

THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
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**KPMG Professional Services Company**

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P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

**PKF Al Bassam**
Chartered Accountants

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Musaid Street
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Commercial Registration No 1010385804

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**TO THE SHAREHOLDERS' OF THE COMPANY FOR COOPERATIVE INSURANCE (A SAUDI JOINT STOCK COMPANY)****INTRODUCTION**

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Company for Cooperative Insurance ("the Company") and its subsidiaries ("the Group") as at September 30, 2025, the interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three and nine months period then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended, and notes to the interim condensed consolidated financial statements (collectively referred to as the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at and for the period ended 30 September 2025 of The Company for Cooperative Insurance and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

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(Handwritten signature of Ibrahim A. Al-Bassam)

Riyadh on 6 November 2025
Corresponding to: 15 Jumada al-Ula 1447H



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THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

	<u>Notes</u>	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
		<u>ﷲ '000</u>	
<u>ASSETS</u>			
Cash and cash equivalents	4	969,915	2,077,468
Term deposits – Mudaraba	5	7,783,769	9,251,676
Investments including accrued investment income	6	4,524,014	2,197,024
Receivable from brokers / agents	7	4,006,566	3,274,268
Reinsurance contract assets	8	2,661,163	3,011,998
Prepaid expenses and other assets		180,236	219,413
Investments in equity accounted investments		124,524	116,497
Intangible assets	9	349,004	188,521
Property, equipment, and right-of-use assets		546,575	507,963
Accrued income on statutory deposit		5,794	896
Statutory deposit	10	149,977	149,977
<u>TOTAL ASSETS</u>		<u>21,301,537</u>	<u>20,995,701</u>
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		1,771,144	1,498,643
Zakat payable	11	463,105	461,307
Dividends payable		8,232	10,343
Insurance contract liabilities	8	13,712,491	14,385,367
Accrued income payable on statutory deposit		5,794	896
Defined benefits obligation		198,904	160,902
<u>TOTAL LIABILITIES</u>		<u>16,159,670</u>	<u>16,517,458</u>
<u>EQUITY</u>			
Share capital	12	1,500,000	1,500,000
Statutory reserve	13	1,500,000	1,500,000
Re-measurement of defined benefit obligations		(28,922)	(28,922)
Fair value reserve for investments		50,232	49,216
Treasury shares reserve		(4,581)	(2,582)
Employees stock option scheme reserve		25,478	11,471
Retained earnings		2,099,660	1,449,060
<u>TOTAL EQUITY</u>		<u>5,141,867</u>	<u>4,478,243</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>21,301,537</u>	<u>20,995,701</u>
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Abdulaziz M. AlSedeas
Board Director



Abdulaziz Alshaikh
Chief Financial Officer



Othman Y. Alkassabi
Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Notes	Three months period ended September 30, 2025 (Unaudited)	Three months period ended September 30, 2024 (Unaudited)	Nine months period ended September 30, 2025 (Unaudited)	Nine months period ended September 30, 2024 (Unaudited)
SAR '000					
Insurance revenue		5,405,366	4,696,243	15,752,727	13,494,432
Insurance service expenses	14	(4,437,837)	(3,937,885)	(13,013,006)	(11,506,972)
Insurance service result before reinsurance contracts held		967,529	758,358	2,739,721	1,987,460
Allocation of reinsurance premiums		(725,119)	(584,723)	(1,963,377)	(1,613,837)
Amounts recoverable from reinsurers for incurred claims		99,259	36,500	298,707	518,636
Net expenses from reinsurance contracts held	15	(625,860)	(548,223)	(1,664,670)	(1,095,201)
Insurance service result		341,669	210,135	1,075,051	892,259
Revenue from non-insurance services		1,628	-	5,027	-
Commission income		112,098	158,797	382,846	436,497
Dividend income		1,556	131	3,080	1,426
Net fair value gains on financial assets at fair value through profit or loss		63,651	2,672	143,601	35,374
Share of profit from equity accounted investments, net		8,096	5,170	24,461	19,102
Investment return		185,401	166,770	553,988	492,399
(Allowance for) / reversal of expected credit losses on financial assets	7.1	(28,213)	29,682	50,320	(102,669)
Finance expense from insurance contracts issued		(77,025)	(105,081)	(158,864)	(150,638)
Finance income from reinsurance contracts held		28,754	55,499	68,793	97,715
Net insurance finance expense		(48,271)	(49,582)	(90,071)	(52,923)
Net insurance financial result		452,214	357,005	1,594,315	1,229,066
Other operating expenses	16	(246,704)	(160,276)	(594,632)	(357,932)
Other income, net		6,385	28,651	6,559	76,023
Net profit for the period before Zakat		211,895	225,380	1,006,242	947,157
Zakat charge for the period		(38,637)	(27,823)	(103,875)	(93,095)
Net profit for the period after Zakat		173,258	197,557	902,367	854,062
Basic and diluted earnings per share (in SAR)		1.16	1.32	6.03	5.70
Weighted average number of shares in issue		149,541,986	149,951,708	149,656,617	149,951,708



Abdulaziz M. AlSedeas
Board Director



Abdulaziz Alshaikh
Chief Financial Officer



Othman Y. Alkassabi
Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Three months period ended September 30, 2025 (Unaudited)	Three months period ended September 30, 2024 (Unaudited)	Nine months period ended September 30, 2025 (Unaudited)	Nine months period ended September 30, 2024 (Unaudited)
	ﷲ '000			
Net profit for the period after Zakat	173,258	197,557	902,367	854,062
Other comprehensive income				
<u>Items that will not be reclassified to interim condensed consolidated statement of income subsequently:</u>				
Net movement in fair value of investments - carried at FVOCI	-	-	-	410
<u>Items that are or may be reclassified to interim condensed consolidated statement of income subsequently:</u>				
Share of other comprehensive income / (loss) of investment in equity accounted investments	801	-	1,016	(154)
Total comprehensive income for the period	174,059	197,557	903,383	854,318



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THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Share capital	Statutory reserve	Remeasurement of defined benefit obligation	Fair value reserve for investments	Treasury shares reserve	Employee stock option scheme reserves	Retained earnings	Total
	SAR '000							
Balance as at January 1, 2024 – audited	1,500,000	1,373,285	(13,199)	20,489	-	-	741,242	3,621,817
Net profit for the period after Zakat	-	-	-	-	-	-	854,062	854,062
Other comprehensive income for the period	-	-	-	256	-	-	-	256
Total comprehensive income for the period	-	-	-	256	-	-	854,062	854,318
Buy-back of treasury shares	-	-	-	-	(1,793)	-	-	(1,793)
Loss on buy-back of treasury shares	-	-	-	-	-	-	(25,159)	(25,159)
Dividends (note 12)	-	-	-	-	-	-	(150,000)	(150,000)
Balance as at September 30, 2024 – unaudited	1,500,000	1,373,285	(13,199)	20,745	(1,793)	-	1,420,145	4,299,183
Balance as at January 1, 2025 – audited	1,500,000	1,500,000	(28,922)	49,216	(2,582)	11,471	1,449,060	4,478,243
Net profit for the period after Zakat	-	-	-	-	-	-	902,367	902,367
Other comprehensive income for the period	-	-	-	1,016	-	-	-	1,016
Total comprehensive income for the period – unaudited	-	-	-	1,016	-	-	902,367	903,383
Employee stock option scheme	-	-	-	-	-	14,007	-	14,007
Treasury shares	-	-	-	-	(1,999)	-	-	(1,999)
Loss on treasury shares	-	-	-	-	-	-	(26,767)	(26,767)
<u>Transaction with owners</u>	-	-	-	-	-	-	(225,000)	(225,000)
Dividends (note 12)	-	-	-	-	-	-	(225,000)	(225,000)
Balance at September 30, 2025 – unaudited	1,500,000	1,500,000	(28,922)	50,232	(4,581)	25,478	2,099,660	5,141,867



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THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Notes	Nine months period ended September 30, 2025 (Unaudited)	Nine months period ended September 30, 2024 (Unaudited)
		S.E., 000	
Operating activities:			
Net income before zakat		1,006,242	947,157
<u>Adjustments for non-cash items:</u>			
Depreciation		57,916	17,957
Amortisation of intangible assets		78,968	4,285
Share of profit from investments in equity accounted investments, net		(24,461)	(19,102)
Employee stock option scheme		14,007	-
Commission income		(341,505)	(436,497)
Dividend income		(3,080)	(1,426)
Gain on disposal of investment properties		-	(36,235)
Expected credit loss (reversal) / allowance		(50,320)	102,669
Net fair value gain on financial assets at FVPL		(143,601)	(35,374)
Finance cost		-	215
Provision for defined benefits obligation		45,762	27,844
		639,928	571,493
<u>Changes in operating assets and liabilities:</u>			
Receivable from brokers / agents		(681,978)	(606,782)
Reinsurance contract assets		350,835	363,069
Prepaid expenses and other assets		39,177	(380,236)
Accrued expenses and other liabilities		272,501	192,920
Insurance contract liabilities		(672,876)	1,517,444
		(52,413)	1,657,90
Zakat paid	11	(102,077)	(21,526)
Defined benefits obligation paid		(7,760)	(9,627)
Net cash flows (used in) / generated from operating activities		(162,250)	1,626,755
Investing activities:			
Proceeds from sale of investment properties		-	170,119
Purchase of investments		(2,296,432)	(768,949)
Proceeds from sale of investments		116,123	-
Proceeds from term deposits – Mudaraba	5	11,435,306	9,444,104
Placement in term deposits – Mudaraba	5	(9,936,549)	(10,564,959)
Commission income received		310,655	365,959
Dividend income received		-	1,295
Dividends received from investments in equity accounted investments		17,450	17,706
Purchase of property, equipment and right-of-use assets		(96,528)	(76,245)
Purchase of intangible assets		(239,451)	(48,521)
Net cash flows used in from investing activities		(689,426)	(1,459,491)
Financing activities:			
Buyback of treasury shares		(28,766)	(26,952)
Dividend paid		(227,111)	(148,408)
Net cash flows used in financing activities		(255,877)	(175,360)
Net change in cash and cash equivalents during the period		(1,107,553)	(8,096)
Cash and cash equivalents, beginning of the period		2,077,468	2,081,707
Cash and cash equivalents, end of the period		969,915	2,073,611
Non-cash supplemental information:			
Share of other comprehensive income / (loss) of investments in equity accounted investments		1,016	(154)


Abdulaziz M. AlSedeas
Board Director


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Othman Y. Alkassabi
Chief Executive Officer

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

1. GENERAL

The Company for Cooperative Insurance (the “Company”) is a Saudi joint stock Company established in Riyadh, Kingdom of Saudi Arabia by Royal Decree Number M/5 and incorporated on January 18, 1986 corresponding to Jumada Al-Awal 8, 1406H under Commercial Registration No. 1010061695. The Company’s head office is located on Thumamah Road (At Takhassusi) ArRabi District, P.O. Box 86959, Riyadh 11632, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance and agency activities. Its principal lines of business include medical, motor, marine, fire, engineering, energy, aviation, takaful and property and casualty insurance.

On July 31, 2003, corresponding to Jumada Thani 2, 1424H the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”) was promulgated by Royal Decree Number (M/32). On December 1, 2004 corresponding to Shawwal 18, 1425H, the Insurance Authority (formerly Saudi Central Bank “SAMA”) as the principal authority responsible for the application and administration of the Insurance Law and its implementing regulations, granted the Company a license to transact insurance activities in Saudi Arabia. During the year ended December 31, 2023, the Insurance Authority has been established by a royal decree as the insurance regulator. Previously issued regulations by SAMA will be upheld until the Insurance Authority issued updated regulations.

The Company conducts the business and advances funds to the insurance operations as required. On January 20, 2004 the Company amended its Articles of Association giving authority to the Board of Directors to determine the disposition of the surplus from insurance operations. On March 20, 2004, the Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by Insurance Authority, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full.

The Company has the following subsidiaries and associates.

<i>Name of the Subsidiary / Associate</i>	<i>Registration No.</i>	<i>Registration date</i>	<i>Ownership interest</i>	<i>Financial year end</i>	<i>Principal Activities</i>
Subsidiary					
Teejan Al- Khaleej	1010644057	21 July 2020	100%	December 31	Developing technology based solutions and extending consultancy services for the insurance and healthcare businesses.
Tree Digital Insurance Agency Company	1010816901	04 August 2022	100%	December 31	Introducing innovative products and services with an end-to-end digital journey to drive insurance penetration in the Kingdom of Saudi Arabia by providing intermediary insurance services and claims settlement services.
Meena health medical Company	1010887256	08 June 2023	100%	June 30	Extending health care services for Medical line of business.
Commercial Vehicle Solutions and Services Company	1009119265	17 October 2024	100%	December 31	Wholesale and retailing of vehicles including new and used private cars, new and used and heavy transport vehicles, new and used travel and camping vehicles, selling light and heavy vehicles on commission and other related vehicle solution services
Optimal Solution Company for settling insurance claims	1009127897	3 November 2024	100%	December 31	To provide the claim administration services.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

1. GENERAL (continued)

Associates

United Insurance Company B.S.C.	17337-1	12 May 1986	50%	December 31	Insurance for all motor vehicles which travel through the King Fahad Causeway in accordance with the Bahrain Insurance Company Law.
Waseel Application Service Provider Limited	1010186558	15 April 2003	45%	December 31	Internet based connectivity, information services, and B2B e-commerce capabilities for the healthcare insurance market.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements of the Group as at and for the period ended September 30, 2025 have been prepared in accordance with International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Company.

