11,372)	(37,607)
Proceeds from sale of investments	5	9,000	73,438
Placement of long-term deposits, net		(79)	(40,551)
Payments for purchases of furniture and equipment		(20)	(2,706)
Payments for intangible assets		(468)	(2,873)
Net cash (outflow) inflow from investing activities		(6,629)	21,560
Cash flows from a financing activity			
Payment against principal portion of lease liabilities		(592)	-
Net changes in cash and cash equivalents		57,021	(36,133)
Cash and cash equivalents at the beginning of the period		90,467	155,909
Cash and cash equivalents at end of the period	4	147,488	119,776
Supplemental non-cash information			
Net changes in fair value of financial assets at FVOCI		(18,260)	28,124

The accompanying notes from 1 to 25 are an integral part of this interim condensed financial information.


 Youssef Abalkhail
 Chairman of the Board of Directors


 Khalid Al Shuwaier
 Chief Executive Officer


 Babar Ali Khan
 Chief Financial Officer

GULF INSURANCE GROUP
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. General information - legal status and principal activities

Gulf Insurance Group, a Saudi joint stock company (the “Company”), was formed pursuant to Royal Decree No. M/36 dated 27 Jumada II 1429H (corresponding to 1 July 2008). The Company was incorporated vide Ministerial Order number Q/192, dated 10 Jumada II 1430H, (corresponding to 3 September 2009). The Company is registered in the Kingdom of Saudi Arabia under unified national number 7001607683 and Commercial Registration (“CR”) number 1010271203 issued in Riyadh on 20 Rajab, 1430H (corresponding to 13 July 2009), respectively. The Company’s registered address is P.O. Box 753, Riyadh 11421, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance activities in accordance with the Law on Supervision of Cooperative Insurance Companies (the “Law”), the Company’s by-laws and other regulations promulgated in the Kingdom of Saudi Arabia. Its principal lines of business include health, motor, marine, property, engineering, accident and liability and protection insurance. The Company obtained license from the Saudi Arabian Monetary Authority (“SAMA”) to practice general and health insurance and reinsurance business in the Kingdom of Saudi Arabia vide license number TMN/25/20101, dated 11 Safar 1431H (corresponding to 26 January 2010). The Company commenced insurance operations on 4 Rabi’ I 1431H (corresponding to 18 February 2010).

The Company operates through multiple branches located in the Kingdom of Saudi Arabia. Following are the CR numbers of these branches:

Branch type	Location	CR number
Head Office	Riyadh	1010271203
Regional Branch	Khobar	2051044972
Regional Branch	Jeddah	4030209279

Impact of geopolitical disruptions

During the three-month period ended 31 March 2026, geopolitical developments in the Middle East have led to increased security tensions and economic uncertainty in the region.

Management has evaluated the impact of the aforementioned events on the credit risk profile of financial instruments. Further, management has considered the best estimate in the calculation of case reserves forming part of liability for incurred claims under insurance contract liabilities for geopolitical disruptions.

Management continues to closely monitor the evolving geopolitical conditions and their potential impact on the Company’s operations, financial position and credit risk profile. As of the date of approval of this condensed interim financial information, the Company’s operations have not experienced any significant disruptions and no related claim was reported to the Company. Any necessary refinements to assumptions or enhancements will be incorporated in future reporting periods as additional information becomes available.

GULF INSURANCE GROUP

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

2. Basis of preparation

(a) Statement of compliance

The interim condensed financial information of the Company has been prepared in accordance with the International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for insurance operations and shareholders' operations. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by management.

In accordance with the requirements of Implementing Regulation for Co-operative Insurance Companies (the "Regulations") issued by the Insurance Authority, formerly SAMA, and as per by-laws of the Company, 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 from insurance operations is transferred to the shareholders' operations in full. Surplus entitled to the policyholders is part of insurance service expenses.

The Regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations.

In preparing the Company's financial information in compliance with IAS 34, as endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

(b) Basis of measurement

The interim condensed financial information is prepared under the historical cost convention, except as explained in the relevant accounting policies in the annual financial statements for the year ended 31 December 2025.

