

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

**ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

To: The Shareholders of Arabia Insurance Cooperative Company
(A Saudi Joint Stock Company)

Introduction

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

Scope of Review

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

Conclusion

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

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May 11, 2026
(Dhul Qi'dah 24, 1447H)



ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026
All amounts expressed in Saudi Riyals

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	3	71,796,964	84,918,484
Insurance contract assets	10	84,061,474	55,311,424
Reinsurance contract assets	10	213,667,181	191,919,451
Prepaid expenses and other assets		68,817,203	74,108,257
Term deposits	4	389,255,090	444,465,287
Statutory deposit		53,000,000	53,000,000
Accrued income on statutory deposit		15,654,330	14,978,599
Investments	5	322,341,030	317,961,972
Right of use assets		4,516,645	4,405,992
Property and equipment		5,198,265	5,677,723
Intangible assets		7,312,537	7,786,560
TOTAL ASSETS		1,235,620,719	1,254,533,749
LIABILITIES			
Insurance contract liabilities	10	527,007,465	573,711,282
Reinsurance contract liabilities	10	48,910,749	20,571,728
Accrued income payable to insurance authority		15,657,308	14,979,239
Accrued expenses and other liabilities		55,911,167	43,072,877
Provision for zakat and income tax	8	8,571,943	8,071,943
Lease liabilities		3,540,467	3,606,315
Provision for end of service benefits		19,556,790	19,537,885
TOTAL LIABILITIES		679,155,889	683,551,269
EQUITY			
Share capital	11	530,000,000	530,000,000
Statutory reserve	12	6,029,521	6,029,521
Fair value reserve for investments	5	69,756,257	69,469,449
Remeasurement reserve for end of service benefits		(6,349,916)	(6,349,916)
Accumulated losses		(42,971,032)	(28,166,574)
TOTAL EQUITY		556,464,830	570,982,480
TOTAL LIABILITIES AND EQUITY		1,235,620,719	1,254,533,749


Chief Financial Officer


Chairman of the Board of Directors


Chief Executive Officer

The accompanying notes 1 to 19 form part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026
All amounts expressed in Saudi Riyals

	Note	For the three months period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
REVENUES			
Insurance revenue	10	246,809,694	171,472,735
Insurance service expenses	10	(244,141,090)	(127,927,714)
Insurance service result before reinsurance contracts held		2,668,604	43,545,021
Allocation of reinsurance premiums	10	(32,238,469)	(45,157,677)
Amounts recoverable from reinsurance	10	14,196,869	(336,802)
Net expenses from reinsurance contracts held		(18,041,600)	(45,494,479)
Insurance service result		(15,372,996)	(1,949,458)
Income from investment and deposits		8,747,960	9,221,693
Reversal of expected credit loss		1,952	735
Net investment income		8,749,912	9,222,428
Net finance expenses from insurance contracts issued	10	(1,936,678)	(7,924,268)
Net finance income from reinsurance contracts held	10	881,710	6,833,107
Net insurance finance expenses		(1,054,968)	(1,091,161)
Net insurance and investment result		(7,678,052)	6,181,809
Other (expense)/income		(125,394)	1,786,071
Other operating expenses (non-attributable)		(6,501,012)	(1,520,303)
Net (loss)/income for the period before zakat and income tax		(14,304,458)	6,447,577
Provision for zakat and income tax	8	(500,000)	(2,000,000)
Net (loss)/income for the period after zakat and income tax		(14,804,458)	4,447,577
Basic and diluted (loss)/earning per share	14	(0.28)	0.08



Chief Financial Officer



Chairman of the Board of Directors



Chief Executive Officer

The accompanying notes 1 to 19 form part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

All amounts expressed in Saudi Riyals

	Note	For the three months period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Net (loss)/income for the period after zakat and income tax		(14,804,458)	4,447,577
Other comprehensive income			
<i>Items that may be reclassified to statement of income in subsequent periods</i>			
Net changes in fair value of investments measured at FVOCI – debt instruments	5	211,634	159,346
<i>Items that will not be reclassified to statement of income in subsequent periods</i>			
Net changes in fair value of investments measured at FVOCI – equity instruments	5	75,174	2,485,304
Net comprehensive (loss)/income for the period		(14,517,650)	7,092,227

Chief Financial Officer

Chairman of the Board of Directors

Chief Executive Officer

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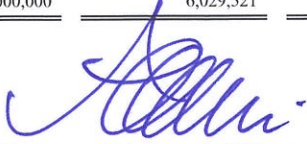
ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

All amounts expressed in Saudi Riyals

31 March 2026	Note	Share capital	Statutory Reserve	Fair value reserve for investments	Remeasurement reserve for end of service benefits	Accumulated losses	Total Equity
Balance at the beginning of the period (Audited)		530,000,000	6,029,521	69,469,449	(6,349,916)	(28,166,574)	570,982,480
Total comprehensive income for the period:							
Net loss for the period after zakat and income tax		-	-	-	-	(14,804,458)	(14,804,458)
Changes in fair values of investments	5	-	-	286,808	-	-	286,808
Net comprehensive loss for the period		-	-	286,808	-	(14,804,458)	(14,517,650)
Balance at the end of the period (Unaudited)		530,000,000	6,029,521	69,756,257	(6,349,916)	(42,971,032)	556,464,830

31 March 2025		Share capital	Statutory Reserve	Fair value reserve for investments	Remeasurement reserve for end of service benefits	(Accumulated losses)/ retained earnings	Total Equity
Balance at the beginning of the period (Audited)		530,000,000	6,029,521	59,558,241	(6,226,049)	15,576,247	604,937,960
Total comprehensive income for the period:							
Net income for the period after zakat and income tax		-	-	-	-	4,447,577	4,447,577
Changes in fair values of investments		-	-	2,644,650	-	-	2,644,650
Net comprehensive income for the period		-	-	2,644,650	-	4,447,577	7,092,227
Balance at the end of the period (Unaudited)		530,000,000	6,029,521	62,202,891	(6,226,049)	20,023,824	612,030,187


Chief Financial Officer


Chairman of the Board of Directors


Chief Executive Officer

The accompanying notes 1 to 19 form part of these unaudited interim condensed financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