The Group's interim condensed consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as non-current: statutory deposit, accrued income on statutory deposit, Property, equipment and right-of-use assets, net, intangible assets, investments in equity accounted investments, return payable on statutory deposit, defined benefits obligation and those balances of insurance contracts liabilities and reinsurance contract assets that would not settle within next twelve months. All other financial statement line items would generally be classified as current.

The Group presents its interim condensed consolidated statement of financial position in order of liquidity (starting from most liquid).

2.2 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss (FVPL) and investments carried at fair value through other comprehensive income (FVOCI), investment in equity accounted investments which is accounted for under the equity method, defined benefits obligation recorded at the present value using the projected unit credit method and liability of incurred claims (LIC) and assets for incurred claims (AIC) recorded at the present value at the current discount rates.

Functional & presentation currency

These interim condensed consolidated financial statements have been presented in Saudi Arabian Riyals (ﷲ), which is also the functional currency of the Group. All financial information presented in Saudi Arabian Riyal has been rounded to the nearest thousands, except where otherwise indicated.

Fiscal Year

The Group follows a fiscal year ending December 31.

Seasonality of operations

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

2.3 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company, using consistent accounting policies.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

2. BASIS OF PREPARATION (continued)

2.3 Basis of consolidation (continued)

Subsidiaries

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

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

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

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

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

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary is measured at fair value when control is lost. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Transactions eliminated on consolidation

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

2.4 Critical accounting judgments, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

THE COMPANY FOR COOPERATIVE INSURANCE
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

2. BASIS OF PREPARATION (continued)

2.4 Critical accounting judgments, estimates and assumptions (continued)

In preparing these interim condensed consolidated financial statements, the significant judgement made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty was the same as those that applies to the consolidated financial statements as of and for the year ended December 31, 2024.

Following are the accounting judgments and estimates that are critical in preparation of these interim condensed consolidated financial statements:

a) PAA eligibility assessment

The Group has calculated a Liability for Remaining Coverage (LRC) and Asset for Remaining Coverage (ARC) for those groups of insurance contracts written and reinsurance contracts held respectively where the coverage period was more than one year. The calculation was performed under both simplified approach i.e. Premium Allocation Approach (PAA) and General Measurement Model (GMM). Situations, which may cause the LRC and / or ARC under the PAA to differ from the LRC and / or ARC under the GMM:

- When the expectation of the profitability for the remaining coverage changes at a particular valuation date during the coverage period of a group of contracts;
- If yield curves change significantly from those in place at the group's initial recognition;
- When the incidence of claims occurrence differs from the coverage units; and
- The effect of discounting under the GMM creates an inherent difference; this difference compounds over longer contract durations.

Upon analysis of the possible differences between LRC and / or ARC applying the PAA and GMM approach, respectively, the Group did not note any material difference for contracts with coverage period of more than one year. Hence, it has opted to report all such contracts using the PAA approach maintaining a consistent accounting treatment to the rest of the portfolio of insurance contracts issued and reinsurance contracts held that have a coverage period of up to one year. The Group assesses materiality at each respective group of contracts level (GoCs) and at an aggregate insurance contract liabilities / re-insurance contract assets level using pre-determined quantitative threshold for differences at the GoCs.

During the period, the Group has written individual life policies which are investments and savings products as well as those which covers protection risks (collectively referred as "individual life business"). These are accounted for under PAA as the individual life business is not material to these interim condensed consolidated financial statements.

b) Insurance acquisition cash flows

Commissions and other acquisition related expenses are deferred and amortized over the term of the insurance contracts to which these relate, similar to premiums earned. The Group uses a systematic and rational method to allocate such expenses. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- to that group; and
- to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

c) Expense attribution

The Group identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling / maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to the aforementioned contracts (non-attributable expenses). Acquisition costs, such as underwriting costs including other expenses except for initial commission paid, are no longer recognized in the interim condensed consolidated statement of income when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts using an allocation mechanism considering the activity-based costing principles. The Group has determined costs directly identified to the groups of contracts, as well as, costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses, overheads and one-off exceptional expenses is recognized in the interim condensed consolidated statement of income immediately when incurred. The proportion of directly attributable and non-attributable costs at inception will change the pattern at which expenses are recognized.

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2. BASIS OF PREPARATION (continued)

2.4 Critical accounting judgments, estimates and assumptions (continued)

d) Discounting methodology

Insurance contract liabilities and Reinsurance contracts assets are calculated by discounting expected future cash flows at a discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. The Group applied a bottom-up approach to derive the applicable yield curve when determining the discount rate, where the curve is based on the European Insurance and Occupational Pensions Authority (EIOPA) volatility adjusted risk-free curve denominated in United States Dollars while applying certain adjustments for factors under IFRS 17.

Discount rates applied for discounting of future cash flows are listed below:

Evaluation date	1 Year	2 Year	3 Year	4 Year	5 Year
30 September 2025	4.87%	4.61%	4.56%	4.57%	4.61%
31 December 2024	5.40%	5.30%	5.28%	5.25%	5.23%
30 September 2024	5.27%	4.83%	4.69%	4.64%	4.63%

e) Risk adjustment methodology, including correlations, and confidence level selected

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value of claims.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines, as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows.

The Company has appointed a qualified actuary who supports in reviewing and providing recommendation with regards to the expected ultimate claims and the associated claims reserves. The Company booked reserves following the recommendation of the appointed actuary who is currently external and independent from the Company. A range of methods were used by the appointed actuary to determine these claims. From the diverse methods available to estimate the volatility of future cash flows and, thus, the applicable confidence interval for each line of business, the Group relied on the following three methods depending on the nature of each portfolio:

- Mack Model
- Bootstrap – over dispersed Poisson model
- Stochastic Bornhuetter-Ferguson

f) Liability for incurred claims

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate given the level of subjectivity inherent in estimating the impact of claim events that have occurred and incurred but not reported for which the ultimate outcome remains uncertain. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. Estimates are made at the end of the reporting period both for the expected ultimate cost of claim reported and for the expected ultimate costs of claims incurred but not reported. Both of these estimates are recorded under the liability for incurred claims ("LIC"). Moreover, the Company includes claims payable and advance payment made to or on behalf of policyholders under LIC.

Events not in data ("ENID") represents an additional amount that needs to be included in the best estimate claim liability to ensure that the best estimate is a true best estimate of all possible outcomes. The methodology used by the Group to derive the ENID is based on Lloyd's Technical Provisions Guidance issued in March 2011, which suggests several approaches to allow for Binary events / Events Not in Data. In this guidance, Lloyd's details an approach that offers uplifting reserve best estimates to allow for a limited range of historical (observable) data. This approach is also called the Truncated Statistical Distribution approach and defines the uplift factor of reserve best estimate as: "the ratio of the 'true mean' to the 'mean only including realistically foreseeable events'". The distribution is adjusted to add to the tail and a new mean is estimated from the new distribution which represents a "true" distribution of claims. The ENID uplift factor applied to the claims is then the ratio of the new mean to the old mean.

Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company. At the end of each reporting period, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

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2. BASIS OF PREPARATION (continued)

2.4 Critical accounting judgments, estimates and assumptions (continued)

f) Liability for incurred claims (continued)

The Company has appointed a qualified actuary who supports in reviewing and providing recommendation with regards to the expected ultimate claims and the associated claims reserves. The Company booked reserves following the recommendation of the appointed actuary who is currently external and independent from the Company. A range of methods were used by the appointed actuary to determine these claims. A range of methods such as Chain Ladder Method, Bornhuetter-Ferguson Method and Expected Loss Ratio Method are used by the actuaries to determine these provisions. The actuary had also used a segmentation approach including analysing cost per member per year for medical line of business. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

g) Liability for remaining coverage

i. Significant financing component

The Group has assessed its Liability for Remaining Coverage (LRC) and Assets for remaining coverage (ARC) and concluded that no significant financing component exists within LRC and ARC respectively. Therefore, the Group has not adjusted the carrying amount of the LRC and ARC to reflect the time value of money and the effect of financial risk using the discount rates.

ii. Onerosity determination

The profitability of groups of insurance contracts is assessed by actuarial valuation models that take into consideration existing and new business. Profitability is measured through the expected risk-adjusted combined ratio (including premiums, expenses, discounted risk adjusted claims and an allowance for ENID). The expected risk adjusted combined ratio approximates the fulfilment cash flows as defined in IFRS 17. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. The Group also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratio. This input is most relevant for the Medical insurance portfolio;
- Historical combined ratio of similar and comparable sets of contracts for Motor and P&C portfolios in particular;
- Any relevant inputs from underwriters;
- Other external factors such as inflation and change in market claims experience or change in regulations; and
- For subsequent measurement, the Group also relies on the same group of contracts' weighted actual emerging experience.

The actuarial profitability valuation and results are then discussed with the Profitability Assessment Committee (the "Committee") which is chaired by Group's CFO and includes other relevant stakeholders as members. The objective of the Committee is to formulate management's view of the profitability of new and in-force contracts. The Committee, based on aforementioned inputs, classifies all new contracts into either onerous or profitable and produce the estimated combined loss ratio. For existing contracts, the Committee also produces a view of the combined ratio for such contracts. The expected combined loss ratio is then fed into the loss component calculation.

Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held, if any.

iii. Expected premium receipts adjustment

Insurance revenue will be adjusted with the amounts of expected premium receipts adjustment calculated on premiums not yet collected as at date of the statement of financial position. The computation is performed using IFRS 9 simplified approach to calculate Expected Credit Loss (ECL) allowance. The corresponding impact of this adjustment is recorded to LRC.

h) Non-performance risk

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognized under Amounts recoverable from reinsurers for incurred claims in the interim condensed consolidated statement of income. The computation is performed using IFRS 9 simplified approach to calculate ECL allowance.

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2. BASIS OF PREPARATION (continued)

2.4 Critical accounting judgments, estimates and assumptions (continued)

i) Fair value of financial instruments

Fair values of financial instruments are based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flows using commission for items with similar terms and risk characteristics. The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed. All models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates. Refer fair value of financial instruments disclosure in note 19.

j) Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled Expected Credit Losses ("ECL") scenarios and the relevant inputs used.

k) Sensitivity analysis

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

September 30, 2025 (Unaudited)					
SAR '000					
Changes in assumptions	Impact on profit before zakat gross of reinsurance	Impact on profit before zakat net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance	
Risk adjustment changes	+/-10%	46,381	23,941	46,381	23,941
Liability for incurred claims changes	+/-5%	319,558	219,144	319,558	219,144
Discounting impact changes	+/-50%	101,236	53,131	101,236	53,131
December 31, 2024 (Audited)					
SAR '000					
Changes in assumptions	Impact on profit before zakat gross of reinsurance	Impact on profit before zakat net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance	
Risk adjustment changes	+/-10%	46,208	21,529	46,208	21,529
Liability for incurred claims changes	+/-5%	314,254	199,232	314,254	199,232
Discounting impact changes	+/-50%	87,117	49,990	87,117	49,990

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September 30, 2024 (Unaudited)					
S'000					
	Changes in assumptions	Impact on profit before zakat gross of reinsurance	Impact on profit before zakat net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Risk adjustment changes	+/-10%	63,080	27,313	63,080	27,313
Liability for incurred claims changes	+/-5%	334,239	201,756	334,239	201,756
Discounting impact changes	+/-50%	83,027	43,207	83,027	43,207

The sensitivities relating to risk adjustment on LIC, and impact of discounting have been disclosed in addition to overall LIC sensitivity. These above base LIC amounts is inclusive of risk adjustment and impact of discounting.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024.

New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Group:

<u>Standard, interpretation, amendments</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IAS 21 – Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specific purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay) and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. No material impact is expected for the Group.	Annual periods beginning on or after January 1, 2025 (early adoption is available)

The application of above standards does not have any impact on the interim condensed consolidated financial statements of the Group for the period ended September 30, 2025.

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(continued)

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3. MATERIAL ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

The Group has chosen not to early adopt the following new standards, which have been issued but not yet effective for the Group's accounting year beginning on or after January 1, 2025 and is currently assessing their impact:

<u>Standard, interpretation, amendments</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IFRS 10 and IAS 28	Amendments to IFRS 10 consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of the amendments has yet to be set by the IASB
IFRS 9 Financial Instruments	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Annual reporting periods beginning on or after January 1, 2026
IFRS 18 – Presentation and disclosure in financial statements.	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	Annual reporting periods beginning on or after January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19.	

Interim reporting approach

The Group applies period to date (PTD) approach to calculate its results for three and nine months period ended September 30, respectively. The

key features of this application:

- Claims incurred during the six months period ended June 30, 2025 and prior are treated as “past service claims” for the three months period ended September 30, 2025. Similar methodology applied to the six months ended June 30, 2024. However, for nine months period ended September 30, 2025 the result for three months period ended June 30, 2025 are classified as “current claims service”.
- The adjustment arising due to difference in classification of past service cost and application of relevant discount rate is recorded as insurance finance income / expense in interim condensed consolidated statement of income for the nine month periods ended September 30, 2024 and 2025 respectively.

4. CASH AND CASH EQUIVALENTS

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	ﷲ '000	
Short term deposits (note 4.1)	350,000	1,187,500
Banks balances and cash (note 4.2 and 4.4)	618,843	887,693
Accrued income on short term deposits	1,265	2,468
	970,108	2,077,661
Expected credit loss allowance	(193)	(193)
Total cash and cash equivalents	969,915	2,077,468

4.1 The deposits are held with banks and financial institutions registered with the Saudi Central Bank in the Kingdom of Saudi Arabia. These deposits are predominately in mudaraba structures. These deposits are denominated in Saudi riyals and have an original maturity of less than three months. The average yield on these deposits is 5.91 % (December 31, 2024: 5.91 %) per annum.

