

**CHUBB ARABIA COOPERATIVE
INSURANCE COMPANY
(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**

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

	Page
Report on review of interim condensed financial information	2
Interim condensed statement of financial position	3
Interim condensed statement of income	4
Interim condensed statement of comprehensive income	5
Interim condensed statement of changes in equity	6
Interim condensed statement of cash flows	7 - 8
Notes to the interim condensed financial information	9 - 36



Report on review of interim condensed financial information

To the shareholders of Chubb Arabia Cooperative Insurance Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Chubb Arabia Cooperative Insurance Company (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.

PricewaterhouseCoopers

P.O. Box 467
Dhahran Airport 31932
Kingdom of Saudi Arabia

Waleed A. Alhidiri
License Number 559

PKF Al Bassam

Chartered Accountants
P.O. Box 4636
Al Khobar 31952
Kingdom of Saudi Arabia

Ahmed Abdul Majeed Mohandis
License Number 477


12 May 2026
25 Dhul-Qi'dah 1447 H





CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	4	35,713,541	20,896,722
Term deposits	5	222,816,024	229,371,370
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	6	71,687,984	71,304,228
Financial assets at fair value through other comprehensive income ("FVOCI")	6	193,165,449	195,108,349
Prepaid expenses and other assets		8,712,257	10,464,934
Reinsurance contract assets	8	123,290,217	168,646,620
Right-of-use assets		2,962,322	3,420,736
Property and equipment		2,162,067	2,350,271
Intangible assets	10	7,128,167	4,486,681
Accrued income on statutory deposit	7	901,484	391,210
Goodwill		43,774,750	43,774,750
Statutory deposit	7	40,000,000	40,000,000
TOTAL ASSETS		752,314,262	790,215,871
LIABILITIES			
Accrued and other liabilities		14,494,526	19,303,547
Insurance contract liabilities	8	214,861,079	256,754,179
Reinsurance contract liabilities	8	7,541,767	1,322,422
Zakat and income tax payable	19	15,207,860	13,412,591
Deferred tax liabilities	19	1,389,087	1,330,525
Lease liabilities		1,663,003	3,343,539
Employee benefit obligations		18,157,848	17,421,079
Accrued income payable to Insurance Authority	7	901,484	391,210
TOTAL LIABILITIES		274,216,654	313,279,092
EQUITY			
Share capital	9	400,000,000	400,000,000
Statutory reserve	20	3,811,514	3,212,538
Retained earnings		16,002,654	13,606,750
Fair value reserve		64,348,766	66,182,817
Remeasurement reserve of employee benefit obligations		(6,065,326)	(6,065,326)
TOTAL EQUITY		478,097,608	476,936,779
TOTAL LIABILITIES AND EQUITY		752,314,262	790,215,871

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


Serge Michel Osouf
Chairman of the Board of
Directors



Kamran Mazhar
Chief Executive Officer


Nasir Jameel Sheikh
Chief Financial Officer

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Insurance revenue	11	96,543,724	90,591,992
Insurance service expenses	11	(33,595,979)	(46,713,877)
Net expenses from reinsurance contracts	11	(58,286,063)	(41,651,697)
Insurance service result from Company's directly written business		4,661,682	2,226,418
Share of surplus from insurance pools	13	-	376,935
Total insurance service result		4,661,682	2,603,353
Interest income from financial assets not measured at FVTPL		4,481,725	4,360,276
Net gains on financial assets measured at FVTPL		433,767	991,712
Dividend income		271,438	274,884
Net investment income		5,186,930	5,626,872
Finance expense from insurance contracts issued	12	(1,667,084)	(1,610,169)
Finance income from reinsurance contracts held	12	1,314,988	1,063,541
Net insurance finance expenses		(352,096)	(546,628)
Net insurance and investment result		9,496,516	7,683,597
Finance costs on lease liabilities		(35,690)	(64,779)
Other operating expenses		(4,843,140)	(2,906,866)
Other income		348,092	565,200
Total profit for the period before zakat and income tax		4,965,778	5,277,152
Zakat expense	19	(1,400,486)	(1,985,790)
Income tax expense	19	(570,412)	(331,310)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		2,994,880	2,960,052
Earnings per share - Restated			
Basic earnings per share	22	0.07	0.07
Diluted earnings per share	22	0.07	0.07

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


Serge Michel Osouf
Chairman of the Board of Directors

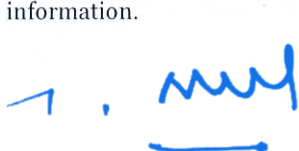

Kamran Mazhar
Chief Executive Officer


Nasir Jameel Sheikh
Chief Financial Officer


CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		2,994,880	2,960,052
Other comprehensive income:			
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>			
Net changes in fair value of investments measured at FVOCI	15	-	2,509,693
Deferred tax	19	-	(150,583)
<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	6	(1,937,293)	592,589
Realised gain on investments measured at FVOCI reclassified to interim condensed statement of income		(13,825)	(32,071)
Deferred tax	19	117,067	(33,630)
Total other comprehensive (loss) income		(1,834,051)	2,885,998
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		1,160,829	5,846,050

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


Serge Michel Osouf
Chairman of the Board of Directors

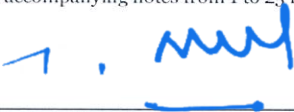

Kamran Mazhar
Chief Executive Officer


Nasir Jameel Sheikh
Chief Financial Officer

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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 unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Fair value reserve	Remeasurement reserve of employee benefit obligations	Total
At 1 January 2026 (Audited)	400,000,000	3,212,538	13,606,750	66,182,817	(6,065,326)	476,936,779
Total comprehensive income for the period						
Net profit for the period attributable to the shareholders	-	-	2,994,880	-	-	2,994,880
Other comprehensive loss	-	-	-	(1,834,051)	-	(1,834,051)
Total comprehensive income (loss) for the period attributable to the shareholders	-	-	2,994,880	(1,834,051)	-	1,160,829
Transfer to a statutory reserve	-	598,976	(598,976)	-	-	-
At 31 March 2026 (Unaudited)	400,000,000	3,811,514	16,002,654	64,348,766	(6,065,326)	478,097,608
At 1 January 2025 (Audited)	300,000,000	49,089,164	57,113,253	53,561,426	(5,349,243)	454,414,600
Total comprehensive income for the period						
Net profit for the period attributable to the shareholders	-	-	2,960,052	-	-	2,960,052
Other comprehensive income	-	-	-	2,885,998	-	2,885,998
Total comprehensive income for the period attributable to the shareholders	-	-	2,960,052	2,885,998	-	5,846,050
Transfer to a statutory reserve	-	592,010	(592,010)	-	-	-
At 31 March 2025 (Unaudited)	300,000,000	49,681,174	59,481,295	56,447,424	(5,349,243)	460,260,650