All amounts expressed in Saudi Riyals

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Cash flows from operating activities		
Net (loss)/income for the period after zakat and income tax	(14,804,458)	4,447,577
Adjustments for non-cash items:		
Depreciation of property and equipment	567,019	566,048
Amortisation of intangible assets	778,283	727,085
Finance cost on lease obligations	50,535	76,109
Provision for end-of-service benefits	225,000	387,528
Depreciation of right-of-use assets	936,563	813,348
Provision for zakat and income tax	500,000	2,000,000
Change in investments at FVTPL	(1,093,430)	(1,781,561)
ECL on investments	1,180	7
Reversal of expected credit loss	(1,952)	(735)
	<u>(12,841,260)</u>	<u>7,235,406</u>
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	5,291,054	6,555,864
Accrued income on statutory deposit	2,338	663
Accrued expenses and other liabilities	12,838,290	12,333,507
Insurance contracts	(75,451,914)	5,315,730
Reinsurance contracts	6,591,291	21,213,470
	<u>(63,570,201)</u>	<u>52,654,640</u>
Cash (used in)/generated from operating activities	<u>(63,570,201)</u>	<u>52,654,640</u>
Zakat and income tax paid	-	-
Payment of defined benefit obligation	(206,095)	(1,603,768)
Net cash (used in)/generated from operating activities	<u>(63,776,296)</u>	<u>51,050,872</u>
Cash flows from investing activities		
Additions to property and equipment	(87,561)	(78,806)
Additions to intangible assets	(304,260)	-
Additions to investments	(3,000,000)	(40,000,000)
(Additions)/proceeds from term deposits	55,210,197	20,272,876
Net cash generated from/(used in) investing activities	<u>51,818,376</u>	<u>(19,805,930)</u>
Cash flows from financing activities		
Payment of lease liabilities	(1,163,600)	(1,053,150)
Net cash used in financing activities	<u>(1,163,600)</u>	<u>(1,053,150)</u>
Net change in cash and cash equivalents	<u>(13,121,520)</u>	<u>30,191,792</u>
Cash and cash equivalents at the beginning of the period	84,918,484	67,784,373
Cash and cash equivalents at the end of the period	<u>71,796,964</u>	<u>97,976,165</u>
Supplemental schedule of non-cash information		
Change in fair value reserve on investments - OCI	286,808	2,644,650


Chief Financial Officer


Chairman of the Board of Directors


Chief Executive Officer

The accompanying notes 1 to 19 form part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026
All amounts expressed in Saudi Riyals

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Arabia Insurance Cooperative Company (the "Company" or "AICC") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under the unified number 7001527667, and commercial registration number 1010243302 dated 18 Muharram 1429H (corresponding to 27 January 2008). The registered address of the Company is P.O. Box 28655, Riyadh 11323, Kingdom of Saudi Arabia.

The objectives of the Company is to transact cooperative insurance business and carry out related activities in the Kingdom of Saudi Arabia. Its principal activity includes all classes of general insurance, medical insurance, savings and protection. The Company was listed on the Saudi Stock Exchange (Tadawul) on 26 Muharram 1429H (corresponding to 4 February 2008). The Company started insurance and reinsurance operations on 4 Muharram 1430H (corresponding to 1 January 2009).

On 14 Jumada Thani 1435H (corresponding to 14 April 2014), the Saudi Central Bank (SAMA) issued official approval numbered 351000076885 to amend the licence issued to the Company number TMN/15/20086 to transact insurance and reinsurance activities to be restricted to insurance activities only.

The Extraordinary General Assembly approved amending the Company's Articles of Association on 12 January 2025 to comply with the new Companies Law. This was followed by the approval of the amended Articles of Association by the Ministry of Commerce on 19 January 2025.

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company, as at and for the three month periods ended 31 March 2026, have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements 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 Company's condensed interim statement of financial position is prepared under going concern basis, and not using current / non-current classification. However, except for property and equipment, statutory deposit, some components of investment in financial assets such as Sukuks carried at amortized cost, Investments at FVTPL, Investments at FVOCI, long-term deposits, right of use assets, lease liabilities, end-of-service indemnities and accrued commission income payable to Insurance Authority (IA), all other assets and liabilities are of short-term nature, unless, stated otherwise. As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and presents the financial information accordingly.

Assets, liabilities, revenues and expenses clearly attributable to either activity is recorded in the respective accounts. The basis of the allocation of expenses from joint operations is determined and approved by the management and the Board of Directors. The condensed interim statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 15 of these condensed interim financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations and is not required under International Financial Reporting Standards.

The Insurance Implementing Regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the condensed interim statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

(b) Basis of measurement

These condensed interim financial statements are prepared under the historical cost convention, except for the financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVOCI), 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. In preparing the Company-level condensed interim financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

c) Functional and presentation currency

These condensed interim financial statements have been presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company. All amounts have been rounded to the nearest Riyal.

(d) Seasonality of operations

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

All amounts expressed in Saudi Riyals

2. BASIS OF PREPARATION (continued)

e) Critical accounting judgments, estimates and assumptions

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended 31 December 2025.

Financial risk management objectives and policies are consistent with those disclosed in the Company's annual financial statements for the year ended 31 December 2025.

f) Material Accounting Policies

New standards, interpretations and amendments adopted by the Company

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, that are endorsed in the Kingdom of Saudi Arabia, which were effective from periods on or after 1 January 2026. The Company has assessed that the amendments have no impact on the Company's condensed interim financial statements.

Other new standards or amendments	Effective date
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Contracts referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7	1 January 2026

New Standards, interpretations and amendments not yet effective and not early adopted

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Company intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on the condensed interim financial information of the Company.

New amendments	Effective date
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027

The Company has assessed that the amendments have no impact on the Company's condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

All amounts expressed in Saudi Riyals

3. CASH AND CASH EQUIVALENTS

	31 March 2026 (Unaudited)		
	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
Cash in banks	35,552,495	1,313,219	36,865,714
Time deposits	30,000,000	4,931,250	34,931,250
	<u>65,552,495</u>	<u>6,244,469</u>	<u>71,796,964</u>

	31 December 2025 (Audited)		
	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
Cash in banks	58,227,771	1,294,713	59,522,484
Time deposits	10,000,000	15,396,000	25,396,000
	<u>68,227,771</u>	<u>16,690,713</u>	<u>84,918,484</u>

Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company. The average variable commission rate on term deposits at the end of the period is 4.70% per annum (31 December 2025: 5.06% per annum).

Current accounts and time deposits are placed with counterparties who have good investment grade credit ratings. The carrying amounts disclosed above reasonably approximate the fair value at the unaudited condensed interim statement of financial position date.

4. TERM DEPOSITS

Term deposits are placed with a maturity of more than three months from the date of original acquisition and earn special commission income at an average rate of 5.40% per annum (31 December 2025: 5.76% per annum).

Term deposits are deposited with other parties having good investment grade credit ratings. The carrying amount disclosed above approximates the fair value at the unaudited condensed interim statement of financial position date.

The management has conducted a review as required under IFRS 9 and based on such assessment, the management believes that there is no need for any significant expected credit loss against the carrying value of cash and cash equivalents.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026
All amounts expressed in Saudi Riyals

5. INVESTMENTS

Investments comprise of the following:

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at fair value	-	218,584,953	218,584,953	-	217,204,715	217,204,715
Debt instruments at amortized cost *	31,178,813	72,634,164	103,812,977	31,178,813	69,634,164	100,812,977
ECL provision	(919)	(55,981)	(56,900)	(923)	(54,797)	(55,720)
Total	31,177,894	291,163,136	322,341,030	31,177,890	286,784,082	317,961,972

* This item represents bonds which are stated in the condensed interim statement of financial position at amortized cost. The fair value of these investments as at 31 March 2026 amounted to SAR 103,734,088 (31 December 2025: SAR 99,346,904).