4.2 These balances include cash placed with custodian amounting to ﷲ 1.7 million (December 31, 2024: ﷲ 6 million).

4.3 Cash and cash equivalents are placed with counterparties with sound credit ratings of AA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's).

4.4 These include cash received by the Group on behalf of the IDI pool amounting to SAR 380 million. The said cash is not available for use by the Group. The corresponding liability as “Due to IDI pool” is aggregated under accrued expenses and other liabilities.

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5. TERM DEPOSITS – MUDARABA

The deposits are held with banks and financial institutions registered with Saudi Central Bank in the Kingdom of Saudi Arabia. These deposits are predominately in mudaraba structures. These deposits are denominated in Saudi riyals and have an original maturity of more than three months. The average yield on these deposits 4.81 % (December 31, 2024: 4.84% , September 30, 2024: 5.25%) per annum.

The movements in deposits during the period / year is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
	SAR '000		
Balance at the beginning of the period / year	9,161,251	7,277,489	7,277,489
Placed during the period / year	9,936,549	18,334,138	10,564,959
Matured during the period / year	(11,435,306)	(16,450,376)	(9,444,104)
Balance at the end of the period / year	7,662,494	9,161,251	8,398,344
Accrued investment income	121,312	90,462	161,438
Expected credit loss allowance	7,783,806	9,251,713	8,559,782
Total	(37)	(37)	(16)
	7,783,769	9,251,676	8,559,766

6. INVESTMENTS INCLUDING ACCRUED INVESTMENT INCOME

Investments including accrued investment income comprise the following:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SAR '000	
Financial assets measured at FVPL* (note 6.1)		
Mutual funds	932,593	760,425
Fixed income investments	2,256,564	321,980
Equity securities	1,091,974	907,802
Funds with portfolio manager	118,282	43,464
Accrued investment income	59,505	50,627
	4,458,918	2,084,298
Debt Instruments measured at amortised cost		
Sukuk	-	45,000
Accrued income	-	2,630
	-	47,630
Equity instrument measured at FVOCI		
Unquoted private equities **	65,096	65,096
Total investments	4,524,014	2,197,024

- 6.1 As at September 30, 2025, the Group has invested in Shariah Notes having fair value amounting to SAR 4,459 million (December 31, 2024: SAR 2,084 million). The equity securities include the in-house equity portfolio managed by the Group amounting to SAR 764 million (December 31, 2024: SAR 536 million), which consists of Saudi equities. The Shariah Notes are issued by a special purpose vehicle "SPV" established in Cayman Islands. The administrator of these Shariah Notes is a Company registered in Mauritius. The underlying investments of Shariah Notes include funds, discretionary portfolio management - equity shares and fixed income portfolios. The legal ownership of these underlying investments is not with the Group; however, the Group is the ultimate beneficial owner of the underlying investments while having control over the Shariah Notes but not over the underlying investments. The Shariah Notes are issued within a ring-fenced cell / structure and the underlying assets are ring-fenced as well for that structure managed by the SPV. The custody of the underlying investments is in the custody account of the SPV, or its nominee entity opened with fund and portfolio managers. The Group does not exercise any control over SPV and / or fund and portfolio managers.

* Financial Instruments measured at FVPL are those which are mandatorily classified as fair value through profit or loss.

** This represents investment in Najm for Insurance Services Companies, an unquoted private equity, which is designated at FVOCI.

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7. RECEIVABLE FROM BROKERS / AGENTS

These comprise balances receivable from brokers / agents on account of sale of insurance policies by the broker on behalf of the Group.

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
		ﷲ '000	
Receivable from brokers / agents		4,199,415	3,548,600
Less: expected credit loss allowance	7.1	(192,849)	(274,332)
		<u>4,006,566</u>	<u>3,274,268</u>

7.1 The provision charged for three months period is ﷲ 28 million (September 30, 2024: reversal of ﷲ 30 million) and the provision reversal for nine months is ﷲ 50 million (September 30, 2024: provision charged ﷲ 103 million).

7.2 Movement for expected credit losses

	September 30, 2025 (unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
		ﷲ '000	
Opening balance	274,332	182,641	182,641
(Reversal) / Charged during the period / year	(50,320)	91,691	102,669
(Write off) during the period / year	(31,163)	-	-
Closing balance	<u>192,849</u>	<u>274,332</u>	<u>285,310</u>

8. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	ﷲ '000			
	Assets	Liabilities	Assets	Liabilities
Insurance contracts issued				
Medical	-	7,924,501	-	8,090,015
Medical - Umrah	-	-	-	-
Motor	-	1,280,492	-	1,808,897
Property & Casualty	-	4,411,346	-	4,427,016
General accidents - Hajj & Umrah	-	(599)	-	2,021
Travel & COVID-19	-	-	-	-
Protection and Savings	-	96,751	-	57,418
Total insurance contracts issued	-	<u>13,712,491</u>	-	<u>14,385,367</u>
Reinsurance contracts held				
Medical	(196,530)	-	(247,456)	-
Medical - Umrah	-	-	-	-
Motor	(18,164)	-	(1,750)	-
Property & Casualty	(2,417,414)	-	(2,747,660)	-
General accidents - Hajj & Umrah	179	-	-	-
Travel & COVID-19	-	-	-	-
Protection and Savings	(29,234)	-	(15,132)	-
Total reinsurance contracts held	<u>(2,661,163)</u>	-	<u>(3,011,998)</u>	-

Movements in insurance and reinsurance contract balances

The Group disaggregates information to provide disclosure in respect of major product lines separately: Medical, Medical - Umrah, Motor, Property and Casualty, General accidents - Hajj & Umrah, Travel & COVID-19 and Protection and Savings. The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the period / year as a result of cash flows and amounts recognised in the interim condensed consolidated statement of income. For each segment, the Group presents a table that separately analyses movements in the liabilities / assets for remaining coverage and movements in the liabilities / assets for incurred claims and reconciles these movements to the line items in the interim condensed consolidated statement of income and interim condensed consolidated statement of financial position for the period and as at September 30, 2025, December 31, 2024, September 30, 2024.

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8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

a. Medical

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	4,406,265	87,975	3,420,327	175,448	8,090,015
Changes in the consolidated statement of income					
Insurance revenue	11,657,761	-	-	-	11,657,761
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	10,193,226	146,571	10,339,797
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(628,299)	(125,145)	(753,444)
Losses on onerous contracts and reversal of those losses	-	19,250	-	-	19,250
Insurance acquisition cash flows amortisation	1,055,397	-	-	-	1,055,397
	1,055,397	19,250	9,564,927	21,426	10,661,000
Insurance service result	10,602,364	(19,250)	(9,564,927)	(21,426)	996,761
Net finance expenses from insurance contracts	-	-	(68,778)	(3,733)	(72,511)
Total changes in the consolidated statement of income	10,602,364	(19,250)	(9,633,705)	(25,159)	924,250
Cash flows					
Premiums received	11,581,581	-	-	-	11,581,581
Claims and other directly attributable expenses paid	-	-	(9,739,140)	-	(9,739,140)
Insurance acquisition cash flows	(1,083,705)	-	-	-	(1,083,705)
	10,497,876	-	(9,739,140)	-	758,736
Net closing balance – September 30, 2025	4,301,777	107,225	3,314,892	200,607	7,924,501

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8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

b. *Medical Umrah

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	-	-	-	-	-
Changes in the consolidated statement of income					
Insurance revenue	-	-	-	-	-
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	-	-	-
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	98	-	98
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	-	-	-	-	-
	-	-	98	-	98
Insurance service result	-	-	(98)	-	(98)
Net finance expenses from insurance contracts	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	(98)	-	(98)
Cash flows					
Premiums received	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	(98)	-	(98)
Insurance acquisition cash flows	-	-	-	-	-
	-	-	(98)	-	(98)
Net closing balance – September 30, 2025	-	-	-	-	-

*This is the run-off portfolio, please refer note 17.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

c. Motor

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
S/ '000					
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	1,216,658	100,616	470,965	20,658	1,808,897
Changes in the consolidated statement of income					
Insurance revenue	1,856,320	-	-	-	1,856,320
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	-	1,713,224	14,870	1,728,094
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(140,727)	(21,765)	(162,492)
Losses on onerous contracts and reversal of those losses	-	(63,138)	-	-	(63,138)
Insurance acquisition cash flows amortisation	298,671	-	-	-	298,671
	298,671	(63,138)	1,572,497	(6,895)	1,801,135
Insurance service result	1,557,649	63,138	(1,572,497)	6,895	55,185
Net finance expenses from insurance contracts	-	-	(8,163)	(477)	(8,640)
Total changes in the consolidated statement of income	1,557,649	63,138	(1,580,660)	6,418	46,545
Cash flows					
Premiums received	1,635,904	-	-	-	1,635,904
Claims and other directly attributable expenses paid	-	-	(1,746,556)	-	(1,746,556)
Insurance acquisition cash flows	(371,208)	-	-	-	(371,208)
	1,264,696	-	(1,746,556)	-	(481,860)
Net closing balance – September 30, 2025	923,705	37,478	305,069	14,240	1,280,492

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

d. Property and casualty

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S\$ '000				
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	1,885,141	4,815	2,277,189	259,871	4,427,016
Changes in the consolidated statement of income					
Insurance revenue	2,104,627	-	-	-	2,104,627
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	873,774	93,780	967,554
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(553,673)	(119,822)	(673,495)
Losses on onerous contracts and reversal of those losses	-	(1,568)	-	-	(1,568)
Insurance acquisition cash flows amortisation	125,155	-	-	-	125,155
	125,155	(1,568)	320,101	(26,042)	417,646
Insurance service result	1,979,472	1,568	(320,101)	26,042	1,686,981
Net finance expenses from insurance contracts	-	-	(69,488)	(6,873)	(76,361)
Total changes in the consolidated statement of income	1,979,472	1,568	(389,589)	19,169	1,610,620
Cash flows					
Premiums received	2,346,396	-	-	-	2,346,396
Claims and other directly attributable expenses paid	-	-	(622,233)	-	(622,233)
Insurance acquisition cash flows	(129,213)	-	-	-	(129,213)
	2,217,183	-	(622,233)	-	1,594,950
Net closing balance – September 30, 2025	2,122,852	3,247	2,044,545	240,702	4,411,346

THE COMPANY FOR COOPERATIVE INSURANCE

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(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

e. *General accidents - Hajj & Umrah

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S '000				
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	-	-	2,021	-	2,021
Changes in the consolidated statement of income					
Insurance revenue	-	-	-	-	-
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	-	-	-
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(1,978)	(400)	(2,378)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	-	-	-	-	-
	-	-	(1,978)	(400)	(2,378)
Insurance service result	-	-	1,978	400	2,378
Net finance expenses from insurance contracts	-	-	(32)	(6)	(38)
Total changes in the consolidated statement of income	-	-	1,946	394	2,340
Cash flows					
Premiums received	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	(280)	-	(280)
Insurance acquisition cash flows	-	-	-	-	-
			(280)		(280)
Net closing balance – September 30, 2025	-	-	(205)	(394)	(599)

*This is the run-off portfolio, please refer note 17.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

f. *Travel & COVID-19

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	-	-	-	-	-
Changes in the consolidated statement of income					
Insurance revenue	-	-	-	-	-
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	-	-	-
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortization	-	-	-	-	-
	-	-	-	-	-
Insurance service result	-	-	-	-	-
Net finance expenses from insurance contracts	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums received	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
	-	-	-	-	-
Net closing balance – September 30, 2025	-	-	-	-	-

*This is the run-off portfolio, please refer note 17.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

g. Protection and savings

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
September 30, 2025 (unaudited)					
Net opening balance – January 1, 2025	(2,037)	2,527	53,296	3,632	57,418
Changes in the consolidated statement of income					
Insurance revenue	134,019	-	-	-	134,019
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	129,094	4,594	133,688
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(15,917)	(2,632)	(18,549)
Losses on onerous contracts and reversal of those losses	-	1,310	-	-	1,310
Insurance acquisition cash flows amortisation	19,056	-	-	-	19,056
	19,056	1,310	113,177	1,962	135,505
Insurance service result	114,963	(1,310)	(113,177)	(1,962)	(1,486)
Net finance expenses from insurance contracts	-	-	(1,226)	(88)	(1,314)
Total changes in the consolidated statement of income	114,963	(1,310)	(114,403)	(2,050)	(2,800)
Cash flows					
Premiums received	138,899	-	-	-	138,899
Claims and other directly attributable expenses paid	-	-	(84,357)	-	(84,357)
Insurance acquisition cash flows	(18,009)	-	-	-	(18,009)
	120,890	-	(84,357)	-	36,533
Net closing balance – September 30, 2025	3,890	3,837	83,342	5,682	96,751

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

a. Medical

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	₹ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	2,874,407	133,938	2,564,205	173,714	5,746,264
Changes in the consolidated statement of income					
Insurance revenue	12,945,631	-	-	-	12,945,631
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	11,330,165	151,862	11,482,027
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(323,778)	(153,120)	(476,898)
Losses on onerous contracts and reversal of those losses	-	(45,963)	-	-	(45,963)
Insurance acquisition cash flows amortisation	1,123,817	-	-	-	1,123,817
	1,123,817	(45,963)	11,006,387	(1,258)	12,082,983
Insurance service result	11,821,814	45,963	(11,006,387)	1,258	862,648
Net finance expenses from insurance contracts	-	-	(55,718)	(2,992)	(58,710)
Total changes in the consolidated statement of income	11,821,814	45,963	(11,062,105)	(1,734)	803,938
Cash flows					
Premiums received	14,591,428	-	-	-	14,591,428
Claims and other directly attributable expenses paid	-	-	(10,205,983)	-	(10,205,983)
Insurance acquisition cash flows	(1,237,756)	-	-	-	(1,237,756)
	13,353,672	-	(10,205,983)	-	3,147,689
Net closing balance – December 31, 2024	4,406,265	87,975	3,420,327	175,448	8,090,015

