

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

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

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026**

INDEX	PAGES
Independent auditors' review report	1
Unaudited condensed interim statement of financial position	2
Unaudited condensed interim statement of income	3
Unaudited condensed interim statement of comprehensive income	4
Unaudited condensed interim statement of changes in equity	5
Unaudited condensed interim statement of cash flows	6
Notes to the unaudited condensed interim financial statements	7-40

**MOORE**

El Sayed El Ayouty & Co.
Certified Public Accountants



PKF Al Bassam
Chartered Accountants

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 June 30, 2026, and the related condensed interim statements of income and comprehensive income for the three-month and six-month periods then ended and the related condensed interim statements of changes in equity and cash flows for the six-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.

For El Sayed El Ayouty & Co

Certified Public Accountants
P.O. Box 780
Jeddah 21421
Kingdom of Saudi Arabia

A. Balamesh

Abdullah Ahmed Balamesh
Certified Public Accountant
License No. 345

For PKF Al Bassam

Chartered Accountants
P.O. Box 69558
Riyadh 11557
Kingdom of Saudi Arabia

For PKF Al Bassam
For PKF Al Bassam
Certified Public Accountant
License No. 337

August 09, 2026
(Safar 26, 1448H)



ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
All amounts expressed in Saudi Riyals

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	3	115,860,589	84,918,484
Insurance contract assets	10	55,646,110	55,311,424
Reinsurance contract assets	10	200,466,446	191,919,451
Prepaid expenses and other assets		37,783,719	74,108,257
Term deposits	4	314,244,462	444,465,287
Statutory deposit		53,000,000	53,000,000
Accrued income on statutory deposit		16,283,278	14,978,599
Investments	5	311,810,116	317,961,972
Right of use assets		3,551,365	4,405,992
Property and equipment		5,741,176	5,677,723
Intangible assets		6,893,985	7,786,560
TOTAL ASSETS		1,121,281,246	1,254,533,749
LIABILITIES			
Insurance contract liabilities	10	451,772,788	573,711,282
Reinsurance contract liabilities	10	26,648,673	20,571,728
Accrued income payable to insurance authority		16,286,977	14,979,239
Accrued expenses and other liabilities		55,864,181	43,072,877
Provision for zakat and income tax	8	3,651,909	8,071,943
Lease liabilities		2,644,048	3,606,315
Provision for end of service benefits		19,748,035	19,537,885
TOTAL LIABILITIES		576,616,611	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	69,892,863	69,469,449
Remeasurement reserve for end of service benefits		(6,349,916)	(6,349,916)
Accumulated losses		(54,907,833)	(28,166,574)
TOTAL EQUITY		544,664,635	570,982,480
TOTAL LIABILITIES AND EQUITY		1,121,281,246	1,254,533,749



Chief Financial Officer



Authorized Board Member



Chief Executive Officer

The accompanying notes 1 to 19 form an integral 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 AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

		For the three months period ended		For the six months period ended	
	Note	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
REVENUES					
Insurance revenue	10	239,210,185	197,763,838	486,019,879	369,236,573
Insurance service expenses	10	(205,620,486)	(155,193,098)	(449,761,576)	(283,120,812)
Insurance service result before reinsurance contracts held		33,589,699	42,570,740	36,258,303	86,115,761
Allocation of reinsurance premiums	10	(31,677,969)	(47,958,267)	(63,916,438)	(93,115,944)
Amounts recoverable from reinsurance	10	(8,218,307)	7,350,259	5,978,562	7,013,457
Net expenses from reinsurance contracts held		(39,896,276)	(40,608,008)	(57,937,876)	(86,102,487)
Insurance service result		(6,306,577)	1,962,732	(21,679,573)	13,274
Income from investment and deposits		2,573,792	10,161,246	11,321,752	19,382,939
Reversal/(charge) of expected credit loss		119	(3,311)	2,071	(2,576)
Net investment income		2,573,911	10,157,935	11,323,823	19,380,363
Net finance expenses from insurance contracts issued	10	(2,262,249)	(8,149,008)	(4,198,927)	(16,073,276)
Net finance income from reinsurance contracts held	10	1,078,907	7,124,668	1,960,617	13,957,775
Net insurance finance expenses		(1,183,342)	(1,024,340)	(2,238,310)	(2,115,501)
Net insurance and investment result		(4,916,008)	11,096,327	(12,594,060)	17,278,136
Other income		125,394	1,708	-	1,787,779
Other operating expenses (non-attributable)		(5,396,187)	(4,471,142)	(11,897,199)	(5,991,445)
Net (loss)/income for the period before zakat and income tax		(10,186,801)	6,626,893	(24,491,259)	13,074,470
Provision for zakat and income tax	8	(1,750,000)	(1,500,000)	(2,250,000)	(3,500,000)
Net (loss)/income for the period after zakat and income tax		(11,936,801)	5,126,893	(26,741,259)	9,574,470
Basic and diluted (loss)/earning per share	14	(0.23)	0.10	(0.50)	0.18



Chief Financial Officer



Authorized Board Member



Chief Executive Officer

The accompanying notes 1 to 19 form an integral 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 AND SIX MONTH PERIODS ENDED 30 JUNE 2026

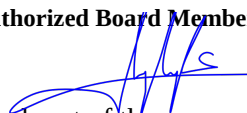
All amounts expressed in Saudi Riyals

	Note	For the three months period ended		For the six months period ended	
		30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Net (loss)/income for the period after zakat and income tax		(11,936,801)	5,126,893	(26,741,259)	9,574,470
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	(105,706)	24,823	105,928	160,250
<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	242,312	-	317,486	2,509,223
Total comprehensive (loss)/income for the period		(11,800,195)	5,151,716	(26,317,845)	12,243,943