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


Serge Michel Osouf
Chairman of the Board of Directors

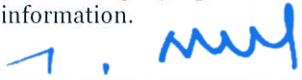

Kamran Mazhar
Chief Executive Officer

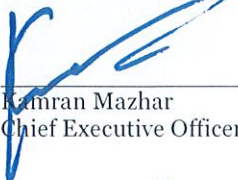

Nasir Jameel Sheikh
Chief Financial Officer

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Cash flow from operating activities			
Total profit for the period before zakat and income tax		4,965,778	5,277,152
Adjustments for non-cash items:			
Depreciation of property and equipment		246,404	263,838
Depreciation of right-of-use assets		458,414	458,414
Amortisation of intangible assets	10	339,370	185,071
Finance costs on lease liabilities		35,690	64,779
Net gains on financial assets measured at FVTPL	6	(433,767)	(991,712)
Gain on disposal of financial assets measured at FVOCI		(13,825)	(32,070)
Provision for employees benefit obligations		736,769	640,077
Dividend income		(271,438)	(274,884)
Interest income on term deposits		(2,602,935)	(2,320,723)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		1,752,675	(1,711,468)
Reinsurance contract assets		45,356,403	8,753,654
Accrued income on statutory deposit		(510,274)	(359,149)
Accrued expenses and other liabilities		(4,809,021)	(1,079,736)
Reinsurance contract liabilities		6,219,345	(3,180,145)
Insurance contract liabilities		(41,893,098)	20,365,822
Accrued income payable to Insurance Authority		510,274	359,149
Cash generated from operations		10,086,764	26,418,069
Employee benefit obligations paid		-	(774,830)
Net cash inflow from operating activities		10,086,764	25,643,239
Cash flows from investing activities			
Placement in term deposits	5	(81,867,521)	-
Redemption of term deposits	5	91,025,802	52,898,043
Payment against purchase of financial assets at FVOCI	6	(3,869,615)	(7,717,665)
Payment against purchase of financial assets at FVTPL	6	(11,900,000)	(743,430)
Payments for purchases of property and equipment		(58,200)	(53,033)
Addition to intangible assets	10	(2,980,856)	(1,341,563)
Proceeds from sale of financial assets at FVOCI	6	3,875,222	7,102,802
Proceeds from sale of financial assets at FVTPL	6	11,950,011	200,453
Dividend income received		271,438	274,884
Net cash inflow from investing activities		6,446,281	50,620,491
Cash flows from financing activities			
Payments for principal element of lease liabilities		(1,680,536)	(1,539,873)
Finance cost paid on lease liabilities		(35,690)	(64,779)
Net cash outflow from financing activities		(1,716,226)	(1,604,652)
Net increase in cash and cash equivalents		14,816,819	74,659,078
Cash and cash equivalents at the beginning of the period	4	20,896,722	38,781,683
Cash and cash equivalents at the end of the period		35,713,541	113,440,761

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


Serge Michel Osouf
Chairman of the Board of
Directors



Kamran Mazhar
Chief Executive Officer


Nasir Jameel Sheikh
Chief Financial Officer

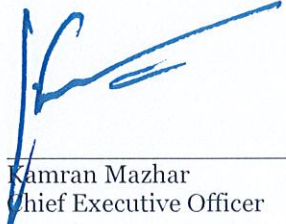
CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)
 (All amounts expressed in Saudi Riyals unless otherwise stated)

<u>Supplemental non-cash information:</u>	For the three-month period	
	ended 31 March	
	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)
Right-of-use assets recorded against lease liabilities	-	<u>5,254,393</u>

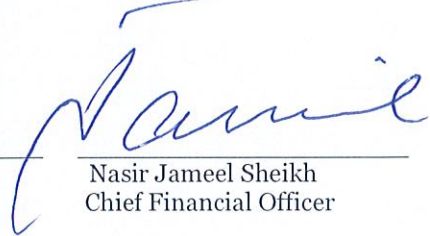
The accompanying notes from 1 to 25 form an integral part of this interim condensed financial information.



 Serge Michel Osouf
 Chairman of the Board of
 Directors



 Kamran Mazhar
 Chief Executive Officer



 Nasir Jameel Sheikh
 Chief Financial Officer

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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

Chubb Arabia Cooperative Insurance Company (“the Company”) is a Saudi Joint Stock Company registered on 28 Rajab 1430H (corresponding to 21 July 2009) under unified commercial registration number 7001632319 and commercial registration number 2050066029 which was later amended to 2051043431 dated 9 Sha’aban 1431H (corresponding to 21 July 2010), issued in Al-Khobar, Kingdom of Saudi Arabia. The Company has been licensed to conduct cooperative insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to 11 October 2006), pursuant to Council of Ministers resolution number 233 dated 16 Ramadan 1427H (corresponding to 9 October 2006).

The activities of the Company are to transact cooperative insurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies and its implementing regulations in the Kingdom of Saudi Arabia. On 21 Dhul-Hijjah, 1430H (corresponding to 8 December 2009), the Company received the license from Insurance Authority, formerly Saudi Central Bank (“SAMA”), to transact insurance business in the Kingdom of Saudi Arabia.

The Company operates through three main branches located in the Kingdom of Saudi Arabia.

(a) Increase in share capital

During 2025, the Board of Directors, in their meeting held on 21 May 2025, resolved to recommend to its shareholders to increase the share capital of the Company by Saudi Riyals 100.0 million through issuance of bonus shares, for which approvals from the IA and Capital Market Authority were obtained on 15 June 2025 and 8 September 2025, respectively. Such increase in share capital was approved by the Company’s shareholders in an extraordinary general assembly meeting (“EOGM”) held on 15 October 2025. Accordingly, all legal and regulatory formalities were completed and the increase in share capital was reflected in the statement of financial position as at the year ended 31 December 2025. The Company utilized retained earnings and statutory reserves amounting to Saudi Riyals 52.0 million and Saudi Riyals 48.0 million, respectively, for the issuance of bonus shares.

(b) Proposed investment in a reinsurance company

During the three-month period ended 31 March 2026, the Board of Directors approved the Company’s proposed participation in a 10% equity investment offered by Chubb International Investment Limited. This investment pertains to a new reinsurance company to be established jointly by Chubb International Investment Limited and El-Khereiji Investment Company in the Kingdom of Saudi Arabia. This approval is non-binding at this stage and is subject to the receipt of all necessary regulatory approvals.

(c) 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 and the measurement of expected premium receipts and recoveries from reinsurer. 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.

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

2. Basis of preparation

(a) Statement of compliance

The interim condensed financial information of the Company has 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 issued by the Saudi Organisation for Chartered and Professional Accountants (SOCPA).

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 is 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.

Insurance Authority's implementing regulations requires 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 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 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, prepaid expenses and other assets, financial assets at FVTPL, accrued and other liabilities, zakat and income tax payable, accrued income payable to Insurance Authority and accrued income on statutory deposit. The following balances would generally be classified as non-current: financial assets at FVOCI, property and equipment, right-of-use assets, goodwill, intangible assets, deferred tax liabilities, statutory deposit and employee benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include term deposits, insurance contract liabilities, reinsurance contract assets/liabilities and lease liabilities.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

2. Basis of preparation (continued)

(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.