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

b. Medical Umrah

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	612,556	-	(267,320)	512	345,748
Changes in the consolidated statement of income					
Insurance revenue	3,932	-	-	-	3,932
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	3,710	-	3,710
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(3,965)	(1,377)	(5,342)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	2,116	-	-	-	2,116
	2,116	-	(255)	(1,377)	484
Insurance service result	1,816	-	255	1,377	3,448
Net finance expenses from insurance contracts	-	-	(341)	(12)	(353)
Total changes in the consolidated statement of income	1,816	-	(86)	1,365	3,095
Cash flows					
Premiums received	17,459	-	-	-	17,459
Claims and other directly attributable expenses paid	-	-	(22,476)	-	(22,476)
Insurance acquisition cash flows	(38,673)	-	-	-	(38,673)
	(21,214)	-	(22,476)	-	(43,690)
Settled with assets of shared pool participants	(589,526)	-	289,710	853	(298,963)
Net closing balance – December 31, 2024	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

c. Motor

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	1,480,546	17,218	623,348	23,975	2,145,087
Changes in the consolidated statement of income					
Insurance revenue	2,782,869	-	-	-	2,782,869
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	2,359,667	15,658	2,375,325
Changes that relate to past service - changes in fulfilment of cash flows ("FCF") relating to LIC	-	-	(172,586)	(19,566)	(192,152)
Losses on onerous contracts and reversal of those losses	-	83,398	-	-	83,398
Insurance acquisition cash flows amortisation	401,267	-	-	-	401,267
	401,267	83,398	2,187,081	(3,908)	2,667,838
Insurance service result	2,381,602	(83,398)	(2,187,081)	3,908	115,031
Net finance expenses from insurance contracts	-	-	(10,381)	(591)	(10,972)
Total changes in the consolidated statement of income	2,381,602	(83,398)	(2,197,462)	3,317	104,059
Cash flows					
Premiums received	2,514,478	-	-	-	2,514,478
Claims and other directly attributable expenses paid	-	-	(2,349,845)	-	(2,349,845)
Insurance acquisition cash flows	(396,764)	-	-	-	(396,764)
	2,117,714	-	(2,349,845)	-	(232,131)
Net closing balance – December 31, 2024	1,216,658	100,616	470,965	20,658	1,808,897

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

d. Property and casualty

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	ﷲ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	1,182,815	7,244	2,884,311	348,600	4,422,970
Changes in the consolidated statement of income					
Insurance revenue	2,426,365	-	-	-	2,426,365
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	905,892	98,883	1,004,775
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(380,113)	(196,664)	(576,777)
Losses on onerous contracts and reversal of those losses	-	(2,429)	-	-	(2,429)
Insurance acquisition cash flows amortisation	153,708	-	-	-	153,708
	153,708	(2,429)	525,779	(97,781)	579,277
Insurance service result	2,272,657	2,429	(525,779)	97,781	1,847,088
Net finance expenses from insurance contracts	-	-	(88,772)	(9,052)	(97,824)
Total changes in the consolidated statement of income	2,272,657	2,429	(614,551)	88,729	1,749,264
Cash flows					
Premiums received	3,134,099	-	-	-	3,134,099
Claims and other directly attributable expenses paid	-	-	(1,221,674)	-	(1,221,674)
Insurance acquisition cash flows	(159,115)	-	-	-	(159,115)
	2,974,984	-	(1,221,674)	-	1,753,310
Net closing balance – December 31, 2024	1,885,142	4,815	2,277,188	259,871	4,427,016

THE COMPANY FOR COOPERATIVE INSURANCE

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

e. General accidents - Hajj & Umrah

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	ﷲ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	700,723	-	(38,888)	(5,520)	656,315
Changes in the consolidated statement of income					
Insurance revenue	1,305	-	-	-	1,305
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,767	161	1,928
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(1,995)	(1,022)	(3,017)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	(160)	-	-	-	(160)
	(160)	-	(228)	(861)	(1,249)
Insurance service result	1,465	-	228	861	2,554
Net finance expenses from insurance contracts	-	-	(144)	(26)	(170)
Total changes in the consolidated statement of income	1,465	-	84	835	2,384
Cash flows					
Premiums received	6,027	-	-	-	6,027
Claims and other directly attributable expenses paid	-	-	(3,056)	-	(3,056)
Insurance acquisition cash flows	(1,601)	-	-	-	(1,601)
	4,426	-	(3,056)	-	1,370
Settled with assets of shared pool participants	(703,684)	-	44,049	6,355	(653,280)
Net closing balance – December 31, 2024	-	-	2,021	-	2,021

THE COMPANY FOR COOPERATIVE INSURANCE

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(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

f. Travel & COVID-19

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	82,329	-	(4,464)	(1,530)	76,335
Changes in the consolidated statement of income					
Insurance revenue	-	-	-	-	-
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	-	-	-
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	-	-	-	-	-
	-	-	-	-	-
Insurance service result	-	-	-	-	-
Net finance expenses from insurance contracts	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums received	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
	-	-	-	-	-
Settled with assets of shared pool participants	(82,329)		4,464	1,530	(76,335)
Net closing balance – December 31, 2024	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

g. Protection and savings

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	(29,688)	2,502	66,442	4,182	43,438
Changes in the consolidated statement of income					
Insurance revenue	112,855	-	-	-	112,855
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	112,774	3,118	115,892
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(22,247)	(3,795)	(26,042)
Losses on onerous contracts and reversal of those losses	-	25	-	-	25
Insurance acquisition cash flows amortisation	14,995	-	-	-	14,995
	14,995	25	90,527	(677)	104,870
Insurance service result	97,860	(25)	(90,527)	677	7,985
Net finance expenses from insurance contracts	-	-	(1,787)	(127)	(1,914)
Total changes in the consolidated statement of income	97,860	(25)	(92,314)	550	6,071
Cash flows					
Premiums received	139,909	-	-	-	139,909
Claims and other directly attributable expenses paid	-	-	(105,460)	-	(105,460)
Insurance acquisition cash flows	(14,398)	-	-	-	(14,398)
	125,511	-	(105,460)	-	20,051
Net closing balance – December 31, 2024	(2,037)	2,527	53,296	3,632	57,418

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

a. Medical

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	٢٠٢٥ '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	2,874,407	133,938	2,564,205	173,714	5,746,264
Changes in the consolidated statement of income					
Insurance revenue	9,502,853	-	-	-	9,502,853
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	8,371,351	186,510	8,557,861
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(336,755)	(132,980)	(469,735)
Losses on onerous contracts and reversal of those losses	-	(90,347)	-	-	(90,347)
Insurance acquisition cash flows amortisation	829,048	-	-	-	829,048
	829,048	(90,347)	8,034,596	53,530	8,826,827
Insurance service result	8,673,805	90,347	(8,034,596)	(53,530)	676,026
Net finance expenses from insurance contracts	-	-	(39,803)	(3,752)	(43,555)
Total changes in the consolidated statement of income	8,673,805	90,347	(8,074,399)	(57,282)	632,471
Cash flows					
Premiums received	10,845,978	-	-	-	10,845,978
Claims and other directly attributable expenses paid	-	-	(7,681,856)	-	(7,681,856)
Insurance acquisition cash flows	(868,211)	-	-	-	(868,211)
	9,977,767	-	(7,681,856)	-	2,295,911
Net closing balance – September 30, 2024	4,178,369	43,591	2,956,748	230,996	7,409,704

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

b. Medical Umrah

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	612,556	-	(267,320)	512	345,748
Changes in the consolidated statement of income					
Insurance revenue	3,933	-	-	-	3,933
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	3,089	9	3,098
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(2,749)	(1,385)	(4,134)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	8,354	-	-	-	8,354
	8,354		340	(1,376)	7,318
Insurance service result	(4,421)	-	(340)	1,376	(3,385)
Net finance expenses from insurance contracts	-	-	1,444	(83)	1,361
Total changes in the consolidated statement of income	(4,421)	-	1,104	1,293	(2,024)
Cash flows					
Premiums received	17,459	-	-	-	17,459
Claims and other directly attributable expenses paid	-	-	(21,575)	-	(21,575)
Insurance acquisition cash flows	(14,928)	-	-	-	(14,928)
	2,531	-	(21,575)	-	(19,044)
Net closing balance – September 30, 2024	619,508	-	(290,159)	(781)	328,568

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

c. Motor

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	1,480,546	17,218	623,348	23,975	2,145,087
Changes in the consolidated statement of income					
Insurance revenue	2,141,013	-	-	-	2,141,013
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,794,482	13,531	1,808,013
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(127,549)	(15,736)	(143,285)
Losses on onerous contracts and reversal of those losses	-	27,149	-	-	27,149
Insurance acquisition cash flows amortisation	310,733	-	-	-	310,733
	310,733	27,149	1,666,933	(2,205)	2,002,610
Insurance service result	1,830,280	(27,149)	(1,666,933)	2,205	138,403
Net finance expenses from insurance contracts	-	-	(10,609)	(704)	(11,313)
Total changes in the consolidated statement of income	1,830,280	(27,149)	(1,677,542)	1,501	127,090
Cash flows					
Premiums received	1,904,584	-	-	-	1,904,584
Claims and other directly attributable expenses paid	-	-	(1,709,221)	-	(1,709,221)
Insurance acquisition cash flows	(322,492)	-	-	-	(322,492)
	1,582,092	-	(1,709,221)	-	(127,129)
Net closing balance – September 30, 2024	1,232,358	44,367	591,669	22,474	1,890,868

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

d. Property and casualty

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	1,182,815	7,244	2,884,311	348,600	4,422,970
Changes in the consolidated statement of income					
Insurance revenue	1,758,009	-	-	-	1,758,009
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,028,134	90,443	1,118,577
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(563,453)	(80,091)	(643,544)
Losses on onerous contracts and reversal of those losses	-	(4,430)	-	-	(4,430)
Insurance acquisition cash flows amortisation	113,329	-	-	-	113,329
	113,329	(4,430)	464,681	10,352	583,932
Insurance service result	1,644,680	4,430	(464,681)	(10,352)	1,174,077
Net finance expenses from insurance contracts	-	-	(85,581)	(10,507)	(96,088)
Total changes in the consolidated statement of income	1,644,680	4,430	(550,262)	(20,859)	1,077,989
Cash flows					
Premiums received	2,284,872	-	-	-	2,284,872
Claims and other directly attributable expenses paid	-	-	(916,324)	-	(916,324)
Insurance acquisition cash flows	(118,353)	-	-	-	(118,353)
	2,166,519	-	(916,324)	-	1,250,195
Net closing balance – September 30, 2024	1,704,654	2,814	2,518,249	369,459	4,595,176

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

e. General accidents - Hajj & Umrah

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	700,723	-	(38,888)	(5,520)	656,315
Changes in the consolidated statement of income					
Insurance revenue	1,307	-	-	-	1,307
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	(356)	120	(236)
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(5,582)	(999)	(6,581)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	1,944	-	-	-	1,944
	1,944	-	(5,938)	(879)	(4,873)
Insurance service result	(637)	-	5,938	879	6,180
Net finance expenses from insurance contracts	-	-	(29)	(44)	(73)
Total changes in the consolidated statement of income	(637)	-	5,909	835	6,107
Cash flows					
Premiums received	6,027	-	-	-	6,027
Claims and other directly attributable expenses paid	-	-	(3,025)	-	(3,025)
Insurance acquisition cash flows	(752)	-	-	-	(752)
	5,275	-	(3,025)	-	2,250
Net closing balance – September 30, 2024	706,635	-	(47,822)	(6,355)	652,458

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

f. Travel & COVID-19

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	82,329	-	(4,464)	(1,530)	76,335
Changes in the consolidated statement of income	-	-	-	-	-
Insurance revenue	-	-	-	-	-
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	-	-	-
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	-	-	-	-	-
	-	-	-	-	-
Insurance service result	-	-	-	-	-
Net finance expenses from insurance contracts	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums received	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
	-	-	-	-	-
Net closing balance – September 30, 2024	82,329	-	(4,464)	(1,530)	76,335

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.1.3 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

g. Protection and savings

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (unaudited)					
Net opening balance – January 1, 2024	(29,688)	2,502	66,442	4,182	43,438
Changes in the consolidated statement of income					
Insurance revenue	87,317	-	-	-	87,317
Insurance service expenses					
Incurred claims and other directly attributable Expenses	-	-	106,900	3,266	110,166
Changes that relate to past service - changes in fulfilment cash flows ("FCF") relating to LIC	-	-	(22,516)	(3,432)	(25,948)
Losses on onerous contracts and reversal of those losses	-	(300)	-	-	(300)
Insurance acquisition cash flows amortisation	7,240	-	-	-	7,240
	7,240	(300)	84,384	(166)	91,158
Insurance service result	80,077	300	(84,384)	166	(3,841)
Net finance expenses from insurance contracts	-	-	(842)	(128)	(970)
Total changes in the consolidated statement of income	80,077	300	(85,226)	38	(4,811)
Cash flows					
Premiums received	46,962	-	-	-	46,962
Claims and other directly attributable expenses paid	-	-	(87,332)	-	(87,332)
Insurance acquisition cash flows	(7,387)	-	-	-	(7,387)
	39,575	-	(87,332)	-	(47,757)
Net closing balance – September 30, 2024	(70,190)	2,202	64,336	4,144	492