(c) Basis of presentation

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

The Company's interim condensed statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, short term deposits, prepaid expenses and other assets, accrued income on statutory deposit, financial assets at FVTPL, accrued expenses and other liabilities, due to related parties, zakat and income tax and accrued income payable on statutory deposit. The following balances would generally be classified as non-current: long term deposits, furniture and equipment, right-of-use assets, goodwill, intangible assets, financial assets at FVOCI, statutory deposit, deferred tax assets and employee benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract assets, reinsurance contract liabilities and lease liabilities.

(d) Functional and presentation currency

This interim condensed financial information is expressed in Saudi Arabian Riyals ("Saudi Riyals") which is the functional and presentation currency of the Company.

GULF INSURANCE GROUP

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

2 Basis of preparation (continued)

(e) Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company. The interim results may not represent a proportionate share of the annual results due to cyclical variability in premiums and uncertainty of claims occurrences.

3. Material accounting policy information

The accounting policies, estimates and assumptions used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025.

3.1 New standards, amendments and interpretations

A number of new and amended standards became applicable for the current reporting period.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7.
- Annual improvements to IFRS - Volume 11.
- IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.

The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 1 January 2026 reporting periods and have not been early adopted by the Company.

- IFRS 18 - Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency

Management is in the process of assessing the impact of such new standards, interpretations and amendments on its financial statements.

3.2 Critical accounting judgments, estimates and assumptions

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

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

GULF INSURANCE GROUP

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

4. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Cash at banks		
- Current accounts	122,488	90,467
- Time deposit	25,000	-
	147,488	90,467

Cash at banks is placed with counterparties with sound credit ratings. Time deposit at 31 March 2026 is placed with a local bank with original maturity of less than three months from the date of placement and earned commission income at the rate 4.4% per annum (31 December 2025: No time deposits were placed).

5. Investments(a) *Investments are classified as follows:*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Financial assets at FVOCI	1,768,336	1,784,546
Financial assets at FVTPL	125,134	114,704
	1,893,470	1,899,250

(b) *Movement in investments carried at FVOCI is as follows:*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Opening balance	1,784,546	1,691,968
Additions during the period / year	11,366	248,639
Disposals during the period / year	(9,000)	(216,331)
Realised fair value losses reclassified to interim condensed statement of income	-	(40)
Accretion of discount	2,080	8,547
Amortisation of premium	(508)	(2,078)
Net impairment credit losses reversed during the period/year	51	21
Changes in fair value	(20,199)	53,820
Closing balance	1,768,336	1,784,546

GULF INSURANCE GROUP

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

5. Investments (continued)

- (c) During the three-month period ended 31 March 2026 and 2025, following net (losses) gains were recognised in the interim condensed statement of comprehensive income:

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Related to equity instruments	-	2,510
Related to debt instruments	(20,199)	25,614
	(20,199)	28,124

- (d) *Movement in investments carried at FVTPL is as follows:*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Opening balance	114,704	76,165
Additions during the period / year	6	73,723
Disposals during the period / year	-	(37,119)
Changes in fair value	10,424	1,935
Closing balance	125,134	114,704

