AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH INDEPENDENT AUDITORS' REPORT

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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PKF Al Bassam
Chartered Accountants

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AL SAGR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

DAMMAM, KINGDOM OF SAUDI ARABIA

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Al Sagr Cooperative Insurance Company (the "Company") as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Company, which comprise the following:

- The statement of financial position as at December 31, 2025;
- The statement of income for the year then ended;
- The statement of comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, comprising material accounting policies and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AL SAGR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

DAMMAM, KINGDOM OF SAUDI ARABIA

KEY AUDIT MATTERS (continued)

Key Audit Matters	How our audit addressed the key audit matter
Valuation of liability for incurred claims and loss component	
The estimation of the liability for incurred claims and loss component involves a significant degree of judgment. This entails estimating the present value of future cash flows and risk adjustment for non-financial risk (forming part of liability for incurred claims) and loss component (forming part of liability for remaining coverage). The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. **The Company uses an external actuary ("Appointed Actuary") to provide them with the estimate of such liabilities. A range of methods were used to determine these liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.** **As at December 31, 2025, the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component amounts to ﷼ 80.9 million, ﷼ 3.4 million and ﷼ 6.7 million, respectively, as disclosed in Note 10 to the financial statements.** **We have considered this as a key audit matter due to the inherent estimation uncertainty and complexity and subjectivity involved in the valuation of the estimates of present value of future cashflows, risk adjustment for non-financial risk and loss component arising from insurance contracts.** **Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions related to insurance contract liabilities.**	We performed the following procedures: • Understood and evaluated design and implementation of key controls around the claims recording processes; • Evaluated the competence, capabilities and objectivity of the Appointed Actuary based on their professional qualifications and experience and assessed their independence; • Performed substantive procedures, on a sample basis, on the amounts recorded for claims paid and outstanding claims by comparing the claims amount to appropriate source documentation; • Checked the completeness of the underlying data used as inputs into the actuarial valuations and tested, on sample basis, the accuracy of underlying claims data used by the Appointed Actuary in estimating the present value of the future cash flows, risk adjustment for non-financial risk and loss component by comparing it to the accounting and other records; • Engaged our internal actuarial specialists to assess the appropriateness of the Company's actuarial methodology and key actuarial assumptions used to calculate the present value of the future cash flows of the liability for incurred claims, risk adjustment of non-financial risk and loss component. We further performed, on a sample basis, reprojections of the present value of future cashflows using these assumptions and methods, and compared them with the amounts recorded by the management; • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AL SAGR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

DAMMAM, KINGDOM OF SAUDI ARABIA

OTHER INFORMATION

Other information consists of the information included in the Company's 2025 annual report, other than the financial statements and our auditors' report thereon. Management is responsible for the other information in its annual report expected to be made available to us after the date of the auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report of the Company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

PKF Al Bassam
Chartered Accountants

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AL SAGR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

DAMMAM, KINGDOM OF SAUDI ARABIA

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PKF Albassam Chartered Accountants

Ahmed Abdul Majeed Mohandis
Certified Public Accountant
License No. 477
Khobar, Kingdom of Saudi Arabia

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Dr. Mohamed Al-Amri &Co.

Gihad Al-Amri
Certified Public Accountant
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د. محمد العمري وشركاه - محاسبون قانونيون
س.ت: ١٠١٠٤٣٣٩٨٢
Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Shawwal 4, 1447 (H)
March 23, 2026 (G)

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals (﷼) unless otherwise stated)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents	5	**171,030,408**	262,559,683
Term deposits	6	**215,505,643**	219,950,895
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	7	**37,416,544**	47,313,196
Financial assets at fair value through other comprehensive income ("FVOCI")	7	**113,955,624**	98,837,270
Prepaid expenses and other assets	9	**16,489,303**	22,611,688
Insurance contract assets	10	**11,342,015**	13,471,313
Reinsurance contract assets	10	**13,952,820**	6,484,257
Right-of-use assets	13	**3,011,045**	401,562
Property and equipment	11	**5,587,109**	6,247,601
Intangible assets	12	**7,796,011**	9,477,909
Accrued income on statutory deposit	14	**236,833**	640,078
Goodwill	8	**25,513,750**	25,513,750
Statutory deposit	14	**30,000,000**	30,000,000
TOTAL ASSETS		**651,837,105**	743,509,202
LIABILITIES			
Accrued and other liabilities	15	**16,817,139**	17,112,158
Insurance contract liabilities	10	**248,723,681**	260,532,476
Reinsurance contract liabilities	10	**19,398,052**	23,877,684
Employee benefit obligations	16	**10,465,333**	8,868,623
Lease liabilities	13	**3,343,513**	790,271
Zakat payable	23	**10,346,296**	30,408,598
Accrued income payable to Insurance Authority	14	**236,833**	640,078
Dividends payable		**362,849**	369,349
Total liabilities		**309,693,696**	342,599,237
EQUITY			
Share capital	17	**300,000,000**	300,000,000
(Accumulated losses) / retained earnings		**(41,476,996)**	28,840,334
Statutory reserve	24	**8,982,272**	8,982,272
Fair value reserve		**70,943,472**	58,608,118
Remeasurement reserve of employee benefit obligations		**3,694,661**	4,479,241
Total equity		**342,143,409**	400,909,965
TOTAL LIABILITIES AND EQUITY		**651,837,105**	743,509,202

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Majid Ahmed Al Suwaigh Chairman of the Board of Directors	Dalal Abdullah Burhan Chief Executive Officer	Masood Ahmad Bhatti Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF INCOME
(All amounts expressed in Saudi Riyals (﷼) unless otherwise stated)

	Note	For the year ended December 31, 2025	2024
Insurance revenue	18	**604,414,187**	503,656,077
Insurance service expenses	18	**(641,868,450)**	(400,561,614)
Net expenses from reinsurance contracts held	18	**(29,988,954)**	(72,678,122)
Insurance service result from Company's directly written business		**(67,443,217)**	30,416,341
Share of surplus from insurance pools	21	**617,811**	3,364,995
Total insurance service result		**(66,825,406)**	33,781,336
Commission income from financial assets not measured at FVTPL		**26,908,780**	27,101,697
Net (losses) / gains on financial assets measured at FVTPL	7	**(5,279,410)**	278,287
Net investment income		**21,629,370**	27,379,984
Finance income / (expense) from insurance contracts issued	19	**37,641**	(2,001,687)
Finance (expense) / income from reinsurance contracts held	19	**(207,865)**	1,474,822
Net insurance finance expense		**(170,224)**	(526,865)
Net insurance and investment result		**(45,366,260)**	60,634,455
Other operating expenses	20	**(25,870,077)**	(19,948,810)
Finance costs on lease liabilities	13	**(80,993)**	(13,451)
Net (loss) / profit for the year before zakat		**(71,317,330)**	40,672,194
Zakat reversal / (expense)	23	**1,000,000**	(8,813,986)
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**(70,317,330)**	31,858,208
(Loss) / earnings per share (expressed in ﷼ per share)			
Basic (loss) / earnings per share	25	**(2.34)**	1.26
Diluted (loss) / earnings per share	25	**(2.34)**	1.26

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Majid Ahmed Al Suwaigh Chairman of the Board of Directors	Dalal Abdullah Burhan Chief Executive Officer	Masood Ahmad Bhatti Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in Saudi Riyals (﷼) unless otherwise stated)

	Note	For the year ended December 31, 2025	2024
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**(70,317,330)**	31,858,208
Other comprehensive income			
Items that will not be reclassified to the statement of income in subsequent years			
Remeasurement (loss) / gain on employee benefit obligations	16	**(784,580)**	895,957
Net changes in fair value of investments measured at FVOCI – Equity Instrument	7	**11,597,952**	17,639,600
Items that will be reclassified to the statement of income in subsequent years			
Net changes in fair value of investments measured at FVOCI – Debt Instrument	7	**737,402**	(592,654)
Total other comprehensive income		**11,550,774**	17,942,903
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		**(58,766,556)**	49,801,111

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Majid Ahmed Al Suwaigh Chairman of the Board of Directors	Dalal Abdullah Burhan Chief Executive Officer	Masood Ahmad Bhatti Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
(All amounts expressed in Saudi Riyals (﷼) unless otherwise stated)

	Share capital	(Accumulated losses) / retained earnings	Statutory reserve	Fair value reserve	Remeasurement reserve of employee benefit obligations	Total
Balance at January 1, 2025	**300,000,000**	**28,840,334**	**8,982,272**	**58,608,118**	**4,479,241**	**400,909,965**
Total comprehensive loss for the year						
Net loss for the year attributable to the shareholders	**-**	**(70,317,330)**	**-**	**-**	**-**	**(70,317,330)**
Other comprehensive income / (loss)	**-**	**-**	**-**	**12,335,354**	**(784,580)**	**11,550,774**
Total comprehensive (loss) / income for the year attributable to the shareholders	**-**	**(70,317,330)**	**-**	**12,335,354**	**(784,580)**	**(58,766,556)**
Balance at December 31, 2025	**300,000,000**	**(41,476,996)**	**8,982,272**	**70,943,472**	**3,694,661**	**342,143,409**
Balance at January 1, 2024	140,000,000	10,442,518	2,610,630	41,561,172	3,583,284	198,197,604
Total comprehensive income for the year						
Net profit for the year attributable to the shareholders	-	31,858,208	-	-	-	31,858,208
Other comprehensive income	-	-	-	17,046,946	895,957	17,942,903
Total comprehensive income for the year attributable to the shareholders	-	31,858,208	-	17,046,946	895,957	49,801,111
Transfer to statutory reserve	-	(6,371,642)	6,371,642	-	-	-
Issuance of share capital (Note 25)	160,000,000	(7,088,750)	-	-	-	152,911,250
Balance at December 31, 2024	300,000,000	28,840,334	8,982,272	58,608,118	4,479,241	400,909,965

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Majid Ahmed Al Suwaigh	Dalal Abdullah Burhan	Masood Ahmad Bhatti
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
(All amounts expressed in Saudi Riyals (﷼) unless otherwise stated)

	Note	For the year ended December 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / profit for the year before zakat		**(71,317,330)**	40,672,194
Adjustments for:			
Depreciation of property and equipment	11	**1,507,332**	1,098,685
Amortization of intangible assets	12	**3,806,946**	1,816,271
Gain on termination of leases		**(346,500)**	-
Depreciation of right-of-use assets	13	**1,555,363**	536,066
Finance costs on lease liabilities	13	**80,993**	13,451
Gain on disposal of property and equipment	11	**(55,000)**	-
Net loss / (gain) on FVTPL investments	7	**5,279,410**	(278,287)
Provision for employee benefit obligations	16	**2,032,468**	2,083,148
Commission income from financial assets not measured at FVTPL		**(26,908,780)**	(27,101,697)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		**6,122,385**	5,484,931
Insurance contract assets		**2,129,298**	(4,696,772)
Reinsurance contract assets		**(7,468,563)**	30,996,028
Accrued income on statutory deposit		**403,245**	1,174,093
Accrued and other liabilities		**(295,019)**	2,401,203
Insurance contract liabilities		**(11,808,795)**	(54,663,384)
Reinsurance contract liabilities		**(4,479,632)**	22,125,996
Accrued income payable to Insurance Authority		**(403,245)**	(1,174,093)
Cash (used in) / generated from operations		**(100,165,424)**	20,487,833
Employee benefit obligations paid	16	**(1,220,338)**	(1,380,888)
Finance costs paid on lease liabilities	13	**(80,993)**	(13,451)
Commission income from financial assets measured at FVTPL	7	**605,500**	-
Commission income from financial assets not measured at FVTPL		**26,908,780**	27,101,697
Zakat paid	23	**(19,062,302)**	(18,591,699)
Net cash (used in) / generated from operating activities		**(93,014,777)**	27,603,492
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement in term deposits		**(185,486,304)**	(178,486,304)
Redemption of term deposits		**189,931,556**	161,741,789
Purchases of financial assets held at FVTPL	7	**(160,809,118)**	(99,472,504)
Proceeds from disposal of financial assets held at FVTPL	7	**164,820,860**	102,827,667
Purchases of financial assets held at FVOCI	7	**(2,783,000)**	(38,306,072)
Payments for purchases of property and equipment	11	**(846,840)**	(3,173,769)
Payments for purchases of intangible assets	12	**(2,125,048)**	(9,181,327)
Proceeds from disposal of property and equipment		**55,000**	-
Placement in statutory deposits	14	**-**	(9,000,000)
Net cash generated from / (used in) investing activities		**2,757,106**	(73,050,520)

Majid Ahmed Al Suwaigh	Dalal Abdullah Burhan	Masood Ahmad Bhatti
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

	Note	For the year ended December 31, 2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for principal elements of lease payments		**(1,265,104)**	(651,707)
Issuance of share capital, net of expenses		**-**	152,911,250
Dividends paid		**(6,500)**	(500)
Net cash (used in) / generated from financing activities		**(1,271,604)**	152,259,043
Net change in cash and cash equivalents		**(91,529,275)**	106,812,015
Cash and cash equivalents at the beginning of the year	5	**262,559,683**	155,747,668
Cash and cash equivalents at end of the year	5	**171,030,408**	262,559,683
SUPPLEMENTAL NON-CASH INFORMATION			
Net changes in fair value of investments measured at FVOCI	7	**12,335,354**	17,046,946
Remeasurement (loss) / gain on employee benefit obligations	16	**(784,580)**	895,957
Additions in right-of-use assets and lease liabilities	13	**4,164,846**	-

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Majid Ahmed Al Suwaigh Chairman of the Board of Directors	Dalal Abdullah Burhan Chief Executive Officer	Masood Ahmad Bhatti Chief Financial Officer

1. GENERAL INFORMATION

(a) Legal status and principal activities

Al Sagr Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company established in Dammam, Kingdom of Saudi Arabia and incorporated on Muharram 26, 1429H (corresponding to February 4, 2008) under commercial registration ("CR") number 1010243765 which was later amended to 2051036871 dated Rabi' I 22, 1429H (corresponding to March 30, 2008). Unified number 7001544472. The Company has been licensed to conduct cooperative insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree number 60/M dated Ramadan 18, 1427H (corresponding to October 11, 2006), pursuant to Council of Ministers resolution number 233 dated Ramadan 16, 1427H (corresponding to October 9, 2006). The Company's registered address is P.O. Box 3501, Dammam 32241, Kingdom of Saudi Arabia.

The purpose of the Company is to transact in cooperative insurance and reinsurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia (the "Law") and its implementing regulations. The Company obtained license from Insurance Authority ("IA"), formerly Saudi Central Bank ("SAMA") to practice general and health insurance and reinsurance business in the Kingdom of Saudi Arabia vide license number TMN/13/20083, dated Rabi' I 23, 1429H (corresponding to March 31, 2008). The Company commenced insurance operations on Muharram 4, 1430H (corresponding to January 1, 2009). On Ramadan 11, 1436H (corresponding to June 28, 2015), the Company received approval from Insurance Authority to cancel its reinsurance license. The Company operates through three main branches and various point of sale stores located in the Kingdom of Saudi Arabia. Following are the CR numbers of head office and two main branches:

Branch type	Location	CR number
Head office	Dammam	2051036871
Regional branch	Jeddah	4030182618
Regional branch	Riyadh	1010243765

(b) Going concern assessment

The Company has incurred a net loss attributable to the shareholders of ﷼ 70.3 million during the year ended December 31, 2025 (net profit attributable to the shareholders of ﷼ 31.9 million during the year ended December 31, 2024). The Company's net operating cash outflow for the year then ended amounted to ﷼ 93 million (net operating cash inflow of ﷼ 27.6 million for the year ended December 31, 2024). Further, as of December 31, 2025, the Company's accumulated loss amounted to ﷼ 41.5 million. Also see note 1(c) below.

The losses incurred during the year ended December 31, 2025 is primarily attributable to adverse performance in the Motor Third Party Liability (TPL) and Motor comprehensive product lines. This adverse performance is largely due to policies being underwritten at competitive pricing, coupled with an increased frequency of claims driven by increased vehicle activity across the Kingdom of Saudi Arabia. Considering the above, management plans to implement certain performance improvement measures which mainly include pricing revisions and diversification of insurance portfolio, among others and expects that this will reflect positively in the operational results and cash flows. The Company's solvency margin continues to be in compliance with the minimum solvency requirements as mandated by the Insurance Authority.