Details of investments at fair value are as follows:

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at FVTPL (a)	-	114,079,960	114,079,960	-	112,986,529	112,986,529
Investments at FVOCI (b)	-	104,504,993	104,504,993	-	104,218,186	104,218,186
Total	-	218,584,953	218,584,953	-	217,204,715	217,204,715

a) Investments at FVTPL comprise of the following:

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Mutual funds	-	44,405,641	44,405,641	-	43,733,229	43,733,229
- Discretionary portfolio	-	58,563,482	58,563,482	-	59,590,116	59,590,116
- Equity - Aramco	-	11,110,837	11,110,837	-	9,663,184	9,663,184
Total	-	114,079,960	114,079,960	-	112,986,529	112,986,529

b) Investments at FVOCI comprise of the following:

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Bonds/sukuk	-	28,979,034	28,979,034	-	28,767,401	28,767,401
- REIT	-	2,767,794	2,767,794	-	2,692,620	2,692,620
- Equity - Najm	-	72,758,165	72,758,165	-	72,758,165	72,758,165
Total	-	104,504,993	104,504,993	-	104,218,186	104,218,186

The movement in investments is as follows:

	Insurance Operations	
	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Beginning balance	31,177,890	33,976,879
Additions	-	-
Disposals	-	(2,798,438)
ECL (allowance)/reversal	4	(551)
Ending balance	31,177,894	31,177,890
	Shareholders' Operations	
	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Beginning balance	286,784,082	281,575,658
Additions	3,000,000	100,000,000
Disposals	-	(75,883,435)
Net additions and disposals	3,000,000	24,116,565
Change in investments at FVOCI	286,808	11,349,688
Change in investments at FVTPL	1,093,430	(30,256,305)
ECL allowance	(1,184)	(1,524)
Ending balance	291,163,136	286,784,082

**ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

All amounts expressed in Saudi Riyals

5. INVESTMENTS (CONTINUED)

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

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

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the financial information.

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

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

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

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

The following table shows the carrying amount and fair values of financial assets 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.

31 March 2026 (Unaudited)	Fair value			Total
	Level 1	Level 2	Level 3	
Investments at fair value through OCI/P&L				
Mutual funds	-	44,405,641	-	44,405,641
Discretionary portfolio	58,563,482	-	-	58,563,482
Bonds/sukuk	17,990,925	10,988,109	-	28,979,034
REIT	2,767,794	-	-	2,767,794
Equity - Najm	-	-	72,758,165	72,758,165
Equity - Aramco	11,110,837	-	-	11,110,837
Total	90,433,038	55,393,750	72,758,165	218,584,953

31 December 2025 (Audited)	Fair value			Total
	Level 1	Level 2	Level 3	
Investments at fair value through OCI/P&L				
Mutual funds	-	43,733,229	-	43,733,229
Discretionary portfolio	59,590,116	-	-	59,590,116
Bonds/sukuk	17,802,307	10,965,094	-	28,767,401
REIT	2,692,620	-	-	2,692,620
Equity - Najm	-	-	72,758,165	72,758,165
Equity - Aramco	9,663,184	-	-	9,663,184
Total	89,748,227	54,698,323	72,758,165	217,204,715

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6. COMMITMENTS AND CONTINGENCIES

a. Commitments and contingencies comprise of the following:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Letter of guarantee	800,000	800,000
Total	800,000	800,000

b. Litigations and lawsuits

- The Company operates in the insurance business and is vulnerable to lawsuits during its normal business cycle.
- While it is impractical to predict or know the final outcome of all lawsuits, management believes that these lawsuits (including the cases) will not have any material impact on the Company's results or its financial position.
- The Company does not have any material lawsuit on the date of the condensed interim financial statements.

7. RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties represent the main shareholders, directors, and senior management employees of the Company, the companies that they are their main owners, and any other companies that are subject to their control or are jointly controlled or have effective control over them. Pricing policies and terms of these transactions are approved by the Company's management and the Board of Directors. Details of major related party transactions and their balances are as follows:

Related party	Nature of transactions	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Board of Directors and the companies they represent	Gross premiums	816,891	970,382
	Claims paid	125,905	85,962
Arabia Insurance Company - Lebanon (shareholder)	Expenses paid by the Company for Arabia Insurance Company-Lebanon	590,755	11,500

The above transactions with the related parties resulted in the following receivable balances:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Arabia Insurance Company – Lebanon – Shareholder	1,237,505	646,750
Jordan Insurance Company – Shareholder	83,346	83,346
Board members and the companies they represent	779,069	323,846
Reinsurance balance due from Jordan Insurance Company	548,646	548,646

Compensation of key management personnel

The compensation of the key management personnel during the period were as follows:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Short-term benefits	1,453,882	1,418,304
End of service benefit	60,203	58,796
	1,514,085	1,477,100

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8. PROVISION FOR ZAKAT AND INCOME TAX

Zakat charge for the period

The zakat provision consists of the zakat charged during the period in the amount of SAR 500,000 (31 March 2025: SAR 1,500,000). The zakat provision is calculated on the Saudi shareholders' share of the capital at 68.25% (31 March 2025: 68.25%).

Income tax charge for the period

Income tax provision consists of income tax charged during the period in an amount of Zero Saudi Riyals (31 March 2025: SAR 500,000). Income tax is calculated on the share of capital by non-Saudi shareholders at a rate of 31.75% (31 March 2025: 31.75%).

Status of assessment

The Company submitted its tax and zakat returns to the Zakat, Tax and Customs Authority for all years up to the fiscal year ended 31 December 2025, and the zakat certificate for the year 2025 has been issued.

Zakat, Income Tax and Withholding Tax

The Company has finalized its Zakat, income tax, and withholding tax positions up to 2023. It is currently in the process of fulfilling the requirements of the Zakat and Income Tax examination for the year 2024.

Value Added Tax

The Company received, during the current period, a rejection from Zakat, Tax and Customs Authority of its objections to the reassessment of the value-added tax (VAT) returns submitted for the years 2021 and 2022. The Company has filed an appeal with the General Secretariat of Tax Committees in this regard. Additionally, the Company has finalized its VAT position for the year 2024 following the Authority's assessment, which resulted in tax differences amounting to SAR 7,488 for the year 2024, and the Company has settled these amounts.

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9. OPERATING SEGMENTS

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

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

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2025 with the exception of the impact of adopting IFRS 17 as previously discussed.

Segment assets do not include property and equipment, prepaid expenses and other assets, investments, time deposits, cash and cash equivalents, amounts due from a related party, statutory deposit, and investment returns from the statutory deposit, and thus they are included in the unallocated assets.

Segments liabilities do not include end-of-service benefits provision, payables and accrued expenses and other liabilities, other provisions, surplus payable distributions, actuarial loss for specific benefit plans, accrued zakat and income tax, and due statutory deposit investment returns and thus they are included in the unallocated liabilities.

General and administrative expenses, commission income were allocated as per IFRS 17 requirements.