Chief Financial Officer

Authorized Board Member



Chief Executive Officer



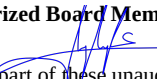
The accompanying notes 1 to 19 form an integral part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

30 June 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		-	-	-	-	(26,741,259)	(26,741,259)
Changes in fair values of investments	5	-	-	423,414	-	-	423,414
Total comprehensive loss for the period		-	-	423,414	-	(26,741,259)	(26,317,845)
Balance at the end of the period (Unaudited)		530,000,000	6,029,521	69,892,863	(6,349,916)	(54,907,833)	544,664,635

30 June 2025		Share capital	Statutory reserve	Fair value reserve for investments	Remeasurement reserve for end of service benefits	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		-	-	-	-	9,574,470	9,574,470
Changes in fair values of investments		-	-	2,669,473	-	-	2,669,473
Total comprehensive income for the period		-	-	2,669,473	-	9,574,470	12,243,943
Transfer of realized gains for FVOCI equity instruments to retained earnings		-	-	(1,438,480)	-	1,438,480	-
Balance at the end of the period (Unaudited)		530,000,000	6,029,521	60,789,234	(6,226,049)	26,589,197	617,181,903

 Chief Financial Officer
  Authorized Board Member
  Chief Executive Officer

The accompanying notes 1 to 19 form an integral 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 SIX MONTHS PERIOD ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

	Note	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cash flows from operating activities			
Net (loss)/income for the period after zakat and income tax		(26,741,259)	9,574,470
Adjustments for non-cash items:			
Depreciation of property and equipment		1,120,163	1,098,455
Amortisation of intangible assets		1,546,832	1,441,039
Finance cost on lease obligations		85,605	135,907
Provision for end-of-service benefits		450,000	564,685
Depreciation of right of use assets		936,563	1,626,700
Provision for zakat and income tax		2,250,000	3,500,000
Change in investments at FVTPL		2,571,340	(4,726,014)
ECL on investments		1,596	1,708
(Reversal)/charge of expected credit loss		(2,071)	2,576
		(17,781,231)	13,219,526
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		36,324,538	30,805,451
Accrued income on statutory deposit		3,059	1,786
Accrued expenses and other liabilities		12,791,304	(7,273,710)
Insurance contracts		(122,271,109)	62,637,175
Reinsurance contracts		(2,470,050)	80,141,213
Cash (used in)/generated from operating activities		(93,403,489)	179,531,441
Zakat and income tax paid		(6,670,034)	(9,991,554)
Payment of defined benefit obligation		(239,850)	(1,652,326)
Net cash (used in)/generated from operating activities		(100,313,373)	167,887,561
Cash flows from investing activities			
Additions to property and equipment		(1,183,618)	(289,607)
Additions to intangible assets		(654,255)	(212,993)
Additions to investments		(42,125,206)	(100,002,576)
Proceeds from investments		46,127,540	14,117,583
Proceeds from term deposits		130,220,825	178,914,350
Net cash generated from investing activities		132,385,286	92,526,757
Cash flows from financing activities			
Payment of lease liabilities		(1,129,808)	(1,766,297)
Net cash used in financing activities		(1,129,808)	(1,766,297)
Net change in cash and cash equivalents		30,942,105	258,648,021
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	3	115,860,589	326,432,394
Supplemental schedule of non-cash information			
Change in fair value reserve on investments - OCI		423,414	2,669,473


Chief Financial Officer


Authorized Board Member


Chief Executive Officer

The accompanying notes 1 to 19 form an integral 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 AND SIX MONTH PERIODS ENDED 30 JUNE 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 and six month periods ended 30 June 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 AND SIX MONTH PERIODS ENDED 30 JUNE 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 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	Description	Effective date
Amendments to IFRS 10	Amendments to IFRS 10 consolidated financial statements and IAS 28.	The effective date of the amendments have yet to be set by the IASB.
Amendments to IAS 28	Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	
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.	Annual reporting periods beginning on or after 1 January 2027
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 1 January 2027
IAS 21 - The Effects of Changes in Foreign Exchange Rates	There is currently no specific guidance for translating a company's financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency. To reduce diversity in practice and improve the usefulness of information for investors, the International Accounting Standards Board (IASB) has amended IAS 21 The Effects of Changes in Foreign Exchange Rates.	Annual reporting periods beginning on or after 1 January 2027
IFRS for SMES third edition	The third edition of the IFRS for SMEs Accounting Standard reflects updates that now largely align it with IFRS Accounting Standards.	Annual reporting periods beginning on or after 1 January 2027

• IFRS 18 ‘Presentation and Disclosure in Financial Statements’;

IFRS 18 Presentation and Disclosures in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1, 2027. The Company has not early adopted the new accounting standard in preparing this interim condensed financial information; however early application is permitted.

The International Accounting Standards Board ("IASB") has issued IFRS 18 "Presentation and Disclosure in Financial Statements", which will replace IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The standard introduces new requirements relating to the structure of the statement of profit or loss, including prescribed categories for income and expenses, new defined subtotals, enhanced principles for aggregation and disaggregation of information, and additional disclosure requirements relating to management-defined performance measures ("MPMs").

The Company has performed a preliminary assessment of the requirements of IFRS 18 and the potential implications for its financial reporting are as follows;

a) Structure of the Statement of Profit or Loss

Based on management's assessment to date, the Company's principal business activities are expected to comprise both insurance operations and the management of investments held to support insurance contract liabilities and related capital requirements. Accordingly, income and expenses arising from insurance contracts, insurance finance income or expenses, and investment returns generated from assets supporting the insurance business are expected to be presented within the operating category of the statement of profit or loss under IFRS 18.