Management has performed an assessment of its going concern assumption and based on the detailed business plan of the Company, updated after incorporating the expected impact of the matter mentioned in note 1(c), management believes that the Company will be able to continue its operations and meet its obligations as they fall due within the next twelve months. Accordingly, management believes that the Company's operations shall continue for the foreseeable future under the normal course of business and the going concern basis used in the preparation of these financial statements remains appropriate.

1. GENERAL INFORMATION (Continued)

(c) Suspension and reinstatement of motor TPL policies

During the year ended December 2024, the Company received a communication from the Insurance Authority highlighting non-compliance with certain regulatory requirements primarily related to governance matters, identified by the Insurance Authority as part of their supervisory review. The Insurance Authority requested the Company to implement corrective measures within the stipulated timeframe. During the year ended December 31, 2025, the Insurance Authority, based on its follow-up review, issued a directive, on February 19, 2025, instructing the Company to suspend the issuance and/or renewal of Motor TPL policies due to the failure to implement the required corrective actions within the stipulated timeframe. Following the Insurance Authority directives and in addition to the suspension of the issuance and/or renewal of Motor TPL policies, the Company's Board of Directors submitted a detailed response on March 3, 2025 highlighting the corrective actions taken by the Company.

Afterwards, the Insurance Authority conducted a follow-up review and upon determining that the implementation was not satisfactory, issued a directive on April 15, 2025 requiring the appointment of an external consultant to independently evaluate the performance of the internal controls department and its Board members and to develop a corrective action plan with specific procedures and timelines. The Company engaged Deloitte as its external consultant to develop a corrective action plan with defined procedures and implementation timelines. The consultant completed the evaluation and submitted the corrective action plan within 60 days from the date of engagement. Following the submission, the Company will implement the recommended actions under the direct supervision of the external consultant to ensure alignment with regulatory expectations and effective remediation of the identified gaps. As a result of the Company's commitment to addressing the regulatory concerns, the Insurance Authority lifted the suspension on the issuance of Motor Third Party Liability (TPL) policies on June 19, 2025.

(d) Rights issue

During 2023, the Board of Directors, in their meeting held on September 13, 2023, resolved to recommend to its shareholders to increase the share capital of Company by ﷼ 160 million through rights issue, for which approvals from the Insurance Authority, were obtained on December 10, 2023. The Company received approvals from the Capital Market Authority on April 24, 2024 and further, the Company's shareholders, in their extraordinary general assembly meeting ("EOGM") held on June 26, 2024, had approved the proposed increase in the share capital through a rights issue. The subscription period for the rights issue ended on July 18, 2024, following which the Company completed the legal and regulatory formalities relating to issuance of new shares, including the realization of proceeds there against amounting to ﷼ 160 million, gross of expenses of ﷼ 7.1 million.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation 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.

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 allocation of expenses from joint operations is determined and approved by management and the Board of Directors of the Company.

In accordance with the requirements of Implementing Regulation for Co-operative Insurance Companies (the "Regulations") issued by the Insurance Authority, formerly SAMA, and as per by-laws of the Company, shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising from insurance operations is transferred to the shareholders' operations in full. Surplus distributable to policyholders, forming part of insurance service expenses, is disclosed in Note 34.

2. BASIS OF PREPARATION (Continued)

(a) Statement of compliance (Continued)

The statements of financial position, statements of income, statement of comprehensive income and cash flows of the insurance operations and shareholders' operations which are presented in Note 36 to the financial statements have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by the Insurance Authority's implementing regulations. Insurance Authority's implementing regulations require the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations. Accordingly, the 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 operation.

In preparing the Company's financial statements in compliance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances. Management has presented separate amounts for shareholders and insurance operations in note 36. For statutory reporting under International Financial Reporting Standards as endorsed by SOCPA, only aggregated amounts are required to be presented.

(b) Basis of measurement

The financial statements are prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss (FVTPL) and investments carried 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.

(c) Basis of presentation

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

(d) Functional and presentation currency

These financial statements are expressed in Saudi Arabian Riyals ("﷼") which is the functional and presentation currency of the Company.

(e) Seasonality of operations

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

(f) Changes in products and services

During the year ended December 31, 2025, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are summarised below, these policies have been consistently applied for each of the years presented.

3.1 New standards, amendments and interpretations applied by the Company

Amendments
A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's financial statements.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company's financial position, financial performance, or cash flows for the current reporting period.

3.2 Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective for the reporting period ended December 31, 2025 and have not been early adopted by the Company

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of standards and the amendment	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7.	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements are not expected to be significantly affected.

3. MATERIAL ACCOUNTING POLICIES (Continued)
3.2 Standards and amendments issued but not yet effective (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of standards and the amendment	Management assessment
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Company's operations and contractual arrangements, management does not expect these amendments to have a material impact on the Company's financial statements upon initial application.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of standards and the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.2 Standards and amendments issued but not yet effective (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of standards and the amendment	Management assessment
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

3.3 Insurance and reinsurance contracts

i. Classification and summary of measurement models

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Cash flows from insurance contracts are split into Liability for Incurred Claims ("LIC") and Liability for Remaining Coverage ("LRC").

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include medical, motor, engineering, property, general accident and marine. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Company does not issue any contracts with direct participating features.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. None of the insurance contracts issued by the Company contain embedded derivatives, investment components or any other goods and services.

ii. Level of aggregation

The Company identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- Any contracts that are onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The portfolios are further divided by year of issue.
Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

ii. Level of aggregation (Continued)

contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

iii. Recognition

The Company recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.
- For a group of onerous contracts, the date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- For reinsurance contracts that provide proportionate coverage, at the later of:
  (i) the beginning of the coverage period of the group of reinsurance contracts and
  (ii) the initial recognition of any underlying contract.

- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts;

However, if the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

iv. Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

iv. Contract boundaries (Continued)

exist during the reporting period under which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

i) The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

ii) Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and
- the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance and financial risks, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

v. Measurement

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. This is the default model under IFRS 17 to measure insurance contracts. However, the Premium Allocation Approach (PAA), which is a simplified measurement model, is permitted if, and only if, at the inception of the group:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements or

- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The Company uses the PAA to simplify the measurement of groups of contracts on the following bases:

- Insurance contracts:

The coverage period of medical and motor contracts in the group of contracts is one year or less. PAA eligibility testing has been performed for the Casualty, Engineering, General Accident, Marine, Fire and property group of contracts. The Company reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

v. Measurement (Continued)

Testing is completed on both:

- the product level then groups are formed based on the product and the terms of the product, and
- the portfolio level then groups are formed on a portfolio level.

Where the potential deviation is below financial statement materiality, the associated portfolio / product is deemed eligible for the PAA.

The upper bound is derived by simulating the maximum potential difference between PAA and GMM for thousands of combinations of input assumptions (term, volatility, expected claims and expense ratio, acquisition expense ratio, risk adjustment) for contracts. It is derived as follows:

(i) Simulate differences between PAA and GMM for several thousand contracts with various cashflow assumptions,

(ii) Derive a generic curve of the maximum deviation normalized by GWP for each contract duration and level of reasonable shock applied,

(iii) Apply the curve to the projected distribution of premium by contract duration to derive the portfolio potential deviation

The resulting upper-bound curves are then applied to all IFRS 17 portfolios. This effectively ensures that portfolios with a low volume of business but which are likely to be eligible for the PAA are demonstrated to be eligible without requiring a bespoke cashflow projection based on detailed actuarial assumptions and judgement.

For portfolios that have failed the upper-bound PAA eligibility test, a best estimate of the potential deviation between the PAA and the GMM is determined for a hypothetical representative contract. The hypothetical representative contract is identified based on the current contract wording and projected distribution of coverage periods, and is assumed to have GWP equal to the projected GWP of the entire portfolio. Where the potential deviation is below financial statement materiality, the associated portfolio is deemed eligible for the PAA.

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous and facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

(i) the LRC; and
(ii) the LIC, comprising the fulfilment cash flows (“FCF”) related to past service allocated to the group of contracts at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

v. Measurement (Continued)

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

(i) the remaining coverage; and
(ii) the incurred claims, comprising the FCF related to past service allocated to the group of contracts at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;

(b) decreased for insurance acquisition cash flows paid in the period;

(c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;

(d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and

(e) increased for any adjustment to the financing component, where applicable.

- Reinsurance contracts:

The Company reasonably expects that the resulting measurement under the PAA measurement model would not differ materially from the result of applying the general measurement model.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the year before a claim is incurred.

Measurement on initial recognition under PAA:

On initial recognition of each group of contracts that are not onerous, the carrying amount of the liability for remaining coverage ("LRC") is measured at the premiums received on initial recognition less any acquisition cash flows paid. For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer.

Subsequent measurement under PAA:

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and
b. the LIC, comprising the fulfilment cash flows ("FCF") related to past service allocated to the group at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

v. Measurement (Continued)

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
b. decreased for insurance acquisition cash flows paid in the year
c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the year; and
d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a. increased for ceding premiums paid in the year;
b. increased for broker fees paid in the year; and
c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the year

On initial recognition of each group of contracts, the Company expects that the time between providing each part of the coverage and the related premium due date is no more than a year.

For all group of contracts, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and a risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation, which are covered in Note 4.

The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

v. Measurement (Continued)

Some insurance contracts permit the Company to sell (usually damaged) assets acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included in the estimates of claims liability as it can reasonably be recovered from the disposal of the asset.

Onerous contract assessment:

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in insurance service expense and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows, determined under the GMM, that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the liability for remaining coverage. A loss component will be established for the amount of the loss recognised.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Non-performance risk (NPR) adjustment:

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

vi. De-recognition and contract modification

The Company derecognises a contract when it is extinguished i.e. when the specified obligations in the contract expire or are discharged or cancelled. The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms in recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified during the year ended December 31, 2025.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

vii. Acquisition & Attributable Cost

Insurance acquisition cash flows are the costs that directly associated with selling and handling acquired businesses. The Company considers underwriting, sales, and regulatory levies as acquisition costs. Acquisition costs are not expensed when incurred and are deferred over the life of the insurance contract. While attributable costs are the costs that can fully or partially attributed to the insurance operations. The Company has in place allocation technique to allocate the costs and are deferred over the life of the insurance contract. Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

viii. Risk adjustments for non-financial risk

The Company has decided to use Solvency II for the calculation of risk adjustment percentage using 75th percentile for motor and medical portfolios. However, for other portfolios due to insufficient data Company has relied on experience judgement of Appointed Actuary and have used suggested percentage for risk adjustment.

ix. Presentation

Groups of insurance contracts that are assets and those that are liabilities, and groups of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. The Company recognised in the statement of income (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Other operating expenses

Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

Insurance revenue

The insurance revenue for each period is the amount of expected premium receipts for providing coverage in the period. The impact of seasonality is not considered material in relation to recording the insurance revenue.

The Company has developed impairment calculations based on provision matrix approach. LRC adjustment is recorded as an adjustment to LRC with corresponding impact recorded in Insurance Revenue. The Company has used these impairment calculations to project the expected premium receipts to each period.

Insurance service expenses

Insurance service expenses include the following:

a. incurred claims for the year.
b. other incurred directly attributable expenses.
c. insurance acquisition cash flows amortization.
d. changes that relate to past service - changes in the FCF relating to the LIC.
e. changes that relate to future service - changes in the FCF that result in onerous contract losses or reversals of those losses.
f. surplus distributable.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the recognition of premium

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

ix. Presentation (Continued)

Net expenses from reinsurance contracts:

Net expenses from reinsurance contracts comprise reinsurance expenses less amounts recovered from reinsurers. The Company recognises reinsurance expenses as it receives coverage or other services under groups of reinsurance contracts. For contracts measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income and expenses:

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk, and changes therein.

The Company includes all insurance finance income or expenses for the year in the statement of income.

x. Classification, recognition and measurement

- **Deferral of acquisition costs** - insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalise and amortise these costs over the coverage period based on the passage of time for all groups of contracts.

- **Discount rate** - the liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Company has established discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts.

- **Risk Adjustment** - the liability for incurred claims includes an explicit risk adjustment for non-financial risk ("risk adjustment") and risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk.

- **Onerous contracts** - IFRS 17 requires the identification of groups of onerous contracts at a more granular level. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income.

xi. Accounting policy choices

Length of cohorts

IFRS 17 places an upper limit of 12 months on the length of cohorts so that no group for level of aggregation purposes may contain contracts issued more than one year apart. The Company has elected to use annual cohorts.

Use of OCI for insurance finance income or expense (IFIE)

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

xi. Accounting policy choices (Continued)

Length of cohorts (Continued)

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk. In reference to the presentation in statement of income, the Company will present the entire insurance finance income or expenses in statement of income.

Expense attribution

The Company will perform regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

Deferral of acquisition cost

In reference to the recognition of acquisition costs, the Company has decided to capitalize and amortize the acquisition cost over the contract period instead of immediately recognizing it as an expense.

Policyholder surplus accounting

The Company does not make any allowance for surplus distribution when determining onerosity. Currently, the amount is determined on a retrospective basis only, allocated to group of contracts based on the Company's defined allocation policy and presented as part of LIC.

xii. Presentation and disclosure

Statement of financial position

Presentation is driven by portfolios which are composed of groups of contracts covering similar risks and which are managed together. Portfolios of insurance and reinsurance contracts are presented separately between:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

Statements of income

Insurance revenue includes gross written premium, gross movement in unearned premiums and estimates for expected premium receipts.

Insurance service expense includes gross claims paid, changes in outstanding claims, changes in incurred but not reported claims, changes in loss component, policy acquisition costs, attributable expenses, the impact of release in the risk adjustment and surplus distributable.

Net income / (expenses) from reinsurance contracts held includes reinsurance premium ceded, changes in reinsurer's share of unearned premiums, reinsurance commission earned, reinsurance share of paid claims, reinsurance share of outstanding claims, reinsurance share of changes in claims incurred but not reported, change in reinsurance accrual reserve, expected credit losses on reinsurance receivables and the impact of loss adjustment the risk adjustment for non-financial risk.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Insurance and reinsurance contracts (Continued)

xii. Presentation and disclosure (Continued)

Insurance service results are presented without the impact of discount unwinding and changes in discount rates which are shown separately under Net insurance financial result in Net income.

Share of surplus from insurance pools (i.e Umrah & Hajj scheme and Inherent Defects Insurance) are presented on a net basis within the total insurance service results after the insurance service result from the Company's directly written business.

Underwriting expenses, claims handling expenses, policy acquisition costs and general and administrative expenses are classified either as 'Incurred claims and other directly attributable expenses' within insurance service expense or as other operating expenses when they are not directly attributable to insurance contracts.

3.4 Financial assets and liabilities

i. Initial recognition

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss ("ECL") allowance is recognised for financial assets measured at amortised cost and investments measured at FVOCI.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as a gain or loss.

Amortised cost and effective interest rate

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Financial assets and liabilities (Continued)

ii. Classification and subsequent measurement of financial assets

The Company classifies its financial assets in the following measurement categories:
- Fair value through through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI)
- Held at amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on:
(i) the Company's business model for managing the financial assets; and
(ii) the contractual cash flow characteristics of the financial assets.

Business model:

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Company as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and profit:

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and profit. In making this assessment, the Company considers whether the contractual cash flows are consistent with the financing agreement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. The Company also considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets, terms that change the amount and timing of cash flows and whether the contractual terms contain leverage.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company exercises judgment in determining whether the contractual terms of financial assets it originates or acquires give rise on specific dates to cash flows that are solely payments of principal and profit income on the principal outstanding and so may qualify for amortised cost measurement. In making the assessment the Company considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets, terms that change the amount and timing of cash flows and whether the contractual terms contain leverage.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Financial assets and liabilities (Continued)

ii. Classification and subsequent measurement of financial assets (Continued)

Debt instruments (Continued)

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Profit income from these financial assets is included in 'Commission income' using the effective profit method.

Fair value through other comprehensive income ("FVOCI"):

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are designated as FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, special commission income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Profit income from these financial assets is included in 'Commission income' using the effective profit method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is presented in profit or loss in the period in which it arises. Currently investment in mutual funds and sukuk which failed SPPI assessment are classified as FVTPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are not expected to be frequent and no such instances have occurred during the year ended December 31, 2025.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company classifies all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, transaction costs are made part of the cost at initial recognition and subsequent fair value gains and losses (unrealized) are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. The Company has designated its investment in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company ("Najm"), as FVOCI. Dividends, when representing a return on such investments, continue to be recognized in the statement of income as 'Dividend income' when the Company's right to receive payments is established. Currently all equity securities are designated as FVTPL.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Financial assets and liabilities (Continued)

ii. Classification and subsequent measurement of financial assets (Continued)

Equity instruments (Continued)

Any gain or loss on the disposal of equity classified as FVOCI will be non- recycling i.e. on disposal, fair value movement residing in OCI will be moved directly from OCI to retained earnings.

iii. Impairment of financial assets

The Company assesses on a forward-looking basis the ECL associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Premiums receivable balances have been classified under insurance contract liabilities and the reinsurers' receivable balances and reinsurers' share of outstanding claims and claims incurred but not reported have been classified under reinsurance contract assets, as rights and obligations under insurance contracts are accounted for under IFRS 17 because the policyholder transfers significant insurance risk to the insurer rather than financial risk, which are in the scope of IFRS 17 for impairment.