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9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Financial Position

	31 March 2026 (Unaudited)						Total
	Motor	Medical	Engineering	Property	Marine	Others	
Assets							
Insurance contract assets	13,682,191	22,878,466	32,232,987	7,663,730	581,822	7,022,278	84,061,474
Reinsurance contract assets	13,365,763	1,640,460	68,614,436	76,134,550	7,007,724	46,904,248	213,667,181
Unallocated assets							937,892,064
Total	27,047,954	24,518,926	100,847,423	83,798,280	7,589,546	53,926,526	1,235,620,719
Liabilities							
Insurance contract liabilities	182,037,014	105,091,269	96,300,416	63,622,423	9,284,516	70,671,827	527,007,465
Reinsurance contract liabilities	-	-	33,493,815	10,897,673	637,397	3,881,864	48,910,749
Unallocated liabilities							103,237,675
Total	182,037,014	105,091,269	129,794,231	74,520,096	9,921,913	74,553,691	679,155,889
	31 December 2025 (Audited)						
	Motor	Medical	Engineering	Property	Marine	Others	Total
Assets							
Insurance contract assets	27,543,427	-	1,551,041	15,580,430	1,713,952	8,922,574	55,311,424
Reinsurance contract assets	11,107,836	2,132,358	42,516,903	93,644,162	5,177,465	37,340,727	191,919,451
Unallocated assets							1,007,302,874
Total	38,651,263	2,132,358	44,067,944	109,224,592	6,891,417	46,263,301	1,254,533,749
Liabilities							
Insurance contract liabilities	222,804,006	187,544,365	56,620,561	50,813,972	6,955,828	48,972,550	573,711,282
Reinsurance contract liabilities	-	-	802,908	13,607,858	1,020,378	5,140,584	20,571,728
Unallocated liabilities							89,268,259
Total	222,804,006	187,544,365	57,423,469	64,421,830	7,976,206	54,113,134	683,551,269

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9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Income

	Three months period ended 31 March 2026 (Unaudited)						Total
	Motor	Medical	Engineering	Property	Marine	Others	
REVENUES							
Insurance revenue	106,600,966	100,882,254	14,611,521	15,570,251	2,863,144	6,281,558	246,809,694
Insurance service expenses	(110,856,804)	(107,398,208)	(19,826,638)	(4,450,068)	(596,873)	(1,012,499)	(244,141,090)
Insurance service result before reinsurance contracts held	(4,255,838)	(6,515,954)	(5,215,117)	11,120,183	2,266,271	5,269,059	2,668,604
Allocation of reinsurance premiums	(752,250)	-	(12,024,367)	(12,773,349)	(2,071,874)	(4,616,629)	(32,238,469)
Amounts recoverable from reinsurance	1,178	8,226	13,552,292	262,277	371,039	1,857	14,196,869
Net (expenses)/income from reinsurance contracts held	(751,072)	8,226	1,527,925	(12,511,072)	(1,700,835)	(4,614,772)	(18,041,600)
Insurance service result	(5,006,910)	(6,507,728)	(3,687,192)	(1,390,889)	565,436	654,287	(15,372,996)
Income from investment and deposits							8,747,960
Reversal of expected credit loss							1,952
Net investment income							8,749,912
Net finance expenses from insurance contracts issued	(469,482)	(451,962)	(137,427)	(528,771)	(65,581)	(283,455)	(1,936,678)
Net finance income from reinsurance contracts held	-	-	108,472	506,040	49,370	217,828	881,710
Insurance finance result	(469,482)	(451,962)	(28,955)	(22,731)	(16,211)	(65,627)	(1,054,968)
Net insurance and investment result	(5,476,392)	(6,959,690)	(3,716,147)	(1,413,620)	549,225	588,660	(7,678,052)
Other income							(125,394)
Other operating expenses (non-attributable)							(6,501,012)
Net loss for the period before zakat and income tax							(14,304,458)
Provision for zakat and income tax							(500,000)
Net loss for the period after zakat and income tax							(14,804,458)

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9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Income

	Three months period ended 31 March 2025 (Unaudited)						Total
	Motor	Medical	Engineering	Property	Marine	Others	
REVENUES							
Insurance revenue	33,681,381	83,847,160	22,578,068	20,862,049	2,135,428	8,368,649	171,472,735
Insurance service expenses	(42,527,656)	(76,080,545)	(3,705,427)	(1,593,878)	(1,779,284)	(2,240,924)	(127,927,714)
Insurance service result before reinsurance contracts held	(8,846,275)	7,766,615	18,872,641	19,268,171	356,144	6,127,725	43,545,021
Allocation of reinsurance premiums	(346,750)	-	(19,437,536)	(17,918,874)	(1,301,826)	(6,152,691)	(45,157,677)
Amounts recoverable from reinsurance	5,850	45,366	1,822,488	(4,066,570)	1,094,910	761,154	(336,802)
Net (expenses)/income from reinsurance contracts held	(340,900)	45,366	(17,615,048)	(21,985,444)	(206,916)	(5,391,537)	(45,494,479)
Insurance service result	(9,187,175)	7,811,981	1,257,593	(2,717,273)	149,228	736,188	(1,949,458)
Income from investment and deposits							9,221,693
Reversal of expected credit loss							735
Net investment income							9,222,428
Net finance expenses from insurance contracts issued	(432,304)	(488,895)	(143,634)	(6,497,582)	(64,761)	(297,092)	(7,924,268)
Net finance income from reinsurance contracts held	-	-	98,556	6,457,861	49,244	227,446	6,833,107
Insurance finance result	(432,304)	(488,895)	(45,078)	(39,721)	(15,517)	(69,646)	(1,091,161)
Net insurance and investment result	(9,619,479)	7,323,086	1,212,515	(2,756,994)	133,711	666,542	6,181,809
Other income							1,786,071
Other operating expenses (non-attributable)							(1,520,303)
Net income for the period before zakat and income tax							6,447,577
Provision for zakat and income tax							(2,000,000)
Net income for the period after zakat and income tax							4,447,577

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

PAA, gross (Total)

	31 March 2026 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts - 1 January 2026					
Insurance contract assets	(55,311,424)	-	-	-	(55,311,424)
Insurance contract liabilities	322,699,373	7,807,475	212,703,472	10,961,559	554,171,879
Net insurance contract liabilities	267,387,949	7,807,475	212,703,472	10,961,559	498,860,455
<u>Changes in the statement of income and OCI:</u>					
Insurance revenue	(246,809,694)	-	-	-	(246,809,694)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	209,363,924	3,667,714	213,031,638
Insurance acquisition cash flows amortization	13,228,691	-	-	-	13,228,691
Losses/(reversals of losses) on onerous contracts	-	(7,251,961)	-	-	(7,251,961)
Changes that relate to past service - adjustments to the LIC	-	-	27,758,931	(2,626,209)	25,132,722
Insurance service expenses	13,228,691	(7,251,961)	237,122,855	1,041,505	244,141,090
Insurance service result	(233,581,003)	(7,251,961)	237,122,855	1,041,505	(2,668,604)
Finance expense from insurance contracts	-	-	1,828,698	107,980	1,936,678
Total changes in the statement of income and OCI	(233,581,003)	(7,251,961)	238,951,553	1,149,485	(731,926)
<u>Cash flows</u>					
Premiums received	163,929,351	-	-	-	163,929,351
Claims and other directly attributable expenses paid	-	-	(225,689,945)	-	(225,689,945)
Insurance acquisition cashflows paid	(12,961,347)	-	-	-	(12,961,347)
Total cash inflows / (outflows)	150,968,004	-	(225,689,945)	-	(74,721,941)
Net closing balance	184,774,950	555,514	225,965,080	12,111,044	423,406,588
Insurance contracts					
Insurance contract assets	(84,061,474)	-	-	-	(84,061,474)
Insurance contract liabilities	268,836,424	555,514	225,965,080	12,111,044	507,468,062
Net insurance contract liabilities - 31 March 2026	184,774,950	555,514	225,965,080	12,111,044	423,406,588