(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.

(f) Changes in products and services

During the three-month period ended 31 March 2026, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

3. Material accounting policies

3.1 New standards and amendment to standards and interpretations

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

- Amendment to IFRS 9 ‘Financial instruments’ (“IFRS 9”) and IFRS 7 ‘Financial Instruments: Disclosures’ (“IFRS 7”);
- Annual improvements to International Financial Reporting Standards - 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 standards.

3.2 Standards issued but not yet effective

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 ‘The Effects of Changes in Foreign Exchange Rates’ - Translation to a Hyperinflationary Presentation Currency.

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

3.3 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 recognized 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.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

4. Cash and cash equivalents

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

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Cash in hand	20,000	-
Cash at banks		
- Current accounts	20,787,751	6,296,722
- Time deposits	14,905,790	14,600,000
	35,713,541	20,896,722

Cash at banks is placed with counterparties with sound credit ratings. As at 31 March 2026, time deposits were placed with local banks with original maturities of less than three months from the date of placement and earned commission income of 4.9% per annum (31 December 2025: 5.0% per annum).

The gross carrying amount of cash and cash equivalents represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At 31 March 2026 and 31 December 2025, the expected credit loss ("ECL") allowance on such financial assets was immaterial.

5. Term deposits

Long-term deposits, amounting to Saudi Riyals 52.2 million (31 December 2025: Saudi Riyals 66.4 million), represent deposit with an original maturity of more than one year from the date of placement and is placed with the financial institution carrying commission income at the rate of 5.75% to 5.85% per annum (31 December 2025: deposits earned commission income of 5.75% to 5.90% per annum).

Short-term deposits, amounting to Saudi Riyals 170.6 million (31 December 2025: Saudi Riyals 163.0 million), are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of placement. These deposits earned commission income between 5.05% and 5.65% per annum for the three-month period ended 31 March 2026 (31 December 2025: 5.05% to 6.13% per annum).

The gross carrying amount of deposits represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At 31 March 2026 and 31 December 2025, the ECL allowance on such financial assets was immaterial.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

6. Investments

(a) *Investments are classified as follows:*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Financial assets at FVTPL		
Mutual Funds	70,217,563	70,025,391
Equity	1,470,421	1,278,837
	71,687,984	71,304,228
Financial assets at FVOCI		
Equity	72,758,165	72,758,165
Debt instruments	120,407,284	122,350,184
	193,165,449	195,108,349
	264,853,433	266,412,577

Debt instruments represent investments in Sukuks that are classified as investments measured at FVOCI, as they pass SPPI assessment. The Company's business model for Sukuk classified as FVOCI is to hold to collect and sell the contractual cash flows.

Investment in mutual funds are classified as investments measured at FVTPL since these are equity instruments.

The Company has classified its investments in ordinary shares at FVTPL, except for Najm investments which are being held at FVOCI. The Company holds an investment in the equity of Najm for Insurance Services Company (Najm) and in accordance with Company's accounting policy, investments in equity instruments should be measured at fair value. The fair value of Najm investment as at 31 March 2026 was Saudi Riyals 72.8 million (31 December 2025: Saudi Riyals 72.8 million).

The gross carrying amount of financial assets measured at FVOCI represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At 31 March 2026 and 31 December 2025, the ECL allowance on such financial assets was immaterial.

(b) *Movement in investments carried at fair value through profit or loss is as follows:*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at beginning of the period / year	71,304,228	74,282,875
Additions during the period / year	11,900,000	35,723,250
Disposal during the period / year	(11,950,011)	(39,977,284)
Changes in fair value of investments	433,767	1,275,387
Balance at end of the period / year	71,687,984	71,304,228

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

6. Investments (continued)

(c) *Movement in investments carried at fair value through other comprehensive income is as follows:*

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at beginning of the period / year	195,108,349	166,756,423
Additions during the period / year	3,869,615	33,618,056
Disposals during the period / year	(3,875,222)	(19,185,477)
Changes in fair value of investments	(1,937,293)	13,919,347
Balance at end of the period / year	193,165,449	195,108,349

7. Statutory deposit

The statutory deposit represents 10% of the paid-up share capital, which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia. Insurance Authority, formerly SAMA, is entitled to the earnings of this statutory deposit and it cannot be withdrawn without its consent. In accordance with the instruction received from SAMA vide their circular dated 1 March 2016, the Company has disclosed the commission due on statutory deposit as at 31 March 2026 as an asset and a liability in this interim condensed financial statement of financial position.

The gross carrying amount of statutory deposit represent the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At 31 March 2026 and 31 December 2025, the ECL allowance on such financial assets was immaterial.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

8. Insurance and reinsurance contracts

8.1 Composition of the statement of financial position

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

31 March 2026 - (Unaudited)	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total
Insurance contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	26,070,412	128,851,129	1,108,727	34,034,826	7,077,324	13,779,550	3,939,111	214,861,079
								214,861,079
Reinsurance contracts								
Reinsurance contract assets	15,750,753	103,123,525	-	-	-	-	4,415,939	123,290,217
Reinsurance contract liabilities	-	-	(5,547,408)	(244,152)	(48,233)	(1,701,974)	-	(7,541,767)
								115,748,450
31 December 2025 - (Audited)								
Insurance contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	37,985,464	146,470,213	3,855,762	30,998,886	6,857,542	25,058,847	5,527,465	256,754,179
								256,754,179
Reinsurance contracts								
Reinsurance contract assets	26,938,956	127,515,118	-	-	88,075	7,211,928	6,892,543	168,646,620
Reinsurance contract liabilities	-	-	(1,322,422)	-	-	-	-	(1,322,422)
								167,324,198