The Company applies the three-stage model for impairment of financial assets measured at amortised cost and FVOCI, based on changes in credit quality since initial recognition.

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted to present value.

Probability of Default ('PD'): The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss Given Default ('LGD'): Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default ('EAD'): The exposure at default is an estimate of the exposure at a future default date.

Forward looking estimate: While estimating the ECL, the Company will review macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company will analyze the relationship between key economic trends with the estimate of PD. The Company has identified the Gross domestic product and the inflation rate of the country in which it operates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Stage 1 ("Performing") includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these financial assets, 12-month expected credit losses ("ECL") are recognised and financial income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). A 12-month ECL is the ECL that results from default events that are possible within 12-months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12-months.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Financial assets and liabilities (Continued)

iii. Impairment of financial assets (Continued)

Stage 2 ("Under-performing") includes financial assets that have had a significant increase in credit risk since initial recognition, but do not have objective evidence of impairment. A significant increase in credit risk is presumed if a receivable is more than 30 days past due. For these financial assets, lifetime ECL are recognised, but financial income is still calculated on the gross carrying amount of the asset. Lifetime ECL is the ECL that results from all possible default events over the maximum contractual period during which the Company is exposed to credit risk. ECL is the weighted average credit losses, with the respective risks of a default occurring as the weights.

Stage 3 ("Non-performing") includes financial assets that have objective evidence of impairment at the reporting date. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. For these financial assets, lifetime ECL are recognised and financial income is calculated on the net carrying amount (that is, net of credit allowance).

The Company, when determining whether the credit risk on a financial asset has increased significantly, considers reasonable and supportable information available (e.g. days past due, customer credit scoring etc.), in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial asset. Financial assets are written-off only when there is no reasonable expectation of recovery. Where financial assets are written-off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Recoveries made, after write-off, are recognized in profit or loss.

Impairment losses on financial assets are presented separately on the statement of income. IFRS 9 impairment applies to financial instruments that are not measured at Fair value through profit or loss (FVTPL). Equity instruments measured at FVOCI are also excluded from the purview of impairment. Financial assets that are subject to impairment consist of investment portfolio (debt instruments) and cash and cash equivalents.

iv. Derecognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of income.

v. Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective profit method.

vi. Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Financial assets and liabilities (Continued)

vi. Derecognition of financial liabilities (Continued)

modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of income.

3.5 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

3.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments, if any, with less than three months maturity from the date of acquisition.

3.7 Term deposits

Short-term deposits are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of placement.

Long-term deposit represents deposit with maturity of more than one year from the date of placement and is placed with a financial institution carrying commission income.

3.8 Property and equipment

Property and equipment are initially recorded at cost and are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Leasehold improvements principally represent movable structures that can be relocated without incurring any substantial cost and effort. Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

3.9 Goodwill

Goodwill represents excess of the fair value of the purchase consideration payable, as per IA's instructions, over the net identifiable assets acquired from Al Sagr Saudi Insurance Company (a sister company). The recoverability of goodwill is tested at each statement of financial position date for impairment or more frequently when changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs to sell and its value in use.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.10 Intangible assets

Intangible assets represent computer software and are measured at cost. Intangible assets with a finite useful life are amortised over their estimated useful life in accordance with the pattern of expected consumption of economic benefits. Estimated useful life of software is 4 years. Intangible assets with an infinite useful life (including goodwill) are not subject to amortisation but are tested for impairment at each statement of financial position date or more often if there is an indication of impairment. Intangible assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Amortisation expense is included in 'General and administrative expenses' under statement of income.

3.11 Right-of-use assets and lease liabilities

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use ("RoU") asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

RoU assets are depreciated over the shorter period of lease term or the economic useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company has used exemption available in IFRS 16 - Leases, for short-term leases and leases of low-value assets. Also see Note 13 (b).

3.12 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless

the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.12 Impairment of non-financial assets (Continued)

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGU, to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognised in the statement of income.

3.13 Provisions and other liabilities

Provisions are recognised when the Company has an obligation (legal or constructive) arising from past events, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognised for future operating losses. Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3.14 Employee benefit obligations

The Company operates a single employment benefit scheme of defined benefit plan driven by the labor laws and workman laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of income and while unwinding of the liability at discount rates used are recorded in the statement of income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the statement of comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the statement of comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognised immediately in statement of income as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law of Saudi Arabia.

3.15 Zakat

Zakat is provided in accordance with the Regulations of the Zakat, Tax and Customs Authority ("the ZATCA") in the Kingdom of Saudi Arabia. Zakat provision is charged to the statement of income. Zakat is computed on the Saudi shareholder's share of the Zakat base. The Company is settling the Zakat annually to ZATCA.

Value added tax
Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing these financial statements, 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 annual financial statements as at and for the year ended December 31, 2024. Also refer Note 28 for sensitivity analysis.

The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

(i) Estimates of future cash flows to fulfil insurance contracts

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at Company level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in statement of income as they are incurred.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

(i) Estimates of future cash flows to fulfil insurance contracts (Continued)

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups. The Company performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contract.

The most common methods used to estimate claims incurred are the chain-ladder ("CL"), expected loss ratios ("ELR") and the Bornhuetter-Ferguson ("BF") methods, which are the industry standards and the Company uses a mix of these. The provisions for the claims incurred using the above methods are net of recoveries.

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed, to produce an estimated ultimate claims cost for each accident year. In Chain Ladder applications, recoveries are included in historical claims data, meaning that loss development factors inherently reflect the impact of recoveries.

Expected Loss Ratio method uses an initial expected loss ratio (based on past experience) to estimate ultimate claims.

The Bornhuetter-Ferguson method estimates ultimate values using Expected Loss Ratio method mixed with Chain Ladder Method because validity of the results from using a loss development approach can be affected by many conditions, and the percentage of losses paid for immature years is often low, and hence development factors are volatile. A small variation in the number of claims paid can have a leveraging effect that can lead to significant changes in estimated ultimate. Therefore, BF method estimates ultimate claims giving higher weightage to ELR method for recent accident periods and higher weight to CL method for older accident periods.

(ii) Discounting methodology

Discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and other financial risks to accrete interest on the liability for incurred claims.

The bottom-up approach was used to derive the discount rate. Under this approach, the USD based risk free discount rates by The European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Company then further added a KSA country risk premium from the source to make the yield curve appropriate for the application. The Company used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium.

The Company had discounted the liability for incurred claims for all groups of insurance contracts. There is no allowance for the time value of money for liability for remaining coverage ("LRC").

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

(ii) Discounting methodology (Continued)

	Insurance contracts issued and reinsurance contracts held				
2025	**1 year**	**2 years**	**3 years**	**4 years**	**5 years**
Medical	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
Motor Comprehensive	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
Motor Third Party	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
Engineering	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
Property	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
General Accident	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
Marine Cargo	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**
Marine Hull	**3.43%**	**3.31%**	**3.34%**	**3.40%**	**3.47%**

	Insurance contracts issued and reinsurance contracts held				
2024	1 year	2 years	3 years	4 years	5 years
Medical	4.18%	4.09%	4.06%	4.04%	4.02%
Motor Comprehensive	4.18%	4.09%	4.06%	4.04%	4.02%
Motor Third Party	4.18%	4.09%	4.06%	4.04%	4.02%
Engineering	4.18%	4.09%	4.06%	4.04%	4.02%
Property	4.18%	4.09%	4.06%	4.04%	4.02%
General Accident	4.18%	4.09%	4.06%	4.04%	4.02%
Marine Cargo	4.18%	4.09%	4.06%	4.04%	4.02%
Marine Hull	4.18%	4.09%	4.06%	4.04%	4.02%

(iii) Risk adjustments for non-financial risks

The Company adjusted the estimate of the present value of the future cashflows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. So, the purpose of the risk adjustment for non-financial risk is to measure the effect of uncertainty in the cashflows that arise from insurance contracts, other than uncertainty arising from financial risk.

The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks such as lapse risk and expense risk.

The Company adopted the PAA simplification for the calculation of liability for remaining coverage. Therefore, risk adjustment for liability for remaining coverage will only be estimated in case a group of contracts is recognized as onerous.

There is no prescribed approach for determining the risk adjustment for non-financial risk for each group of insurance contracts. Applying a confidence level technique, the Company estimated the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculated the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

(iv) Onerosity determination

Under the PAA, the Company assumed no contracts in the portfolio are onerous at initial recognition unless "facts and circumstances" indicate otherwise. The Company performs the assessment of onerous contracts on an annual and underwriting year basis, in conjunction with updated information on product profitability. Furthermore, the assessment shall be repeated if "facts and circumstances" indicate that there are significant changes in product pricing, product design, plans and forecasts.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

(iv) Onerosity determination

This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company established a process to determine onerous, potentially onerous and profitable contracts by assessing the profitability of the different portfolios at the start of the underwriting year. The profitability of each portfolio shall be assessed separately. Refer Note 3.3 (v) for further details in this regard.

(v) Estimates for expected premium receipts

The Company has developed a methodology for expected premium receipts based on provision matrix approach. Such balances have been reclassified to insurance contract liabilities in line with the requirements of IFRS 17. To measure the estimates, such balances have been grouped based on shared credit risk characteristics for respective policyholder base portfolio and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, affecting the ability of the customers to settle the receivables. The Company has identified the Gross domestic product and the inflation rate of the country in which it operates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and to make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 26 for details relating to fair valuation techniques and a sensitivity analysis in relation to the significant assumptions.

(vii) Impairment of goodwill

The recoverable amount of goodwill is estimated based on the present value of the future cash flows expected to be derived from the asset. In case, the recoverable amount is less than carrying value, the difference is charged to statement of income as impairment loss. The key assumptions used in determining the recoverable amounts and the related sensitivity analysis are set out in Note 8.

(viii) Presentation of the share in net results from insurance pool

IFRS 17 does not have specific requirements on the presentation of assigning insurance income and expenses, and insurance assets and liabilities when an insurance contract is issued by more than one entity. Accordingly, the Company applied the requirements in IAS 8 in developing a policy for the presentation of the arrangement in which it is a co-insurer (refer to note 3.3 xii). The Company analysed the contractual terms of the arrangement policy and concluded that given the nature and substance of the arrangement, it is appropriate to present the results within net insurance results as a separate line item in the statement of income, with details provided in the notes. The Company believes this is appropriate as management has no ability to change the pricing or control the expenditure and as such do not think it is appropriate to include the results within revenue and expenses that are controllable by the Company. The current presentation of the arrangement is similar to where an entity is as an agent, where the principle is as there is no control net presentation is more appropriate and disclosure is provided in the notes. Management believes the presentation and disclosure reflects the substance of the arrangement.

5. CASH AND CASH EQUIVALENTS

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

	December 31, 2025	December 31, 2024
Cash in hand	**49,000**	55,949
Cash at bank - current accounts	**9,645,755**	10,376,975
Time deposits	**80,284,651**	167,711,247
Money market funds	**81,051,002**	84,415,512
	171,030,408	262,559,683

Cash at banks is placed with counterparties with sound credit ratings. As at December 31, 2025, deposits and money market funds were placed with local banks with original maturities of less than three months from the date of placement and earned commission income at an average rate of 5.1% to 7.0% (2024: 6.4% to 7.0%) and 7.9% (2024: 8.0%) per annum, respectively.

Money market funds are managed by reputable financial institutions. These funds primarily invest in short-term highly liquid debt instruments with minimal credit risk.

The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorized under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At December 31, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

6. TERM DEPOSITS

Short-term deposits, amounting to ﷼ 170.1 million as at December 31, 2025 (2024: ﷼ 174.6 million) are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of placement. These deposits earned commission income at a rate of 5.45% to 6.33% per annum for the year ended December 31, 2025 (2024: 5.55% to 6.33% per annum).

Long-term deposits, amounting to ﷼ 45.4 million as at December 31, 2025 (2024: ﷼ 45.4 million) are placed with local banks and financial institutions represent deposits with maturity of more than one year from the date of placement and are placed with banks carrying commission income at an average rate of 5.14% to 5.41% (2024: 5.4%).

The gross carrying amount of term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorized under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At December 31, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

7. INVESTMENTS

(a) Investments are classified as follows:

	December 31, 2025	December 31, 2024
Financial assets at FVTPL		
Mutual funds	**25,854,544**	6,306,969
Ordinary shares	**1,562,000**	41,006,227
Debt instruments	**10,000,000**	-
	37,416,544	47,313,196

7. INVESTMENTS (Continued)

(a) Investments are classified as follows (Continued)

	December 31, 2025	December 31, 2024
Financial assets at FVOCI		
Ordinary shares	**72,721,804**	61,123,852
Debt instruments	**41,233,820**	37,713,418
	113,955,624	98,837,270
	151,372,168	146,150,466

Investment in mutual funds are classified as investments measured at FVTPL. Since these are equity instruments, the Company has classified its investments in ordinary shares at FVTPL, except for Najm investments which are being held at FVOCI. The Company holds an investment in the equity of Najm for Insurance Services (Najm) and in accordance with Company's accounting policy, investments in equity instruments should be measured at fair value. The fair value of Najm investment as at December 31, 2025 is ﷼ 72.7 million (2024: ﷼ 61.1 million).

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

The gross carrying amount of financial assets measured at FVOCI represent the Company's maximum exposure to credit risk on these financial assets which include Sukuk investments categorised under Stage 2 and Najm investments which are categorized under Stage 3. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At December 31, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

(b) Movement in investments carried at fair value is as follows:

(i) Financial assets at fair value through profit or loss ("FVTPL")

	December 31, 2025	December 31, 2024
Balance at beginning of the year	**47,313,196**	50,390,072
Additions during the year	**160,809,118**	99,472,504
Disposals during the year	**(164,820,860)**	(102,827,667)
Commission income received	**(605,500)**	-
Changes in fair value of investments	**(5,279,410)**	278,287
Balance at end of the year	**37,416,544**	47,313,196

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

	December 31, 2025	December 31, 2024
Balance at beginning of the year	**98,837,270**	43,484,252
Additions during the year	**2,783,000**	38,306,072
Changes in fair value of equity investments	**11,597,952**	17,639,600
Changes in fair value of debt investments	**737,402**	(592,654)
Balance at end of the year	**113,955,624**	98,837,270

7. INVESTMENTS (Continued)

(c) Category wise investment analysis is as follows:

	December 31, 2025	December 31, 2024
Quoted	**51,233,820**	76,109,645
Unquoted	**100,138,348**	70,040,821
	151,372,168	146,150,466

(d) Geographical concentration:

The maximum exposure to credit and price risk for financial assets at the reporting date by geographic region is as follows:

	December 31, 2025	December 31, 2024
Kingdom of Saudi Arabia	**150,549,812**	144,843,497
United States of America	**519,836**	785,250
Singapore	**302,520**	521,719
	151,372,168	146,150,466

8. GOODWILL

The Company commenced its insurance operations on January 1, 2009. The Company's General Assembly approved on February 1, 2009 for the Company to enter into an agreement whereby it acquired the entire business (net identifiable assets) of Al Sagr Saudi Insurance Company with effect from January 1, 2009 at a goodwill of ﷼ 39.0 million as set forth in IA's letter in this respect after completing the related procedures as required under IA's letter on November 10, 2008. The Company has later adjusted goodwill amount by reducing ﷼ 13.5 million in line with IA correspondence in this respect bringing it to ﷼ 25.5 million. The Company has paid ﷼ 9.9 million during 2011 and ﷼ 15.6 million in 2012 against goodwill to the shareholders of Al Sagr Saudi Insurance Company.