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (Continued)

PAA, gross (Total) (Continued)

	31 March 2026 (Unaudited)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding loss component	Loss component	PVCF, Contracts measured under PAA	Risk adjustment, Contracts measured under PAA	
Reinsurance contracts - 1 January 2026					
Reinsurance contract assets	33,578,153	-	142,267,004	5,087,382	180,932,539
Reinsurance contract liabilities	(20,571,728)	-	-	-	(20,571,728)
Net reinsurance contract assets	13,006,425	-	142,267,004	5,087,382	160,360,811
<u>Changes in the statement of income and OCI:</u>					
Amounts Allocated to Reinsurance	(32,238,469)	-	-	-	(32,238,469)
Incurred Claims Amounts Recoverable from Reinsurance	-	-	13,708,421	803,791	14,512,212
Changes that relate to past service: changes related to AIC	-	-	(239,966)	(75,377)	(315,343)
Net expenses from reinsurance contracts	-	-	13,468,455	728,414	14,196,869
Net income/(expenses) from reinsurance contracts held	(32,238,469)	-	13,468,455	728,414	(18,041,600)
Finance income from reinsurance contracts	-	-	832,874	48,836	881,710
Total changes in the statement of income and OCI	(32,238,469)	-	14,301,329	777,250	(17,159,890)
<u>Cash flows</u>					
Premiums ceded and acquisition cashflows received	35,333,407	-	-	-	35,333,407
Recoveries from reinsurance	-	-	(24,764,808)	-	(24,764,808)
Total cash inflows / (outflows)	35,333,407	-	(24,764,808)	-	10,568,599
Net closing balance	16,101,363	-	131,803,525	5,864,632	153,769,520
Insurance contracts					
Reinsurance contract assets	65,012,112	-	131,803,525	5,864,632	202,680,269
Reinsurance contract liabilities	(48,910,749)	-	-	-	(48,910,749)
Net reinsurance contract assets 31 March 2026	16,101,363	-	131,803,525	5,864,632	153,769,520

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

GMM (IDI)

	31 March 2026 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	LIC excluding risk adjustment	Risk adjustment for non-financial risk	Total
Insurance contracts - 1 January 2026	18,944,235	-	585,892	9,276	19,539,403
<u>Insurance revenue</u>					
Expected incurred claims and other service expenses	-	-	-	-	-
CSM recognized for service period	-	-	-	-	-
Total Insurance revenue	-	-	-	-	-
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	-	-	-
Experience adjustments	-	-	-	-	-
Insurance service expenses	-	-	-	-	-
Insurance service result	-	-	-	-	-
Finance Income from insurance contracts	-	-	-	-	-
Total changes in the statement of income and OCI	-	-	-	-	-
<u>Cashflows</u>					
Premiums received	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cashflows paid	-	-	-	-	-
Total cash inflows / (outflows)	-	-	-	-	-
Net closing balance	18,944,235	-	585,892	9,276	19,539,403

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

GMM (IDI)

	31 March 2026 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss recovery component	AIC excluding risk adjustment	Risk adjustment	
Reinsurance contracts - 1 January 2026	10,587,182	-	399,730	-	10,986,912
<i>Changes in the statement of income and OCI:</i>					
Amounts allocated to reinsurance and recoveries	-	-	-	-	-
Expected claim recoverable	-	-	-	-	-
Changes in risk adjustment	-	-	-	-	-
CSM recognized for the service period	-	-	-	-	-
Incurred claims	-	-	-	-	-
Experience adjustment	-	-	-	-	-
Net expenses from reinsurance contracts	-	-	-	-	-
Reinsurance service result	-	-	-	-	-
Finance income from reinsurance contracts	-	-	-	-	-
Total changes in the statement of income and OCI	-	-	-	-	-
<u>Cashflows</u>					-
Premiums ceded	-	-	-	-	-
Commission and management fee	-	-	-	-	-
Total cash inflows / (outflows)	-	-	-	-	-
Net closing balance	10,587,182	-	399,730	-	10,986,912

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

GMM (IDI)

	31 March 2026 (Unaudited)			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contracts - 1 January 2026	(12,621,605)	1,536,526	30,624,482	19,539,403
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to insurance service expenses	-	-	-	-
Other changes on current services	-	-	-	-
Incurred expenses	-	-	-	-
	-	-	-	-
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
	-	-	-	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
	-	-	-	-
Insurance service result				
Net finance income/(expense) from insurance contracts	-	-	-	-
Total changes in the statement of profit or loss and OCI	-	-	-	-
Cash flows				
Premiums received	-	-	-	-
Incurred claims paid	-	-	-	-
Insurance acquisition cash flows	-	-	-	-
	-	-	-	-
Net closing balance	(12,621,605)	1,536,526	30,624,482	19,539,403

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

GMM (IDI)

	31 March 2026 (Unaudited)			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts - 1 January 2026	(5,885,948)	991,164	15,881,696	10,986,912
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to reinsurance service expenses	-	-	-	-
Other changes on current services	-	-	-	-
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
Reinsurance service result				
Net finance income/(expense) from reinsurance contracts	-	-	-	-
Total changes in the statement of profit or loss and OCI				
Cash flows				
Ceded premium	-	-	-	-
Commission and management fee	-	-	-	-
Net closing balance	(5,885,948)	991,164	15,881,696	10,986,912

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (Continued)

PAA, gross (Total) (Continued)