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

8. Insurance and reinsurance contracts (continued)

8.2 Analysis by remaining coverage and incurred claims

8.2.1 Insurance contracts

	As at 31 March 2026 (Unaudited)					As at 31 December 2025 (Audited)				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities – opening	25,918,657	728,093	215,323,170	14,784,259	256,754,179	22,026,541	552,141	150,813,794	9,691,872	183,084,348
Insurance contract assets – opening	-	-	-	-	-	-	-	-	-	-
Opening balance - net	25,918,657	728,093	215,323,170	14,784,259	256,754,179	22,026,541	552,141	150,813,794	9,691,872	183,084,348
Insurance revenue	(96,543,724)	-	-	-	(96,543,724)	(392,965,748)	-	-	-	(392,965,748)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	42,170,946	2,096,956	44,267,902	-	-	239,472,874	11,847,996	251,320,870
Changes that relate to past service – adjustments to the LIC	-	-	(22,013,072)	(2,813,457)	(24,826,529)	-	-	(42,025,008)	(6,755,609)	(48,780,617)
Losses on onerous contracts	-	933,532	-	-	933,532	-	175,952	-	-	175,952
Insurance acquisition cash flows amortisation	13,221,074	-	-	-	13,221,074	49,688,661	-	-	-	49,688,661
Insurance service expenses	13,221,074	933,532	20,157,874	(716,501)	33,595,979	49,688,661	175,952	197,447,866	5,092,387	252,404,866
Finance expense from insurance contracts issued	-	-	1,667,084	-	1,667,084	-	-	3,417,903	-	3,417,903
Total changes in the interim condensed statement of income	(83,322,650)	933,532	21,824,958	(716,501)	(61,280,661)	(343,277,087)	175,952	200,865,769	5,092,387	(137,142,979)
Cash flows										
Premiums received	58,794,154	-	-	-	58,794,154	393,581,416	-	-	-	393,581,416
Claims and other incurred insurance service expenses paid	-	-	(29,612,611)	-	(29,612,611)	-	-	(136,356,393)	-	(136,356,393)
Insurance acquisition cashflows paid	(9,793,982)	-	-	-	(9,793,982)	(46,412,213)	-	-	-	(46,412,213)
Total cash inflows (outflows)	49,000,172	-	(29,612,611)	-	19,387,561	347,169,203	-	(136,356,393)	-	210,812,810
Insurance contracts										
Insurance contract liabilities - closing	(8,403,821)	1,661,625	207,535,517	14,067,758	214,861,079	25,918,657	728,093	215,323,170	14,784,259	256,754,179
Insurance contract assets - closing	-	-	-	-	-	-	-	-	-	-
Closing balance - net	(8,403,821)	1,661,625	207,535,517	14,067,758	214,861,079	25,918,657	728,093	215,323,170	14,784,259	256,754,179

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

8. Insurance and reinsurance contracts (continued)

8.2 Analysis by remaining coverage and incurred claims (continued)

8.2.2 Reinsurance contracts held

	As at 31 March 2026 (Unaudited)					As at 31 December 2025 (Audited)				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	(619,571)	-	158,406,082	10,860,109	168,646,620	10,468,126	-	98,240,422	6,315,847	115,024,395
Reinsurance contract liabilities - opening	(7,292,712)	-	5,670,689	299,601	(1,322,422)	(10,051,490)	-	3,733,526	144,236	(6,173,728)
Opening balance - net	(7,912,283)	-	164,076,771	11,159,710	167,324,198	416,636	-	101,973,948	6,460,083	108,850,667
Allocation of reinsurance premium	(51,304,740)	-	-	-	(51,304,740)	(220,517,789)	-	-	-	(220,517,789)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	10,814,882	886,989	11,701,871	-	-	119,342,737	9,070,003	128,412,740
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-	-	-
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(16,937,914)	(1,745,280)	(18,683,194)	-	-	(28,412,847)	(4,370,376)	(32,783,223)
Amounts recoverable from reinsurers - net	-	-	(6,123,032)	(858,291)	(6,981,323)	-	-	90,929,890	4,699,627	95,629,517
Finance income from reinsurance contracts held	-	-	1,314,988	-	1,314,988	-	-	2,223,296	-	2,223,296
Total changes in the statement of income	(51,304,740)	-	(4,808,044)	(858,291)	(56,971,075)	(220,517,789)	-	93,153,186	4,699,627	(122,664,976)
Cash flows										
Premiums ceded and acquisition cash flows paid	23,678,647	-	-	-	23,678,647	212,188,870	-	-	-	212,188,870
Recoveries from reinsurance	-	-	(18,283,310)	-	(18,283,310)	-	-	(31,050,363)	-	(31,050,363)
Total cash inflows (outflows)	23,678,647	-	(18,283,310)	-	5,395,337	212,188,870	-	(31,050,363)	-	181,138,507
Reinsurance contracts										
Reinsurance contract assets - closing	(10,098,179)	-	124,382,635	9,005,761	123,290,217	(619,571)	-	158,406,082	10,860,109	168,646,620
Reinsurance contract liabilities - closing	(25,440,207)	-	16,602,782	1,295,658	(7,541,767)	(7,292,712)	-	5,670,689	299,601	(1,322,422)
Closing balance - net	(35,538,386)	-	140,985,417	10,301,419	115,748,450	(7,912,283)	-	164,076,771	11,159,710	167,324,198

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

9. Share capital

The authorized, issued and paid-up capital of the Company was Saudi Riyals 400 million at 31 March 2026 (31 December 2025: Saudi Riyals 400 million) consisting of 40 million shares (31 December 2025: 40 million shares) of Saudi Riyals 10 each. Also refer Note 1 (b).

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

	Company incorporated in	Authorised and issued		Paid up
		No. of Shares	Saudi Riyals	
Chubb International Holding Co.	United States of America	12,000,000	120,000,000	120,000,000
El-Khereiji Investment Company	Kingdom of Saudi Arabia	10,000,000	100,000,000	100,000,000
International Corporation For Trade and Contract Services	Kingdom of Saudi Arabia	2,000,000	20,000,000	20,000,000
General Public		16,000,000	160,000,000	160,000,000
		40,000,000	400,000,000	400,000,000

10. Intangible assets

	Capital work in progress	Software	Total
Cost:			
At 1 January 2026 (Audited)	3,223,093	9,234,404	12,457,497
Additions	2,980,856	-	2,980,856
Transfers	(5,746,847)	5,746,847	-
At 31 March 2026 (Unaudited)	457,102	14,981,251	15,438,353

Accumulated amortisation:

At 1 January 2026 (Audited)	-	(7,970,816)	(7,970,816)
Charge for the period	-	(339,370)	(339,370)
At 31 March 2026 (Unaudited)	-	(8,310,186)	(8,310,186)

Net book value:

At 31 March 2026 (Unaudited)	457,102	6,671,065	7,128,167
-------------------------------------	----------------	------------------	------------------

	Capital work in progress	Software	Total
Cost:			
At 1 January 2025	-	9,234,404	9,234,404
Additions	3,223,093	-	3,223,093
At 31 December 2025	3,223,093	9,234,404	12,457,497

Accumulated amortisation:

At 1 January 2025	-	(7,230,532)	(7,230,532)
Charge for the year	-	(740,284)	(740,284)
At 31 December 2025	-	(7,970,816)	(7,970,816)

Net book value:

At 31 December 2025	3,223,093	1,263,588	4,486,681
----------------------------	------------------	------------------	------------------

During the period ended 31 March 2026, the Company has transferred capital-work-in progress amounting to Saudi Riyals 5.7 million and additions amounting to Saudi Riyals 3.0 million, to software, upon implementation of new software. Also refer note 14.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

11. Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for the three-month period ended 31 March 2026 and 2025 is included in following tables respectively. Additional information on amounts recognized in the interim condensed statement of income is included in the insurance contract balances reconciliation.