For the impairment testing, management has identified a single cash generating unit ("CGU") and determines the recoverable amount of the CGU based on value-in-use calculations. These calculations require the use of estimates in relation to the future cash flows, based on the most recent five years' business plan, and use of an appropriate discount rate. Cash flows beyond five-years' period are extrapolated using the terminal value growth rate stated below. This growth rate is consistent with the forecasts included in industry reports specific to the industry in which the CGU operates. Actual conditions may differ from assumptions and thus actual cash flows may be different to those expected with a potential material effect on the recoverability of amounts. The calculation of value in use was most sensitive to the assumptions of insurance revenue growth, insurance service expenses and discount rate, which are determined keeping in view the historical performance, recent market and industry trends and expected outcome of various performance improvement measures being implemented by management.

The key significant assumptions used in the determination of expected discounted cash flows for the next 5 years are:

Key assumptions – December 31, 2025	**%**
Insurance revenue growth	**5.16**
Insurance service expenses as a percentage of insurance revenue	**87.58**
Weighted average cost of capital	**13.93**
Terminal value growth rate	**2.0**

8. GOODWILL (Continued)

Key assumptions – December 31, 2024	**%**
Insurance revenue growth	7.1
Insurance service expenses as a percentage of insurance revenue	82.3
Weighted average cost of capital	14.0
Terminal value growth rate	2.0

Although management believes that the assumptions used to evaluate potential impairment are reasonable, such assumptions are inherently subjective. Based on the assumptions made, the expected discounted future cash flows exceed the carrying amount of goodwill and accordingly no impairment has been recognised.

Sensitivity to the changes in assumptions

The estimated recoverable amount of the CGU exceeded its carrying value by approximately ﷼ 177.2 million. Management has identified that a reasonably possible change in the below given key assumptions could cause the carrying amount to equal the recoverable amount.

Insurance revenue growth

The insurance revenue growth in the forecast period has been estimated to be a compound annual growth rate of 5.16%. If all other assumptions kept the same, a reduction of this growth rate from 5.16% to 3.95% would give a value in use equal to the current carrying amount.

Insurance service expenses

The insurance service expenses as a percentage of insurance revenue in the forecast period has been estimated to be 87.58% of insurance revenue. If all other assumptions kept the same, a decrease of this result from 87.58% to 98.43% of insurance revenue would give a value in use equal to the current carrying amount.

Weighted average cost of capital

The weighted average cost of capital in the forecast period has been estimated to be 13.93%. If all other assumptions kept the same, an increase of this discount rate from 13.93% to 18.23% would give a value in use equal to the current carrying amount.

9. PREPAID EXPENSES AND OTHER ASSETS

	December 31, 2025	December 31, 2024
Prepaid expenses	**4,109,858**	3,563,333
VAT assessment (note 23)	**4,052,895**	7,353,354
Receivable from insurance pools	**76,813**	4,600,867
Receivable from Arab War Risks Insurance Syndicate	**2,663,134**	2,606,010
Insurance surplus receivable	**1,879,241**	-
Accrued income	**835,432**	497,294
Employees' receivable	**585,200**	424,400
Other receivables	**2,286,730**	3,566,430
	16,489,303	22,611,688

10. INSURANCE AND REINSURANCE CONTRACTS

10.1 Composition of the statement of financial position

An analysis of the amounts presented on the statement of financial position for insurance contracts and reinsurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

December 31, 2025	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance contracts									
Insurance contract assets	**-**	**-**	**-**	**-**	**(11,342,015)**	**-**	**-**	**-**	**(11,342,015)**
Insurance contract liabilities	**53,697,946**	**39,782,536**	**124,041,725**	**5,827,262**	**-**	**22,573,945**	**361,044**	**2,439,223**	**248,723,681**
									237,381,666
Reinsurance contracts									
Reinsurance contract assets	**1,771,328**	**-**	**9,518,990**	**1,623,548**	**-**	**-**	**-**	**1,038,954**	**13,952,820**
Reinsurance contract liabilities	**-**	**(2,399,535)**	**-**	**-**	**(11,819,811)**	**(4,723,210)**	**(455,496)**	**-**	**(19,398,052)**
									(5,445,232)
December 31, 2024									
Insurance contracts									
Insurance contract assets	-	-	-	-	(13,471,313)	-	-	-	(13,471,313)
Insurance contract liabilities	73,228,713	35,125,927	120,125,637	5,588,612	-	23,536,982	525,667	2,400,938	260,532,476
									247,061,163
Reinsurance contracts									
Reinsurance contract assets	4,768,456	-	-	304,364	-	-	-	1,411,437	6,484,257
Reinsurance contract liabilities	-	(2,358,232)	(2,473,463)	-	(13,520,866)	(5,386,549)	(138,574)	-	(23,877,684)
									(17,393,427)

10 INSURANCE AND REINSURANCE CONTRACTS (Continued)

10.2 Analysis by remaining coverage and incurred claims

10.2.1 Insurance contracts

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**169,005,193**	**7,543,792**	**81,177,511**	**2,805,980**	**260,532,476**	146,382,337	15,090,344	140,977,648	3,970,990	306,421,319
Insurance contract assets - opening	**(1,523,161)**	**-**	**(12,022,976)**	**74,824**	**(13,471,313)**	-	-	-	-	-
Opening balance - net	**167,482,032**	**7,543,792**	**69,154,535**	**2,880,804**	**247,061,163**	146,382,337	15,090,344	140,977,648	3,970,990	306,421,319
Insurance revenue	**(604,414,187)**	**-**	**-**	**-**	**(604,414,187)**	(503,656,077)	-	-	-	(503,656,077)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**529,293,112**	**2,534,493**	**531,827,605**	-	-	366,515,666	2,528,589	369,044,255
Reversal on onerous contracts	**-**	**(843,882)**	**-**	**-**	**(843,882)**	-	(7,546,552)	-	-	(7,546,552)
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**14,652,650**	**(1,987,924)**	**12,664,726**	-	-	(33,428,925)	(3,665,187)	(37,094,112)
Insurance acquisition cashflows amortisation	**98,220,001**	**-**	**-**	**-**	**98,220,001**	76,158,023	-	-	-	76,158,023
Insurance service expenses	**98,220,001**	**(843,882)**	**543,945,762**	**546,569**	**641,868,450**	76,158,023	(7,546,552)	333,086,741	(1,136,598)	400,561,614
Finance (income) / expense from insurance contracts	**-**	**-**	**(37,698)**	**57**	**(37,641)**	-	-	1,955,275	46,412	2,001,687
Total changes in the statement of income	**(506,194,186)**	**(843,882)**	**543,908,064**	**546,626**	**37,416,622**	(427,498,054)	(7,546,552)	335,042,016	(1,090,186)	(101,092,776)
Cashflows										
Premiums received	**582,509,246**	**-**	**-**	**-**	**582,509,246**	537,284,571	-	-	-	537,284,571
Claims and other directly attributable expenses paid	**-**	**-**	**(532,191,508)**	**-**	**(532,191,508)**	-	-	(406,865,129)	-	(406,865,129)
Insurance acquisition cashflows paid	**(97,413,857)**	**-**	**-**	**-**	**(97,413,857)**	(88,686,822)	-	-	-	(88,686,822)
Total cash (outflows) inflows	**485,095,389**	**-**	**(532,191,508)**	**-**	**(47,096,119)**	448,597,749	-	(406,865,129)	-	41,732,620
Insurance contracts										
Insurance contract liabilities - closing	**144,960,752**	**6,699,910**	**93,659,656**	**3,403,363**	**248,723,681**	169,005,193	7,543,792	81,177,511	2,805,980	260,532,476
Insurance contract assets - closing	**1,422,483**	**-**	**(12,788,565)**	**24,067**	**(11,342,015)**	(1,523,161)	-	(12,022,976)	74,824	(13,471,313)
Closing balance - net	**146,383,235**	**6,699,910**	**80,871,091**	**3,427,430**	**237,381,666**	167,482,032	7,543,792	69,154,535	2,880,804	247,061,163

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.1 Medical

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**40,811,230**	**3,499,017**	**28,011,800**	**906,666**	**73,228,713**	76,058,688	-	45,575,281	751,712	122,385,681
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**40,811,230**	**3,499,017**	**28,011,800**	**906,666**	**73,228,713**	76,058,688	-	45,575,281	751,712	122,385,681
Insurance revenue	**(248,901,243)**	**-**	**-**	**-**	**(248,901,243)**	(211,636,502)	-	-	-	(211,636,502)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**212,885,592**	**789,337**	**213,674,929**	-	-	167,337,119	913,062	168,250,181
(Reversal) / losses on onerous contracts	**-**	**(1,784,086)**	**-**	**-**	**(1,784,086)**	-	3,499,017	-	-	3,499,017
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(2,540,851)**	**(911,788)**	**(3,452,639)**	-	-	(2,393,967)	(756,770)	(3,150,737)
Insurance acquisition cashflows amortisation	**32,525,186**	**-**	**-**	**-**	**32,525,186**	25,514,397	-	-	-	25,514,397
Insurance service expenses	**32,525,186**	**(1,784,086)**	**210,344,741**	**(122,451)**	**240,963,390**	25,514,397	3,499,017	164,943,152	156,292	194,112,858
Finance (income) expense from insurance contracts	**-**	**-**	**133,183**	**6,199**	**139,382**	-	-	262,815	(1,338)	261,477
Total changes in the statement of income	**(216,376,057)**	**(1,784,086)**	**210,477,924**	**(116,252)**	**(7,798,471)**	(186,122,105)	3,499,017	165,205,967	154,954	(17,262,167)
Cashflows										
Premiums received	**229,708,903**	**-**	**-**	**-**	**229,708,903**	183,420,754	-	-	-	183,420,754
Claims and other directly attributable expenses paid	**-**	**-**	**(211,955,087)**	**-**	**(211,955,087)**	-	-	(182,769,448)	-	(182,769,448)
Insurance acquisition cashflows paid	**(29,486,112)**	**-**	**-**	**-**	**(29,486,112)**	(32,546,107)	-	-	-	(32,546,107)
Total cash (outflows) inflows	**200,222,791**	**-**	**(211,955,087)**	**-**	**(11,732,296)**	150,874,647	-	(182,769,448)	-	(31,894,801)
Insurance contracts										
Insurance contract liabilities - closing	**24,657,964**	**1,714,931**	**26,534,637**	**790,414**	**53,697,946**	40,811,230	3,499,017	28,011,800	906,666	73,228,713
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**24,657,964**	**1,714,931**	**26,534,637**	**790,414**	**53,697,946**	40,811,230	3,499,017	28,011,800	906,666	73,228,713

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.2 Motor Comprehensive

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**13,850,527**	**3,961,925**	**16,828,102**	**485,373**	**35,125,927**	19,737,171	9,608,199	20,751,609	562,379	50,659,358
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**13,850,527**	**3,961,925**	**16,828,102**	**485,373**	**35,125,927**	19,737,171	9,608,199	20,751,609	562,379	50,659,358
Insurance revenue	**(122,851,743)**	**-**	**-**	**-**	**(122,851,743)**	(111,610,939)	-	-	-	(111,610,939)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**117,757,211**	**472,976**	**118,230,187**	-	-	92,232,286	403,517	92,635,803
Reversal on onerous contracts	**-**	**(2,473,231)**	**-**	**-**	**(2,473,231)**	-	(5,646,274)	-	-	(5,646,274)
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**1,552,163**	**(401,784)**	**1,150,379**	-	-	(324,834)	(484,623)	(809,457)
Insurance acquisition cashflows amortisation	**23,620,966**	**-**	**-**	**-**	**23,620,966**	21,391,194	-	-	-	21,391,194
Insurance service expenses	**23,620,966**	**(2,473,231)**	**119,309,374**	**71,192**	**140,528,301**	21,391,194	(5,646,274)	91,907,452	(81,106)	107,571,266
Finance expense from insurance contracts	**-**	**-**	**58,378**	**233**	**58,611**	-	-	108,262	4,100	112,362
Total changes in the statement of income	**(99,230,777)**	**(2,473,231)**	**119,367,752**	**71,425**	**17,735,169**	(90,219,745)	(5,646,274)	92,015,714	(77,006)	(3,927,311)
Cashflows										
Premiums received	**128,008,394**	**-**	**-**	**-**	**128,008,394**	108,134,950	-	-	-	108,134,950
Claims and other directly attributable expenses paid	**-**	**-**	**(119,587,058)**	**-**	**(119,587,058)**	-	-	(95,939,221)	-	(95,939,221)
Insurance acquisition cashflows paid	**(21,499,896)**	**-**	**-**	**-**	**(21,499,896)**	(23,801,849)	-	-	-	(23,801,849)
Total cash (outflows) inflows	**106,508,498**	**-**	**(119,587,058)**	**-**	**(13,078,560)**	84,333,101	-	(95,939,221)	-	(11,606,120)
Insurance contracts										
Insurance contract liabilities - closing	**21,128,248**	**1,488,694**	**16,608,796**	**556,798**	**39,782,536**	13,850,527	3,961,925	16,828,102	485,373	35,125,927
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**21,128,248**	**1,488,694**	**16,608,796**	**556,798**	**39,782,536**	13,850,527	3,961,925	16,828,102	485,373	35,125,927

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.3 Motor Third Party

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**		**Total**	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities - opening	**94,999,730**	**82,850**	**24,060,824**	**982,233**	**120,125,637**	25,671,733	5,482,145	26,001,824	930,087	58,085,789
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**94,999,730**	**82,850**	**24,060,824**	**982,233**	**120,125,637**	25,671,733	5,482,145	26,001,824	930,087	58,085,789
Insurance revenue	**(180,948,644)**	**-**	**-**	**-**	**(180,948,644)**	(111,906,703)	-	-	-	(111,906,703)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**188,444,658**	**1,036,777**	**189,481,435**	-	-	96,858,546	878,453	97,736,999
Losses / (reversal) on onerous contracts	**-**	**3,413,435**	**-**	**-**	**3,413,435**	-	(5,399,295)	-	-	(5,399,295)
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**18,237,963**	**(404,328)**	**17,833,635**	-	-	(7,838,689)	(827,828)	(8,666,517)
Insurance acquisition cashflows amortisation	**31,511,920**	**-**	**-**	**-**	**31,511,920**	18,640,276	-	-	-	18,640,276
Insurance service expenses	**31,511,920**	**3,413,435**	**206,682,621**	**632,449**	**242,240,425**	18,640,276	(5,399,295)	89,019,857	50,625	102,311,463
Finance (income) / expense from insurance contracts	**-**	**-**	**(192,532)**	**(8,948)**	**(201,480)**	-	-	124,063	1,521	125,584
Total changes in the statement of income	**(149,436,724)**	**3,413,435**	**206,490,089**	**623,501**	**61,090,301**	(93,266,427)	(5,399,295)	89,143,920	52,146	(9,469,656)
Cashflows										
Premiums received	**171,752,088**	**-**	**-**	**-**	**171,752,088**	183,480,928	-	-	-	183,480,928
Claims and other directly attributable expenses paid	**-**	**-**	**(192,879,071)**	**-**	**(192,879,071)**	-	-	(91,084,920)	-	(91,084,920)
Insurance acquisition cashflows paid	**(36,047,230)**	**-**	**-**	**-**	**(36,047,230)**	(20,886,504)	-	-	-	(20,886,504)
Total cash (outflows) inflows	**135,704,858**	**-**	**(192,879,071)**	**-**	**(57,174,213)**	162,594,424	-	(91,084,920)	-	71,509,504
Insurance contracts										
Insurance contract liabilities - closing	**81,267,864**	**3,496,285**	**37,671,842**	**1,605,734**	**124,041,725**	94,999,730	82,850	24,060,824	982,233	120,125,637
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**81,267,864**	**3,496,285**	**37,671,842**	**1,605,734**	**124,041,725**	94,999,730	82,850	24,060,824	982,233	120,125,637