GULF INSURANCE GROUP
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

6. Insurance and reinsurance contracts

	As at 31 March 2026 (Unaudited)					As at 31 December 2025 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk*		Excluding loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk*	
Insurance contracts issued										
Insurance contracts liabilities - opening	349,549	50,294	1,016,722	188,181	1,604,746	274,119	39,307	920,079	174,251	1,407,756
Insurance contract assets - opening	-	-	-	-	-	-	-	-	-	-
Opening balance - net	349,549	50,294	1,016,722	188,181	1,604,746	274,119	39,307	920,079	174,251	1,407,756
Insurance revenue	(417,655)	-	-	-	(417,655)	(1,503,755)	-	-	-	(1,503,755)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	(26,576)	287,841	20,591	281,856	-	(39,295)	1,244,494	84,081	1,289,280
Changes that relate to past service - adjustment to the LIC	-	-	(4,995)	(36,651)	(41,646)	-	-	(101,058)	(70,165)	(171,223)
Losses on onerous contracts	-	29,551	-	-	29,551	-	50,282	-	-	50,282
Insurance acquisition cashflows amortisation	60,959	-	-	-	60,959	218,102	-	-	-	218,102
Insurance service expenses	60,959	2,975	282,846	(16,060)	330,720	218,102	10,987	1,143,436	13,916	1,386,441
Finance expenses from insurance contracts issued	-	-	5,486	13	5,499	-	-	26,491	14	26,505
Total changes in the interim condensed statement of income	(356,696)	2,975	288,332	(16,047)	(81,436)	(1,285,653)	10,987	1,169,927	13,930	(90,809)
Cash flows										
Premium received	437,527	-	-	-	437,527	1,589,695	-	-	-	1,589,695
Claims and other incurred insurance service expenses paid	-	-	(318,433)	-	(318,433)	-	-	(1,073,284)	-	(1,073,284)
Insurance acquisition cash flows paid	(69,475)	-	-	-	(69,475)	(228,612)	-	-	-	(228,612)
Total cash flows	368,052	-	(318,433)	-	49,619	1,361,083	-	(1,073,284)	-	287,799
Insurance contracts issued										
Insurance contract liabilities - closing	360,905	53,269	986,621	172,134	1,572,929	349,549	50,294	1,016,722	188,181	1,604,746
Insurance contract assets - closing	-	-	-	-	-	-	-	-	-	-
Closing balance - net	360,905	53,269	986,621	172,134	1,572,929	349,549	50,294	1,016,722	188,181	1,604,746

* The Company has determined risk adjustment at 75th percentile for all portfolios (31 December 2025: 75th percentile).

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

6. Insurance and reinsurance contracts (continued)

	As at 31 March 2026 (Unaudited)					As at 31 December 2025 (Audited)				
	Asset for remaining coverage		Assets for incurred claims			Asset for remaining coverage		Assets for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk*	Total	Excluding loss recovery component	Loss recovery component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk*	Total
Reinsurance contracts held										
Reinsurance contracts liabilities - opening	(4,561)	-	1,360	887	(2,314)	(6,132)	-	2,874	1,913	(1,345)
Reinsurance contracts assets - opening	(72,906)	14,280	382,925	87,325	411,624	(78,841)	-	215,148	62,319	198,626
Opening balance - net	(77,467)	14,280	384,285	88,212	409,310	(84,973)	-	218,022	64,232	197,281
Allocation of reinsurance premium	(67,388)	-	-	-	(67,388)	(226,447)	-	-	-	(226,447)
Amounts recoverable from reinsurers										
Claim recovered and other directly attributable expenses	-	-	26,236	4,602	30,838	-	-	206,719	42,371	249,090
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	(6,801)	(4,936)	(15,629)	(27,366)	-	-	(18,294)	(18,397)	(36,691)
Loss-recovery on onerous underlying contracts	-	8,559	-	-	8,559	-	14,280	-	-	14,280
Amounts recoverable from reinsurers - net	(67,388)	1,758	21,300	(11,027)	(55,357)	(226,447)	14,280	188,425	23,974	232
Finance income from reinsurance contracts held	-	-	2,361	6	2,367	-	-	6,558	6	6,564
Total changes in interim condensed statement of income	(67,388)	1,758	23,661	(11,021)	(52,990)	(226,447)	14,280	194,983	23,980	6,796
Cash flows										
Premiums ceded	59,054	-	-	-	59,054	233,953	-	-	-	233,953
Recoveries from reinsurance	-	-	(19,284)	-	(19,284)	-	-	(28,720)	-	(28,720)
Total cash flows	59,054	-	(19,284)	-	39,770	233,953	-	(28,720)	-	205,233
Reinsurance contracts held										
Reinsurance contract liabilities - closing	(10,608)	1,466	1,498	977	(6,667)	(4,561)	-	1,360	887	(2,314)
Reinsurance contract assets - closing	(75,193)	14,572	387,164	76,214	402,757	(72,906)	14,280	382,925	87,325	411,624
Closing balance - net	(85,801)	16,038	388,662	77,191	396,090	(77,467)	14,280	384,285	88,212	409,310

* The Company has determined risk adjustment at 75th percentile for all reinsurance portfolios (31 December 2025: 75th percentile).