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

a. Medical

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	(94,249)	-	(146,541)	(6,666)	(247,456)

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	(173,133)	-	-	-	(173,133)
Incurred claims recovery	-	-	85,845	1,597	87,442
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(25,686)	(3,810)	(29,496)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	8	-	8
	(173,133)	-	60,167	(2,213)	(115,179)
Finance income from reinsurance contracts held	-	-	4,216	229	4,445
Total changes in the consolidated statement of income	(173,133)	-	64,383	(1,984)	(110,734)

Cash flows

Premiums paid net of ceding commissions	(59,620)	-	-	-	(59,620)
Recoveries from reinsurance	-	-	(188)	-	(188)
	(59,620)	-	(188)	-	(59,808)

Net closing balance – September 30, 2025	19,264	-	(211,112)	(4,682)	(196,530)
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THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

b. Medical Umrah

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	ﷲ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	-	-	-	-	-
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
	-	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums paid net of ceding commissions	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-
	-	-	-	-	-
Net closing balance – September 30, 2025	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

c. Motor

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	2,456	-	(4,063)	(143)	(1,750)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(11,762)	-	-	-	(11,762)
Incurred claims recovery	-	-	164	(1)	163
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(6,208)	(519)	(6,727)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	24	-	24
	(11,762)	-	(6,020)	(520)	(18,302)
Finance income from reinsurance contracts held	-	-	172	16	188
Total changes in the consolidated statement of income	(11,762)	-	(5,848)	(504)	(18,114)
Cash flows					
Premiums paid net of ceding commissions	(34,433)	-	-	-	(34,433)
Recoveries from reinsurance	-	-	(95)	-	(95)
	(34,433)	-	(95)	-	(34,528)
Net closing balance – September 30, 2025	(20,215)		1,690	361	(18,164)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

d. Property & Casualty

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	(512,848)	(14)	(1,997,830)	(236,968)	(2,747,660)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(1,684,304)	-	-	-	(1,684,304)
Incurred claims recovery	-	-	705,469	85,603	791,072
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(521,403)	(113,301)	(634,704)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(14)	-	-	(14)
Effect of changes in risk of reinsurers' non-performance	-	-	2,500	-	2,500
	(1,684,304)	(14)	186,566	(27,698)	(1,525,450)
Finance income from reinsurance contracts held	-	-	56,737	6,294	63,031
Total changes in the consolidated statement of income	(1,684,304)	(14)	243,303	(21,404)	(1,462,419)
Cash flows					
Premiums paid net of ceding commissions	(1,529,696)	-	-	-	(1,529,696)
Recoveries from reinsurance	-	-	397,523	-	397,523
	(1,529,696)	-	397,523	-	(1,132,173)
Net closing balance – September 30, 2025	(358,240)	-	(1,843,610)	(215,564)	(2,417,414)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

e. General Accident - Hajj & Umrah

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	-	-	-	-	-

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(155)	(27)	(182)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	1	-	1
	-	-	(154)	(27)	(181)
Finance income from reinsurance contracts held	-	-	2	-	2
Total changes in the consolidated statement of income	-	-	(152)	(27)	(179)

Cash flows

Premiums paid net of ceding commissions	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-
	-	-	-	-	-
Net closing balance – September 30, 2025	-	-	152	27	179

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

f. *Travel & COVID 19

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	-	-	-	-	-
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums paid net of ceding commissions	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-
Net closing balance – September 30, 2025	-	-	-	-	-

*This is the run-off portfolio, please refer note 17.

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.1 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

g. Protection & Savings

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2025 (Unaudited)					
Net opening balance – January 1, 2025	33,588	(1,616)	(43,987)	(3,117)	(15,132)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(94,178)	-	-	-	(94,178)
Incurred claims recovery	-	-	100,072	3,723	103,795
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(14,015)	(2,383)	(16,398)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	1,220	-	-	1,220
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	3	-	3
	(94,178)	1,220	86,060	1,340	(5,558)
Finance income from reinsurance contracts held	-	-	1,051	76	1,127
Total changes in the consolidated statement of income	(94,178)	1,220	87,111	1,416	(4,431)
Cash flows					
Premiums paid net of ceding commissions	(86,431)	-	-	-	(86,431)
Recoveries from reinsurance	-	-	67,898	-	67,898
	(86,431)	-	67,898	-	(18,533)
Net closing balance – September 30, 2025	41,335	(2,836)	(63,200)	(4,533)	(29,234)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

a. Medical

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	ﷲ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	147,795	-	(229,573)	(5,690)	(87,468)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(222,865)	-	-	-	(222,865)
Incurred claims recovery	-	-	140,842	4,556	145,398
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(12,272)	(3,813)	(16,085)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
			269	-	269
Finance income from reinsurance contracts held	(222,865)	-	128,839	743	(93,283)
Total changes in the consolidated statement of income	-	-	4,337	233	4,570
	(222,865)	-	133,176	976	(88,713)
Cash flows					
Premiums paid net of ceding commissions	(464,909)	-	-	-	(464,909)
Recoveries from reinsurance	-	-	216,208	-	216,208
	(464,909)	-	216,208	-	(248,701)
Net closing balance – December 31, 2024	(94,249)	-	(146,541)	(6,666)	(247,456)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

b. Medical Umrah

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	₹ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	-	-	-	-	-
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
	-	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums paid net of ceding commissions	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-
	-	-	-	-	-
Net closing balance – December 31, 2024	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

c. Motor

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	₱ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	10,917	-	(22,461)	(1,623)	(13,167)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(17,370)	-	-	-	(17,370)
Incurred claims recovery	-	-	(5)	(1)	(6)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(3,525)	(1,534)	(5,059)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	62	-	62
	(17,370)	-	(3,468)	(1,535)	(22,373)
Finance income from reinsurance contracts held	-	-	580	55	635
Total changes in the consolidated statement of income	(17,370)	-	(2,888)	(1,480)	(21,738)
Cash flows					
Premiums paid net of ceding commissions	(25,831)	-	-	-	(25,831)
Recoveries from reinsurance	-	-	15,510	-	15,510
	(25,831)	-	15,510	-	(10,321)
Net closing balance – December 31, 2024	2,456	-	(4,063)	(143)	(1,750)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

d. Property & Casualty

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	SAR '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	(259,716)	(5,325)	(2,700,452)	(328,499)	(3,293,992)
Changes in the consolidated statement of income					
Income (expenses) from reinsurance contracts held					
Reinsurance expenses	(1,882,581)	-	-	-	(1,882,581)
Incurred claims recovery	-	-	730,435	89,440	819,875
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(345,048)	(189,997)	(535,045)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(5,311)	-	-	(5,311)
Effect of changes in risk of reinsurers' non-performance	-	-	2,262	-	2,262
	(1,882,581)	(5,311)	387,649	(100,557)	(1,600,800)
Finance income from reinsurance contracts held	-	-	83,527	9,026	92,553
Total changes in the consolidated statement of income	(1,882,581)	(5,311)	471,176	(91,531)	(1,508,247)
Cash flows					
Premiums paid net of ceding commissions	(2,135,713)	-	-	-	(2,135,713)
Recoveries from reinsurance	-	-	1,173,798	-	1,173,798
	(2,135,713)		1,173,798		(961,915)
Net closing balance – December 31, 2024	(512,848)	(14)	(1,997,830)	(236,968)	(2,747,660)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

e. General Accident - Hajj & Umrah

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	(104,219)	-	1,588	299	(102,332)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(240)	-	-	-	(240)
Incurred claims recovery	-	-	4	27	31
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	(158)	(158)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	6	-	6
	(240)	-	10	(131)	(361)
Finance income from reinsurance contracts held	-	-	26	5	31
Total changes in the consolidated statement of income	(240)	-	36	(126)	(330)
Cash flows					
Premiums paid net of ceding commissions	(22,677)	-	-	-	(22,677)
Recoveries from reinsurance	-	-	2,309	-	2,309
	(22,677)	-	2,309	-	(20,368)
Settled with assets of shared pool participants	126,656	-	(3,861)	(425)	122,370
Net closing balance – December 31, 2024	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

f. Travel & COVID 19

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
			HK\$ '000		
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	(2,239)	-	438	83	(1,718)

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
	-	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-

Cash flows

Premiums paid net of ceding commissions	(306)	-	-	-	(306)
Recoveries from reinsurance	-	-	-	-	-
	(306)	-	-	-	(306)
Settled with assets of shared pool participants	2,545	-	(438)	(83)	2,024
Net closing balance – December 31, 2024	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

g. Protection & Savings

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	ﷲ '000				
December 31, 2024 (Audited)					
Net opening balance – January 1, 2024	27,995	(2,180)	(58,284)	(3,795)	(36,264)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(88,845)	-	-	-	(88,845)
Incurred claims recovery	-	-	99,910	2,664	102,574
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(20,262)	(3,457)	(23,719)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(564)	-	-	(564)
Effect of changes in risk of reinsurers' non-performance	-	-	46	-	46
	(88,845)	(564)	79,694	(793)	(10,508)
Finance income from reinsurance contracts held	-	-	1,627	115	1,742
Total changes in the consolidated statement of income	(88,845)	(564)	81,321	(678)	(8,766)
Cash flows					
Premiums paid net of ceding commissions	(83,252)	-	-	-	(83,252)
Recoveries from reinsurance	-	-	95,618	-	95,618
	(83,252)	-	95,618	-	12,366
Net closing balance – December 31, 2024	33,588	(1,616)	(43,987)	(3,117)	(15,132)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

a. Medical

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	147,795	-	(229,573)	(5,690)	(87,468)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(159,614)	-	-	-	(159,614)
Incurred claims recovery	-	-	97,352	4,766	102,118
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,298	(2,690)	(392)
Income on initial recognition of onerous underlying contracts	-	901	-	-	901
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	249	-	249
	(159,614)	901	99,899	2,076	(56,738)
Finance income from reinsurance contracts held	-	-	3,993	286	4,279
Total changes in the consolidated statement of income	(159,614)	901	103,892	2,362	(52,459)
Cash flows					
Premiums paid net of ceding commissions	(464,468)	-	-	-	(464,468)
Recoveries from reinsurance	-	-	216,204	-	216,204
	(464,468)	-	216,204	-	(248,264)
Net closing balance – September 30, 2024	(157,059)	(901)	(117,261)	(8,052)	(283,273)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

b. Medical Umrah

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	-	-	-	-	-
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
	-	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-	-
Total changes in the consolidated statement of income	-	-	-	-	-
Cash flows					
Premiums paid net of ceding commissions	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-
	-	-	-	-	-
Net closing balance – September 30, 2024	-	-	-	-	-

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

c. Motor

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	10,917	-	(22,461)	(1,623)	(13,167)

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	(12,831)	-	-	-	(12,831)
Incurred claims recovery	-	-	(6)	(1)	(7)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,474	(559)	1,915
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	4	-	4
	(12,831)	-	2,472	(560)	(10,919)
Finance income from reinsurance contracts held	-	-	712	58	770
Total changes in the consolidated statement of income	(12,831)	-	3,184	(502)	(10,149)

Cash flows

Premiums paid net of ceding commissions	(19,750)	-	-	-	(19,750)
Recoveries from reinsurance	-	-	12,520	-	12,520
	(19,750)	-	12,520	-	(7,230)
Net closing balance – September 30, 2024	3,998	-	(13,125)	(1,121)	(10,248)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

d. Property & Casualty

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S/ '000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	(259,716)	(5,325)	(2,700,452)	(328,499)	(3,293,992)
Changes in the consolidated statement of income					
<i>Income (expenses) from reinsurance contracts held</i>					
Reinsurance expenses	(1,372,039)	-	-	-	(1,372,039)
Incurred claims recovery	-	-	860,779	83,912	944,691
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(521,675)	(78,672)	(600,347)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	(3,263)	-	-	(3,263)
Effect of changes in risk of reinsurers' non-performance	-	-	(631)	-	(631)
	(1,372,039)	(3,263)	338,473	5,240	(1,031,589)
Finance income from reinsurance contracts held	-	-	79,918	11,079	90,997
Total changes in the consolidated statement of income	(1,372,039)	(3,263)	418,391	16,319	(940,592)
Cash flows					
Premiums paid net of ceding commissions	(1,262,708)	-	-	-	(1,262,708)
Recoveries from reinsurance	-	-	915,153	-	915,153
	(1,262,708)	-	915,153	-	(347,555)
Net closing balance – September 30 2024	(150,385)	(2,062)	(2,203,690)	(344,818)	(2,700,955)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

e. General Accident - Hajj & Umrah

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S'000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	(104,219)	-	1,588	299	(102,332)

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	(242)	-	-	-	(242)
Incurred claims recovery	-	-	(789)	20	(769)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	797	(144)	653
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	7	-	7
	(242)	-	15	(124)	(351)
Finance income from reinsurance contracts held	-	-	26	4	30
Total changes in the consolidated statement of income	(242)	-	41	(120)	(321)

Cash flows

Premiums paid net of ceding commissions	(32,289)	-	-	-	(32,289)
Recoveries from reinsurance	-	-	2,343	-	2,343
	(32,289)	-	2,343	-	(29,946)
Net closing balance – September 30, 2024	(136,266)	-	3,890	419	(131,957)

THE COMPANY FOR COOPERATIVE INSURANCE

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

f. Travel & COVID 19

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	ﷲ '000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	(2,239)	-	438	83	(1,718)

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(1)	-	(1)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-
	-	-	(1)	-	(1)
Finance income from reinsurance contracts held	-	-	1	-	1
Total changes in the consolidated statement of income			-	-	-

Cash flows

Premiums paid net of ceding commissions	(104)	-	-	-	(104)
Recoveries from reinsurance	-	-	-	-	-
	(104)	-	-	-	(104)
Net closing balance – September 30, 2024	(2,343)	-	438	83	(1,822)

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8. INSURANCE AND REINSURANCE CONTRACTS (continued)

8.2.3 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

g. Protection & Savings

	Assets for remaining coverage		Assets recoverable on incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk Adjustment	
	S'000				
September 30, 2024 (Unaudited)					
Net opening balance – January 1, 2024	27,995	(2,180)	(58,284)	(3,795)	(36,264)

Changes in the consolidated statement of income

Income (expenses) from reinsurance contracts held

Reinsurance expenses	(69,111)	-	-	-	(69,111)
Incurred claims recovery	-	-	94,922	2,997	97,919
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(20,582)	(3,122)	(23,704)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(656)	-	-	(656)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-
Effect of changes in risk of reinsurers' non-performance	-	-	(51)	-	(51)
	(69,111)	(656)	74,289	(125)	4,397
Finance income from reinsurance contracts held	-	-	1,535	103	1,638
Total changes in the consolidated statement of income	(69,111)	(656)	75,824	(22)	6,035

Cash flows

Premiums paid net of ceding commissions	(79,390)	-	-	-	(79,390)
Recoveries from reinsurance	-	-	78,072	-	78,072
	(79,390)	-	78,072	-	(1,318)
Net closing balance – September 30, 2024	17,716	(1,524)	(56,036)	(3,773)	(43,617)

9. INTANGIBLE ASSETS

These include intangible assets capitalized during the period amounting to S' 239 million (December 31, 2024 S' 249 million , September 30, 2024 S' 48.5 million), primarily related to strategic projects such as ERP implementation.