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.4 Engineering

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**4,453,373**	**-**	**1,064,911**	**70,328**	**5,588,612**	400,785	-	9,233,122	373,835	10,007,742
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**4,453,373**	**-**	**1,064,911**	**70,328**	**5,588,612**	400,785	-	9,233,122	373,835	10,007,742
Insurance revenue	**(11,287,768)**	**-**	**-**	**-**	**(11,287,768)**	(15,601,306)	-	-	-	(15,601,306)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**3,164,288**	**64,506**	**3,228,794**	-	-	1,690,016	38,554	1,728,570
Losses / (reversal) on onerous contracts	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**1,008,106**	**(18,759)**	**989,347**	-	-	(3,146,891)	(354,835)	(3,501,726)
Insurance acquisition cashflows amortisation	**2,160,623**	**-**	**-**	**-**	**2,160,623**	2,559,840	-	-	-	2,559,840
Insurance service expenses	**2,160,623**	**-**	**4,172,394**	**45,747**	**6,378,764**	2,559,840	-	(1,456,875)	(316,281)	786,684
Finance (income) expense from insurance contracts	**-**	**-**	**(36,409)**	**(998)**	**(37,407)**	-	-	316,957	12,774	329,731
Total changes in the statement of income	**(9,127,145)**	**-**	**4,135,985**	**44,749**	**(4,946,411)**	(13,041,466)	-	(1,139,918)	(303,507)	(14,484,891)
Cashflows										
Premiums received	**9,728,212**	**-**	**-**	**-**	**9,728,212**	20,580,525	-	-	-	20,580,525
Claims and other directly attributable expenses paid	**-**	**-**	**(3,019,897)**	**-**	**(3,019,897)**	-	-	(7,028,293)	-	(7,028,293)
Insurance acquisition cashflows paid	**(1,523,254)**	**-**	**-**	**-**	**(1,523,254)**	(3,486,471)	-	-	-	(3,486,471)
Total cash (outflows) inflows	**8,204,958**	**-**	**(3,019,897)**	**-**	**5,185,061**	17,094,054	-	(7,028,293)	-	10,065,761
Insurance contracts										
Insurance contract liabilities - closing	**3,531,186**	**-**	**2,180,999**	**115,077**	**5,827,262**	4,453,373	-	1,064,911	70,328	5,588,612
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**3,531,186**	**-**	**2,180,999**	**115,077**	**5,827,262**	4,453,373	-	1,064,911	70,328	5,588,612

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.5 Property

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	-	-	-	-	-	4,806,475	-	26,567,072	990,698	32,364,245
Insurance contract assets - opening	**(1,523,161)**	-	**(12,022,976)**	**74,824**	**(13,471,313)**	-	-	-	-	-
Opening balance - net	**(1,523,161)**	-	**(12,022,976)**	**74,824**	**(13,471,313)**	4,806,475	-	26,567,072	990,698	32,364,245
Insurance revenue	**(9,966,655)**	-	-	-	**(9,966,655)**	(16,930,523)	-	-	-	(16,930,523)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	**1,526,140**	**13,843**	**1,539,983**	-	-	1,654,209	76,748	1,730,957
Losses / (reversal) on onerous contracts	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	**(470,834)**	**(65,999)**	**(536,833)**	-	-	(14,258,423)	(1,020,281)	(15,278,704)
Insurance acquisition cashflows amortisation	**1,993,304**	-	-	-	**1,993,304**	2,722,299	-	-	-	2,722,299
Insurance service expenses	**1,993,304**	-	**1,055,306**	**(52,156)**	**2,996,454**	2,722,299	-	(12,604,214)	(943,533)	(10,825,448)
Finance (income) expense from insurance contracts	-	-	**(34,822)**	**1,399**	**(33,423)**	-	-	1,067,144	27,659	1,094,803
Total changes in the statement of income	**(7,973,351)**	-	**1,020,484**	**(50,757)**	**(7,003,624)**	(14,208,224)	-	(11,537,070)	(915,874)	(26,661,168)
Cashflows										
Premiums received	**13,035,706**	-	-	-	**13,035,706**	9,909,055	-	-	-	9,909,055
Claims and other directly attributable expenses paid	-	-	**(1,786,073)**	-	**(1,786,073)**	-	-	(27,052,978)	-	(27,052,978)
Insurance acquisition cashflows paid	**(2,116,711)**	-	-	-	**(2,116,711)**	(2,030,467)	-	-	-	(2,030,467)
Total cash (outflows) inflows	**10,918,995**	-	**(1,786,073)**	-	**9,132,922**	7,878,588	-	(27,052,978)	-	(19,174,390)
Insurance contracts										
Insurance contract liabilities - closing	-	-	-	-	-	-	-	-	-	-
Insurance contract assets - closing	**1,422,483**	-	**(12,788,565)**	**24,067**	**(11,342,015)**	(1,523,161)	-	(12,022,976)	74,824	(13,471,313)
Closing balance - net	**1,422,483**	-	**(12,788,565)**	**24,067**	**(11,342,015)**	(1,523,161)	-	(12,022,976)	74,824	(13,471,313)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.6 General Accident

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**15,192,905**	**-**	**8,014,090**	**329,987**	**23,536,982**	19,664,872	-	9,140,035	338,977	29,143,884
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**15,192,905**	**-**	**8,014,090**	**329,987**	**23,536,982**	19,664,872	-	9,140,035	338,977	29,143,884
Insurance revenue	**(27,743,240)**	**-**	**-**	**-**	**(27,743,240)**	(32,061,134)	-	-	-	(32,061,134)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**4,973,892**	**150,358**	**5,124,250**	-	-	6,005,380	185,864	6,191,244
Losses / (reversal) on onerous contracts	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(2,610,640)**	**(152,875)**	**(2,763,515)**	-	-	(4,681,049)	(196,563)	(4,877,612)
Insurance acquisition cashflows amortisation	**5,835,413**	**-**	**-**	**-**	**5,835,413**	4,753,743	-	-	-	4,753,743
Insurance service expenses	**5,835,413**	**-**	**2,363,252**	**(2,517)**	**8,196,148**	4,753,743		1,324,331	(10,699)	6,067,375
Finance (income) expense from insurance contracts	**-**	**-**	**16,521**	**1,359**	**17,880**	-	-	74,628	1,709	76,337
Total changes in the statement of income	**(21,907,827)**	**-**	**2,379,773**	**(1,158)**	**(19,529,212)**	(27,307,391)	-	1,398,959	(8,990)	(25,917,422)
Cashflows										
Premiums received	**27,113,454**	**-**	**-**	**-**	**27,113,454**	28,227,262	-	-	-	28,227,262
Claims and other directly attributable expenses paid	**-**	**-**	**(2,327,046)**	**-**	**(2,327,046)**	-	-	(2,524,904)	-	(2,524,904)
Insurance acquisition cashflows paid	**(6,220,233)**	**-**	**-**	**-**	**(6,220,233)**	(5,391,838)	-	-	-	(5,391,838)
Total cash (outflows) inflows	**20,893,221**	**-**	**(2,327,046)**	**-**	**18,566,175**	22,835,424	-	(2,524,904)	-	20,310,520
Insurance contracts										
Insurance contract liabilities - closing	**14,178,299**	**-**	**8,066,817**	**328,829**	**22,573,945**	15,192,905	-	8,014,090	329,987	23,536,982
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**14,178,299**	**-**	**8,066,817**	**328,829**	**22,573,945**	15,192,905	-	8,014,090	329,987	23,536,982

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.7 Marine Cargo

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**(352,063)**	**-**	**847,611**	**30,119**	**525,667**	133,986	-	983,493	15,671	1,133,150
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**(352,063)**	**-**	**847,611**	**30,119**	**525,667**	133,986	-	983,493	15,671	1,133,150
Insurance revenue	**(2,362,012)**	**-**	**-**	**-**	**(2,362,012)**	(3,410,007)	-	-	-	(3,410,007)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**521,432**	**5,761**	**527,193**	-	-	680,179	31,055	711,234
Losses / (reversal) on onerous contracts	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(493,892)**	**(31,055)**	**(524,947)**	-	-	(356,384)	(16,224)	(372,608)
Insurance acquisition cashflows amortisation	**538,786**	**-**	**-**	**-**	**538,786**	561,497	-			561,497
Insurance service expenses	**538,786**	**-**	**27,540**	**(25,294)**	**541,032**	561,497	-	323,795	14,831	900,123
Finance (income) expense from insurance contracts	**-**	**-**	**17,410**	**788**	**18,198**	-	-	(7,221)	(383)	(7,604)
Total changes in the statement of income	**(1,823,226)**	**-**	**44,950**	**(24,506)**	**(1,802,782)**	(2,848,510)	-	316,574	14,448	(2,517,488)
Cashflows										
Premiums received	**2,775,306**	**-**	**-**	**-**	**2,775,306**	2,868,322	-	-	-	2,868,322
Claims and other directly attributable expenses paid	**-**	**-**	**(625,967)**	**-**	**(625,967)**	-	-	(452,456)	-	(452,456)
Insurance acquisition cashflows paid	**(511,180)**	**-**	**-**	**-**	**(511,180)**	(505,861)	-	-	-	(505,861)
Total cash (outflows) inflows	**2,264,126**	**-**	**(625,967)**	**-**	**1,638,159**	2,362,461	-	(452,456)	-	1,910,005
Insurance contracts										
Insurance contract liabilities - closing	**88,837**	**-**	**266,594**	**5,613**	**361,044**	(352,063)	-	847,611	30,119	525,667
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**88,837**	**-**	**266,594**	**5,613**	**361,044**	(352,063)	-	847,611	30,119	525,667

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.1 Insurance contracts (Continued)
10.2.1.8 Marine Hull

	As at December 31, 2025					As at December 31, 2024				
	Liability for remaining coverage		**Liability for incurred claims**			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	**Loss component**	**Estimates of present value of FCF**	**Risk Adjustment for non-financial risk**	**Total**	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
Insurance contracts										
Insurance contract liabilities - opening	**49,491**	**-**	**2,350,173**	**1,274**	**2,400,938**	(91,373)	-	2,725,212	7,631	2,641,470
Insurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**49,491**	**-**	**2,350,173**	**1,274**	**2,400,938**	(91,373)	-	2,725,212	7,631	2,641,470
Insurance revenue	**(352,882)**	**-**	**-**	**-**	**(352,882)**	(498,963)	-	-	-	(498,963)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	**-**	**-**	**19,899**	**935**	**20,834**	-	-	57,931	1,336	59,267
Losses / (reversal) on onerous contracts	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	**-**	**-**	**(29,365)**	**(1,336)**	**(30,701)**	-	-	(428,688)	(8,063)	(436,751)
Insurance acquisition cashflows amortisation	**33,803**	**-**	**-**	**-**	**33,803**	14,777	-	-	-	14,777
Insurance service expenses	**33,803**	**-**	**(9,466)**	**(401)**	**23,936**	14,777	-	(370,757)	(6,727)	(362,707)
Finance expense from insurance contracts	**-**	**-**	**573**	**25**	**598**	-	-	8,627	370	8,997
Total changes in the statement of income	**(319,079)**	**-**	**(8,893)**	**(376)**	**(328,348)**	(484,186)	-	(362,130)	(6,357)	(852,673)
Cashflows										
Premiums received	**387,181**	**-**	**-**	**-**	**387,181**	662,775	-	-	-	662,775
Claims and other directly attributable expenses paid	**-**	**-**	**(11,307)**	**-**	**(11,307)**	-	-	(12,909)	-	(12,909)
Insurance acquisition cashflows paid	**(9,241)**	**-**	**-**	**-**	**(9,241)**	(37,725)	-	-	-	(37,725)
Total cash (outflows) inflows	**377,940**	**-**	**(11,307)**	**-**	**366,633**	625,050	-	(12,909)	-	612,141
Insurance contracts										
Insurance contract liabilities - closing	**108,352**	**-**	**2,329,973**	**898**	**2,439,223**	49,491	-	2,350,173	1,274	2,400,938
Insurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**108,352**	**-**	**2,329,973**	**898**	**2,439,223**	49,491	-	2,350,173	1,274	2,400,938

10 INSURANCE AND REINSURANCE CONTRACTS (Continued)

10.2 Analysis by remaining coverage and incurred claims (Continued)

10.2.2 Reinsurance contracts held

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**(12,330,701)**	**-**	**18,758,066**	**56,892**	**6,484,257**	(14,403,299)	-	50,445,438	1,438,146	37,480,285
Reinsurance contract liabilities - opening	**(18,959,595)**	**-**	**(5,018,438)**	**100,349**	**(23,877,684)**	(3,589,013)	-	1,818,244	19,081	(1,751,688)
Opening balance - net	**(31,290,296)**	**-**	**13,739,628**	**157,241**	**(17,393,427)**	(17,992,312)	-	52,263,682	1,457,227	35,728,597
Allocation of reinsurance premium	**(49,275,903)**	**-**	**-**	**-**	**(49,275,903)**	(67,385,396)	-	-	-	(67,385,396)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	**-**	**139,505**	**145,547**	**285,052**	-	-	5,098,273	128,848	5,227,121
Effect of changes in the risk of reinsurers non- performance	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	**-**	**18,744,176**	**257,721**	**19,001,897**	-	-	(9,048,253)	(1,471,594)	(10,519,847)
Amounts recoverable from reinsurers – net	**-**	**-**	**18,883,681**	**403,268**	**19,286,949**	-	-	(3,949,980)	(1,342,746)	(5,292,726)
Finance (expense) income from reinsurance contracts	**-**	**-**	**(200,135)**	**(7,730)**	**(207,865)**	-	-	1,432,062	42,760	1,474,822
Total changes in the statement of income	**(49,275,903)**	**-**	**18,683,546**	**395,538**	**(30,196,819)**	(67,385,396)	-	(2,517,918)	(1,299,986)	(71,203,300)
Cashflows										
Premiums paid net of ceding commission	**43,191,160**	**-**	**-**	**-**	**43,191,160**	54,087,412	-	-	-	54,087,412
Recoveries from reinsurance	**-**	**-**	**(1,046,146)**	**-**	**(1,046,146)**	-	-	(36,006,136)	-	(36,006,136)
Total cash (inflows) outflows	**43,191,160**	**-**	**(1,046,146)**	**-**	**42,145,014**	54,087,412	-	(36,006,136)	-	18,081,276
Reinsurance contracts										
Reinsurance contract assets - closing	**(23,616,316)**	**-**	**37,122,618**	**446,518**	**13,952,820**	(12,330,701)	-	18,758,066	56,892	6,484,257
Reinsurance contract liabilities - closing	**(13,758,723)**	**-**	**(5,745,590)**	**106,261**	**(19,398,052)**	(18,959,595)	-	(5,018,438)	100,349	(23,877,684)
Closing balance - net	**(37,375,039)**	**-**	**31,377,028**	**552,779**	**(5,445,232)**	(31,290,296)	-	13,739,628	157,241	(17,393,427)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.1 Medical

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**(10,663,309)**	**-**	**15,426,487**	**5,278**	**4,768,456**	(9,106,084)	-	13,416,162	72,347	4,382,425
Reinsurance contract liabilities - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**(10,663,309)**	**-**	**15,426,487**	**5,278**	**4,768,456**	(9,106,084)	-	13,416,162	72,347	4,382,425
Allocation of reinsurance premium	**(14,474,079)**	**-**	**-**	**-**	**(14,474,079)**	(15,591,020)	-	-	-	(15,591,020)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	**578,147**	**7,360**	**585,507**	-	-	1,998,587	5,413	2,004,000
Effect of changes in the risk of reinsurers non- performance	-	-	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	**6,984,970**	**(5,419)**	**6,979,551**	-	-	7,717,974	(74,497)	7,643,477
Amounts recoverable from reinsurers – net	-	-	**7,563,117**	**1,941**	**7,565,058**	-	-	9,716,561	(69,084)	9,647,477
Finance (expense) income from reinsurance contracts	**-**	**-**	**43,963**	**(21)**	**43,942**	-	-	200,074	2,015	202,089
Total changes in the statement of income	**(14,474,079)**	**-**	**7,607,080**	**1,920**	**(6,865,079)**	(15,591,020)	-	9,916,635	(67,069)	(5,741,454)
Cashflows										
Premiums paid net of ceding commission	**5,763,730**	**-**	**-**	**-**	**5,763,730**	14,033,795	-	-	-	14,033,795
Recoveries from reinsurance	**-**	**-**	**(1,895,779)**	**-**	**(1,895,779)**	-	-	(7,906,310)	-	(7,906,310)
Total cash (inflows) outflows	**5,763,730**	**-**	**(1,895,779)**	**-**	**3,867,951**	14,033,795	-	(7,906,310)	-	6,127,485
Reinsurance contracts										
Reinsurance contract assets - closing	**(19,373,658)**	**-**	**21,137,788**	**7,198**	**1,771,328**	(10,663,309)	-	15,426,487	5,278	4,768,456
Reinsurance contract liabilities - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**(19,373,658)**	**-**	**21,137,788**	**7,198**	**1,771,328**	(10,663,309)	-	15,426,487	5,278	4,768,456