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7. Share capital

The authorised, issued and paid-up capital of the Company was Saudi Riyals 525 million as at 31 March 2026 and 31 December 2025 consisting of 52.5 million shares of Saudi Riyals 10 each.

Shareholding structure of the Company as at 31 March 2026 and 31 December 2025 is as below.

	Authorised and issued		Paid up
	No. of shares	Saudi Riyals	
Gulf Insurance Group (Gulf) B.S.C (c).	26,250	262,500	262,500
General public	26,250	262,500	262,500
	52,500	525,000	525,000

8. Prepaid expenses and other assets

	31 March	31 December
	2026	2025
	(Unaudited)	(Audited)
Receivable - insurance arrangements - Note 8.1	22,722	22,310
Accrued income	18,415	19,083
Prepaid expenses	7,539	8,199
Employees' receivable	1,145	1,124
Other	499	1,423
	50,320	52,139

8.1 This mainly includes balance receivable for discontinued Covid 19 and Travel products, share of surplus from insurance pools for Inherent Defect Insurance, Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance and Hajj & Umrah. Also see Note 10.

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9. Insurance finance expense - net

An analysis of the net insurance finance expense by product line for the three-month period ended 31 March 2026 and 2025, respectively, is presented below:

	For the three-month period ended 31 March 2026 (Unaudited)				
	Motor	Property and casualty	Health	Protection	Total
Finance expense from insurance contracts issued					
Interest accreted	(2,023)	(5,204)	(1,384)	(441)	(9,052)
Effects of changes in interest rates and other financial assumptions	378	2,390	612	173	3,553
Foreign exchange differences	-	-	-	-	-
Finance expense from insurance contracts issued	(1,645)	(2,814)	(772)	(268)	(5,499)
Finance income from reinsurance contracts held					
Interest reversed	-	3,373	66	62	3,501
Effects of changes in interest rates and other financial assumptions	(3)	(1,096)	(12)	(23)	(1,134)
Foreign exchange differences	-	-	-	-	-
Finance (expense) income from reinsurance contracts held	(3)	2,277	54	39	2,367
Net insurance finance expense	(1,648)	(537)	(718)	(229)	(3,132)
	For the three-month period ended 31 March 2025 (Unaudited)				
	Motor	Property and casualty	Health	Protection	Total
Finance expense from insurance contracts issued					
Interest accreted	(11,653)	(16,379)	(5,966)	(1,621)	(35,619)
Effects of changes in interest rates and other financial assumptions	(337)	(540)	(119)	(43)	(1,039)
Foreign exchange differences	-	-	-	-	-
Finance expense from insurance contracts issued	(11,990)	(16,919)	(6,085)	(1,664)	(36,658)
Finance income from reinsurance contracts held					
Interest reversed	67	9,348	299	214	9,928
Effects of changes in interest rates and other financial assumptions	2	402	19	4	427
Foreign exchange differences	-	-	-	-	-
Finance income from reinsurance contracts held	69	9,750	318	218	10,355
Net insurance finance expense	(11,921)	(7,169)	(5,767)	(1,446)	(26,303)

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10. Share of surplus from insurance pool

The details of insurance revenues and net expenses of the insurance pools for the three-month period ended 31 March 2026 and 2025 are as follows:

	Insurance revenue	
	For the three-month period ended 31 March 2026	For the three-month period ended 31 March 2025
	(unaudited)	(unaudited)
Share of surplus from Hajj and Umrah - run-off income (Note 10.1)	-	-
Share of surplus from Inherent Defect Insurance (Note 10.2)	1,157	-
Share of surplus from Rights and Entitlements of Non-Saudi Employee (Note 10.3)	16,970	-
	18,127	-
	Net expenses	
	For the three-month period ended 31 March 2026	For the three-month period ended 31 March 2025
	(unaudited)	(unaudited)
Share of surplus from Hajj and Umrah - run-off income (Note 10.1)	-	-
Share of surplus from Inherent Defect Insurance (Note 10.2)	3,607	-
Share of surplus from Rights and Entitlements of Non-Saudi Employee (Note 10.3)	14,107	-
	17,714	-
Share of surplus from insurance pools	413	-

10.1 Share of surplus from Hajj and Umrah

This represents the Company's share in the surplus for medical and general accident product arising from the Hajj and Umrah scheme. The Company, with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers medical and general accidents of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement as at 31 March 2026 as the aforementioned arrangement has been discontinued.