The Company expects the adoption of IFRS 18 to result in changes to the presentation of the statement of profit or loss, including the introduction of new mandatory subtotals ('operating profit' and 'profit or loss before financing and income taxes') and potential reclassification of certain income and expense items within the prescribed categories required by the standard. While IFRS 18 does not change the recognition or measurement requirements applicable to the Company's assets, liabilities, income or expenses, it may affect how financial performance is presented and communicated to users of the financial statements. The principal areas currently identified include;

- Finance costs on lease liabilities, which is currently presented within operating category, will be presented within the financing category in accordance with IFRS 18, which provides specific guidance on the classification of income and expenses within the operating and financing categories.
- Interest cost on employee benefit obligations, which is currently presented within insurance service expense, will be classified and presented within financing category in accordance with IFRS 18, which provides specific guidance on the classification of income and expenses within the operating and financing categories.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

2. BASIS OF PREPARATION (continued)

f) Material Accounting Policies (continued)

New Standards, interpretations and amendments not yet effective and not early adopted (continued)

• IFRS 18 'Presentation and Disclosure in Financial Statements': (continued)

• Interest income, investment income and fair value gains or losses arising from investments held to support insurance operations, including term deposits, sukuk and other debt and equity investments, are expected to be presented within the operating category of the statement of profit or loss.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to user's management's view of an aspect of the financial performance of the entity as a whole. The Company will be required to disclose specific information about MPMs in a single note in the financial statements.

The Company is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Company following adoption of IFRS 18 will be determined based on public communications issued by the Company relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Company is currently evaluating whether additional disaggregation of material classes of income, expenses, assets and liabilities will be required and whether changes to existing presentation formats, systems, processes and internal reporting structures will be necessary to capture and present the required information.

The Company continues to assess the detailed impact of IFRS 18 on its financial statements, including the design of future presentation formats and disclosure requirements. At the reporting date, management has not completed its implementation assessment and accordingly has not yet quantified the full impact of adopting the standard.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7 Statement of Cash Flows, including a requirement for entities applying the indirect method to use the newly defined Operating Profit subtotal as the starting point for the reconciliation of operating cash flows. The Company currently uses profit for the period / year as the starting point for determining cash flows from operating activities under the indirect method. Accordingly, certain reconciling items included within operating cash flows are expected to change upon adoption of IFRS 18.

The consequential amendments also introduce additional requirements and guidance regarding the classification of cash flows in a manner consistent with the categories presented in the statement of profit or loss. Based on management's preliminary assessment, cash flows relating to finance costs on lease liabilities recognised under IFRS 16 are expected to be classified within financing activities rather than operating activities. In addition, cash flows relating to financing components of employee benefit obligations may be presented within financing activities. The Company is also assessing the impact of the amended requirements on the presentation of cash flows arising from movements in term deposits and investments measured at amortised cost and fair value, including whether certain cash flows currently presented within investing activities may be presented within operating activities to reflect the Company's assessment that investing activities form part of its principal business activities.

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026**

All amounts expressed in Saudi Riyals

3. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)		
	Insurance Operations	Shareholders' Operations	Total
Cash in banks	80,788,751	3,309,338	84,098,089
Time deposits	30,000,000	1,762,500	31,762,500
	110,788,751	5,071,838	115,860,589

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

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 4.13% 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 5.37% per annum (31 December 2025: 5.76% per annum).

Term deposits are deposited with 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 term deposits.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

5. INVESTMENTS

Investments comprise of the following:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at fair value	-	203,929,249	203,929,249	-	217,204,715	217,204,715
Debt instruments at amortized cost *	31,178,813	76,759,370	107,938,183	31,178,813	69,634,164	100,812,977
ECL provision	(966)	(56,350)	(57,316)	(923)	(54,797)	(55,720)
Total	31,177,847	280,632,269	311,810,116	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 30 June 2026 amounted to SAR 106,197,897 (31 December 2025: SAR 99,346,904).

Details of investments at fair value are as follows:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at FVTPL (a)	-	85,828,524	85,828,524	-	112,986,529	112,986,529
Investments at FVOCI (b)	-	118,100,725	118,100,725	-	104,218,186	104,218,186
Total	-	203,929,249	203,929,249	-	217,204,715	217,204,715

a) Investments at FVTPL comprise of the following:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Mutual funds	-	20,137,610	20,137,610	-	43,733,229	43,733,229
- Discretionary portfolio	-	55,099,123	55,099,123	-	59,590,116	59,590,116
- Equity - Aramco	-	10,591,791	10,591,791	-	9,663,184	9,663,184
Total	-	85,828,524	85,828,524	-	112,986,529	112,986,529

b) Investments at FVOCI comprise of the following:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Bonds/sukuk	-	42,544,012	42,544,012	-	28,767,401	28,767,401
- REIT	-	2,798,548	2,798,548	-	2,692,620	2,692,620
- Equity - Najm	-	72,758,165	72,758,165	-	72,758,165	72,758,165
Total	-	118,100,725	118,100,725	-	104,218,186	104,218,186

The movement in investments is as follows:

	Insurance Operations	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Beginning balance	31,177,890	33,976,879
Disposals	-	(2,798,438)
ECL allowance	(43)	(551)
Ending balance	31,177,847	31,177,890
	Shareholders' Operations	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Beginning balance	286,784,082	281,575,658
Additions	42,125,206	100,000,000
Disposals	(46,127,540)	(75,883,435)
Net additions and disposals	(4,002,334)	24,116,565
Change in investments at FVOCI	423,414	11,349,688
Change in investments at FVTPL	(2,571,340)	(30,256,305)
ECL allowance	(1,553)	(1,524)
Ending balance	280,632,269	286,784,082

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 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.