	31 December 2025 (Audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts - 1 January 2025					
Insurance contract assets	(24,951,617)	-	-	-	(24,951,617)
Insurance contract liabilities	150,294,302	2,415,979	831,867,527	7,403,685	991,981,493
Net insurance contract liabilities	125,342,685	2,415,979	831,867,527	7,403,685	967,029,876
<u>Changes in the statement of income and OCI:</u>					
Insurance revenue	(850,776,035)	-	-	-	(850,776,035)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	682,020,792	5,868,333	687,889,125
Insurance acquisition cash flows amortization	44,138,263	-	-	-	44,138,263
Losses/(reversals of losses) on onerous contracts	-	5,391,496	-	-	5,391,496
Changes that relate to past service - adjustments to the LIC	-	-	(536,091,322)	(2,640,523)	(538,731,845)
Insurance service expenses	44,138,263	5,391,496	145,929,470	3,227,810	198,687,039
Insurance service result	(806,637,772)	5,391,496	145,929,470	3,227,810	(652,088,996)
Finance expense from insurance contracts	-	-	24,730,613	330,064	25,060,677
Total changes in the statement of income and OCI	(806,637,772)	5,391,496	170,660,083	3,557,874	(627,028,319)
<u>Cash flows</u>					
Premiums received	999,114,125	-	-	-	999,114,125
Claims and other directly attributable expenses paid	-	-	(789,824,138)	-	(789,824,138)
Insurance acquisition cashflows paid	(50,431,089)	-	-	-	(50,431,089)
Total cash inflows / (outflows)	948,683,036	-	(789,824,138)	-	158,858,898
Net closing balance	267,387,949	7,807,475	212,703,472	10,961,559	498,860,455
Insurance contracts					
Insurance contract assets	(55,311,424)	-	-	-	(55,311,424)
Insurance contract liabilities	322,699,373	7,807,475	212,703,472	10,961,559	554,171,879
Net insurance contract liabilities - 31 December 2025	267,387,949	7,807,475	212,703,472	10,961,559	498,860,455

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (Continued)

PAA, gross (Total) (Continued)

	31 December 2025 (Audited)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component	Loss component	PVCF, Contracts measured under PAA	Risk adjustment, Contracts measured under PAA	Total
Reinsurance contracts - 1 January 2025					
Reinsurance contract assets	45,165,375	-	735,455,569	2,153,747	782,774,691
Reinsurance contract liabilities	(26,956,711)	-	-	-	(26,956,711)
Net reinsurance contract assets	18,208,664	-	735,455,569	2,153,747	755,817,980
<u>Changes in the statement of income and OCI:</u>					
Amounts Allocated to Reinsurance	(191,312,015)	-	-	-	(191,312,015)
Incurred Claims Amounts Recoverable from Reinsurance	-	-	51,856,708	2,230,777	54,087,485
Changes that relate to past service: changes related to AIC	-	-	(530,701,687)	605,160	(530,096,527)
Net expenses from reinsurance contracts	-	-	(478,844,979)	2,835,937	(476,009,042)
Net income/(expenses) from reinsurance contracts held	(191,312,015)	-	(478,844,979)	2,835,937	(667,321,057)
Finance income from reinsurance contracts	-	-	21,140,897	97,698	21,238,595
Total changes in the statement of income and OCI	(191,312,015)	-	(457,704,082)	2,933,635	(646,082,462)
<u>Cash flows</u>					
Premiums ceded and acquisition cashflows paid	186,109,776	-	-	-	186,109,776
Recoveries from reinsurance	-	-	(135,484,483)	-	(135,484,483)
Total cash inflows / (outflows)	186,109,776	-	(135,484,483)	-	50,625,293
Net closing balance	13,006,425	-	142,267,004	5,087,382	160,360,811
Insurance contracts					
Reinsurance contract assets	33,578,153	-	142,267,004	5,087,382	180,932,539
Reinsurance contract liabilities	(20,571,728)	-	-	-	(20,571,728)
Net reinsurance contract assets 31 December 2025	13,006,425	-	142,267,004	5,087,382	160,360,811

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

GMM (IDI)

	31 December 2025 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	LIC excluding risk adjustment	Risk adjustment for non-financial risk	Total
Insurance contracts - 1 January 2025	9,571,121	-	380,849	-	9,951,970
<u>Insurance revenue</u>					
Expected incurred claims and other service expenses	(350,113)	-	-	-	(350,113)
CSM recognized for service period	3,895	-	-	-	3,895
Total Insurance revenue	(346,218)	-	-	-	(346,218)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	563,309	12,408	575,717
Experience adjustments	165	-	(122,973)	(3,576)	(126,384)
Insurance service expenses	165	-	440,336	8,832	449,333
Insurance service result	(346,053)	-	440,336	8,832	103,115
Finance Income from insurance contracts	645,290	-	(6,462)	444	639,272
Total changes in the statement of income and OCI	299,237	-	433,874	9,276	742,387
<u>Cashflows</u>					
Premiums received	9,140,204	-	-	-	9,140,204
Claims and other directly attributable expenses paid	-	-	(228,831)	-	(228,831)
Insurance acquisition cashflows paid	(66,327)	-	-	-	(66,327)
Total cash inflows / (outflows)	9,073,877	-	(228,831)	-	8,845,046
Net closing balance	18,944,235	-	585,892	9,276	19,539,403

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

GMM (IDI) (continued)

	31 December 2025 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss recovery component	AIC excluding risk adjustment	Risk adjustment	
Reinsurance contracts - 1 January 2025	6,555,427	-	(58,006)	-	6,497,421
<i>Changes in the statement of income and OCI:</i>					
Amounts allocated to reinsurance and recoveries	-	-	-	-	-
Expected claim recoverable	(301,241)	-	-	-	(301,241)
Changes in risk adjustment	(8,893)	-	-	-	(8,893)
CSM recognized for the service period	-	-	-	-	-
Incurred claims	-	-	255,860	-	255,860
Experience adjustment	(142,008)	-	-	-	(142,008)
Net expenses from reinsurance contracts	(452,142)	-	255,860	-	(196,282)
Reinsurance service result	(452,142)	-	255,860	-	(196,282)
Finance income from reinsurance contracts	267,189	-	(8,004)	-	259,185
Total changes in the statement of income and OCI	(184,953)	-	247,856	-	62,903
<u>Cashflows</u>					
Premiums ceded	5,723,659	-	-	-	5,723,659
Commission and management fee	(1,506,951)	-	209,880	-	(1,297,071)
Total cash inflows / (outflows)	4,216,708	-	209,880	-	4,426,588
Net closing balance	10,587,182	-	399,730	-	10,986,912

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)
GMM (IDI) (continued)

	31 December 2025 (Audited)			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contracts - 1 January 2025	(12,948,938)	1,039,239	21,861,669	9,951,970
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to insurance service expenses	-	-	-	-
Other changes on current services	-	-	-	-
Incurred expenses	222,968	(9,771)	4,060	217,257
	222,968	(9,771)	4,060	217,257
Changes that relate to future service				
Changes in estimates that adjust the CSM	(8,289,246)	443,220	7,846,026	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
	(8,289,246)	443,220	7,846,026	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	(122,974)	8,832	-	(114,142)
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
	(122,974)	8,832	-	(114,142)
Insurance service result	(8,189,252)	442,281	7,850,086	103,115
Net finance income/(expense) from insurance contracts	(328,461)	55,006	912,727	639,272
Total changes in the statement of profit or loss and OCI	(8,517,713)	497,287	8,762,813	742,387
Cash flows				
Premiums received	9,140,204	-	-	9,140,204
Incurred claims paid	(228,831)	-	-	(228,831)
Insurance acquisition cash flows	(66,327)	-	-	(66,327)
	8,845,046	-	-	8,845,046
Net closing balance	(12,621,605)	1,536,526	30,624,482	19,539,403

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)
GMM (IDI) (continued)