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10. Share of surplus from insurance pool (continued)

10.2 Inherent Defect Insurance

This represents the Company's share of surplus 8.54% in the Inherent Defects Insurance ("IDI") product. On 25 June 2020, a Joint Venture agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on the SAMA approval authorising Malath Cooperative Insurance Company ("Malath") as the leading company ("Operator"), to manage the IDI program on behalf of the participating insurance companies, selling the product and providing its insurance coverage by creating joint insurance portfolios. Malath exclusively managed the portfolio during the period of validity of the IDI agreement of five years from issue date. The agreement expired during the three-month period ended 31 March 2026. Effective 24 June 2025, Tawuniya Cooperative Insurance Company has been appointed as the new operator for IDI. Following an increase in the number of participants from thirteen to seventeen, the Company's share has now changed to 12.22%.

IDI is a mandatory insurance policy for contractors to insure against inherent defects that may appear in buildings and constructions after their occupation in non-governmental sector projects, according to Saudi Council of Ministers Decree No. 509 of 21/09/1439 AH (corresponding to 05/06/2018) and in accordance with the decision 441/187 of the Governor of SAMA dated 05/08/1441 AH (corresponding to 29/03/2020).

10.3 Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance

The Company along with eighteen other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Al-Etihad Cooperative Insurance Company, effective from 3 November 2024. Subsequent to the three-month period ended 31 March 2026, The Company for Cooperative Insurance has been appointed to serve as the lead insurer for this product. This compulsory product covers default of entities in paying the rights and entitlements of non-Saudi employees in private sector entities offered by the "Ministry of Human Resources and Social Development" through IA. The agreement is valid for an initial term of five years, starting from 3 November 2024, and renewable for another five years, subject to the terms and conditions of the agreement.

11. Commitments and contingencies

- (i) The Company has issued various bank guarantees amounting to Saudi Riyals 27.3 million as at 31 March 2026 and 31 December 2025 in the ordinary course of business.
- (ii) The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business primarily pertaining to insurance claims. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management believes that such proceedings (including litigations) will not have a material effect on its results and financial position. Further, there was no material change in the status of legal proceedings during the current period from the status disclosed as at 31 December 2025. Refer to Note 16 for zakat and tax related matters.

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12. Fair value of financial instruments

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

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

The fair values of on-balance sheet financial instruments that are not carried at fair value are not significantly different from their carrying amounts included in the interim condensed financial information.

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

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

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

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

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

(a) *Carrying amounts and fair value*

	Fair value			Total
	Level 1	Level 2	Level 3	
31 March 2026 (Unaudited)				
Financial assets measured at fair value				
Investments at FVOCI	1,673,577	22,000	72,759	1,768,336
Investments at FVTPL	125,134	-	-	125,134
Total investments	1,798,711	22,000	72,759	1,893,470
31 December 2025 (Audited)				
Financial assets measured at fair value				
Investments at FVOCI	1,689,787	22,000	72,759	1,784,546
Investments at FVTPL	114,704	-	-	114,704
Total investments	1,804,491	22,000	72,759	1,899,250

Financial assets at FVOCI at 31 March 2026 include 1,923,078 shares (31 December 2025: 1,923,078 shares) in Najm for Insurance Services (“Najm”). The investment is carried at fair value of Saudi Riyals 72.8 million as at 31 March 2026 (31 December 2025: Saudi Riyals 72.8 million) computed using “Discounted Cash Flow Method” and “Market Multiples Method” based on valuation by consultant.

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12. Fair value of financial instruments (continued)

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

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

A weight of 60% and 40%, respectively, (31 December 2025: 60% and 40%, respectively) are then applied to the fair values determined under both methods, to arrive at the equity valuation of Najm and the Company then accounts for its share in equity of Najm i.e. 3.45% (31 December 2025: 3.45%).