10. STATUTORY DEPOSIT

In compliance with Article 58 of the Insurance Implementing Regulations of Insurance Authority, the Company has deposited 10 percent of its share capital, amounting to S' 150 million (December 31, 2024: S' 150 million) with an approved financial institution.

	September 30, 2025 (unaudited)	December 31, 2024 (Audited)
	S'000	
Statutory deposit	150,000	150,000
Less: Expected credit loss allowance	(23)	(23)
	149,977	149,977

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11. ZAKAT PAYABLE

Status of assessments

The Group has filed Zakat returns with the Zakat, Tax and Customs Authority (ZATCA) for the years from 2019 to 2024. Final assessment has been issued by ZATCA for the years 2019 and 2020, amounting to ﷲ 124 million. The Group has submitted an appeal against these assessments to ZATCA within the statutory deadline.

In addition, ZATCA has issued preliminary assessments for the years 2021 till 2023, which are currently under review and discussion with ZATCA. Final assessments for these years have not yet been issued. ZATCA has also commenced its initial review of the 2024 Zakat return.

Management believes that appropriate and adequate provisions have been created and that the finalization of the above-mentioned assessments is not expected to have a material impact on the interim condensed consolidated financial statements for the period ended September 30, 2025.

The movement in the zakat provision for the period was as follows:

	September 30, 2025 (unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
	ﷲ '000		
Opening balance	461,307	359,844	359,844
Provided during the period / year	103,875	122,989	93,095
Payments during the period / year	(102,077)	(21,526)	(21,526)
Closing balance	463,105	461,307	431,413

12. SHARE CAPITAL

The authorized, issued and paid-up capital of the Company is ﷲ 1.5 billion as at September 30, 2025 (December 31, 2024: ﷲ 1.5 billion) consisting of 150 million shares (December 31, 2024: 150 million shares) of ﷲ 10 each.

Shareholding structure of the Group is as below. The shareholders of the Group are subject to zakat.

	September 30, 2025 (Unaudited)		
	Authorized and issued	Paid up	
	No. of Shares	ﷲ '000	
Held by the public	111,212,078	1,112,121	1,112,121
General Organization for Social Insurance ("GOSI")	38,787,922	387,879	387,879
	150,000,000	1,500,000	1,500,000
	December 31, 2024 (Audited)		
	Authorized and issued	Paid up	
	No. of Shares	ﷲ '000	
Held by the public	111,212,078	1,112,121	1,112,121
General Organization for Social Insurance ("GOSI")	38,787,922	387,879	387,879
	150,000,000	1,500,000	1,500,000

The issued and paid-up capital have reduced by the amount of treasury shares repurchased in current and prior periods.

The Board of Directors in their meeting dated April 6, 2025, recommended to distribute 15% cash dividends at ﷲ 1.5 per share amounting to ﷲ 225 million which was approved by the General Assembly in their meeting dated May 27, 2025. The dividend has been paid during the period ended September 30, 2025.

During the year 2024, the Company has paid cash dividend of ﷲ 150 million which constitute ﷲ 1 per share as per the recommendation and approval of Board of Directors and shareholders of the Company.

13. STATUTORY RESERVE

In accordance with the Articles of Association of the Company and in compliance with Article 70(2)(g) of the Insurance Implementing Regulations issued by Insurance Authority (formerly Saudi Central Bank "SAMA"), the Company is required to allocate 20% of its net income for the year to the statutory reserve until it equals the value of share capital. This transfer is only made at the year end. The statutory reserve is not available for distribution to the shareholders until the liquidation of the Company.

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14. INSURANCE SERVICE EXPENSES

For the three months period ended September 30, 2025 (Unaudited)								
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID-19	Protection & Savings	Total
	S'000							
<i>Incurring claims and other directly attributable expenses</i>								
Incurring claims and other directly attributable expenses *	3,606,805	-	584,461	280,200	-	-	65,405	4,536,871
Risk adjustment due to incurred claims	(6,807)	-	(4,023)	(17,237)	-	-	2,056	(26,011)
Changes that relate to past service	(265,516)	-	(68,605)	(203,862)	-	-	4,997	(532,986)
Losses on onerous contracts and reversal of those losses	15,406	-	(16,134)	(800)	-	-	3,612	2,084
	3,349,888	-	495,699	58,301	-	-	76,070	3,979,958
Amortisation of insurance acquisition cash flows	314,087	-	88,721	47,610	-	-	7,461	457,879
	3,663,975	-	584,420	105,911	-	-	83,531	4,437,837

* These include other attributable expenses amounting to S'156 million.

For the three months period ended September 30, 2024 (Unaudited)								
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID-19	Protection & Savings	Total
	S'000							
<i>Incurring claims and other directly attributable expenses</i>								
Incurring claims and other directly attributable expenses *	3,031,901	683	609,690	383,461	-	-	32,210	4,057,945
Risk adjustment due to incurred claims	134,482	-	11,834	56,149	-	-	1,719	204,184
Changes that relate to past service	(261,215)	(497)	(53,960)	(419,568)	877	-	(10,805)	(745,168)
Losses on onerous contracts and reversal of those losses	6,012	-	18,242	(1,535)	-	-	1,077	23,796
	2,911,180	186	585,806	18,507	877	-	24,201	3,540,757
Amortisation of insurance acquisition cash flows	271,379	-	81,738	41,220	-	-	2,791	397,128
	3,182,559	186	667,544	59,727	877	-	26,992	3,937,885

* These include other attributable expenses amounting to S'171 million.

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14. INSURANCE SERVICE EXPENSES (continued)

	For the nine months period ended September 30, 2025 (Unaudited)							Total
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID-19	Protection & Savings	
	SAR '000							
<i>Incurring claims and other directly attributable expenses</i>								
Incurring claims and other directly attributable expenses *	10,193,226	-	1,713,224	873,774	-	-	129,094	12,909,318
Risk adjustment due to incurred claims	21,426	-	(6,895)	(26,042)	(400)	-	1,962	(9,949)
Changes that relate to past service	(628,299)	98	(140,727)	(553,673)	(1,978)	-	(15,917)	(1,340,496)
Losses on onerous contracts and reversal of those losses	19,250	-	(63,138)	(1,568)	-	-	1,310	(44,146)
	9,605,603	98	1,502,464	292,491	(2,378)		116,449	11,514,727
Amortisation of insurance acquisition cash flows	1,055,397	-	298,671	125,155	-	-	19,056	1,498,279
	10,661,000	98	1,801,135	417,646	(2,378)	-	135,505	13,013,006

* These include other attributable expenses amounting to SAR 451 million.

	For the nine months period ended September 30, 2024 (Unaudited)							Total
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID-19	Protection & Savings	
	SAR '000							
<i>Incurring claims and other directly attributable expenses</i>								
Incurring claims and other directly attributable expenses *	8,371,351	3,089	1,794,482	1,028,134	(356)	-	106,900	11,303,600
Risk adjustment due to incurred claims	186,510	9	13,531	90,443	120	-	3,266	293,879
Changes that relate to past service	(469,735)	(4,134)	(143,285)	(643,544)	(6,581)	-	(25,948)	(1,293,227)
Losses on onerous contracts and reversal of those losses	(90,347)	-	27,149	(4,430)	-	-	(300)	(67,928)
	7,997,779	(1,036)	1,691,877	470,603	(6,817)	-	83,918	10,236,324
Amortisation of insurance acquisition cash flows	829,048	8,354	310,733	113,329	1,944	-	7,240	1,270,648
	8,826,827	7,318	2,002,610	583,932	(4,873)	-	91,158	11,506,972

* These include other attributable expenses amounting to SAR 479 million.

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FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

15. NET (EXPENSES) / INCOME FROM REINSURANCE CONTRACTS HELD

For the three months period ended September 30, 2025 (Unaudited)								
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID- 19	Protection & Savings	Total
	S/000							
Allocation of reinsurance premiums	(49,054)	-	(3,988)	(634,756)	-	-	(37,321)	(725,119)
Amounts recoverable from reinsurers for incurred claims	18,866	-	(1,209)	22,418	-	-	59,184	99,259
	(30,188)	-	(5,197)	(612,338)	-	-	21,863	(625,860)
For the three months period ended September 30, 2024 (Unaudited)								
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID- 19	Protection & Savings	Total
	S/000							
Allocation of reinsurance premiums.	(61,624)	-	(6,219)	(490,802)	-	-	(26,078)	(584,723)
Amounts recoverable from reinsurers for incurred claims	47,575	-	(3,755)	(29,009)	926	-	20,763	36,500
	(14,049)	-	(9,974)	(519,811)	926	-	(5,315)	(548,223)
For the nine months period ended September 30, 2025 (Unaudited)								
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID- 19	Protection & Savings	Total
	S/000							
Allocation of reinsurance premiums	(173,133)	-	(11,762)	(1,684,304)	-	-	(94,178)	(1,963,377)
Amounts recoverable from reinsurers for incurred claims	57,954	-	(6,540)	158,854	(181)	-	88,620	298,707
	(115,179)	-	(18,302)	(1,525,450)	(181)	-	(5,558)	(1,664,670)
For the nine months period ended September 30, 2024 (Unaudited)								
	Medical	Medical - Umrah	Motor	Property & Casualty	General accidents - Hajj & Umrah	Travel & COVID- 19	Protection & Savings	Total
	S/000							
Allocation of reinsurance premiums	(159,614)	-	(12,831)	(1,372,039)	(242)	-	(69,111)	(1,613,837)
Amounts recoverable from reinsurers for incurred claims	102,876	-	1,912	340,450	(109)	(1)	73,508	518,636
	(56,738)	-	(10,919)	(1,031,589)	(351)	(1)	4,397	(1,095,201)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**(continued)****FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025****16. OTHER OPERATING EXPENSES**

	Three months period ended September 30, 2025 (Unaudited)	Three months period ended September 30, 2024 (Unaudited)	Nine months period ended September 30, 2025 (Unaudited)	Nine months period ended September 30, 2024 (Unaudited)
	ﷲ '000			
Salaries and benefits	102,773	48,746	266,385	129,718
Advertising	26,063	25,076	72,060	46,811
Professional services and licenses	25,157	21,200	58,677	41,433
Discount allowed	4,132	-	19,159	-
Training and education	5,572	5,084	10,990	18,113
Unrecoverable VAT*	-	-	47,720	-
Strategy expenses	19,716	21,097	33,014	49,714
Travel and transport	4,130	2,345	8,647	8,314
Provision for legal cases	15,860	-	17,015	-
Depreciation	8,657	6,357	23,225	11,334
Utilities and Others	34,644	30,371	37,740	52,495
	246,704	160,276	594,632	357,932

*During the period, ZATCA has finalized its review of the Group's VAT returns for the period from January 2021 to December 2022 and has issued a final assessment notice. Management believes that appropriate and adequate provisions have been recognized in these interim condensed consolidated financial statements. Consequently, the Group has filed an appeal against the VAT assessment, which is currently under ZATCA's review.

During the period ended March 31, 2025, the Group has presented "revenue from non-insurance services" of SAR 17.8 million gross of relevant expenses of SAR 15.6 million. During the period ended June 30, 2025, and onwards, the Group has opted to present year-to-date numbers of the "revenue from non-insurance services" net of relevant operating expenses.

17. ACCOUNTING FOR INSURANCE SHARED POOL ARRANGEMENTS**(i) Hajj and Umrah shared agreement:**

On January 01, 2020, the Company, together with 28 other insurance companies, signed the Umrah shared agreement relating to medical and general accidents insurance which was effective from January 01, 2020. Effective from March 30, 2022, the Company had also signed an Appendix "1" to an existing Umrah shared agreement with Ministry of Hajj and Umrah to include Hajj insurance product relating to general accidents insurance including Covid-19 coverage. The agreement relates to insurance of pilgrims who enter the Kingdom of Saudi Arabia.