	31 December 2025 (Audited)			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts - 1 January 2025	(6,122,847)	616,943	12,003,325	6,497,421
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to reinsurance service expenses	68,532	(8,893)	(157,659)	(98,020)
Other changes on current services	-	-	-	-
	68,532	(8,893)	(157,659)	(98,020)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	(4,085,961)	338,127	3,747,834	-
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
	(4,085,961)	338,127	3,747,834	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	(110,960)	-	-	(110,960)
Experience adjustment - arising from premiums received in the period that relate to past service	12,698	-	-	12,698
	(98,262)	-	-	(98,262)
Reinsurance service result	(4,115,691)	329,234	3,590,175	(196,282)
Net finance income/(expense) from reinsurance contracts	(73,998)	44,987	288,196	259,185
Total changes in the statement of profit or loss and OCI	(4,189,689)	374,221	3,878,371	62,903
Cash flows				
Ceded premium	5,723,659	-	-	5,723,659
Commission and management fee	(1,297,071)	-	-	(1,297,071)
	4,426,588	-	-	4,426,588
Net closing balance	(5,885,948)	991,164	15,881,696	10,986,912

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11. SHARE CAPITAL

The authorized, subscribed and paid up share capital of the Company is SAR 530 million, divided into 53 million shares at nominal value of SAR 10 each. (As at 31 December 2025, paid up share capital of the Company is SAR 530 million, divided into 53 million shares at nominal value of SAR 10 each).

12. 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 "IA", 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.

13. CAPITAL MANAGEMENT

Objectives are set by the Company to maintain good capital ratios in order to support its business objectives and increase shareholder value.

The Company manages its capital requirements by assessing deficiencies between the authorized and required levels of capital on a regular basis.

Adjustments are made to current capital levels in light of changes in market conditions and the risk characteristics of the Company's activities. To maintain or adjust capital, the Company may adjust dividends paid to shareholders or issue shares.

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

14. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share for the three month periods ended 31 March 2026 and 2025 have been calculated by dividing the net income attributable to shareholders for the period by the average number of ordinary shares authorized and issued during the period amounting to 53 million shares.

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15. SUPPLEMENTARY INFORMATION

- Condensed Interim Statement of Financial Position

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
ASSETS						
Cash and cash equivalents	65,552,495	6,244,469	71,796,964	68,227,771	16,690,713	84,918,484
Insurance contract assets	84,061,474	-	84,061,474	55,311,424	-	55,311,424
Reinsurance contract assets	213,667,181	-	213,667,181	191,919,451	-	191,919,451
Prepaid expenses and other assets	64,561,555	4,255,648	68,817,203	66,488,610	7,619,647	74,108,257
Term deposits	107,585,930	281,669,160	389,255,090	162,799,456	281,665,831	444,465,287
Statutory deposit	-	53,000,000	53,000,000	-	53,000,000	53,000,000
Accrued income on statutory deposit	-	15,654,330	15,654,330	-	14,978,599	14,978,599
Investments	31,177,894	291,163,136	322,341,030	31,177,890	286,784,082	317,961,972
Due from insurance operations/shareholders' operations	64,632,132	-	64,632,132	59,301,761	-	59,301,761
Right of use assets	4,516,645	-	4,516,645	4,405,992	-	4,405,992
Property and equipment	5,198,265	-	5,198,265	5,677,723	-	5,677,723
Intangible assets	7,312,537	-	7,312,537	7,786,560	-	7,786,560
TOTAL ASSETS	648,266,108	651,986,743	1,300,252,851	653,096,638	660,738,872	1,313,835,510
LIABILITIES						
Insurance contract liabilities	527,007,465	-	527,007,465	573,711,282	-	573,711,282
Reinsurance contract liabilities	48,910,749	-	48,910,749	20,571,728	-	20,571,728
Accrued income payable to insurance authority	-	15,657,308	15,657,308	-	14,979,239	14,979,239
Accrued expenses and other liabilities	55,600,553	310,614	55,911,167	42,019,344	1,053,533	43,072,877
Provision for zakat and income tax	-	8,571,943	8,571,943	-	8,071,943	8,071,943
Lease liabilities	3,540,467	-	3,540,467	3,606,315	-	3,606,315
Due to shareholders' operations/insurance operations	-	64,632,132	64,632,132	-	59,301,761	59,301,761
Provision for end of service benefits	19,556,790	-	19,556,790	19,537,885	-	19,537,885
TOTAL LIABILITIES	654,616,024	89,171,997	743,788,021	659,446,554	83,406,476	742,853,030
EQUITY						
Share capital	-	530,000,000	530,000,000	-	530,000,000	530,000,000
Statutory reserve	-	6,029,521	6,029,521	-	6,029,521	6,029,521
Fair value reserve for investments	-	69,756,257	69,756,257	-	69,469,449	69,469,449
Remeasurement reserve for end of service benefits	(6,349,916)	-	(6,349,916)	(6,349,916)	-	(6,349,916)
Accumulated losses	-	(42,971,032)	(42,971,032)	-	(28,166,574)	(28,166,574)
TOTAL EQUITY	(6,349,916)	562,814,746	556,464,830	(6,349,916)	577,332,396	570,982,480
TOTAL LIABILITIES AND EQUITY	648,266,108	651,986,743	1,300,252,851	653,096,638	660,738,872	1,313,835,510

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15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Income

	For the three months period ended					
	31 March 2026 (Unaudited)			31 March 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
REVENUES						
Insurance revenue	246,809,694	-	246,809,694	171,472,735	-	171,472,735
Insurance service expenses	(244,141,090)	-	(244,141,090)	(127,927,714)	-	(127,927,714)
Insurance service result before reinsurance contracts held	2,668,604	-	2,668,604	43,545,021	-	43,545,021
Allocation of reinsurance premiums	(32,238,469)	-	(32,238,469)	(45,157,677)	-	(45,157,677)
Amounts recoverable from reinsurance	14,196,869	-	14,196,869	(336,802)	-	(336,802)
Net expenses from reinsurance contracts held	(18,041,600)	-	(18,041,600)	(45,494,479)	-	(45,494,479)
Insurance service result	(15,372,996)	-	(15,372,996)	(1,949,458)	-	(1,949,458)
Income from investment and deposits	2,945,690	5,802,270	8,747,960	2,490,737	6,730,956	9,221,693
Reversal of expected credit loss	5,640	(3,688)	1,952	510	225	735
Net investment income	2,951,330	5,798,582	8,749,912	2,491,247	6,731,181	9,222,428
Net finance expenses from insurance contracts issued	(1,936,678)	-	(1,936,678)	(7,924,268)	-	(7,924,268)
Net finance income from reinsurance contracts held	881,710	-	881,710	6,833,107	-	6,833,107
Net insurance finance expenses	(1,054,968)	-	(1,054,968)	(1,091,161)	-	(1,091,161)
Net insurance and investment result	(13,476,634)	5,798,582	(7,678,052)	(549,372)	6,731,181	6,181,809
Other (expense)/income	(125,394)	-	(125,394)	1,786,071	-	1,786,071
Other operating expenses (non-attributable)	(4,897,948)	(1,603,064)	(6,501,012)	(1,359,818)	(160,485)	(1,520,303)
Net (loss)/income for the period before zakat & income tax	(18,499,976)	4,195,518	(14,304,458)	(123,119)	6,570,696	6,447,577
Provision for zakat & income tax	-	(500,000)	(500,000)	-	(2,000,000)	(2,000,000)
Net (loss)/income for the period after zakat & income tax	(18,499,976)	3,695,518	(14,804,458)	(123,119)	4,570,696	4,447,577