	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total
For the three-month period ended 31 March 2026 (Unaudited)								
Insurance revenue from contracts measured under PAA	13,567,130	31,356,803	2,451,595	21,793,717	5,941,975	18,628,439	2,804,065	96,543,724
Incurred claims and other incurred insurance service expenses	(3,044,587)	(10,433,052)	(1,866,193)	(19,177,800)	(3,962,576)	(4,016,088)	(1,767,606)	(44,267,902)
Changes that relate to past service – adjustments to the LIC	3,590,540	14,393,190	1,978,509	681,915	639,709	2,120,579	1,422,087	24,826,529
Losses on onerous contracts	-	-	-	(697,136)	(236,396)	-	-	(933,532)
Insurance acquisition cash flows amortisation	(1,477,337)	(3,067,113)	(552,271)	(3,978,706)	(1,527,971)	(2,014,466)	(603,210)	(13,221,074)
Insurance service expenses	(931,384)	893,025	(439,955)	(23,171,727)	(5,087,234)	(3,909,975)	(948,729)	(33,595,979)
Reinsurance (expenses) income from contracts measured under the PAA								
Allocation of reinsurance premium	(10,002,174)	(23,968,961)	(2,038,601)	(244,152)	(74,541)	(13,550,682)	(1,425,629)	(51,304,740)
Claims recovered and other directly attributable expenses	1,831,805	7,020,251	872,475	-	-	983,416	993,924	11,701,871
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(2,931,360)	(12,316,843)	(1,283,643)	-	6	(1,216,630)	(934,724)	(18,683,194)
Net expenses from reinsurance contracts	(11,101,729)	(29,265,553)	(2,449,769)	(244,152)	(74,535)	(13,783,896)	(1,366,429)	(58,286,063)
Insurance service result from Company's directly written business	1,534,017	2,984,275	(438,129)	(1,622,162)	780,206	934,568	488,907	4,661,682
Share of surplus from insurance pools	-	-	-	-	-	-	-	-
Total insurance service result	1,534,017	2,984,275	(438,129)	(1,622,162)	780,206	934,568	488,907	4,661,682

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

11. Insurance revenue and expenses (continued)

	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total
For the three-month period ended 31 March 2025 (Unaudited)								
Insurance revenue from contracts measured under PAA								
12,134,770	33,485,452	2,561,840	17,186,131	5,422,653	17,053,798	2,747,348	90,591,992	
Incurred claims and other incurred insurance service expenses	(4,767,516)	(6,266,491)	(2,777,769)	(14,309,015)	(3,458,373)	(3,883,851)	(2,803,494)	(38,266,509)
Changes that relate to past service – adjustments to the LIC	(4,507,967)	4,529,669	1,851,916	330,801	291,518	669,959	654,477	3,820,373
Reversal of losses (losses) on onerous contracts	-	-	-	3,226	(295,025)	-	-	(291,799)
Insurance acquisition cash flows amortisation	(1,235,360)	(2,897,686)	(646,091)	(3,075,864)	(1,477,033)	(2,190,719)	(453,189)	(11,975,942)
Insurance service expenses	(10,510,843)	(4,634,508)	(1,571,944)	(17,050,852)	(4,938,913)	(5,404,611)	(2,602,206)	(46,713,877)
Reinsurance (expenses) income from contracts measured under the PAA								
Allocation of reinsurance premium	(9,764,112)	(26,204,358)	(2,931,531)	(217,213)	(78,267)	(9,093,154)	(1,431,833)	(49,720,468)
Claims recovered and other directly attributable expenses	2,930,515	3,293,615	1,495,449	(4,302)	(1,098)	686,115	1,707,292	10,107,586
Loss-recovery on onerous underlying contracts	-	-	-	-	-	-	-	-
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	3,006,284	(3,106,629)	(1,265,591)	(7,841)	-	(177,486)	(487,552)	(2,038,815)
Net expenses from reinsurance contracts	(3,827,313)	(26,017,372)	(2,701,673)	(229,356)	(79,365)	(8,584,525)	(212,093)	(41,651,697)
Insurance service result from Company's directly written business	(2,203,386)	2,833,572	(1,711,777)	(94,077)	404,375	3,064,662	(66,951)	2,226,418
Share of surplus from insurance pools	-	-	-	-	-	-	-	376,935
Total insurance service result	(2,203,386)	2,833,572	(1,711,777)	(94,077)	404,375	3,064,662	(66,951)	2,603,353

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

12. Insurance finance expense - net

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

	<u>Engineering</u>	<u>Property</u>	<u>Marine</u>	<u>Motor Standard</u>	<u>Motor Third Party</u>	<u>Casualty</u>	<u>Group life</u>	<u>Total</u>
For the three-month period ended 31 March 2026 (Unaudited)								
Finance expenses from insurance contracts issued								
Interest accreted	(146,635)	(1,305,110)	(75,372)	(189,032)	(33,916)	(188,606)	(33,142)	(1,971,813)
Effects of changes in interest rates and other financial assumptions	26,762	212,062	2,893	29,999	3,787	26,874	2,352	304,729
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	(119,873)	(1,093,048)	(72,479)	(159,033)	(30,129)	(161,732)	(30,790)	(1,667,084)
Finance income from reinsurance contracts held								
Interest accreted	118,340	1,203,872	49,801	-	656	140,367	25,757	1,538,793
Effects of changes in interest rates and other financial assumptions	(19,316)	(180,615)	(1,841)	-	-	(20,444)	(1,589)	(223,805)
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income from reinsurance contracts held	99,024	1,023,257	47,960	-	656	119,923	24,168	1,314,988
Net insurance finance expenses	(20,849)	(69,791)	(24,519)	(159,033)	(29,473)	(41,809)	(6,622)	(352,096)

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

12. Insurance finance expense - net (continued)

	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total
For the three-month period ended 31 March 2025 (Unaudited)								
Finance expenses from insurance contracts issued								
Interest accreted	(100,097)	(633,150)	(341,693)	(239,530)	(45,315)	(104,815)	(38,308)	(1,502,908)
Effects of changes in interest rates and other financial assumptions	(8,196)	(43,761)	(26,673)	(19,123)	(2,625)	(5,474)	(1,409)	(107,261)
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	(108,293)	(676,911)	(368,366)	(258,653)	(47,940)	(110,289)	(39,717)	(1,610,169)
Finance income from reinsurance contracts held								
Interest accreted	71,295	542,671	307,996	7,845	-	43,433	21,805	995,045
Effects of changes in interest rates and other financial assumptions	4,962	34,555	24,842	155	-	3,136	846	68,496
Foreign exchange differences	-	-	-	-	-	-	-	-
Finance income from reinsurance contracts held	76,257	577,226	332,838	8,000	-	46,569	22,651	1,063,541
Net insurance finance expenses	(32,036)	(99,685)	(35,528)	(250,653)	(47,940)	(63,720)	(17,066)	(546,628)

**CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)**

13. Share of surplus from insurance pools

13.1 Share of surplus from Hajj and Umrah

This represents the Company's share in the surplus for 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 January 1, 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 general accidents of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from January 1, 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 since 2025 as the aforementioned arrangement has been discontinued.

13.2 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.