30 June 2026 (Unaudited)	Fair value			
	Level 1	Level 2	Level 3	Total
Investments at fair value through OCI/P&L				
Mutual funds	-	20,137,610	-	20,137,610
Discretionary portfolio	55,099,123	-	-	55,099,123
Bonds/sukuk	17,954,700	24,589,312	-	42,544,012
REIT	2,798,548	-	-	2,798,548
Equity - Najm	-	-	72,758,165	72,758,165
Equity - Aramco	10,591,791	-	-	10,591,791
Total	86,444,162	44,726,922	72,758,165	203,929,249

31 December 2025 (Audited)	Fair value			
	Level 1	Level 2	Level 3	Total
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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

6. COMMITMENTS AND CONTINGENCIES

a. Commitments and contingencies comprise of the following:

	30 June 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	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Board of Directors and the companies they represent	Gross premiums	1,211,666	1,019,028
	Claims paid	192,213	96,053
Arabia Insurance Company - Lebanon (shareholder)	Expenses paid by the Company for Arabia Insurance Company-Lebanon	698,005	30,675

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Arabia Insurance Company – Lebanon – Shareholder	1,344,755	646,750
Jordan Insurance Company – Shareholder	83,346	83,346
Board members and the companies they represent	1,143,495	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:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Short-term benefits	2,858,270	2,836,607
End of service benefit	118,470	117,592
	2,976,740	2,954,199

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026**

All amounts expressed in Saudi Riyals

8. PROVISION FOR ZAKAT AND INCOME TAX

Zakat charge for the period

The Zakat provision comprises Zakat charged during the period amounting to SAR 2,250,000 (30 June 2025: SAR 2,500,000). The Zakat provision is calculated based on the Saudi shareholders' share of the share capital at a rate of 68.25% (2025: 68.25%).

Income tax charge for the period

The income tax provision comprises income tax charged during the period amounting to nil Saudi Riyals (30 June 2025: SAR 1,000,000). Income tax is calculated based on the non-Saudi shareholders' contribution to the share capital at a rate of 31.75% (2025: 31.75%).

Status of assessment

The Company has submitted its tax returns to the Zakat, Tax and Customs Authority for all years up to the financial 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 the year 2023. The Company is still in the process of fulfilling additional requirements for the audit of its Zakat and tax returns for the year 2024. During the period, the Company also received a request from the Authority to audit its Zakat and tax returns for the year 2025.

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.

During the current period, the Company also received a request from the Authority to audit its tax returns for the year 2025.

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.

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Financial Position

	30 June 2026 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
Assets						
Insurance contract assets	14,062,636	4,634,781	27,040,790	1,834,942	906,535	7,166,426
Reinsurance contract assets	9,642,736	1,771,337	71,738,859	72,007,870	5,757,081	39,548,563
Unallocated assets						865,168,690
Total	23,705,372	6,406,118	98,779,649	73,842,812	6,663,616	46,714,989
						1,121,281,246
Liabilities						
Insurance contract liabilities	147,545,932	97,871,010	80,106,424	63,850,230	7,372,817	55,026,375
Reinsurance contract liabilities	-	-	19,318,979	2,809,465	557,664	3,962,565
Unallocated liabilities						98,195,150
Total	147,545,932	97,871,010	99,425,403	66,659,695	7,930,481	58,988,940
						576,616,611
	31 December 2025 (Audited)					
	Motor	Medical	Engineering	Property	Marine	Others
Assets						
Insurance contract assets	27,543,427	-	1,551,041	15,580,430	1,713,952	8,922,574
Reinsurance contract assets	11,107,836	2,132,358	42,516,903	93,644,162	5,177,465	37,340,727
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
Reinsurance contract liabilities	-	-	802,908	13,607,858	1,020,378	5,140,584
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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

9. OPERATING SEGMENTS (Continued))

Condensed Interim Statement of Income

	Three months period ended 30 June 2026 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	100,331,038	100,590,027	13,900,191	15,849,830	2,696,744	5,842,355
Insurance service expenses	(98,553,693)	(111,798,406)	4,093,388	(11,538,259)	(1,024,645)	13,201,129
Insurance service result before reinsurance contracts held	1,777,345	(11,208,379)	17,993,579	4,311,571	1,672,099	19,043,484
Allocation of reinsurance premiums	(752,250)	-	(11,275,942)	(13,484,566)	(1,920,640)	(4,244,571)
Amounts recoverable from reinsurance	(2,970,770)	143,963	(5,601,608)	8,189,834	282,439	(8,262,165)
Net (expenses)/income from reinsurance contracts held	(3,723,020)	143,963	(16,877,550)	(5,294,732)	(1,638,201)	(12,506,736)
Insurance service result	(1,945,675)	(11,064,416)	1,116,029	(983,161)	33,898	6,536,748
Income from investment and deposits						2,573,792
Reversal of expected credit loss						119
Net investment income						2,573,911
Net finance expenses from insurance contracts issued	(517,757)	(493,532)	(306,836)	(518,968)	(66,230)	(358,926)
Net finance income from reinsurance contracts held	-	-	266,506	498,262	52,210	261,929
Insurance finance result	(517,757)	(493,532)	(40,330)	(20,706)	(14,020)	(96,997)
Net insurance and investment result	(2,463,432)	(11,557,948)	1,075,699	(1,003,867)	19,878	6,439,751
Other income						125,394
Other operating expenses (non-attributable)						(5,396,187)
Net loss for the period before zakat and income tax						(10,186,801)
Provision for zakat and income tax						(1,750,000)
Net loss for the period after zakat and income tax						(11,936,801)