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.2 Motor Comprehensive

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	-	-	-	-	-	-	-	-	-	-
Reinsurance contract liabilities - opening	(3,934,450)	-	1,562,544	13,674	(2,358,232)	(1,373,976)	-	478,542	2,442	(892,992)
Opening balance - net	(3,934,450)	-	1,562,544	13,674	(2,358,232)	(1,373,976)	-	478,542	2,442	(892,992)
Allocation of reinsurance premium	(3,860,542)	-	-	-	(3,860,542)	(4,633,866)	-	-	-	(4,633,866)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	224,524	17,382	241,906	-	-	722,695	12,507	735,202
Effect of changes in the risk of reinsurers non- performance	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(155,975)	(10,678)	(166,653)	-	-	395,772	(1,202)	394,570
Amounts recoverable from reinsurers – net	-	-	68,549	6,704	75,253	-	-	1,118,467	11,305	1,129,772
Finance (expense) income from reinsurance contracts	-	-	(316)	(111)	(427)	-	-	4,544	(73)	4,471
Total changes in the statement of income	(3,860,542)	-	68,233	6,593	(3,785,716)	(4,633,866)	-	1,123,011	11,232	(3,499,623)
Cashflows										
Premiums paid net of ceding commission	3,435,769	-	-	-	3,435,769	2,073,392	-	-	-	2,073,392
Recoveries from reinsurance	-	-	308,644	-	308,644	-	-	(39,009)	-	(39,009)
Total cash (inflows) outflows	3,435,769	-	308,644	-	3,744,413	2,073,392	-	(39,009)	-	2,034,383
Reinsurance contracts										
Reinsurance contract assets - closing	-	-	-	-	-	-	-	-	-	-
Reinsurance contract liabilities - closing	(4,359,223)	-	1,939,421	20,267	(2,399,535)	(3,934,450)	-	1,562,544	13,674	(2,358,232)
Closing balance - net	(4,359,223)	-	1,939,421	20,267	(2,399,535)	(3,934,450)	-	1,562,544	13,674	(2,358,232)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.3 Motor Third Party

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		**Asset for incurred claims**			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Reinsurance contract liabilities - opening	**(4,330,088)**	**-**	**1,848,632**	**7,993**	**(2,473,463)**	(2,215,037)	-	1,339,702	16,639	(858,696)
Opening balance - net	**(4,330,088)**	**-**	**1,848,632**	**7,993**	**(2,473,463)**	(2,215,037)	-	1,339,702	16,639	(858,696)
Allocation of reinsurance premium	**(2,041,236)**	**-**	**-**	**-**	**(2,041,236)**	(4,250,470)	-	-	-	(4,250,470)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	**-**	**54,216**	**5,527**	**59,743**	-	-	94,809	2,993	97,802
Effect of changes in the risk of reinsurers non- performance	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	**-**	**-**	**11,417,720**	**343,694**	**11,761,414**	-	-	553,327	(11,639)	541,688
Amounts recoverable from reinsurers – net	**-**	**-**	**11,471,936**	**349,221**	**11,821,157**	-	-	648,136	(8,646)	639,490
Finance (expense) income from reinsurance contracts	**-**	**-**	**(175,102)**	**(6,878)**	**(181,980)**	-	-	17,344	-	17,344
Total changes in the statement of income	**(2,041,236)**	**-**	**11,296,834**	**342,343**	**9,597,941**	(4,250,470)	-	665,480	(8,646)	(3,593,636)
Cashflows										
Premiums paid net of ceding commission	**3,533,077**	**-**	**-**	**-**	**3,533,077**	2,135,419	-	-	-	2,135,419
Recoveries from reinsurance	**-**	**-**	**(1,138,565)**	**-**	**(1,138,565)**	-	-	(156,550)	-	(156,550)
Total cash (inflows) outflows	**3,533,077**	**-**	**(1,138,565)**	**-**	**2,394,512**	2,135,419	-	(156,550)	-	1,978,869
Reinsurance contracts										
Reinsurance contract assets - closing	**(2,838,247)**	**-**	**12,006,901**	**350,336**	**9,518,990**	-	-	-	-	-
Reinsurance contract liabilities - closing	**-**	**-**	**-**	**-**	**-**	(4,330,088)	-	1,848,632	7,993	(2,473,463)
Closing balance - net	**(2,838,247)**	**-**	**12,006,901**	**350,336**	**9,518,990**	(4,330,088)	-	1,848,632	7,993	(2,473,463)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.4 Engineering

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		**Asset for incurred claims**			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**(1,559,565)**	**-**	**1,812,985**	**50,944**	**304,364**	347,330	-	7,744,790	334,792	8,426,912
Reinsurance contract liabilities - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**(1,559,565)**	**-**	**1,812,985**	**50,944**	**304,364**	347,330	-	7,744,790	334,792	8,426,912
Allocation of reinsurance premium	**(7,455,902)**	**-**	**-**	**-**	**(7,455,902)**	(11,695,796)	-	-	-	(11,695,796)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	**-**	**457,521**	**47,861**	**505,382**	-	-	70,968	26,495	97,463
Effect of changes in the risk of reinsurers non- performance	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	**-**	**-**	**1,069,986**	**(9,526)**	**1,060,460**	-	-	(2,008,225)	(322,219)	(2,330,444)
Amounts recoverable from reinsurers – net	**-**	**-**	**1,527,507**	**38,335**	**1,565,842**	-	-	(1,937,257)	(295,724)	(2,232,981)
Finance (expense) income from reinsurance contracts	**-**	**-**	**(23,076)**	**(879)**	**(23,955)**	-	-	259,455	11,876	271,331
Total changes in the statement of income	**(7,455,902)**	**-**	**1,504,431**	**37,456**	**(5,914,015)**	(11,695,796)	-	(1,677,802)	(283,848)	(13,657,446)
Cashflows										
Premiums paid net of ceding commission	**8,079,139**	**-**	**-**	**-**	**8,079,139**	9,788,901	-	-	-	9,788,901
Recoveries from reinsurance	**-**	**-**	**(845,940)**	**-**	**(845,940)**	-	-	(4,254,003)	-	(4,254,003)
Total cash (inflows) outflows	**8,079,139**	**-**	**(845,940)**	**-**	**7,233,199**	9,788,901	-	(4,254,003)	-	5,534,898
Reinsurance contracts										
Reinsurance contract assets - closing	**(936,328)**	**-**	**2,471,476**	**88,400**	**1,623,548**	(1,559,565)	-	1,812,985	50,944	304,364
Reinsurance contract liabilities - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**(936,328)**	**-**	**2,471,476**	**88,400**	**1,623,548**	(1,559,565)	-	1,812,985	50,944	304,364

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.5 Property

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	(2,923,640)	-	25,268,533	936,105	23,280,998
Reinsurance contract liabilities - opening	**(3,817,725)**	**-**	**(9,751,442)**	**48,301**	**(13,520,866)**	-	-	-	-	-
Opening balance - net	**(3,817,725)**	**-**	**(9,751,442)**	**48,301**	**(13,520,866)**	(2,923,640)	-	25,268,533	936,105	23,280,998
Allocation of reinsurance premium	**(7,804,457)**	**-**	**-**	**-**	**(7,804,457)**	(14,094,370)	-	-	-	(14,094,370)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	**(164,417)**	**12,459**	**(151,958)**	-	-	2,029,929	49,544	2,079,473
Effect of changes in the risk of reinsurers non- performance	-	-	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	**(407,036)**	**(39,170)**	**(446,206)**	-	-	(13,908,929)	(964,058)	(14,872,987)
Amounts recoverable from reinsurers – net	-	-	**(571,453)**	**(26,711)**	**(598,164)**	-	-	(11,879,000)	(914,514)	(12,793,514)
Finance (expense) income from reinsurance contracts	**-**	**-**	**(37,198)**	**753**	**(36,445)**	-	-	950,116	26,710	976,826
Total changes in the statement of income	**(7,804,457)**	**-**	**(608,651)**	**(25,958)**	**(8,439,066)**	(14,094,370)	-	(10,928,884)	(887,804)	(25,911,058)
Cashflows										
Premiums paid net of ceding commission	**9,574,351**	**-**	**-**	**-**	**9,574,351**	13,200,285	-	-	-	13,200,285
Recoveries from reinsurance	**-**	**-**	**565,770**	**-**	**565,770**	-	-	(24,091,091)	-	(24,091,091)
Total cash (inflows) outflows	**9,574,351**	**-**	**565,770**	**-**	**10,140,121**	13,200,285	-	(24,091,091)	-	(10,890,806)
Reinsurance contracts										
Reinsurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Reinsurance contract liabilities - closing	**(2,047,831)**	**-**	**(9,794,323)**	**22,343**	**(11,819,811)**	(3,817,725)	-	(9,751,442)	48,301	(13,520,866)
Closing balance - net	**(2,047,831)**	**-**	**(9,794,323)**	**22,343**	**(11,819,811)**	(3,817,725)	-	(9,751,442)	48,301	(13,520,866)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.6 General Accident

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	-	-	-	-	-	(1,399,160)	-	1,770,364	80,486	451,690
Reinsurance contract liabilities - opening	**(6,089,927)**	-	**688,457**	**14,921**	**(5,386,549)**	-	-	-	-	-
Opening balance - net	**(6,089,927)**	-	**688,457**	**14,921**	**(5,386,549)**	(1,399,160)	-	1,770,364	80,486	451,690
Allocation of reinsurance premium	**(12,241,885)**	-	-	-	**(12,241,885)**	(15,232,610)	-	-	-	(15,232,610)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	**(834,064)**	**49,964**	**(784,100)**	-	-	(10,794)	15,253	4,459
Effect of changes in the risk of reinsurers non- performance	-	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	**(21,566)**	**(4,538)**	**(26,104)**	-	-	(1,641,256)	(82,948)	(1,724,204)
Amounts recoverable from reinsurers – net	-	-	**(855,630)**	**45,426**	**(810,204)**	-	-	(1,652,050)	(67,695)	(1,719,745)
Finance (expense) income from reinsurance contracts	-	-	**(19,073)**	**(969)**	**(20,042)**	-	-	11,522	2,130	13,652
Total changes in the statement of income	**(12,241,885)**	-	**(874,703)**	**44,457**	**(13,072,131)**	(15,232,610)	-	(1,640,528)	(65,565)	(16,938,703)
Cashflows										
Premiums paid net of ceding commission	**11,877,933**	-	-	-	**11,877,933**	10,541,843	-	-	-	10,541,843
Recoveries from reinsurance	-	-	**1,857,537**	-	**1,857,537**	-	-	558,621	-	558,621
Total cash outflows	**11,877,933**	-	**1,857,537**	-	**13,735,470**	10,541,843	-	558,621	-	11,100,464
Reinsurance contracts										
Reinsurance contract assets - closing	-	-	-	-	-	-	-	-	-	-
Reinsurance contract liabilities - closing	**(6,453,879)**	-	**1,671,291**	**59,378**	**(4,723,210)**	(6,089,927)	-	688,457	14,921	(5,386,549)
Closing balance - net	**(6,453,879)**	-	**1,671,291**	**59,378**	**(4,723,210)**	(6,089,927)	-	688,457	14,921	(5,386,549)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.7 Marine Cargo

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		**Asset for incurred claims**			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**-**	**-**	**-**	**-**	**-**	(294,837)	-	287,221	9,456	1,840
Reinsurance contract liabilities - opening	**(787,405)**	**-**	**633,371**	**15,460**	**(138,574)**	-	-	-	-	-
Opening balance - net	**(787,405)**	**-**	**633,371**	**15,460**	**(138,574)**	(294,837)	-	287,221	9,456	1,840
Allocation of reinsurance premium	**(1,068,269)**	**-**	**-**	**-**	**(1,068,269)**	(1,925,753)	-	-	-	(1,925,753)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	**(146,433)**	**4,386**	**(142,047)**	-	-	287,124	15,940	303,064
Effect of changes in the risk of reinsurers non- performance	-	-	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	**(125,440)**	**(15,940)**	**(141,380)**	-	-	(37,533)	(9,790)	(47,323)
Amounts recoverable from reinsurers – net	-	-	**(271,873)**	**(11,554)**	**(283,427)**	-	-	249,591	6,150	255,741
Finance (expense) income from reinsurance contracts	**-**	**-**	**10,323**	**367**	**10,690**	-	-	(7,387)	(146)	(7,533)
Total changes in the statement of income	**(1,068,269)**	**-**	**(261,550)**	**(11,187)**	**(1,341,006)**	(1,925,753)	-	242,204	6,004	(1,677,545)
Cashflows										
Premiums paid net of ceding commission	**957,884**	**-**	**-**	**-**	**957,884**	1,433,185	-	-	-	1,433,185
Recoveries from reinsurance	**-**	**-**	**66,200**	**-**	**66,200**	-	-	103,946	-	103,946
Total cash (inflows) outflows	**957,884**	**-**	**66,200**	**-**	**1,024,084**	1,433,185	-	103,946	-	1,537,131
Reinsurance contracts										
Reinsurance contract assets - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Reinsurance contract liabilities - closing	**(897,790)**	**-**	**438,021**	**4,273**	**(455,496)**	(787,405)	-	633,371	15,460	(138,574)
Closing balance - net	**(897,790)**	**-**	**438,021**	**4,273**	**(455,496)**	(787,405)	-	633,371	15,460	(138,574)

10. INSURANCE AND REINSURANCE CONTRACTS (Continued)
10.2 Analysis by remaining coverage and incurred claims (Continued)
10.2.2 Reinsurance contracts held (Continued)
10.2.2.8 Marine Hull

	As at December 31, 2025					As at December 31, 2024				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	**Loss recovery component**	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	**(107,827)**	**-**	**1,518,594**	**670**	**1,411,437**	(1,026,908)	-	1,958,368	4,960	936,420
Reinsurance contract liabilities - opening	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Opening balance - net	**(107,827)**	**-**	**1,518,594**	**670**	**1,411,437**	(1,026,908)	-	1,958,368	4,960	936,420
Allocation of reinsurance premium	**(329,533)**	**-**	**-**	**-**	**(329,533)**	38,489	-	-	-	38,489
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	**(29,989)**	**608**	**(29,381)**	-	-	(95,045)	703	(94,342)
Effect of changes in the risk of reinsurers non- performance	-	-	**-**	**-**	**-**	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	**(18,483)**	**(702)**	**(19,185)**	-	-	(119,383)	(5,241)	(124,624)
Amounts recoverable from reinsurers – net	-	-	**(48,472)**	**(94)**	**(48,566)**	-	-	(214,428)	(4,538)	(218,966)
Finance (expense) income from reinsurance contracts	**-**	**-**	**344**	**8**	**352**	-	-	(3,606)	248	(3,358)
Total changes in the statement of income	**(329,533)**	**-**	**(48,128)**	**(86)**	**(377,747)**	38,489	-	(218,034)	(4,290)	(183,835)
Cashflows										
Premiums paid net of ceding commission	**(30,723)**	**-**	**-**	**-**	**(30,723)**	880,592	-	-	-	880,592
Recoveries from reinsurance	**-**	**-**	**35,987**	**-**	**35,987**	-	-	(221,740)	-	(221,740)
Total cash (inflows) outflows	**(30,723)**	**-**	**35,987**	**-**	**5,264**	880,592	-	(221,740)	-	658,852
Reinsurance contracts										
Reinsurance contract assets - closing	**(468,083)**	**-**	**1,506,453**	**584**	**1,038,954**	(107,827)	-	1,518,594	670	1,411,437
Reinsurance contract liabilities - closing	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance - net	**(468,083)**	**-**	**1,506,453**	**584**	**1,038,954**	(107,827)	-	1,518,594	670	1,411,437

11. PROPERTY AND EQUIPMENT

	Leasehold improvements	Furniture, fixtures and office equipment	Computers	Motor vehicles	Capital work in-progress	Total
Cost:						
At January 1, 2025	5,702,159	5,667,497	7,881,237	411,300	2,588,250	22,250,443
Additions	**358,407**	**199,600**	**288,833**	**-**	**-**	**846,840**
Capitalized during the year	**2,588,250**	**-**	**-**	**-**	**(2,588,250)**	**-**
Disposals	**(832,567)**	**(106,967)**	**(573,927)**	**(154,500)**	**-**	**(1,667,961)**
At December 31, 2025	**7,816,249**	**5,760,130**	**7,596,143**	**256,800**	**-**	**21,429,322**
Accumulated depreciation:						
At January 1, 2025	4,402,051	4,133,910	7,055,581	411,300	-	16,002,842
Charge for the year	**709,424**	**391,850**	**406,058**	**-**	**-**	**1,507,332**
Disposals	**(792,813)**	**(146,721)**	**(573,927)**	**(154,500)**	**-**	**(1,667,961)**
At December 31, 2025	**4,318,662**	**4,379,039**	**6,887,712**	**256,800**	**-**	**15,842,213**
Net book value:						
At December 31, 2025	**3,497,587**	**1,381,091**	**708,431**	**-**	**-**	**5,587,109**

	Leasehold improvements	Furniture, fixtures and office equipment	Computers	Motor vehicles	Capital work in-progress	Total
Cost:						
At January 1, 2024	5,702,159	5,605,918	7,357,297	411,300	-	19,076,674
Additions	-	61,579	523,940	-	2,588,250	3,173,769
At December 31, 2024	5,702,159	5,667,497	7,881,237	411,300	2,588,250	22,250,443
Accumulated depreciation:						
At January 1, 2024	4,119,896	3,751,550	6,621,411	411,300	-	14,904,157
Charge for the year	282,155	382,360	434,170	-	-	1,098,685
At December 31, 2024	4,402,051	4,133,910	7,055,581	411,300	-	16,002,842
Net book value:						
At December 31, 2024	1,300,108	1,533,587	825,656	-	2,588,250	6,247,601

Depreciation is charged to the statement of income on a straight-line basis based on the following estimated useful lives:

	Years
Leasehold improvements	5 - 10
Furniture, fixtures and office equipment	4-10
Computers	4
Motor vehicles	4

11. PROPERTY AND EQUIPMENT (Continued)

The assets' useful lives are reviewed at the end of each reporting date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of income under other income.