The Company's share of income in the Rights and Entitlements of Non-Saudi Employees in Private Sector scheme is derived from insurance revenues of Saudi Riyals Nil (2025: Saudi Riyals 2.9 million) and net expenses of Saudi Riyals Nil (2025: Saudi Riyals 2.6 million).

14. Commitments and contingencies

The Company's commitments and contingencies are as follows:

Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business relating to policyholders' insurance claims. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material impact on the Company's result or financial position.

Commitments

As at 31 March 2026, the Company has a capital commitment related to software under development amounting to Saudi Riyals 0.2 million (31 December 2025: Saudi Riyals 2.2 million). Also see Note 10.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

15. 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 advantageous 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:

- a) Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b) Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- c) Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

(a) *Carrying amounts and fair value*

	31 March 2026 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments at FVTPL	71,687,984	-	-	71,687,984
Investments at FVOCI	<u>110,407,284</u>	<u>10,000,000</u>	<u>72,758,165</u>	<u>193,165,449</u>
Total investments	<u>182,095,268</u>	<u>10,000,000</u>	<u>72,758,165</u>	<u>264,853,433</u>
	31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments at FVTPL	71,304,228	-	-	71,304,228
Investments at FVOCI	<u>112,350,184</u>	<u>10,000,000</u>	<u>72,758,165</u>	<u>195,108,349</u>
Total investments	<u>183,654,412</u>	<u>10,000,000</u>	<u>72,758,165</u>	<u>266,412,577</u>

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

15. Fair value of financial instruments (continued)

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

The fair value of investment in quoted instruments including mutual funds and quoted sukuk at level 1 is based on quoted prices available in the market. Additionally, there were no changes in the valuation techniques. The fair value of investments in sukuk at level 2 is based on the value of similar quoted sukuk communicated by the fund manager.

Specific valuation techniques used by management’s independent experts to value financial instruments in Level 3 i.e. Najm investments, 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% (2025: 60%) and 40% (2025: 40%) 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%.

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Furthermore, there were no transfers into and out of level 3 measurements.

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

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	72,758,165	61,153,944
Unrealised gain on fair value of FVOCI	-	11,604,221
Balance at the end of the period / year	72,758,165	72,758,165

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

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

15. 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	31 December 2025	31 March 2026	31 December 2025	31 March 2026	31 December 2025	
Unquoted equity investment in Najm	72,758,165	72,758,165	Revenue growth rate	Revenue growth rate	9.0%	9.0%	Reducing the revenue growth rate by 100 basis points, would decrease the fair value by Saudi Riyals 0.6 million. (2025: Saudi Riyals 0.6 million)
			WACC	WACC	17%	17%	Increasing the WACC by 100 basis points, would decrease the fair value by Saudi Riyals 1.8 million. (2025: Saudi Riyals 1.8 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 1.1 million. (2025: Saudi Riyals 1.1 million)
			EV/EBITDA multiple	EV/EBITDA multiple	6	6	Reducing the EV/EBITDA multiple to 6.3, would decrease the fair value by Saudi Riyals 1.8 million. (2025: Saudi Riyals 1.8 million).

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

(d) *Valuation process*

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

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

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

16. Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements.

The Board of Directors of the Company monitors the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors for the Company as a whole. Furthermore, the Company operates in one geographical area i.e. Kingdom of Saudi Arabia.

Accordingly, segmental analysis of the interim condensed statements of income and other comprehensive income and interim condensed statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses. Refer Note 11 and 12 for such analysis.

17. Information related to product lines

Results of product lines do not include other operating expenses, other income, finance cost on lease liabilities, net gains on financial assets measured at FVTPL, Interest income on financial assets not measured at FVTPL, dividend income and share of surplus from insurance pools. Accordingly, these are included in unallocated.

Product lines' assets do not include cash and cash equivalents, prepaid expenses and other assets, term deposits, property and equipment, Financial assets at fair value through profit or loss ("FVTPL"), Financial assets at fair value through other comprehensive income ("FVOCI"), right-of-use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit. Accordingly, they are included in unallocated assets.

Product lines' liabilities do not include accrued and other liabilities, employee benefit obligations, lease liabilities, zakat and income tax payable, deferred tax liabilities and accrued income payable to Insurance Authority. Accordingly, they are included in unallocated liabilities.

The Company's information is presented into business units based on their products and services in the following product lines:

- Engineering;
- Property;
- Marine;
- Motor standard;
- Motor third party;
- Casualty; and
- Group life.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

17. Information related to product lines (continued)

31 March 2026 (Unaudited)	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total	Unallocated	Total
Assets										
Reinsurance contract assets	15,750,753	103,123,525	-	-	-	-	4,415,939	123,290,217	-	123,290,217
Unallocated assets	-	-	-	-	-	-	-	-	629,024,045	629,024,045
Total assets	15,750,753	103,123,525	-	-	-	-	4,415,939	123,290,217	629,024,045	752,314,262
Liabilities and equity										
Insurance contract liabilities	26,070,412	128,851,129	1,108,727	34,034,826	7,077,324	13,779,550	3,939,111	214,861,079	-	214,861,079
Reinsurance contract liabilities	-	-	5,547,408	244,152	48,233	1,701,974	-	7,541,767	-	7,541,767
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	529,911,416	529,911,416
Total liabilities and equity	26,070,412	128,851,129	6,656,135	34,278,978	7,125,557	15,481,524	3,939,111	222,402,846	529,911,416	752,314,262
31 December 2025 (Audited)										
Assets										
Reinsurance contract assets	26,938,956	127,515,118	-	-	88,075	7,211,928	6,892,543	168,646,620	-	168,646,620
Unallocated assets	-	-	-	-	-	-	-	-	621,569,251	621,569,251
Total assets	26,938,956	127,515,118	-	-	88,075	7,211,928	6,892,543	168,646,620	621,569,251	790,215,871
Liabilities and equity										
Insurance contract liabilities	37,985,464	146,470,213	3,855,762	30,998,886	6,857,542	25,058,847	5,527,465	256,754,179	-	256,754,179
Reinsurance contract liabilities	-	-	1,322,422	-	-	-	-	1,322,422	-	1,322,422
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	532,139,270	532,139,270
Total liabilities and equity	37,985,464	146,470,213	5,178,184	30,998,886	6,857,542	25,058,847	5,527,465	258,076,601	532,139,270	790,215,871