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15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Comprehensive Income

	For the three months period ended					
	31 March 2026 (Unaudited)			31 March 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
Net (loss)/income for the period after zakat and income tax	-	(14,804,458)	(14,804,458)	-	4,447,577	4,447,577
Other comprehensive income						
<i>Items that may be reclassified to statement of income in subsequent periods</i>						
Net changes in fair value of investments measured at FVOCI – debt instruments	-	211,634	211,634	-	159,346	159,346
<i>Items that will not be reclassified to statement of income in subsequent periods</i>						
Net changes in fair value of investments measured at FVOCI – equity instruments	-	75,174	75,174	-	2,485,304	2,485,304
Net comprehensive (loss)/income for the period	-	(14,517,650)	(14,517,650)	-	7,092,227	7,092,227

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15. SUPPLEMENTARY INFORMATION (Continued)

Unaudited Condensed Interim Statement of Cash Flows	For the three months period ended					
	31 March 2026 (Unaudited)			31 March 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
<u>Cash Flow From Operating Activities</u>						
Net (loss)/income for the period after zakat and income tax	(18,499,976)	3,695,518	(14,804,458)	(123,119)	4,570,696	4,447,577
Adjustments For Non-Cash Items:						
Depreciation of property and equipment	567,019	-	567,019	566,048	-	566,048
Amortisation of intangible assets	778,283	-	778,283	727,085	-	727,085
Finance cost on lease obligations	50,535	-	50,535	76,109	-	76,109
Provision for end-of-service benefits	225,000	-	225,000	387,528	-	387,528
Depreciation of Right-of-use assets	936,563	-	936,563	813,348	-	813,348
Provision for zakat and income tax	-	500,000	500,000	-	2,000,000	2,000,000
Change in investments at FVTPL	-	(1,093,430)	(1,093,430)	-	(1,781,561)	(1,781,561)
ECL on investments	(4)	1,184	1,180	(25)	32	7
Reversal of expected credit loss	(1,952)	-	(1,952)	(735)	-	(735)
	(15,944,532)	3,103,272	(12,841,260)	2,446,239	4,789,167	7,235,406
<u>Changes In Operating Assets And Liabilities:</u>						
Prepaid Expenses And Other Assets	1,927,055	3,363,999	5,291,054	9,449,002	(2,893,138)	6,555,864
Accrued Income On Statutory Deposit	-	2,338	2,338	-	663	663
Accrued Expenses And Other Liabilities	13,581,209	(742,919)	12,838,290	12,424,500	(90,993)	12,333,507
Insurance Contracts	(75,451,914)	-	(75,451,914)	5,315,730	-	5,315,730
Reinsurance Contracts	6,591,291	-	6,591,291	21,213,470	-	21,213,470
Cash (used in)/generated from operating Activities	(69,296,891)	5,726,690	(63,570,201)	50,848,941	1,805,699	52,654,640
Zakat And income tax paid	-	-	-	-	-	-
Payment of defined benefit obligation	-	(206,095)	(206,095)	-	(1,603,768)	(1,603,768)
Net cash (used in)/generated from operating activities	(69,296,891)	5,520,595	(63,776,296)	50,848,941	201,931	51,050,872
<u>Cash flow from investing activities</u>						
Additions to property and equipment	(87,561)	-	(87,561)	(78,806)	-	(78,806)
Additions to intangible assets	(304,260)	-	(304,260)	-	-	-
Additions to investments	-	(3,000,000)	(3,000,000)	-	(40,000,000)	(40,000,000)
(Additions)/proceeds from term deposits	55,213,526	(3,329)	55,210,197	(278,909)	20,551,785	20,272,876
Net cash generated from/(used in) investing activities	54,821,705	(3,003,329)	51,818,376	(357,715)	(19,448,215)	(19,805,930)
<u>Cash flow from Financing activities</u>						
Payment of lease liabilities	(1,163,600)	-	(1,163,600)	(1,053,150)	-	(1,053,150)
Due from/(to) shareholders /insurance operations	12,963,510	(12,963,510)	-	(41,596,432)	41,596,432	-
Net cash (used in)/generated from financing activities	11,799,910	(12,963,510)	(1,163,600)	(42,649,582)	41,596,432	(1,053,150)
Net change in cash and cash equivalents	(2,675,276)	(10,446,244)	(13,121,520)	7,841,644	22,350,148	30,191,792
Cash and cash equivalents at the beginning of the period	68,227,771	16,690,713	84,918,484	47,034,847	20,749,526	67,784,373
Cash and cash equivalents at the end of the period	65,552,495	6,244,469	71,796,964	54,876,491	43,099,674	97,976,165
Supplemental schedule of non-cash information						
Change in fair value reserve on investments - OCI	-	286,808	286,808	-	2,132,475	2,132,475

**ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

All amounts expressed in Saudi Riyals

16. PREMIUMS WRITTEN BY TYPE OF CUSTOMERS

	For the three-months period ended 31 March 2026 (Unaudited)				
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	12,483,524	56,730,267	117,308	-	69,331,099
Very small size entities	48,554,125	49,074	323,980	-	48,927,179
Small size entities	10,972,339	588,920	828,190	19,230	12,408,679
Medium size entities	7,589,828	14,486,311	56,738,559	467,524	79,282,222
Large size entities	8,265,435	16,160,912	52,613,694	-	77,040,041
Total	87,865,251	88,015,484	110,621,731	486,754	286,989,220

	For the three-months period ended 31 March 2025 (Unaudited)				
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	10,486,738	62,348,671	243,622	-	73,079,031
Very small size entities	55,842,534	828,489	1,058,765	-	57,729,788
Small size entities	9,793,099	1,630,161	4,740,486	39,162	16,202,908
Medium size entities	2,553,636	38,734,411	14,398,165	554,699	56,240,911
Large size entities	8,334,294	21,098,433	72,571,003	-	102,003,730
Total	87,010,301	124,640,165	93,012,041	593,861	305,256,368

17. COMPARATIVE FIGURES

Some figures for the prior period have been reclassified to conform with the presentation of the current period. However, the reclassification did not have a material impact on the overall presentation of the condensed interim financial statements.

18. EVENTS AFTER THE REPORTING PERIOD

There have been no subsequent events after 31 March 2026 and up to the date of approval of these unaudited condensed interim financial statements that would have a material impact on the financial statements as of 31 March 2026.

19. APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements have been approved by the Board of Directors on 4 May 2026 corresponding to 17 Dhual-Qa'dah 1447H.