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Income

	Three months period ended 30 June 2025 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	54,218,842	85,087,893	24,773,441	18,881,629	2,116,901	12,685,132
Insurance service expenses	(61,768,040)	(77,791,354)	(4,198,070)	(6,019,109)	(742,396)	(4,674,129)
Insurance service result before reinsurance contracts held	(7,549,198)	7,296,539	20,575,371	12,862,520	1,374,505	8,011,003
Allocation of reinsurance premiums	(346,750)	-	(21,700,424)	(16,166,952)	(1,369,194)	(8,374,947)
Amounts recoverable from reinsurance	24,304	188,384	2,515,152	2,734,469	153,442	1,734,508
Net (expenses)/income from reinsurance contracts held	(322,446)	188,384	(19,185,272)	(13,432,483)	(1,215,752)	(6,640,439)
Insurance service result	(7,871,644)	7,484,923	1,390,099	(569,963)	158,753	1,370,564
Income from investment and deposits						
ECL allowance						
Net investment income						
Net finance expenses from insurance contracts issued	(443,877)	(338,894)	(599,048)	(6,457,203)	(79,023)	(230,963)
Net finance income from reinsurance contracts held	-	-	453,799	6,417,680	59,695	193,494
Insurance finance result	(443,877)	(338,894)	(145,249)	(39,523)	(19,328)	(37,469)
Net insurance and investment result	(8,315,521)	7,146,029	1,244,850	(609,486)	139,425	1,333,095
Other income						
Other operating expenses (non-attributable)						
Net income for the period before zakat and income tax						
Provision for zakat and income tax						
Net income for the period after zakat and income tax						

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

9. OPERATING SEGMENTS (CONTINUED)

Condensed Interim Statement of Income

	Six-month period ended 30 June 2026 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	206,932,004	201,472,281	28,511,712	31,420,081	5,559,888	12,123,913
Insurance service expenses	(209,410,497)	(219,196,614)	(15,733,250)	(15,988,327)	(1,621,518)	12,188,630
Insurance service result before reinsurance contracts held	(2,478,493)	(17,724,333)	12,778,462	15,431,754	3,938,370	24,312,543
Allocation of reinsurance premiums	(1,504,500)	-	(23,300,309)	(26,257,915)	(3,992,514)	(8,861,200)
Amounts recoverable from reinsurance	(2,969,592)	152,189	7,950,684	8,452,111	653,478	(8,260,308)
Net (expenses)/income from reinsurance contracts held	(4,474,092)	152,189	(15,349,625)	(17,805,804)	(3,339,036)	(17,121,508)
Insurance service result	(6,952,585)	(17,572,144)	(2,571,163)	(2,374,050)	599,334	7,191,035
Income from investment and deposits						11,321,752
Reversal of expected credit loss						2,071
Net investment income						11,323,823
Net finance expenses from insurance contracts issued	(987,239)	(945,494)	(444,263)	(1,047,739)	(131,811)	(642,381)
Net finance income from reinsurance contracts held	-	-	374,978	1,004,302	101,580	479,757
Insurance finance result	(987,239)	(945,494)	(69,285)	(43,437)	(30,231)	(162,624)
Net insurance and investment result	(7,939,824)	(18,517,638)	(2,640,448)	(2,417,487)	569,103	7,028,411
Other operating expenses (non-attributable)						(11,897,199)
Net loss for the period before zakat and income tax						(24,491,259)
Provision for zakat and income tax						(2,250,000)
Net loss for the period after zakat and income tax						(26,741,259)

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

9. OPERATING SEGMENTS (CONTINUED)

Condensed Interim Statement of Income

	Six-month period ended 30 June 2025 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	87,900,223	168,935,053	47,351,509	39,743,678	4,252,329	21,053,781
Insurance service expenses	(104,295,696)	(153,871,899)	(7,903,497)	(7,612,987)	(2,521,680)	(6,915,053)
Insurance service result before reinsurance contracts held	(16,395,473)	15,063,154	39,448,012	32,130,691	1,730,649	14,138,728
Allocation of reinsurance premiums	(693,500)	-	(41,137,960)	(34,085,826)	(2,671,020)	(14,527,638)
Amounts recoverable from reinsurance	30,154	233,750	4,337,640	(1,332,101)	1,248,352	2,495,662
Net (expenses)/income from reinsurance contracts held	(663,346)	233,750	(36,800,320)	(35,417,927)	(1,422,668)	(12,031,976)
Insurance service result	(17,058,819)	15,296,904	2,647,692	(3,287,236)	307,981	2,106,752
Income from investment and deposits						
ECL allowance						
Net investment income						
Net finance expenses from insurance contracts issued	(876,181)	(827,789)	(742,682)	(12,954,785)	(143,784)	(528,055)
Net finance income from reinsurance contracts held	-	-	552,355	12,875,541	108,939	420,940
Insurance finance result	(876,181)	(827,789)	(190,327)	(79,244)	(34,845)	(107,115)
Net insurance and investment result	(17,935,000)	14,469,115	2,457,365	(3,366,480)	273,136	1,999,637
Other income						
Other operating expenses (non-attributable)						
Net income for the period before zakat and income tax						
Provision for zakat and income tax						
Net income for the period after zakat and income tax						

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

PAA, gross (Total)

	30 June 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	(486,019,879)	-	-	-	(486,019,879)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	423,961,254	2,643,810	426,605,064
Insurance acquisition cash flows amortization	25,613,873	-	-	-	25,613,873
Losses/(reversals of losses) on onerous contracts	-	(7,459,158)	-	-	(7,459,158)
Changes that relate to past service - adjustments to the LIC	-	-	9,484,648	(4,482,851)	5,001,797
Insurance service expenses	25,613,873	(7,459,158)	433,445,902	(1,839,041)	449,761,576
Insurance service result	(460,406,006)	(7,459,158)	433,445,902	(1,839,041)	(36,258,303)
Finance expense from insurance contracts	-	-	3,969,850	229,077	4,198,927
Total changes in the statement of income and OCI	(460,406,006)	(7,459,158)	437,415,752	(1,609,964)	(32,059,376)
<u>Cash flows</u>					
Premiums received	397,059,508	-	-	-	397,059,508
Claims and other directly attributable expenses paid	-	-	(457,912,539)	-	(457,912,539)
Insurance acquisition cashflows paid	(29,360,773)	-	-	-	(29,360,773)
Total cash inflows / (outflows)	367,698,735	-	(457,912,539)	-	(90,213,804)
Net closing balance	174,680,678	348,317	192,206,685	9,351,595	376,587,275
Insurance contracts					
Insurance contract assets	(55,646,110)	-	-	-	(55,646,110)
Insurance contract liabilities	230,326,788	348,317	192,206,685	9,351,595	432,233,385
Net insurance contract liabilities - 30 June 2026	174,680,678	348,317	192,206,685	9,351,595	376,587,275