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

17. Information related to product lines (continued)

For the three-month period ended 31 March 2026 (Unaudited)	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total	Unallocated	Total
Insurance revenue	13,567,130	31,356,803	2,451,595	21,793,717	5,941,975	18,628,439	2,804,065	96,543,724	-	96,543,724
Insurance service expenses	(931,384)	893,025	(439,955)	(23,171,727)	(5,087,234)	(3,909,975)	(948,729)	(33,595,979)	-	(33,595,979)
Net expenses from reinsurance contracts	(11,101,729)	(29,265,553)	(2,449,769)	(244,152)	(74,535)	(13,783,896)	(1,366,429)	(58,286,063)	-	(58,286,063)
Insurance service result from Company's directly written business	1,534,017	2,984,275	(438,129)	(1,622,162)	780,206	934,568	488,907	4,661,682	-	4,661,682
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-	-
Total insurance service result	1,534,017	2,984,275	(438,129)	(1,622,162)	780,206	934,568	488,907	4,661,682	-	4,661,682
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	4,481,725	4,481,725
Net gains on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	433,767	433,767
Dividend income	-	-	-	-	-	-	-	-	271,438	271,438
Net investment income	-	-	-	-	-	-	-	-	5,186,930	5,186,930
Finance expense from insurance contracts issued	(119,873)	(1,093,048)	(72,479)	(159,033)	(30,129)	(161,732)	(30,790)	(1,667,084)	-	(1,667,084)
Finance income from reinsurance contracts held	99,024	1,023,257	47,960	-	656	119,923	24,168	1,314,988	-	1,314,988
Net insurance finance expenses	(20,849)	(69,791)	(24,519)	(159,033)	(29,473)	(41,809)	(6,622)	(352,096)	-	(352,096)
Net insurance and investment result	-	-	-	-	-	-	-	4,309,586	5,186,930	9,496,516
Finance cost on lease liabilities	-	-	-	-	-	-	-	-	(35,690)	(35,690)
Other operating expenses	-	-	-	-	-	-	-	-	(4,843,140)	(4,843,140)
Other income	-	-	-	-	-	-	-	-	348,092	348,092
Total profit for the period before zakat and income tax	-	-	-	-	-	-	-	4,309,586	656,192	4,965,778
Zakat expense	-	-	-	-	-	-	-	-	(1,400,486)	(1,400,486)
Income tax expense	-	-	-	-	-	-	-	-	(570,412)	(570,412)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	-	-	-	-	-	-	-	4,309,586	(1,314,706)	2,994,880

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

17. Information related to product lines (continued)

For the three-month period ended 31 March 2025 (Unaudited)	Engineering	Property	Marine	Motor Standard	Motor Third Party	Casualty	Group life	Total	Unallocated	Total
Insurance revenue	12,134,770	33,485,452	2,561,840	17,186,131	5,422,653	17,053,798	2,747,348	90,591,992	-	90,591,992
Insurance service expenses	(10,510,843)	(4,634,508)	(1,571,944)	(17,050,852)	(4,938,913)	(5,404,611)	(2,602,206)	(46,713,877)	-	(46,713,877)
Net expenses from reinsurance contracts	(3,827,313)	(26,017,372)	(2,701,673)	(229,356)	(79,365)	(8,584,525)	(212,093)	(41,651,697)	-	(41,651,697)
Insurance service result from Company's directly written business	(2,203,386)	2,833,572	(1,711,777)	(94,077)	404,375	3,064,662	(66,951)	2,226,418	-	2,226,418
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	376,935	376,935
Total insurance service result	(2,203,386)	2,833,572	(1,711,777)	(94,077)	404,375	3,064,662	(66,951)	2,226,418	376,935	2,603,353
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	4,360,276	4,360,276
Net gains on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	991,712	991,712
Dividend income	-	-	-	-	-	-	-	-	274,884	274,884
Net investment income	-	-	-	-	-	-	-	-	5,626,872	5,626,872
Finance expense from insurance contracts issued	(108,293)	(676,911)	(368,366)	(258,653)	(47,940)	(110,289)	(39,717)	(1,610,169)	-	(1,610,169)
Finance income from reinsurance contracts held	76,257	577,226	332,838	8,000	-	46,569	22,651	1,063,541	-	1,063,541
Net insurance finance expenses	(32,036)	(99,685)	(35,528)	(250,653)	(47,940)	(63,720)	(17,066)	(546,628)	-	(546,628)
Net insurance and investment result	-	-	-	-	-	-	-	1,679,790	6,003,807	7,683,597
Finance cost on lease liabilities	-	-	-	-	-	-	-	-	(64,779)	(64,779)
Other operating expenses	-	-	-	-	-	-	-	-	(2,906,866)	(2,906,866)
Other income	-	-	-	-	-	-	-	-	565,200	565,200
Total profit for the period before zakat and income tax	-	-	-	-	-	-	-	1,679,790	3,597,362	5,277,152
Zakat expense	-	-	-	-	-	-	-	-	(1,985,790)	(1,985,790)
Income tax expense	-	-	-	-	-	-	-	-	(331,310)	(331,310)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	-	-	-	-	-	-	-	1,679,790	1,280,262	2,960,052

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

18. Related party transactions and balances

Related parties represent shareholders, companies related to shareholders (“affiliates”) and key management personnel and the entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company’s management and Board of Directors. The following are the details of major related parties’ transactions during the period and the related balances at the end of the period:

Nature of transactions	Transactions for the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
Affiliates		
Gross written premium (forming part of insurance revenue)	554,814	438,950
Rent (forming part of other operating expenses)	435,339	429,164
Claims expenses (forming part of insurance service expenses)	701,296	796,046
Other operating expenses	23,178	113,457
Board of Directors		
Remuneration	356,250	356,250
Meeting fee and expenses	392,135	453,745
Shareholders/Affiliates		
Reinsurance premium ceded (forming part of net income from reinsurance contracts)	15,124,836	17,699,647
Reinsurance share of paid claims (forming part of net income from reinsurance contracts)	883,263	620,067
Reinsurance commission income (forming part of net income from reinsurance contracts)	2,914,755	2,738,277
Nature of balances - receivable (payable)		
	Balances	
	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Affiliates		
Insurance contract liabilities (expected premium receipts)	378,635	33,302
Board of Directors		
Remuneration and meeting fee	(3,809,750)	(3,109,500)
Shareholders		
Reinsurance contract liabilities/assets (including expected reinsurance recoveries)	(39,382,483)	(30,253,722)

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

18. Related party transactions and balances (continued)

The compensation of key management personnel during the three-month period is as follows:

	Three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
Salaries and benefits	2,259,166	1,671,151
Employee benefit obligations	286,912	328,427
	2,546,078	1,999,578

19. Zakat and income Tax

(a) Shareholding percentage

The shareholding percentage of the Company at 31 March 2026 and 31 December 2025 was as follows:

	31 March 2026	31 December 2025
Shareholding percentage subject to zakat (%)	70	70
Shareholding percentage subject to income tax (%)	30	30
	100	100

(b) Income tax

Income tax provision relates to non-Saudi shareholders and has been provided for based on the estimated taxable profit at the rate of 20% per annum. The differences between the financial results and taxable income are mainly due to adjustments for certain costs/claims based on the relevant fiscal regulations.