(b) *Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	72,759	61,154
Unrealised gain on fair value of FVOCI	-	11,605
Balance at the end of the period / year	72,759	72,759

Such unrealised gain on fair value of investment measured FVOCI is routed through other comprehensive income.

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12. Fair value of financial instruments (continued)

(c) *The below table shows significant unobservable inputs used in the valuation of level 3 investments and their respective sensitivities.*

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	
Unquoted equity investment in Najm	72,759	72,759	Revenue growth rate	Revenue growth rate	8.8%	8.8%	Reducing the revenue growth rate by 100 basis points, would decrease the fair value by Saudi Riyals 1.1 million. (2025: Saudi Riyals 1.1 million)
			WACC	WACC	17%	17%	Increasing the WACC by 100 basis points, would decrease the fair value by Saudi Riyals 1.9 million. (2025: Saudi Riyals 1.9 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by Saudi Riyals 1 million (2025: Saudi Riyals 1 million)
			EV/EBITDA multiple	EV/EBITDA multiple	7	7	Reducing the EV/EBITDA multiple to 6 would decrease the fair value by Saudi Riyals 3 million (2025: Saudi Riyals 3 million).

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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12. Fair value of financial instruments (continued)

(d) Valuation process

The finance department of the Company performs the valuations of level 3 fair values required for financial reporting purposes. This team reports directly to the Chief Financial Officer (“CFO”), Investment Committee (“IC”) and the Audit Committee (“AC”). Discussions of valuation processes and results are held between the CFO, AC, IC and the finance team regularly. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Terminal value growth rate is derived from publicly available databases.
- Earnings growth factors for unlisted equity securities are estimated based on such Company’s own historical result.

13. Segmental information

Operating segments for the purpose of segmental information are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company’s Board of Directors 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 Board of Directors is measured in a manner consistent with that in the interim condensed statement of income. Segment assets and liabilities comprise operating assets and liabilities.

For management purposes, the Company is organised into business units based on their products and services and has the following reportable segments:

- Motor;
- Property and casualty;
- Health; and
- Protection.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the interim condensed financial information.

Where intersegment transactions were to occur, transfer prices between operating segments are set on an arm’s length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between operating segments which will then be eliminated at the level of interim condensed financial information of the Company.

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13. Segmental information (continued)

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at 31 March 2026 and 31 December 2025, its total revenues, expenses, and net income for the three-month period ended 31 March 2026 and 2025 then ended are as follows:

a) *Segmental interim condensed statement of income:*

	For the three-month period ended 31 March 2026 (Unaudited)				
	Motor	Property and casualty	Health	Protection	Total
Insurance revenue	225,012	117,634	63,131	11,878	417,655
Insurance service expenses	(200,685)	(58,397)	(63,869)	(7,769)	(330,720)
Net (expense) income from reinsurance contracts held	(3,948)	(49,892)	(2,077)	560	(55,357)
Net finance expense	(1,648)	(537)	(718)	(229)	(3,132)
Segment results	18,731	8,808	(3,533)	4,440	28,446
Share of surplus from insurance pools					413
Investment income					35,164
Other operating expenses					(11,939)
Other income					-
Total income for the period before zakat and income tax					52,084
	For the three-month period ended 31 March 2025 (Unaudited)				
	Motor	Property and casualty	Health	Protection	Total
Insurance revenue	147,540	95,427	99,211	25,391	367,569
Insurance service expenses	(120,276)	(23,428)	(105,048)	(22,404)	(271,156)
Net income (expense) from reinsurance contracts held	388	(48,118)	(1,475)	60	(49,145)
Net finance expense	(11,921)	(7,169)	(5,767)	(1,446)	(26,303)
Segment results	15,731	16,712	(13,079)	1,601	20,965
Share of surplus from insurance pools					-
Investment income					24,947
Other operating expenses					(12,409)
Other income					-
Total income for the period before zakat and income tax					33,503