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

PAA, gross (Total) (Continued)

	30 June 2026 (Unaudited)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
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	(63,916,438)	-	-	-	(63,916,438)
Incurred Claims Amounts Recoverable from Reinsurance	-	-	20,651,486	1,161,820	21,813,306
Changes that relate to past service: changes related to AIC	-	-	(15,010,472)	(824,272)	(15,834,744)
Net expenses from reinsurance contracts	-	-	5,641,014	337,548	5,978,562
Net income/(expenses) from reinsurance contracts held	(63,916,438)	-	5,641,014	337,548	(57,937,876)
Finance income from reinsurance contracts	-	-	1,855,430	105,187	1,960,617
Total changes in the statement of income and OCI	(63,916,438)	-	7,496,444	442,735	(55,977,259)
<u>Cash flows</u>					
Premiums ceded and acquisition cashflows received	96,468,296	-	-	-	96,468,296
Recoveries from reinsurance	-	-	(38,020,987)	-	(38,020,987)
Total cash inflows / (outflows)	96,468,296	-	(38,020,987)	-	58,447,309
Net closing balance	45,558,283	-	111,742,461	5,530,117	162,830,861
Insurance contracts					
Reinsurance contract assets	72,206,956	-	111,742,461	5,530,117	189,479,534
Reinsurance contract liabilities	(26,648,673)	-	-	-	(26,648,673)
Net reinsurance contract assets 30 June 2026	45,558,283	-	111,742,461	5,530,117	162,830,861

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

	30 June 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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

GMM (IDI) (continued)

	30 June 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
Changes in the statement of income and OCI:					
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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

	30 June 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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

	30 June 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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

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	Estimates of present value of FCF	Risk adjustment for non-financial risk	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
Changes in the statement of income and OCI:					
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)
Cash flows					
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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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
Insurance revenue					
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
Cashflows					
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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

GMM (IDI) (continued)

	31 December 2025 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	AIC excluding risk adjustment	Risk adjustment	Total
Reinsurance contracts - 1 January 2025	6,555,427	-	(58,006)	-	6,497,421
Changes in the statement of income and OCI:					
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
Cashflows					
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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026**

All amounts expressed in Saudi Riyals

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 and six months period ended 30 June 2026 and 2025 have been calculated by dividing the net (loss)/income for the period after zakat and income tax by the average number of ordinary shares authorized and issued during the period amounting to 53 million shares.

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION

- Condensed Interim Statement of Financial Position

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
ASSETS						
Cash and cash equivalents	110,788,751	5,071,838	115,860,589	68,227,771	16,690,713	84,918,484
Insurance contract assets	55,646,110	-	55,646,110	55,311,424	-	55,311,424
Reinsurance contract assets	200,466,446	-	200,466,446	191,919,451	-	191,919,451
Prepaid expenses and other assets	33,002,792	4,780,927	37,783,719	66,488,610	7,619,647	74,108,257
Term deposits	112,355,694	201,888,768	314,244,462	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	-	16,283,278	16,283,278	-	14,978,599	14,978,599
Investments	31,177,847	280,632,269	311,810,116	31,177,890	286,784,082	317,961,972
Due from insurance operations/shareholders' operations	-	10,048,971	10,048,971	59,301,761	-	59,301,761
Right of use assets	3,551,365	-	3,551,365	4,405,992	-	4,405,992
Property and equipment	5,741,176	-	5,741,176	5,677,723	-	5,677,723
Intangible assets	6,893,985	-	6,893,985	7,786,560	-	7,786,560
TOTAL ASSETS	559,624,166	571,706,051	1,131,330,217	653,096,638	660,738,872	1,313,835,510
LIABILITIES						
Insurance contract liabilities	451,772,788	-	451,772,788	573,711,282	-	573,711,282
Reinsurance contract liabilities	26,648,673	-	26,648,673	20,571,728	-	20,571,728
Accrued income payable to insurance authority	-	16,286,977	16,286,977	-	14,979,239	14,979,239
Accrued expenses and other liabilities	55,111,567	752,614	55,864,181	42,019,344	1,053,533	43,072,877
Provision for zakat and income tax	-	3,651,909	3,651,909	-	8,071,943	8,071,943
Lease liabilities	2,644,048	-	2,644,048	3,606,315	-	3,606,315
Due to shareholders' operations/insurance operations	10,048,971	-	10,048,971	-	59,301,761	59,301,761
Provision for end of service benefits	19,748,035	-	19,748,035	19,537,885	-	19,537,885
TOTAL LIABILITIES	565,974,082	20,691,500	586,665,582	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	-	69,892,863	69,892,863	-	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	-	(54,907,833)	(54,907,833)	-	(28,166,574)	(28,166,574)
TOTAL EQUITY	(6,349,916)	551,014,551	544,664,635	(6,349,916)	577,332,396	570,982,480
TOTAL LIABILITIES AND EQUITY	559,624,166	571,706,051	1,131,330,217	653,096,638	660,738,872	1,313,835,510