The main terms of the agreement are as follows:

- The Company obtains 2% management fee of the net result of the Hajj and Umrah portfolio;
- The Company obtains 2.5% of Hajj and Umrah's gross premiums written to cover the related indirect expenses;
- The Company obtains 0.3% of investing portfolio funds;
- The Company pays 7.5% brokerage commission of Hajj and Umrah's gross premiums written through broker;
- The Company pays 10% of Hajj and Umrah's portfolio surplus to Ministry of Hajj and Umrah; and
- The net result of the Hajj and Umrah portfolio after deducting all the above-mentioned items is shared equally by the Company and other insurers.

The agreement ended on December 31, 2023, and thereafter above agreement has not been renewed between the Company and other insurance companies. The current agreement will be continued as run-off portfolio until all premiums are earned and all claims and related reserves are settled.

Effective January 1, 2024, the Company signed an agreement with Ministry of Hajj and Umrah, whereby the Company is responsible solely to provide insurance to foreign pilgrims including Medical & General Accidents benefits for Umrah visa holders and General Accidents benefits for Hajj visa holders. As a result, Medical – Umrah line of business is now presented under Medical line of business and General Accidents – Hajj & Umrah line of business is now presented under Property & Casualty line of business effective from 1 January 2024 (refer note 20).

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17. ACCOUNTING FOR INSURANCE SHARED POOL ARRANGEMENTS (continued)

(ii) Travel and COVID-19 shared agreement:

On April 6, 2021, the Company, together with 12 other insurance companies, signed the Travel and COVID-19 shared agreement relating to compulsory travel insurance in addition to coverages related to COVID-19 which is effective from April 6, 2021. The agreement relates to insurance of citizens traveling abroad.

The main terms of the agreement are as follows:

- The Company obtains 2.5% management fee of Travel and COVID-19 gross premiums written; and
- The Company obtains 30% of net result of Travel & COVID-19 portfolio after deducting the above-mentioned item and the remaining is shared equally with other insurers.

Effective from September 1, 2022, in accordance with the announcement of General Directorate of Passports (Jawazat), the Company has ceased to write Travel and COVID-19 insurance policies for the citizens traveling abroad. Consequently, Travel and COVID-19 portfolio will be continued as run-off and the related premiums, claims and reserves are settled in the year 2024 after obtaining necessary approvals from the relevant authorities.

(iii) Inherent Defects Insurance agreement (IDI):

On January 1, 2023, the Company signed the Inherent Defects Insurance (IDI pool) shared agreement relating to compulsory Inherent Defects insurance, mandated by Council of Ministers requiring all contractors involved in private sector construction project to obtain an IDI policy.

From June 24, 2025, the Company was designated by the Insurance Authority to act as the manager (pool leader) of the IDI pool for a period of three years which was previously managed by Malath Cooperative Insurance Company. The main terms of the agreement are as follows:

The main terms of the agreement are as follows:

- The Company's share of IDI pool was 25.63% till 31 December 2024 of the total share (excluding reinsurance).
- The Company's share of IDI pool is 40.73% effective 1 January 2025 of the total share (excluding reinsurance).
- The Company earns a management fee of 1.25% on the premium collected.
- IDI pool is 75.45% reinsured for which the Group has signed reinsurance agreement with Saudi Reinsurance Company for a period of three years.

The IDI pool's insurance and reinsurance results are included within Property and Casualty line of business as disclosed in Note 8.1(d) and 8.2(d).

Assets and liabilities held under fiduciary capacity

The Group acts as the pool leader for the IDI pool. In this capacity, the Group recognises its own share of premiums and claims in accordance with IFRS 17, and earns a pool management fee in accordance with IFRS 15.

Amounts managed on behalf of other pool participants are administered in a fiduciary capacity and are therefore not recognised in the interim condensed consolidated statement of financial position as at 30 September 2025. These balances remain off-balance sheet, as the Group acts solely as an agent.

Balances held in a fiduciary capacity include a designated bank account with a balance of SAR 467 million as at September 30, 2025. Further the Group's cash and bank balances also include an amount of SAR 380 million pertaining to IDI pool (note 4.4). This cash is not available for use by the Group, and the corresponding liability ("Due to IDI Pool") is presented within accrued expenses and other liabilities.

The Group has no right to pledge, invest, or otherwise use these fiduciary balances for its own benefit.

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18. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, government related entities, directors and key management personnel of the Group, and companies of which they are principal owners, and any other entities controlled, jointly controlled, or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Group's management and Board of Directors.

A government-related entity is an entity that is controlled, jointly controlled, or significantly influenced by a government. The Group's majority shareholder, GOSI, is fully owned by the Government of the Kingdom of Saudi Arabia. GOSI exercises significant influence over the Group. The shareholding of GOSI is disclosed in note 11 to the interim condensed consolidated financial statements. Transactions and balances with related parties and government related entities are listed below:

	Transactions for the three months period ended		Transactions for the nine months period ended	
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
	SAR '000			
<u>Shareholder with significant influence</u>				
Insurance premium written	12,681	11,853	180,586	11,853
Claims paid to medical services provider	13,145	18,047	57,811	37,776
<u>Government related entities</u>				
Insurance premium written	439,185	556,884	4,096,087	2,341,398
Claims paid	614,839	374,410	1,522,776	1,762,214
Reinsurance premium ceded	11,686	-	191,837	-
Claims and commission recovery	3,132	-	33,914	-
<u>Associates</u>				
Insurance premium written	4	1,431	15	1,503
Waseel fees paid	501	2,562	2,525	4,923
United Insurance Company B.S.C. fees and claims	1,220	3,491	4,729	7,167
Share of profit from associate	8,096	5,170	24,461	19,102
<u>Entities controlled, jointly controlled or significantly influenced by related parties *</u>				
Insurance premium written	1,166	404,733	132,745	539,530
Claims paid to medical services provider	1,840	768	5,030	1,703
Other services	-	81	-	670
Najm Fees	15,842	27,603	54,930	54,832
			Balance receivable / (payable) as at	
			September 30,	December 31,
			2025	2024
			(Unaudited)	(Audited)
			SAR '000	
<u>Shareholder with significant influence</u>				
Insurance premium written			2,857	8,204
<u>Government related entities</u>				
Insurance premium written			1,015,551	820,652
Claims payable			(642,619)	(6,328)
Reinsurance receivable			12,584	-
Reinsurance payable			79,027	-
Cash and cash equivalents			373,219	772,777
Contingencies and Commitments (Financial Guarantees obtained)			178,186	83,194
<u>Associates</u>				
Insurance premium written			15,680	15,689
Waseel Fee Paid			-	(8)
Investment in associate			124,524	116,497
<u>Entities controlled, jointly controlled by related parties *</u>				
Insurance premium written			(4,702)	79,941
Surplus payable to Najm			-	(52,171)
Fee payable to Najm			(17,441)	(53,077)

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18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

*There are certain entities which are classified as related parties due to an application of CMA Regulations. These represent entities where the Company has common directors with the other entities.

In accordance with the Company's Articles of Association, the Board of Directors is entitled each year to remuneration of up to 10% of the remaining profit from Shareholders' operations, as defined, based on a decision by the General Assembly.

Remuneration and compensation of Board of Directors (BOD) and Key Executives

The following table shows the salaries, remuneration, and allowances obtained by the Board members and key executives for the period ended September 30, 2025, and 2024:

	<i>For three months period ended</i>		<i>For nine months period ended</i>	
	September 30, 2025 (unaudited)	September 30, 2024 (unaudited)	September 30, 2025 (unaudited)	September 30, 2024 (unaudited)
	SAR '000			
<i>Salaries and compensation</i>	2,401	2,191	7,202	6,572
<i>Other allowances</i>	1,040	1,182	3,115	3,125
<i>End of services indemnities</i>	218	205	823	2,119
Total	3,659	3,578	11,140	11,816

Employee share scheme amounting to SAR 14 million (September 30, 2024: Nil) includes reserves for the key management personnel.

19. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

Determination of fair value and fair value hierarchy

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

- Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.
- 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.
- Level 3: valuation techniques for which any significant input is not based on observable market data.

The following table shows the carrying amount of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

	SAR '000			
<u>September 30, 2025 (Unaudited)</u>	Level 1	Level 2	Level 3	Total
Investments at FVPL	-	4,458,918	-	4,458,918
Unquoted private equities at FVOCI	-	-	65,096	65,096
	-	4,458,918	65,096	4,524,014

	SAR '000			
<u>December 31, 2024</u>	Level 1	Level 2	Level 3	Total
Investments at FVPL	-	2,084,298	-	2,084,298
Unquoted private equities at FVOCI	-	-	65,096	65,096
	-	2,084,298	65,096	2,149,394

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19. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

The fair value used for valuation of Level 2 investments are based on prices quoted on reliable and third-party sources including Reuters, Bloomberg, etc. Fair value of unquoted equities at FVOCI classified in Level 3 are determined based on the recent transaction price. There were no transfers in between levels during the period / year ended September 30, 2025, and December 31, 2024.

The fair values of cash and cash equivalents, term deposits, receivable from brokers / agents, other assets, accrued income on statutory deposit and statutory deposit in the interim condensed consolidated statement of financial position which are carried at amortised cost, are not significantly different from the carrying values included in the interim condensed consolidated financial statements due to the short-term nature of balances or they are repayable on demand.

The Group measures fair value including fair value gains and losses, realized gains and losses on disposal of investments and impairment on equities at the underlying asset level. However, the Shariah Notes are the basis of the unit of account for recognition as at the statement of financial position date.

September 30, 2025 (Unaudited)	ﷲ '000						Balance as at September 30, 2025
	Balance January 1	Purchases	Disposals	Statement of income	Total gain or loss recognised in Other comprehensive income		
Unquoted private equity investment	65,096	-	-	-	-	-	65,096

December 31, 2024 (Audited)	ﷲ '000						Balance as at December 31, 2024
	Balance January 1	Purchases	Disposals	Statement of income	Total gain or loss recognised in Other comprehensive income		
Unquoted private equity investment	37,630	-	-	-	27,466		65,096

September 30, 2024 (unaudited)	ﷲ '000						Balance as at September 30, 2024
	Balance January 1	Purchases	Disposals	Statement of income	Total gain or loss recognised in Other comprehensive income		
Unquoted private equity investment	37,630	-	-	-	410		38,040

The below table shows significant unobservable inputs used in the valuation of level 3 investments.

Description	Fair value		Unobservable inputs		Range of inputs		Relationship of unobservable inputs to FV
	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	
Private equity investment	65,096	65,096	-	-	+/- 30% (illiquidity discount)		-
			-	-	Annual growth rate 9.3% (Years from 2025 to 2030) (2024: 9.3%)		-
			-	-	Terminal growth rate 2.5% (2024: 2.5%)		-
			-	-	WACC 9.25% (2024:9.25%)		-
			-	-			-

THE COMPANY FOR COOPERATIVE INSURANCE**(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****(continued)****FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

19. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**Sensitivity analysis of Level 3 investments****September 30, 2025
(Unaudited)**

Private equity investment

Sensitivity factor

+/- 10% change in price

**Impact on fair value due to
increase in sensitivity factor****6,510****Impact on fair value due to
decrease in sensitivity factor****(6,510)****December 31, 2024
(Audited)**

Private equity investment

Sensitivity factor

+/- 10% change in price

**Impact on fair value due to
increase in sensitivity factor****6,510****Impact on fair value due to
decrease in sensitivity factor****(6,510)**

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FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

20. OPERATING SEGMENTS

Consistent with the Group's internal reporting process, operating segments have been approved by the management in respect of the Groups's activities, assets and liabilities. Information disclosed in the note is based on current reporting to the chief operating decision maker.

Segment assets do not include insurance operations' Property, equipment and right-of-use assets, net, intangible assets, investments, term deposits, prepaid expenses and other assets, accrued investment income and cash and cash equivalents. Accordingly, they are included in unallocated assets. Segment liabilities do not include insurance operations' defined benefits obligation, accrued expenses and other liabilities. Accordingly, they are included in unallocated liabilities.

These unallocated assets and liabilities (including depreciation on the Property, equipment and right-of-use assets, net) are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

a) Statement of income

	For the three months period ended September 30, 2025 (Unaudited)							
Operating Segments	Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Protection & Savings	Total - Insurance operations
	SAR '000							
Gross written premiums	3,635,832	-	644,193	750,332	-	-	60,500	5,090,857
Change in unearned premium reserves	291,027	-	(17,649)	110,319	-	-	(4,319)	379,378
Change in expected credit loss	42,998	-	(1,113)	(3,913)	-	-	(2,000)	35,972
IFRS 17 GMM adjustment	-	-	-	(100,841)	-	-	-	(100,841)
Insurance revenue	3,969,857	-	625,431	755,897	-	-	54,181	5,405,366
Insurance service expenses	(3,663,975)	-	(584,420)	(105,911)	-	-	(83,531)	(4,437,837)
Insurance service result before reinsurance contracts held	305,882	-	41,011	649,986	-	-	(29,350)	967,529
Allocation of reinsurance premiums	(49,054)	-	(3,988)	(634,756)	-	-	(37,321)	(725,119)
Amounts recoverable from reinsurers for incurred claims	18,866	-	(1,209)	22,418	-	-	59,184	99,259
Net expenses / (income) from reinsurance contracts held	(30,188)	-	(5,197)	(612,338)	-	-	21,863	(625,860)
Insurance service result	275,694	-	35,814	37,648	-	-	(7,487)	341,669
Net finance expenses from insurance contracts issued	(38,960)	-	(4,278)	(33,157)	-	-	(630)	(77,025)
Net finance income from reinsurance contracts held	1,992	-	50	26,209	-	-	503	28,754
Net insurance finance (expenses) / income	(36,968)	-	(4,228)	(6,948)	-	-	(127)	(48,271)
Other non-insurance items								
Revenue from non-insurance service								1,628
Commission Income								112,098
Dividend Income								1,556
Net fair value gains on financial assets at fair value through profit or loss								63,651
Share of profit from equity accounted investments, net								8,096
Expected credit loss allowance on financial assets								(28,213)
Other operating expenses								(246,704)
Other income, net								6,385
Net profit for the period before zakat								211,895

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20. OPERATING SEGMENTS (continued)

a) Statement of income (continued)

The details of gross written premiums are as follows:

For the three months period ended September 30, 2025 (Unaudited)							
Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Protection & Savings	Total - Insurance operations
SAR '000							
- Retail	162,237	-	497,811	33,484	-	3,551	697,083
- Micro Enterprises	65,258	-	16,852	30,485	-	-	112,595
- Small Enterprises	237,945	-	26,689	174,377	-	-	439,011
- Medium Enterprises	372,010	-	49,790	57,022	-	-	478,822
- Corporates	2,798,382	-	53,051	454,964	-	56,949	3,363,346
	3,635,832	-	644,193	750,332	-	60,500	5,090,857

* Gross written premiums relating to medical segment includes medical compulsory business amounting to SAR 3,488 million.