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13. Segmental information (continued)

b) *Segmental interim condensed statement of financial position:*

31 March 2026 (Unaudited)	Motor	Property and casualty	Health	Protection	Total
ASSETS AND LIABILITIES					
Reinsurance contract assets	225	379,916	9,207	13,409	402,757
Unallocated assets					2,675,548
TOTAL ASSETS					3,078,305
Insurance contract liabilities	602,164	752,412	167,294	51,059	1,572,929
Reinsurance contract liabilities	4,793	1,874	-	-	6,667
Unallocated liabilities					271,581
TOTAL LIABILITIES					1,851,177
31 December 2025 (Audited)					
ASSETS AND LIABILITIES					
Reinsurance contract assets	2,224	390,273	7,832	11,295	411,624
Unallocated assets					2,623,083
TOTAL ASSETS					3,034,707
Insurance contract liabilities	592,906	761,575	200,240	50,025	1,604,746
Reinsurance contract liabilities	1,131	1,182	-	1	2,314
Unallocated liabilities					226,163
TOTAL LIABILITIES					1,833,223

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14. Related party transactions and balances

The controlling shareholder of the Company is Gulf Insurance Group (Gulf) B.S.C. (GIG Gulf) which is ultimately owned by Fairfax Financial Holdings Limited.

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners, and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the three-month period ended 31 March 2026 and 2025, and the related balances:

	For three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
<u>Major shareholders</u>		
Reinsurance premiums ceded (forming part of net income from reinsurance contracts held)	2,995	6,043
Reinsurance commissions (forming part of net income from reinsurance contracts held)	274	199
Reinsurers' share of gross claims paid (forming part of net income from reinsurance contracts held)	841	292
Other operating expenses	301	301
<u>Entities controlled, jointly controlled or significantly influenced by related parties</u>		
Gross premiums (forming part of insurance revenue)	1,824	1,824
Net claims paid (forming part of insurance service expenses)	378	1,592

The compensation of key management personnel during the three-month period ended 31 March 2026 and 2025 is as follows:

	For three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Salaries and benefits	4,257	3,194
Employee benefit obligations	165	50

Board of Directors fee for the three-month period ended 31 March 2026 were Saudi Riyals 0.5 million (2025: Saudi Riyals 0.4 million).

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14. Related party transactions and balances (continued)

The transactions with related parties are carried out at commercial terms and conditions. Compensation to key management personnel is on employment terms and as per the By-laws of the Company.

Due to related parties represents amounts payable to the GIG group which is provided as below:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Gulf Insurance Group (Gulf) B.S.C	-	4
Gulf Insurance Group K.S.C.P	2,534	2,314
	2,534	2,318

15. Investment income

	For three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Income from deposits	6,028	6,608
Income on financial assets at FVOCI	16,802	15,502
Income on financial assets at FVTPL	286	523
Unrealised gain on financial assets at FVTPL	10,424	395
Realised gain on financial assets at FVOCI	-	31
Reversal of net impairment credit losses on financial assets at FVOCI	51	336
Net accretion on financial assets at FVOCI	1,573	1,552
Total investment income - net	35,164	24,947

16. Zakat and income tax*Status of assessments*

Subsequent to the three-month period ended 31 March 2026, the Company has filed its zakat return for the year ended 31 December 2025. The Company has finalised its zakat and tax assessments with the ZATCA for all years up to 31 December 2020. Further, the assessments for the years from 2021 to 2025 are under review by ZATCA.

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17. Statutory reserve

In accordance with By-laws of the Company and Article 70(2)(g) of the Implementing Regulations for Co-operative Insurance Companies issued by the Insurance Authority, formerly SAMA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

18. Capital risk management

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

- To comply with the insurance capital requirements as set out in the Law. The Company's current paid-up share capital is in accordance with Article 3 of the Law;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

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

As per Article 66 of the Regulations, the Company shall maintain a solvency margin equivalent to the highest of the following three methods:

- Minimum capital requirement;
- Premium solvency margin; or
- Claims solvency margin.

As of 31 March 2026, the Company is in compliance with the minimum solvency margin as required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

19. Basic and diluted earnings per share

Basic and diluted earnings per share for the three-month period ended 31 March 2026 and 2025 is calculated by dividing total income for the period attributable to the shareholders by the weighted average number of outstanding shares during the period.