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Income

	For the three months period ended					
	30 June 2026 (Unaudited)			30 June 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
REVENUES						
Insurance revenue	239,210,185	-	239,210,185	197,763,838	-	197,763,838
Insurance service expenses	(205,620,486)	-	(205,620,486)	(155,193,098)	-	(155,193,098)
Insurance service result before reinsurance contracts held	33,589,699	-	33,589,699	42,570,740	-	42,570,740
Allocation of reinsurance premiums	(31,677,969)	-	(31,677,969)	(47,958,267)	-	(47,958,267)
Amounts recoverable from reinsurance	(8,218,307)	-	(8,218,307)	7,350,259	-	7,350,259
Net expenses from reinsurance contracts held	(39,896,276)	-	(39,896,276)	(40,608,008)	-	(40,608,008)
Insurance service result	(6,306,577)	-	(6,306,577)	1,962,732	-	1,962,732
Income from investment and deposits	1,986,106	587,686	2,573,792	2,933,470	7,227,776	10,161,246
ECL reversal/(allowance)	221	(102)	119	(952)	(2,359)	(3,311)
Net investment income	1,986,327	587,584	2,573,911	2,932,518	7,225,417	10,157,935
Net finance expenses from insurance contracts issued	(2,262,249)	-	(2,262,249)	(8,149,008)	-	(8,149,008)
Net finance income from reinsurance contracts held	1,078,907	-	1,078,907	7,124,668	-	7,124,668
Net insurance finance expenses	(1,183,342)	-	(1,183,342)	(1,024,340)	-	(1,024,340)
Net insurance and investment result	(5,503,592)	587,584	(4,916,008)	3,870,910	7,225,417	11,096,327
Other income	125,394	-	125,394	1,708	-	1,708
Other operating expenses (non-attributable)	(4,481,047)	(915,140)	(5,396,187)	(4,326,001)	(145,141)	(4,471,142)
Net (loss)/income for the period before zakat & income tax	(9,859,245)	(327,556)	(10,186,801)	(453,383)	7,080,276	6,626,893
Provision for zakat & income tax	-	(1,750,000)	(1,750,000)	-	(1,500,000)	(1,500,000)
Net (loss)/income for the period after zakat & income tax	(9,859,245)	(2,077,556)	(11,936,801)	(453,383)	5,580,276	5,126,893

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Income

	For the six-months period ended					
	30 June 2026 (Unaudited)			30 June 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
REVENUES						
Insurance revenue	486,019,879	-	486,019,879	369,236,573	-	369,236,573
Insurance service expenses	(449,761,576)	-	(449,761,576)	(283,120,812)	-	(283,120,812)
Insurance service result before reinsurance contracts held	36,258,303	-	36,258,303	86,115,761	-	86,115,761
Allocation of reinsurance premiums	(63,916,438)	-	(63,916,438)	(93,115,944)	-	(93,115,944)
Amounts recoverable from reinsurance	5,978,562	-	5,978,562	7,013,457	-	7,013,457
Net expenses from reinsurance contracts held	(57,937,876)	-	(57,937,876)	(86,102,487)	-	(86,102,487)
Insurance service result	(21,679,573)	-	(21,679,573)	13,274	-	13,274
Income from investment and deposits	4,931,796	6,389,956	11,321,752	5,424,207	13,958,732	19,382,939
ECL reversal/(allowance)	5,861	(3,790)	2,071	(442)	(2,134)	(2,576)
Net investment income	4,937,657	6,386,166	11,323,823	5,423,765	13,956,598	19,380,363
Net finance expenses from insurance contracts issued	(4,198,927)	-	(4,198,927)	(16,073,276)	-	(16,073,276)
Net finance income from reinsurance contracts held	1,960,617	-	1,960,617	13,957,775	-	13,957,775
Net insurance finance expenses	(2,238,310)	-	(2,238,310)	(2,115,501)	-	(2,115,501)
Net insurance and investment result	(18,980,226)	6,386,166	(12,594,060)	3,321,538	13,956,598	17,278,136
Other income	-	-	-	1,787,779	-	1,787,779
Other operating expenses (non-attributable)	(9,378,995)	(2,518,204)	(11,897,199)	(5,685,819)	(305,626)	(5,991,445)
Net (loss)/income for the period before zakat & income tax	(28,359,221)	3,867,962	(24,491,259)	(576,502)	13,650,972	13,074,470
Provision for zakat & income tax	-	(2,250,000)	(2,250,000)	-	(3,500,000)	(3,500,000)
Net (loss)/income for the period after zakat & income tax	(28,359,221)	1,617,962	(26,741,259)	(576,502)	10,150,972	9,574,470

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Comprehensive Income

	For the three months period ended					
	30 June 2026 (Unaudited)			30 June 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
Net (loss)/income for the period after zakat and income tax	-	(11,936,801)	(11,936,801)	-	5,126,893	5,126,893
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	-	(105,706)	(105,706)	-	24,823	24,823
<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	-	242,312	242,312	-	-	-
Total comprehensive (loss)/income for the period	-	(11,800,195)	(11,800,195)	-	5,151,716	5,151,716
	For the six months period ended					
	30 June 2026 (Unaudited)			30 June 2025 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
Net (loss)/ income for the period after zakat and income tax	-	(26,741,259)	(26,741,260)	-	9,574,470	9,574,470
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	-	105,928	105,927	-	160,250	160,250
<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	-	317,486	317,485	-	2,509,223	2,509,223
Total comprehensive (loss)/income for the period	-	(26,317,845)	(26,317,848)	-	12,243,943	12,243,943