(c) Movement in the provision for Zakat, income tax and deferred tax during the period / year

Combined movement of zakat, income tax and deferred tax is as follows:

	Zakat	Income tax	Sub-total	Deferred tax liabilities (assets)	Total
1 January 2026	11,451,709	1,960,882	13,412,591	1,330,525	14,743,116
<u>Charge for the period:</u>					
Interim condensed statement of income	1,400,486	394,783	1,795,269	175,629	1,970,898
Other comprehensive income	-	-	-	(117,067)	(117,067)
31 March 2026	12,852,195	2,355,665	15,207,860	1,389,087	16,596,947

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

19. Zakat and income tax (continued)

(c) *Movement in the provision for Zakat, income tax and deferred tax during the period / year*
(continued)

	Zakat	Income Tax	Sub-total	Deferred tax liabilities (assets)	Total
1 January 2025	10,977,771	2,063,684	13,041,455	740,455	13,781,910
Charge for the year:					
Income statement	5,532,898	1,243,549	6,776,447	(191,289)	6,585,158
Other comprehensive income	-	-	-	781,359	781,359
Payment	(5,058,960)	(1,346,351)	(6,405,311)	-	(6,405,311)
31 December 2025	11,451,709	1,960,882	13,412,591	1,330,525	14,743,116

(d) *Status of assessments*

During 2024, the Zakat, Tax and Customs Authority (“ZATCA”) raised final assessments for the years ended 31 December 2021 and 2022 assessing additional zakat and income tax liability amounting to Saudi Riyals 7.3 million, inclusive of fine for delay. The Company filed an appeal to ZATCA and paid Saudi Riyals 19,000 under protest. However, ZATCA rejected the appeal but waived the fine for delay amounting to Saudi Riyals 0.3 million. During 2025, the Company escalated its appeal before the Tax Violations and Disputes Appeal Committee (TVDAC), following the decision issued by the Tax Violations and Disputes Resolutions Committee (TVDRRC) on 7 August 2025. The decision from TVDAC is currently pending. The TVDAC has scheduled a hearing on 7 May 2026.

Management believes that the level of the existing provision for zakat and income tax maintained by the Company is presently sufficient to cover such uncertain zakat and income tax positions.

As at 31 March 2026, the Company has obtained zakat and tax certificates from ZATCA for the years through 2024 and subsequent to the three-month period ended 31 March 2026, has filed zakat and tax returns for the year ended 31 December 2025 and obtained the required certificate.

20. Statutory reserve

In accordance with By-laws of the Company and Article 70(2)(g) of the Implementing Regulation 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.

During 2025, the shareholders of the Company, in an extraordinary general meeting, held on 16 January 2025, resolved to amend the By-laws of the Company in accordance with the new Regulations for Companies. The legal formalities for amendments to the By-laws are in progress as of the date of authorization of issue of this interim condensed financial information and hence, during the three-month period ended 31 March 2026, the Company has continued to transfer 10% of the net profit to the statutory reserve to ensure compliance with the current form of the Company’s By-laws.

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

21. 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.

22. 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 net profit for the period attributable to the shareholders by the weighted average number of outstanding shares during the period. Also refer Note 1(b).

As mentioned in Note 1(b), the Company's shareholders, in an EOGM held on 15 October 2025, approved the Company's proposed increase in the share capital by Saudi Riyals 100.0 million through issuance of bonus shares. Accordingly, the weighted average number of shares has been retrospectively adjusted for the prior period to reflect the impact of aforementioned bonus issue as required by IAS 33, 'Earnings per share' as follows:

	Three-month period ended	
	31 March	31 March
	2026	2025
	(Unaudited)	(Unaudited)
Net profit for the period attributable to the shareholders	2,994,880	2,960,052
Weighted average number of ordinary shares for basic and diluted income per share	40,000,000	40,000,000
Basic and diluted earnings per share - Restated	0.07	0.07

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

23. Gross written premium (“GWP) and Net premium written (“NPW”)

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

Breakdown of GWP	For the three-month period ended 31 March 2026 (Unaudited)			
	Motor	Property & casualty	Protection & Savings Group (Term life)	Total
Retail	4,547,027	239,466	-	4,786,493
Very small	1,344,259	4,536,485	35,265	5,916,009
Small	2,083,836	4,641,964	-	6,725,800
Medium	22,209,987	55,736,794	1,325,644	79,272,425
Corporate	20,369,137	23,268,645	518,790	44,156,572
Total	50,554,246	88,423,354	1,879,699	140,857,299

Breakdown of GWP	For the three-month period ended 31 March 2025 (Unaudited)			
	Motor	Property & casualty	Protection & Savings Group (Term life)	Total
Retail	4,728,913	171,256	-	4,900,169
Very small	1,987,962	215,165	-	2,203,127
Small	536,982	2,716,282	66,301	3,319,565
Medium	2,858,521	2,291,059	(604)	5,148,976
Corporate	28,969,799	81,252,509	1,099,878	111,322,186
Total	39,082,177	86,646,271	1,165,575	126,894,023

Item	For the three-month period ended 31 March 2026 (Unaudited)			
	Motor	Property & casualty	Protection & Savings Group (Term life)	Total
Gross written premium	50,554,246	88,423,354	1,879,699	140,857,299
Reinsurance premium ceded – globally (including excess of loss)	(190,650)	(55,721,924)	(515,122)	(56,427,696)
Reinsurance premium ceded – locally (including excess of loss)	(116,979)	(13,384,875)	(459,585)	(13,961,439)
Net written premium - total	50,246,617	19,316,555	904,992	70,468,164

Item	For the three-month period ended 31 March 2025 (Unaudited)			
	Motor	Property & casualty	Protection & Savings Group (Term life)	Total
Gross written premium	39,082,177	86,646,271	1,165,575	126,894,023
Reinsurance premium ceded – globally (including excess of loss)	(213,164)	(58,974,156)	(220,909)	(59,408,229)
Reinsurance premium ceded – locally (including excess of loss)	(71,055)	(9,382,978)	(154,087)	(9,608,120)
Net written premium - total	38,797,958	18,289,137	790,579	57,877,674

Total insurance revenue of Saudi Riyals 96.4 million (2025: Saudi Riyals 90.6 million) is calculated through adjustment of Saudi Riyals 44.4 million (2025: Saudi Riyals 36.3 million) for the remaining coverage period and the expected premium receipts which reconcile to the total GWP of Saudi Riyals 140.9 million (2025: Saudi Riyals 126.9 million).

CHUBB ARABIA COOPERATIVE INSURANCE COMPANY
(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)

23. Gross written premium (“GWP) and Net premium written (“NPW”) (continued)

Total allocation of reinsurance premium paid of Saudi Riyals 51.3 million (2025: Saudi Riyals 49.7 million) is calculated through adjustment of Saudi Riyals 58.2 million (2025: Saudi Riyals 56.8 million) for the remaining coverage period net of reinsurance commission which reconcile to the total reinsurance premium ceded (including excess of loss) of Saudi Riyals 109.5 million (2025: Saudi Riyals 106.5 million).

24. Subsequent events

Except as disclosed in Note 1(c), relating to ongoing geopolitical developments, and Note 19, 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 as at 31 March 2026.

25. Approval of the interim condensed financial information

This interim condensed financial information has been approved by the Board of Directors on 5 May 2026.