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

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Total income for the period attributable to the shareholders	43,740	27,092
Weighted average number of ordinary shares for basic and diluted income per share	52,500	52,500
Basic and diluted earnings per share	0.83	0.52

GULF INSURANCE GROUP

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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

20. Gross written premium

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

For the three-month period ended 31 March 2026 (Unaudited)	Property and casualty				Total
	Motor	Health	Protection		
Large corporates	36,362	52,750	124,230	-	213,342
Medium corporates	62,791	46,278	2,364	23,065	134,498
Small corporates	34,372	59,339	31	-	93,742
Micro corporates	2,359	868	-	-	3,227
Retail	287,062	70	1,956	-	289,088
	422,946	159,305	128,581	23,065	733,897

**For the three-month
period ended 31 March
2025 (Unaudited)**

Large corporates	61,116	52,716	125,540	-	239,372
Medium corporates	40,243	33,020	1,127	68,630	143,020
Small corporates	43,505	65,027	8	-	108,540
Micro corporates	1,855	2,484	2	-	4,341
Retail	55,481	14,232	3,766	-	73,479
	202,200	167,479	130,443	68,630	568,752

Total insurance revenue of Saudi Riyals 417.7 million (2025: Saudi Riyals 367.7 million) is calculated through adjustment of Saudi Riyals 316.2 million (2025: Saudi Riyals 201.2 million) for the remaining coverage period and the expected premium receipts which reconcile to the total gross written premium of Saudi Riyals 733.9 million (2025: Saudi Riyals 568.8 million).

21. Goodwill

This represents goodwill recognised on acquisition of insurance portfolio and net assets of AXA Saudi Arabia Holding W.L.L. The Company received approval from SAMA on 15 Dhul-Qadah 1433H (corresponding to 1 October 2012) to transfer the insurance portfolio from AXA Saudi Arabia Holding W.L.L. at a total consideration of Saudi Riyals 106.6 million. During 2015, the Company met payment conditions imposed by SAMA and received approval for payment of Saudi Riyals 50 million in respect of initial consideration to AXA Saudi Arabia Holding W.L.L. which was recognised as goodwill being the excess of consideration paid, and the net assets acquired. The remaining amount of Saudi Riyals 56.6 million which was recorded as contingent liability was accordingly relinquished.

The Company tests the goodwill for impairment at each reporting date, if there are impairment indicators, and at least annually. As of 31 March 2026, there were no impairment indicators identified and hence no impairment testing has been performed by management.

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(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

22. Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at the reporting periods are adequate. However, these amounts are not certain, and actual payments may differ from the claim's liabilities provided in the interim condensed financial information. The insurance results are sensitive to various assumptions. It has not been possible to quantify the sensitivity specific variable such as legislative changes or uncertainties in the estimation process.

	Impact on net income before zakat and income tax for the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Change in claims ratio		
5 % increase	(17,537)	(14,782)
5 % decrease	17,537	14,782
Change in direct expense ratio - loss component*		
5 % increase	(7,015)	(5,945)
5 % decrease	7,015	5,945
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	(33,288)	(28,387)
5 percentiles decrease in the confidence level	29,894	29,981

*Direct expense ratio is the ratio of sum of directly attributable expenses, acquisition cashflows and surplus for the period to earned premium.

23. Dividends

On 9 April 2026, the Board of Directors has recommended to distribute cash dividends amounting Saudi Riyals 63 million (representing Saudi Riyals 1.2 per share) to the shareholders for the year ended 31 December 2025. The recommendation is expected to be approved by the shareholders in the forthcoming general assembly meeting.

24. Subsequent event

Except for the events disclosed elsewhere in the interim condensed financial information, no other events have arisen subsequent to 31 March 2026, and before the date of approval of this interim condensed financial information, that could have a significant effect on the interim condensed financial information.

25. Approval of the interim condensed financial information

This interim condensed financial information has been authorised for issue by the Board of Directors on 4 May 2026 (corresponding to 17 Dhul-Qi'dah 1447 H).