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

Unaudited Condensed Interim Statement of Cash Flows	For the six months period ended					
	30 June 2026 (Unaudited)			30 June 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	(28,359,221)	1,617,962	(26,741,259)	(576,502)	10,150,972	9,574,470
Adjustments For Non-Cash Items:						
Depreciation of property and equipment	1,120,163	-	1,120,163	1,098,455	-	1,098,455
Amortisation of intangible assets	1,546,832	-	1,546,832	1,441,039	-	1,441,039
Finance cost on lease obligations	85,605	-	85,605	135,907	-	135,907
Provision for end-of-service benefits	450,000	-	450,000	564,685	-	564,685
Depreciation of right of use assets	936,563	-	936,563	1,626,700	-	1,626,700
Provision for zakat and income tax	-	2,250,000	2,250,000	-	3,500,000	3,500,000
Change in investments at FVTPL	-	2,571,340	2,571,340	-	(4,726,014)	(4,726,014)
ECL on investments	43	1,553	1,596	206	1,502	1,708
(Reversal)/charge of expected credit loss	(2,071)	-	(2,071)	2,576	-	2,576
	(24,222,086)	6,440,855	(17,781,231)	4,293,066	8,926,460	13,219,526
<u>Changes In Operating Assets And Liabilities:</u>						
Prepaid Expenses And Other Assets	33,485,818	2,838,720	36,324,538	33,431,761	(2,626,310)	30,805,451
Accrued Income On Statutory Deposit	-	3,059	3,059	-	1,786	1,786
Accrued Expenses And Other Liabilities	13,092,223	(300,919)	12,791,304	(6,773,817)	(499,893)	(7,273,710)
Insurance Contracts	(122,271,109)	-	(122,271,109)	62,637,175	-	62,637,175
Reinsurance Contracts	(2,470,050)	-	(2,470,050)	80,141,213	-	80,141,213
Cash (used in)/generated from operating Activities	(102,385,204)	8,981,715	(93,403,489)	173,729,398	5,802,043	179,531,441
Zakat And income tax paid	-	(6,670,034)	(6,670,034)	-	(9,991,554)	(9,991,554)
Payment of defined benefit obligation	-	(239,850)	(239,850)	-	(1,652,326)	(1,652,326)
Net cash (used in)/generated from operating activities	(102,385,204)	2,071,831	(100,313,373)	173,729,398	(5,841,837)	167,887,561
<u>Cash flow from investing activities</u>						
Additions to property and equipment	(1,183,618)	-	(1,183,618)	(289,607)	-	(289,607)
Additions to intangible assets	(654,255)	-	(654,255)	(212,993)	-	(212,993)
Additions to investments	-	(42,125,206)	(42,125,206)	(2,576)	(100,000,000)	(100,002,576)
Proceeds from investments	-	46,127,540	46,127,540	-	14,117,583	14,117,583
Proceeds from term deposits	50,443,762	79,777,063	130,220,825	84,301,005	94,613,345	178,914,350
Net cash generated from investing activities	48,605,889	83,779,397	132,385,286	83,795,829	8,730,928	92,526,757
<u>Cash flow from Financing activities</u>						
Payment of lease liabilities	(1,129,808)	-	(1,129,808)	(1,766,297)	-	(1,766,297)
Due from/(to) shareholders*/insurance operations	97,470,103	(97,470,103)	-	(33,007,158)	33,007,158	-
Net cash (used in)/generated from financing activities	96,340,295	(97,470,103)	(1,129,808)	(34,773,455)	33,007,158	(1,766,297)
Net change in cash and cash equivalents	42,560,980	(11,618,875)	30,942,105	222,751,772	35,896,249	258,648,021
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	110,788,751	5,071,838	115,860,589	269,786,619	56,645,775	326,432,394
Supplemental schedule of non-cash information						
Change in fair value reserve on investments - OCI	-	423,414	423,414	-	2,669,473	2,669,473

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
All amounts expressed in Saudi Riyals
16. PREMIUMS WRITTEN BY TYPE OF CUSTOMERS

For the three-months period ended 30 June 2026					
(Unaudited)					
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	4,723,735	70,411,645	334,288	-	75,469,668
Very small size entities	35,779,427	49,508	172,853	-	36,001,788
Small size entities	4,218,204	84,941	4,403,304	-	8,706,449
Medium size entities	978,716	15,031,562	8,756,666	390,750	25,157,694
Large size entities	458,495	(51,571)	16,591,309	-	16,998,233
Total	46,158,577	85,526,085	30,258,420	390,750	162,333,832

For the three-months period ended 30 June 2025					
(Unaudited)					
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	5,339,107	68,276,106	312,514	-	73,927,727
Very small size entities	47,892,724	1,752,035	166,381	-	49,811,140
Small size entities	8,115,229	1,039,361	2,093,788	-	11,248,378
Medium size entities	4,535,836	10,083,977	4,213,936	383,173	19,216,922
Large size entities	1,494,762	3,671,515	13,031,643	-	18,197,920
Total	67,377,658	84,822,994	19,818,262	383,173	172,402,087

For the six-months period ended 30 June 2026					
(Unaudited)					
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	17,207,259	127,141,912	451,596	-	144,800,767
Very small size entities	84,333,552	98,582	496,833	-	84,928,967
Small size entities	15,190,543	673,861	5,231,494	19,230	21,115,128
Medium size entities	8,568,544	29,517,873	65,495,225	858,274	104,439,916
Large size entities	8,723,930	16,109,341	69,205,003	-	94,038,274
Total	134,023,828	173,541,569	140,880,151	877,504	449,323,052

For the six-months period ended 30 June 2025					
(Unaudited)					
	Medical	Motor	Property and accidents	Protection and savings	Total
SR					
Individual clients	15,825,845	130,624,777	556,136	-	147,006,758
Very small size entities	103,735,258	2,580,524	1,225,146	-	107,540,928
Small size entities	17,908,328	2,669,522	6,834,274	39,162	27,451,286
Medium size entities	7,089,472	48,818,388	18,612,101	937,872	75,457,833
Large size entities	9,829,056	24,769,948	85,602,646	-	120,201,650
Total	154,387,959	209,463,159	112,830,303	977,034	477,658,455

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026

All amounts expressed in Saudi Riyals

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 30 June 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 30 June 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 August 2026 corresponding to 21 Safar 1448H.