Gross written premiums should comprise the total premiums receivable for the whole period of cover provided by the contracts entered into during the accounting period, regardless of whether these are wholly due for payment in the accounting period, together with any adjustments arising in the accounting period to such premiums receivable in respect of business written in prior accounting periods. Gross written premiums are not defined in the International Financial Reporting Standard as endorsed in the Kingdom of Saudi Arabia.

** These are run-off portfolios. For details, please refer note 17.

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20. OPERATING SEGMENTS (continued)

a) Statement of income (continued)

For the three months period ended September 30, 2024 (Unaudited)

Operating Segments	Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Protection & Savings	Total - Insurance operations
	SAR '000							
Gross written premiums	2,714,297	-	651,998	667,500	-	-	37,665	4,071,460
Change in unearned premium reserves	580,749	1	33,751	(31,833)	1	-	(3,983)	578,686
Change in expected credit loss	46,503	-	2,567	(2,973)	-	-	-	46,097
Insurance revenue	3,341,549	1	688,316	632,694	1	-	33,682	4,696,243
Insurance service expenses	(3,182,559)	(186)	(667,544)	(59,727)	(877)	-	(26,992)	(3,937,885)
Insurance service result before reinsurance contracts held	158,990	(185)	20,772	572,967	(876)	-	6,690	758,358
Allocation of reinsurance premiums	(61,624)	-	(6,219)	(490,802)	-	-	(26,078)	(584,723)
Amounts recoverable from reinsurers for incurred claims	47,575	-	(3,755)	(29,009)	926	-	20,763	36,500
Net expenses / (income) from reinsurance contracts held	(14,049)	-	(9,974)	(519,811)	926	-	(5,315)	(548,223)
Insurance service result	144,941	(185)	10,798	53,156	50	-	1,375	210,135
Net finance expenses / (income) from insurance contracts issued	(41,430)	(55)	(8,041)	(54,283)	(51)	-	(1,221)	(105,081)
Net finance (income) / from reinsurance contracts held	3,203	-	460	50,714	10	1	1,111	55,499
Net insurance finance (expenses) / income	(38,227)	(55)	(7,581)	(3,569)	(41)	1	(110)	(49,582)
Commission income								158,797
Dividend Income								131
Net fair value losses on financial assets at fair value through profit or loss								2,672
Expected credit loss allowance on financial assets								29,682
Share of profit from equity accounted investments, net								5,170
Other operating expenses								(160,276)
Other income, net								28,651
Net profit for the period before zakat								<u>225,380</u>
The details of gross written premiums are as follows:								
- Retail	110,994	-	537,741	34,040	-	-	-	682,775
- Micro Enterprises	147,692	-	14,815	58,022	-	-	-	220,529
- Small Enterprises	292,508	-	22,674	74,306	-	-	-	389,488
- Medium Enterprises	244,647	-	31,398	112,001	-	-	-	388,046
- Corporates	1,918,456	-	45,370	389,131	-	-	37,665	2,390,622
	<u>2,714,297</u>	<u>-</u>	<u>651,998</u>	<u>667,500</u>	<u>-</u>	<u>-</u>	<u>37,665</u>	<u>4,071,460</u>

* Gross written premiums relating to medical segment includes medical compulsory business amounting to SAR 2,449 million.

** These are run-off portfolios. For details, please refer note 17.

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FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

20. OPERATING SEGMENTS (continued)

a) Statement of income (continued)

	For the nine months period ended September 30, 2025 (Unaudited)							
Operating Segments	Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Protection & Savings	Total - Insurance operations
	SAR '000							
Gross written premiums	12,553,168	-	1,932,837	2,546,334	-	-	147,118	17,179,457
Change in unearned premium reserves	(910,829)	-	(72,695)	(102,996)	-	-	(8,637)	(1,095,157)
Change in expected credit loss	15,422	-	(3,822)	(5,581)	-	-	(4,462)	1,557
IFRS 17 GMM adjustment	-	-	-	(333,130)	-	-	-	(333,130)
Insurance revenue	11,657,761	-	1,856,320	2,104,627	-	-	134,019	15,752,727
Insurance service expenses	(10,661,000)	(98)	(1,801,135)	(417,646)	2,378	-	(135,505)	(13,013,006)
Insurance service result before reinsurance contracts held	996,761	(98)	55,185	1,686,981	2,378	-	(1,486)	2,739,721
Allocation of reinsurance premiums	(173,133)	-	(11,762)	(1,684,304)	-	-	(94,178)	(1,963,377)
Amounts recoverable from reinsurers for incurred claims	57,954	-	(6,540)	158,854	(181)	-	88,620	298,707
Net expenses / (income) from reinsurance contracts held	(115,179)	-	(18,302)	(1,525,450)	(181)	-	(5,558)	(1,664,670)
Insurance service result	881,582	(98)	36,883	161,531	2,197	-	(7,044)	1,075,051
Net finance expenses from insurance contracts issued	(72,511)	-	(8,640)	(76,361)	(38)	-	(1,314)	(158,864)
Net finance income from reinsurance contracts held	4,445	-	188	63,031	2	-	1,127	68,793
Net insurance finance expenses	(68,066)	-	(8,452)	(13,330)	(36)	-	(187)	(90,071)
Other non-insurance items								
Revenue from non-insurance service								5,027
Commission Income								382,846
Dividend Income								3,080
Net fair value gains on financial assets at fair value through profit or loss								143,601
Share of profit from equity accounted investments, net								24,461
Expected credit loss allowance on financial assets								50,320
Other operating expenses								(594,632)
Other income, net								6,559
Net profit for the period before zakat								1,006,242

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20. OPERATING SEGMENTS (continued)
a) Statement of income (continued)

The details of gross written premiums are as follows:

For the nine months period ended September 30, 2025 (Unaudited)							
Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Protection & Savings	Total - Insurance operations
SAR '000							
- Retail	445,152	-	1,309,171	86,723	-	4,751	1,845,797
- Micro Enterprises	176,727	-	40,611	64,356	-	-	281,694
- Small Enterprises	683,546	-	53,729	437,111	-	-	1,174,386
- Medium Enterprises	1,089,967	-	101,182	189,267	-	-	1,380,416
- Corporates	10,157,776	-	428,144	1,768,877	-	142,367	12,497,164
	12,553,168	-	1,932,837	2,546,334	-	147,118	17,179,457

* Gross written premiums relating to medical segment includes medical compulsory business amounting to SAR 11,238 million.

** These are run-off portfolios. For details, please refer note 17.

	For the nine months period ended September 30, 2024 (Unaudited)							
Operating Segments	Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID-19**	Protection & Savings	Total - Insurance operations
	SAR '000							
Gross written premiums	10,082,868	17,459	1,908,746	2,266,912	6,027	-	81,534	14,363,546
Change in unearned premium reserves	(630,575)	84,756	228,112	(500,554)	29,253	-	5,783	(783,225)
Change in expected credit loss	50,560	-	4,155	(8,349)	-	-	-	46,366
Elimination of shared pool participants share and others	-	(98,282)	-	-	(33,973)	-	-	(132,255)
Insurance revenue	9,502,853	3,933	2,141,013	1,758,009	1,307	-	87,317	13,494,432
Insurance service expenses	(8,826,827)	(7,318)	(2,002,610)	(583,932)	4,873	-	(91,158)	(11,506,972)
Insurance service result before reinsurance contracts held	676,026	(3,385)	138,403	1,174,077	6,180	-	(3,841)	1,987,460
Allocation of reinsurance premiums	(159,614)	-	(12,831)	(1,372,039)	(242)	-	(69,111)	(1,613,837)
Amounts recoverable from reinsurers for incurred claims	102,876	-	1,912	340,450	(109)	(1)	73,508	518,636
Net expenses / (income) from reinsurance contracts held	(56,738)	-	(10,919)	(1,031,589)	(351)	(1)	4,397	(1,095,201)
Insurance service result	619,288	(3,385)	127,484	142,488	5,829	(1)	556	892,259
Net finance expenses / (income) from insurance contracts issued	(43,555)	1,361	(11,313)	(96,088)	(73)	-	(970)	(150,638)
Net finance (income) / from reinsurance contracts held	4,279	-	770	90,997	30	1	1,638	97,715
Net insurance finance (expenses) / income	(39,276)	1,361	(10,543)	(5,091)	(43)	1	668	(52,923)

20. OPERATING SEGMENTS (continued)

20. OPERATING SEGMENTS (continued)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

a) Statement of income (continued)

For the nine months period ended September 30, 2024 (Unaudited)							
Medical*	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Protection & Savings	Total - Insurance operations
S'000							
Commission income							436,497
Dividend Income							1,426
Net fair value losses on financial assets at fair value through profit or loss							35,374
Expected credit loss allowance on financial assets							(102,669)
Share of profit from equity accounted investments, net							19,102
Other operating expenses							(357,932)
Other income, net							76,023
Net profit for the period before zakat							947,157
The details of gross written premiums are as follows:							
- Retail	348,797	17,459	1,545,976	130,734	6,027	-	2,048,993
- Micro Enterprises	696,249	-	40,515	90,919	-	-	827,683
- Small Enterprises	1,009,045	-	48,656	472,596	-	-	1,530,297
- Medium Enterprises	827,301	-	77,779	218,509	-	-	1,123,589
- Corporates	7,201,476	-	195,820	1,354,154	-	81,534	8,832,984
	10,082,868	17,459	1,908,746	2,266,912	6,027	-	14,363,546

* Gross written premiums relating to medical segment includes medical compulsory business amounting to S'9,102 million

** These are run-off portfolios. For details, please refer note 17.

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FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

20. OPERATING SEGMENTS (continued)

b) Statement of financial position

As at September 30, 2025 (Unaudited)							
Operating Segments	Medical	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Total - Insurance operations
	SAR '000						
Assets							
Reinsurance contract assets	196,530	-	18,164	2,417,414	(179)	-	2,661,163
Total unallocated assets							18,640,374
Total assets							21,301,537
Liabilities							
Insurance contract liabilities	7,924,501	-	1,280,492	4,411,346	(599)	-	13,712,491
Unallocated liabilities							2,447,179
Total liabilities							16,159,670
As at December 31, 2024 (Audited)							
Operating Segments	Medical	Medical - Umrah**	Motor	Property & casualty	General accidents - Hajj & Umrah**	Travel & COVID- 19**	Total - Insurance operations
	SAR '000						
Assets							
Reinsurance contract assets	247,456	-	1,750	2,747,660	-	-	3,011,998
Total unallocated assets							17,983,703
Total assets							20,995,701
Liabilities							
Insurance contract liabilities	8,090,015	-	1,808,897	4,427,016	2,021	-	14,385,367
Unallocated liabilities							2,132,091
Total liabilities							16,517,458

** These are run-off portfolios. For details, please refer note 17.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued) FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

21. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND APPROACH

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders;
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders;
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- To align the profile of assets and liabilities, taking account of risks inherent in the business;
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders;
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group manages its capital to ensure that it can continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to shareholders comprising paid share capital, reserves and retained earnings.

As per guidelines laid out by Insurance Authority in Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law detailing the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Authority's Implementing Regulations:

- a) Minimum Capital Requirement of ~~SR~~ 300 million.
- b) Premium Solvency Margin.
- c) Claims Solvency Margin

Approach to capital management:

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The Group's approach to managing capital involves managing assets, liabilities, and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

22. CONTINGENCIES AND COMMITMENTS

As at September 30, 2025, the Group was contingently liable for letters of guarantees, issued on its behalf by the banks, amounting to ~~SR~~ 517 million (December 31, 2024: ~~SR~~ 422 million) occurring in the normal course of business.

The Company, in common with other insurers, is subject to litigation in the normal course of its business. Appropriate provisions have been made in relation to pending cases and management believes that finalization of these court cases is not expected to have a material impact on the interim condensed consolidated financial statements.

23. SUBSEQUENT EVENTS

Subsequent to the period end the Company utilized its financing arrangement with Gulf International Bank Saudi Arabia amounting to ~~SR~~ 600 million at a rate of 0.55% per annum over SIBOR for a period of 12 months. The Company transferred the cash amounting to ~~SR~~ 550 to subscribe the share capital of its subsidiary. Subsidiary has not yet been incorporated as at the date of signing these interim condensed consolidated financial statements,

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors on Jumada I 07, 1447H, corresponding to October 29, 2025G.