Depreciation charge for the year 2025 of ﷼ 1.2 million (2024: ﷼ 0.84 million) has been allocated to insurance service expenses.

12. INTANGIBLE ASSETS

	Software	Capital work-in progress	Total
Cost:			
At January 1, 2025	19,785,745	-	19,785,745
Additions	**2,125,048**	**-**	**2,125,048**
Impairment (12.2)	**(1,147,004)**	**-**	**(1,147,004)**
At December 31, 2025	**20,763,789**	**-**	**20,763,789**
Accumulated amortisation:			
At January 1, 2025	10,307,836	-	10,307,836
Charge for the year (12.1)	**3,806,946**	**-**	**3,806,946**
Impairment (12.2)	**(1,147,004)**	**-**	**(1,147,004)**
At December 31, 2025	**12,967,778**	**-**	**12,967,778**
Net book value:			
At December 31, 2025	**7,796,011**	**-**	**7,796,011**

	Software	Capital work in progress	Total
Cost:			
At January 1, 2024	10,604,418	3,000,762	13,605,180
Additions	9,181,327	-	9,181,327
Impairment	-	(3,000,762)	(3,000,762)
At December 31, 2024	19,785,745	-	19,785,745
Accumulated amortisation:			
At January 1, 2024	8,491,565	-	8,491,565
Charge for the year	1,816,271	-	1,816,271
At December 31, 2024	10,307,836	-	10,307,836
Net book value:			
At December 31, 2024	9,477,909	-	9,477,909

Also refer Note 3.10.

12.1 Amortisation charge for 2025 of ﷼ 3.0 million (2024: ﷼ 1.5 million) has been allocated to insurance service expenses.

12.2 Impairment charge related to previous software system (AIMS) of ﷼ 1.1 million was recorded during the year.

13. RIGHT OF USE ASSETS AND LEASE LIABILITIES

a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

RIGHT OF USE ASSETS

	2025		
	Office premises	**Point-of-sale stores**	**Total**
Cost			
At January 1	**2,483,446**	**853,337**	**3,336,783**
Additions	**3,699,348**	**465,498**	**4,164,846**
At December 31	**6,182,794**	**1,318,835**	**7,501,629**
Accumulated depreciation			
At January 1	**2,081,884**	**853,337**	**2,935,221**
Charge for the year	**1,516,572**	**38,791**	**1,555,363**
At December 31	**3,598,456**	**892,128**	**4,490,584**
Net book value	**2,584,338**	**426,707**	**3,011,045**

	2024		
	Office premises	**Point-of-sale stores**	**Total**
Cost			
At January 1 and December 31	2,483,446	853,337	3,336,783
Accumulated depreciation			
At January 1	1,650,349	748,806	2,399,155
Charge for the year	431,535	104,531	536,066
At December 31	2,081,884	853,337	2,935,221
Net book value	401,562	-	401,562

LEASE LIABILITIES

	December 31, 2025	December 31, 2024
Within one year	**1,554,924**	646,500
Later than one year but not later than five years	**1,882,386**	150,000
	3,437,310	796,500
Future finance costs	**(93,797)**	(6,229)
Total lease liabilities	**3,343,513**	790,271
Current	**1,492,238**	640,570
Non-current	**1,851,275**	149,701
	3,343,513	790,271

13. RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)

a) Amounts recognised in the statement of financial position (Continued)

Movement in lease liabilities is as follows:

	2025	2024
January 1	**790,271**	1,441,978
Additions	**4,164,846**	-
Terminations during the year	**(346,500)**	-
Finance costs on lease liabilities	**80,993**	13,451
	4,689,610	1,455,429
Payments during the year	**(1,346,097)**	(665,158)
At December 31	**3,343,513**	790,271

b) Amounts recognised in the statement of income

Total finance costs recognised in the statement of income pertaining to lease liabilities amounted to ﷼ 0.08 million for the year ended December 31, 2025. (2024: ﷼ 0.01 million) Expenses relating to short-term leases and low-value leases amounted to ﷼ 0.54 million for the year ended December 31, 2025 (December 31, 2024: ﷼ 1.19 million) which are allocated to insurance service expenses.

c) Details for leasing activities of the Company

The Company leases office premises and various point-of-sale stores across the Kingdom of Saudi Arabia. Rental contracts are typically made for a period of 6 months to 5 years but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets are not used as security for borrowing purposes.

14. STATUTORY DEPOSIT

The statutory deposit represents 10% of the paid-up share capital, which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia. IA (formerly SAMA) is entitled to the earnings of this statutory deposit and it cannot be withdrawn without its consent. In accordance with the instruction received from the IA vide their circular dated March 1, 2016, the Company has disclosed the commission due on statutory deposit as at December 31, 2025 as an asset and a liability in these financial statements. As requested by IA, the Company has released the accrued income on statutory deposit to IA up to October 30, 2025 amounting to ﷼ 1.9 million.

In prior year, the Company had placed an additional amount of ﷼ 9.0 million in the statutory deposit, on account of an increase in share capital. Also see Note 1.

15. ACCRUED AND OTHER LIABILITIES

	December 31, 2025	December 31, 2024
Value added tax payable	**7,108,387**	7,644,760
Provision for legal cases (note 15.1)	**2,037,954**	-
Software maintenance and upgradation cost payable	**2,014,706**	2,650,803
Directors' remuneration	**1,406,306**	2,133,684
Communication charges payable	**759,824**	-
Accrued professional fees	**570,964**	148,001
Accrued expenses - GOSI	**464,789**	472,186
Accounts payable	**211,455**	986,399
Others	**2,242,754**	3,076,325
	16,817,139	17,112,158

15.1 Provision for legal cases

During the year, there was an ongoing legal case between the Company and its previous Managing Director, in relation to a claim amounting to approximately ﷼ 7 million.

Based on the latest court verdict issued, the Company has recognized a provision amounting to ﷼ 2.04 million, representing management's best estimate of the obligation as at the reporting date.

16. EMPLOYEE BENEFIT OBLIGATIONS

16.1 General Description of the Plan

The Company operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment. The most recent comprehensive actuarial valuation coincided with the year-end reporting date.

	2025	2024
At January, 1	**8,868,623**	9,062,320
Charge during the year (Note 20)	**2,032,468**	2,083,148
Paid during the year	**(1,220,338)**	(1,380,888)
Remeasurement loss / (gain) on obligation	**784,580**	(895,957)
At December, 31	**10,465,333**	8,868,623

16.2 Amounts recognised in the statements of income and comprehensive income

The amounts recognised in the statements of income and comprehensive income related to employee benefit obligations are as follows:

	2025	2024
Current service cost	**1,620,491**	1,716,686
Interest expense	**411,977**	416,203
Past service cost	**-**	(49,741)
Total amount recognised in the statement of income	**2,032,468**	2,083,148

16. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

16.2 Amounts recognised in the statements of income and comprehensive income (Continued)

	2025	2024
Remeasurement		
Loss / (Gain) from change in financial assumptions	**401,400**	(656,075)
Loss from change in experience assumptions	**383,180**	304,312
Gain from change in demographic assumptions	**-**	(544,194)
Total amount recognised in the statement of comprehensive income	**784,580**	(895,957)

16.3 Key Actuarial Assumptions

	December 31, 2025	December 31, 2024
Discount factor used	**4.4%**	5.2%
Average salary growth rate	**3.0%**	3.0%

16.4 Sensitivity Analysis for Actuarial Assumptions

	December 31, 2025		December 31, 2024	
	Percentage (%)	**Amount Increase (decrease)**	Percentage (%)	Amount Increase (decrease)
Discount rate				
Increase	**+ 1.0 %**	**(496,838)**	+ 1.0 %	(404,257)
Decrease	**- 1.0 %**	**550,268**	- 1.0 %	446,850
Expected changes in salary				
Increase	**+ 1.0 %**	**552,498**	+ 1.0 %	452,279
Decrease	**- 1.0 %**	**(507,943)**	- 1.0 %	(416,312)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee termination.

16. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

16.5 Expected Maturity Analysis

The weighted average duration of the defined benefit obligation is 5.03 years (2024: 4.9 years). The expected maturity analysis of undiscounted post-employment benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	5 - 10 years	Total
December 31, 2025	**2,252,317**	**1,254,882**	**3,169,821**	**6,732,308**	**13,409,328**
December 31, 2024	1,767,732	1,421,177	2,784,174	5,853,755	11,826,838

17. SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company was ﷼ 300 million at December 31, 2025 consisting of 30 million shares (2024: ﷼ 300 million consisting of 30 million shares) of ﷼ 10 each. Also see Note 1 and Note 25.

18. INSURANCE REVENUE AND EXPENSES

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for the years ended December 31, 2025 and 2024 is included in following tables respectively. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

For the year ended December 31, 2025	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")	**248,901,243**	**122,851,743**	**180,948,644**	**11,287,768**	**9,966,655**	**27,743,240**	**2,362,012**	**352,882**	**604,414,187**
Incurred claims and other incurred insurance service expenses	**(213,674,929)**	**(118,230,187)**	**(189,481,435)**	**(3,228,794)**	**(1,539,983)**	**(5,124,250)**	**(527,193)**	**(20,834)**	**(531,827,605)**
Changes that relate to past service - adjustments to the LIC	**3,452,639**	**(1,150,379)**	**(17,833,635)**	**(989,347)**	**536,833**	**2,763,515**	**524,947**	**30,701**	**(12,664,726)**
(Losses) / reversal on onerous contracts	**1,784,086**	**2,473,231**	**(3,413,435)**	**-**	**-**	**-**	**-**	**-**	**843,882**
Insurance acquisition cash flows amortisation	**(32,525,186)**	**(23,620,966)**	**(31,511,920)**	**(2,160,623)**	**(1,993,304)**	**(5,835,413)**	**(538,786)**	**(33,803)**	**(98,220,001)**
Total insurance service expenses	**(240,963,390)**	**(140,528,301)**	**(242,240,425)**	**(6,378,764)**	**(2,996,454)**	**(8,196,148)**	**(541,032)**	**(23,936)**	**(641,868,450)**
Reinsurance income contracts measured under the PAA									
Reinsurance premium ceded	**(14,474,079)**	**(3,860,542)**	**(2,041,236)**	**(7,455,902)**	**(7,804,457)**	**(12,241,885)**	**(1,068,269)**	**(329,533)**	**(49,275,903)**
Claims recovered and other directly attributable expenses	**585,507**	**241,906**	**59,743**	**505,382**	**(151,958)**	**(784,100)**	**(142,047)**	**(29,381)**	**285,052**
Effect of changes in the risk of reinsurers non-performance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	**6,979,551**	**(166,653)**	**11,761,414**	**1,060,460**	**(446,206)**	**(26,104)**	**(141,380)**	**(19,185)**	**19,001,897**
Total net expense from reinsurance contracts	**(6,909,021)**	**(3,785,289)**	**9,779,921**	**(5,890,060)**	**(8,402,621)**	**(13,052,089)**	**(1,351,696)**	**(378,099)**	**(29,988,954)**
Insurance service result from Company's directly written business	**1,028,832**	**(21,461,847)**	**(51,511,860)**	**(981,056)**	**(1,432,420)**	**6,495,003**	**469,284**	**(49,153)**	**(67,443,217)**
Share of surplus from insurance pools	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**617,811**
Total insurance service result	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(66,825,406)**

18. INSURANCE REVENUE AND EXPENSES (Continued)

For the year ended December 31, 2024	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")	211,636,502	111,610,939	111,906,703	15,601,306	16,930,523	32,061,134	3,410,007	498,963	503,656,077
Incurred claims and other incurred insurance service expenses	(168,250,181)	(92,635,803)	(97,736,999)	(1,728,570)	(1,730,957)	(6,191,244)	(711,234)	(59,267)	(369,044,255)
Changes that relate to past service - adjustments to the LIC	3,150,737	809,457	8,666,517	3,501,726	15,278,704	4,877,612	372,608	436,751	37,094,112
(Losses)/ reversal on onerous contracts	(3,499,017)	5,646,274	5,399,295	-	-	-	-	-	7,546,552
Insurance acquisition cash flows amortisation	(25,514,397)	(21,391,194)	(18,640,276)	(2,559,840)	(2,722,299)	(4,753,743)	(561,497)	(14,777)	(76,158,023)
Total insurance service expenses	(194,112,858)	(107,571,266)	(102,311,463)	(786,684)	10,825,448	(6,067,375)	(900,123)	362,707	(400,561,614)
Reinsurance income contracts measured under the PAA									
Reinsurance premium ceded	(15,591,020)	(4,633,866)	(4,250,470)	(11,695,796)	(14,094,370)	(15,232,610)	(1,925,753)	38,489	(67,385,396)
Claims recovered and other directly attributable expenses	2,004,000	735,202	97,802	97,463	2,079,473	4,459	303,064	(94,342)	5,227,121
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	7,643,477	394,570	541,688	(2,330,444)	(14,872,987)	(1,724,204)	(47,323)	(124,624)	(10,519,847)
Total net expenses from reinsurance contracts	(5,943,543)	(3,504,094)	(3,610,980)	(13,928,777)	(26,887,884)	(16,952,355)	(1,670,012)	(180,477)	(72,678,122)
Insurance service result from Company's directly written business	11,580,101	535,579	5,984,260	885,845	868,087	9,041,404	839,872	681,193	30,416,341
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	3,364,995
Total insurance service result	-	-	-	-	-	-	-	-	33,781,336

19. INSURANCE FINANCE EXPENSE - NET

An analysis of the net insurance finance income / (expense) by product line for year ended December 31, 2025 and December 31, 2024 respectively is presented below:

For the year ended December 31, 2025

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Finance income from insurance contracts issued									
Interest accreted	-	-	-	-	-	-	-	-	-
Effects of changes in interest rates and other financial assumptions	**(139,382)**	**(58,611)**	**201,480**	**37,407**	**33,423**	**(17,880)**	**(18,198)**	**(598)**	**37,641**
Finance income / (expense) from insurance contracts issued	**(139,382)**	**(58,611)**	**201,480**	**37,407**	**33,423**	**(17,880)**	**(18,198)**	**(598)**	**37,641**
Finance (expense) from reinsurance contracts held									
Interest accreted	-	-	-	-	-	-	-	-	-
Effects of changes in interest rates and other financial assumptions	**43,942**	**(427)**	**(181,980)**	**(23,955)**	**(36,445)**	**(20,042)**	**10,690**	**352**	**(207,865)**
Finance (expense) / income from reinsurance contracts held	**43,942**	**(427)**	**(181,980)**	**(23,955)**	**(36,445)**	**(20,042)**	**10,690**	**352**	**(207,865)**
Net insurance finance (expense) / income	**(95,440)**	**(59,038)**	**19,500**	**13,452**	**(3,022)**	**(37,922)**	**(7,508)**	**(246)**	**(170,224)**

19. INSURANCE FINANCE EXPENSE – NET (Continued)

An analysis of the net insurance finance income / (expense) by product line for year ended December 31, 2025 and December 31, 2024 respectively is presented below:

For the year ended December 31, 2024

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Finance income from insurance contracts issued									
Interest accreted	-	-	-	-	-	-	-	-	-
Effects of changes in interest rates and other financial assumptions	(261,477)	(112,362)	(125,584)	(329,731)	(1,094,803)	(76,337)	7,604	(8,997)	(2,001,687)
Finance income / (expense) from insurance contracts issued	(261,477)	(112,362)	(125,584)	(329,731)	(1,094,803)	(76,337)	7,604	(8,997)	(2,001,687)
Finance (expense) from reinsurance contracts held									
Interest accreted	-	-	-	-	-	-	-	-	-
Effects of changes in interest rates and other financial assumptions	202,089	4,471	17,344	271,331	976,826	13,652	(7,533)	(3,358)	1,474,822
Finance (expense) / income from reinsurance contracts held	202,089	4,471	17,344	271,331	976,826	13,652	(7,533)	(3,358)	1,474,822
Net insurance finance income / (expense)	(59,388)	(107,891)	(108,240)	(58,400)	(117,977)	(62,685)	71	(12,355)	(526,865)

20. OTHER OPERATING EXPENSES - NET

	December 31, 2025	December 31, 2024
Policy acquisition cost	**98,220,001**	76,158,023
Employees' cost	**29,732,461**	22,710,130
End of service benefits	**2,032,468**	2,083,148
IT related service	**5,683,721**	6,466,105
Professional fee	**5,225,047**	4,172,107
Employee insurance	**4,317,486**	4,965,598
Depreciation and amortization	**5,314,278**	2,914,956
Depreciation of right of use assets	**1,555,364**	536,066
Communication charges	**3,916,092**	2,881,282
Director remuneration	**3,352,277**	3,500,684
Value added tax expenses	**3,106,552**	145,091
Bank charges	**1,608,929**	2,397,623
Fee and subscription	**1,559,369**	1,117,025
Advertisement	**1,366,787**	475,947
Business travelling	**508,673**	739,709
Training	**126,513**	70,777
Others	**2,962,452**	3,465,396
	170,588,470	134,799,667

Allocation of expenses is as follows:

	Note	**December 31, 2025**	December 31, 2024
Other incurred insurance service expenses	20.1	**41,857,229**	36,116,789
Insurance acquisition cashflows amortisation	20.1	**98,220,001**	76,158,023
Allocation of reinsurance premium paid	20.2	**4,641,163**	2,576,045
Other operating expenses	20.3	**25,870,077**	19,948,810
		170,588,470	134,799,667

20.1 Reported as part of insurance service expenses.

20.2 Reported as part of allocation of reinsurance premium paid.

20.3 Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

21. SHARE OF SURPLUS FROM INSURANCE POOLS

	Note	**December 31, 2025**	December 31, 2024
Share of surplus from Umrah & Hajj scheme	21.1	**36,110**	1,787,779
Share of surplus from Inherent defects insurance	21.2	**581,701**	1,577,216
		617,811	3,364,995

21. SHARE OF SURPLUS FROM INSURANCE POOLS (Continued)

21.1 Share of surplus from Umrah & Hajj scheme

This represents the Company's share in the surplus for general accident product arising from the Umrah & Hajj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from January 1, 2020. The compulsory Umrah product is offered by the ministry and approved by IA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There was no renewal to the agreement in 2024 as the aforementioned arrangement has been discontinued. The Company's share of income in the Umrah and Hajj scheme run-off amounts to ﷼ 0.036 million (2024: ﷼ 1.8 million).

21.2 Share of surplus from Inherent Defects Insurance

This represents the Company's share of surplus 2.95% (2024: 6.19%) in the Inherent Defects Insurance ("IDI") product. On June 25, 2020, an agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on IA approval authorizing Malath Cooperative Insurance Company as the leading company ("Operator"), to manage the IDI program on behalf of the participating insurance companies, selling the product and providing its insurance coverage by creating joint insurance portfolios. Malath Cooperative Insurance Company will exclusively manage the portfolio during the period of validity of the IDI agreement of five years from issue date.

IDI is a mandatory insurance policy for contractors to insure against inherent defects that may appear in buildings and constructions after their occupation in non-governmental sector projects, according to Saudi Council of Ministers Decree No. 509 of Ramadan 21, 1439 AH (corresponding to June 5, 2018) and in accordance with the decision 441/187of the Governor of IA dated Sha'ban 5, 1441 AH (corresponding to March 29, 2020). The Company's share of profit from Inherent Defects Insurance is ﷼ 0.58 million (2024: ﷼ 1.58 million).

During the year ended December 31, 2025, the IDI participant co-insurance companies executed a binding amendment to the original Agreement dated June 25, 2020. The amendment, effective January 1, 2025, provides for the inclusion of three additional co-insurers. As a result, the existing participants' shares were proportionally reduced relative to their previous allocations.

22. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, associated companies (representing entities which are directly or indirectly controlled by or under the control of joint control of a shareholder who has significant influence over the Company), and key management personnel. Related parties also include business entities in which certain directors or senior management have control or joint control. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

a) There were no significant related party transactions during the year, and there were no related party balances at the end of the year.

b) The compensation of key management personnel during the year ended December 31 is as follows:

	2025	2024
Salaries and benefits	**11,316,534**	8,089,548
Employee benefit obligations	**425,780**	470,950
Board of Directors' fees	**3,352,277**	3,500,684
Charge for the year	**15,094,591**	12,061,182

22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Compensation to key management personnel is based on employment terms and as per the by-laws of the Company.

Key management personnel includes senior management, department heads and board of directors.

23. ZAKAT

(a) Shareholding percentage

The shareholding percentage of the Company at December 31, 2025 and December 31, 2024 was as follows:

	December 31, 2025	December 31, 2024
Shareholding percentage subject to zakat (%)	**100**	100

(b) Zakat

During the year ended December 31, 2025, the Company has computed its Zakat for the year in accordance with Ministerial Resolution No. 1007 and the related Insurance Zakat Guidelines issued by ZATCA, applying a current/non-current classification of assets and liabilities based on the 365-day settlement criterion. The calculation includes the treatment of certain insurance contract liabilities and technical reserves within the Zakat base as prescribed by the guidelines.

During the year ended December 31, 2024, ZATCA issued the new Regulations for zakat calculation ("the Revised ZATCA Regulations") which is applicable from fiscal years starting on or after January 1, 2024 and accordingly, the Company calculated the zakat base in accordance with the Revised ZATCA Regulations. Zakat is payable at 2.578% on all components of the zakat base, subject to a minimum and maximum limit as prescribed in the Revised ZATCA Regulations. Accordingly, the zakat base for the year ended December 31, 2025 has been calculated based on such Revised ZATCA Regulations.

The current year's zakat provision is based on the following:

	December 31, 2025
Equity and provisions at the end of year	**364,043,652**
Liabilities and other additions to Zakat base	**21,356,720**
Zakat adjustments	**-**
Investments	**(175,549,812)**
Long-term assets	**(72,358,550)**
Current assets acceptable to be deducted	**(3,207,705)**
Zakat base	**134,284,305**
Zakat due at 2.578% (Saudi Shareholders' share of zakat base @ 100%)	**3,500,000**

23. ZAKAT (Continued)

(b) Zakat (Continued)

	December 31, 2024
Equity and provisions at the end of year	468,706,149
Liabilities and other additions to Zakat base	35,711,856
Zakat adjustments	8,531,672
Investments	(101,447,270)
Long-term assets	(72,280,900)
Goodwill	(25,513,750)
Statutory deposits	(30,000,000)
Zakat base	283,707,757
Zakat due at 2.578% (Saudi Shareholders' share of zakat base @ 100%)	7,313,986

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

	2025	2024
January 1	**30,408,598**	40,186,311
Provision for current year	**3,500,000**	7,313,986
Adjustments related to prior years	**(4,500,000)**	1,500,000
Payments during the year	**(19,062,302)**	(18,591,699)
December 31	**10,346,296**	30,408,598

As at December 31, 2025, the Company has obtained zakat certificates from ZATCA for the years through 2024.

(c) Zakat assessments

During 2021, the Company received final zakat assessments for the years from 2012 to 2018. Total additional zakat liability as per the assessments amounted to ﷼ 36.3 million for such years. The Company had filed an appeal with General Secretariat of Zakat Committees (high committees) against the assessments and in-parallel had submitted a settlement request with the Zakat, Tax and Customs Authority ("ZATCA")-Settlement committee. During the year ended December 31, 2021, the ZATCA-Settlement committee offered to decrease the zakat assessments to ﷼ 36.2 million, which the Company did not accept and, accordingly, continued with the appeal filed with General Secretariat of Zakat Committees (high committees), which also issued the decision and the final additional zakat liability was assessed at ﷼ 36.2 million. The Company had filed an appeal with the Appellate Committee for the resolution of tax disputes against the assessment, which was rejected and the Company is in the process of settling this liability, based on the settlement plan agreed with the Authority.

During 2021, the Company had received assessment from ZATCA for the years 2019 and 2020, with an additional liability amounting to ﷼ 9.6 million. The Company has filed an appeal with General Secretariat of Zakat Committees (high committees) against such assessments. The final decision is already issued and the case was rejected and the Company is in the process of settling this liability, based on the settlement plan agreed with the Authority.

During 2023, the Company received a VAT assessment for the years 2018 to 2020 for ﷼ 6.2 million, the Company objected the amount and ZATCA decreased the liability to ﷼ 3.3 million. The company has settled this amount under protest and has, simultaneously, raised the appeal to Tax Violation and Dispute Resolution Committee ("TVDRC"). The decision was issued in favor of ZATCA, accordingly the company has recognized a charge since the payment was made in full at the time of filing the appeal.

23. ZAKAT (Continued)

(c) Zakat assessments (Continued)

During 2024, the Company received an assessment from ZATCA for the year 2022, with an additional zakat liability amounting to ﷼ 1.6 million. The Company objected against the aforesaid assessment by escalating the case before the Tax Violation and Dispute Resolution Committee (TVDRC). The TVDRC ruled in favor of the Company and set aside the entire zakat liability of ﷼ 1.6 million. ZATCA has appealed against the TVDRC decision at the Tax Violations and Disputes Appellate Committee (TVDAC) which is pending adjudication till date.

During 2024, the Company received a VAT assessment, for an additional liability of ﷼ 4.1 million. The Company paid the assessed liability of ﷼ 4.1 million under protest and simultaneously filed an objection against the assessment before ZATCA, contesting the additional VAT liability amounting to ﷼ 3.8 million. However, ZATCA rejected the objection and upheld a VAT liability of ﷼ 3.8 million. The Company escalated the case before the TVDRC. TVDRC ruled in favor of the Company setting aside the earlier decision of ZATCA. ZATCA appealed against the TVDRC decision before TVDAC. TVDAC too upheld the decision of TVDRC and decided in favor of the Company. As a result, the Company is waiting for the VAT liability assessed by ZATCA amounting to ﷼ 3.8 million to be refunded to the Company.

24. STATUTORY RESERVE

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

25. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

Basic and diluted (loss) / earnings per share is calculated by dividing net (loss) / income for the period attributable to the shareholders by the weighted average number of outstanding shares during the year. Also see Note 1.

The Company's shareholders, in an extraordinary general assembly meeting held on September 26, 2024, approved the Company's proposed increase in the share capital by ﷼ 160 million, by way of a rights issue, after obtaining the required regulatory approvals. The subscription period for the rights issue ended on July 18, 2024, following which the Company completed the legal and regulatory formalities relating to issuance of new shares. Accordingly, the weighted average number of shares has been retrospectively adjusted for the prior period to reflect the bonus element of the right issue as required by IAS 33, 'Earnings per share' as follows:

	For the year ended December 31,	
	2025	2024
Issued ordinary shares at 1 January,	**30,000,000**	14,000,000
Rights issue adjustment	**-**	11,307,609
Weighted average number of ordinary shares	**30,000,000**	25,307,609
Total (loss) / income for the period attributable to the shareholders	**(70,317,330)**	31,858,208
Basic and diluted (loss) / earnings per share	**(2.34)**	1.26

The weighted average number of ordinary shares for the prior year is computed using an adjustment factor of 1.52 which is a ratio of the theoretical ex-rights of ﷼ 18.26 and closing price per share of ﷼ 27.70 on June 26, 2024, the last day on which the shares were traded together with the rights.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following table shows the 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, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates. The amortised costs of the sukuk is approximates the fair value as these sukuk are based on prevailing market interest rates.

(a) Carrying amounts and fair value

	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investments at FVTPL - equities and funds	**-**	**-**	**27,416,544**	**27,416,544**
Investments at FVTPL - debt	**-**	**10,000,000**	**-**	**10,000,000**
Investments at FVOCI - debt	**-**	**41,233,820**	**-**	**41,233,820**
Investments at FVOCI - equities	**-**	**-**	**72,721,804**	**72,721,804**
Total investments	**-**	**51,233,820**	**100,138,348**	**151,372,168**

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments at FVTPL - equities and funds	38,396,227	-	8,916,969	47,313,196
Investments at FVOCI - debt	-	37,713,418	-	37,713,418
Investments at FVOCI - equities	-	-	61,123,852	61,123,852
Total investments	38,396,227	37,713,418	70,040,821	146,150,466

The fair value of investment in quoted equity instruments include ordinary shares at level 1 based on quoted prices available in the market. Additionally, there were no changes in the valuation techniques. Fair values of private mutual funds classified in Level 3, except for Najm, are determined based on the investees' latest reported net assets values as at the date of statement of financial position taking into account the fair value of underlying investments by the fund.

Specific valuation techniques used by management's independent experts to value Najm investments (level 3), are as follows:

- **Discounted cashflows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis results into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the Company in addition to its net debt position. In order to arrive to an equity value of a Company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabaha and other investments, are subtracted from the Enterprise Value; and

26. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

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

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

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

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

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	**70,040,821**	55,419,587
Purchases	**20,000,000**	5,000,000
Disposals	**(219,199)**	(7,773,545)
Unrealised loss on fair value through FVTPL	**(1,281,226)**	(244,821)
Unrealised gain on fair value through FVOCI	**11,597,952**	17,639,600
Balance at the end of the year	**100,138,348**	70,040,821

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

26. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	December 31, 2025	December 31, 2024	**December 31, 2025**	December 31, 2024	**December 31, 2025**	December 31, 2024	
Unquoted equity investment in Najm	**72,721,804**	61,123,852	**Revenue growth rate**	Revenue growth rate	**9.0%**	9.9%	Reducing the revenue growth rate by 100 basis points, would decrease the fair value by ﷼ 1.1 million. (2024: ﷼ 0.6 million)
			WACC	WACC	**17.00%**	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by ﷼ 1.9 million. (2024: ﷼ 1.7 million)
			Terminal value growth rate	Terminal value growth rate	**1.5%**	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by ﷼ 1 million. (2024: ﷼ 1.1 million)
			EV/EBITDA multiple	EV/EBITDA multiple	**6**	7	Reducing the EV/EBITDA multiple to 5.4, would decrease the fair value by ﷼ 3 million (2024: ﷼ 1.4 million).

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

(d) Valuation process

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

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

27. OPERATING SEGMENTS

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

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

Accordingly, segmental analysis of the statement of income and other comprehensive income and statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses. Refer Notes 10, 18 and 19 for such analysis.

28. RISK MANAGEMENT

Risk governance

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organisational structure to meet strategic targets. The Company's philosophy revolves on willing and knowledgeable risk acceptance commensurate with the risk appetite and strategic plan approved by the Board of Directors of the Company. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk.

Risk management structure
A cohesive organisational structure is established within the Company in order to identify, assess, monitor and control risks.

Board of Directors
The apex of risk governance is the centralised oversight of Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Senior management
Senior management is responsible for the day to day operations towards achieving the strategic goals within the Company's pre-defined risk appetite.

Audit Committee and Internal Audit Department
Risk management processes throughout the Company are audited annually by the Internal Audit Department which examines both the adequacy of the procedures and the Company's compliance with such procedures.

The internal audit department discusses the results of all assessments with senior management, and reports its findings and recommendations directly to the Audit Committee.

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The risks faced by the Company and the manner in which these risks are mitigated by management are summarised below:

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk

The Company's overall risk management program, which is carried out by senior management under licenses reviewed by the Executive Committee and approved by the Company's Board of Directors. The Executive Committee monitors the adequate application of the policy, and it reviews the trends in pricing, loss ratios and underwriting risks.

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company purchases reinsurance as part of its risk mitigation program. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like natural disasters, flood, environmental and economical, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages this risk through the measures described above. The Company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors. The Company monitors concentration of insurance risks primarily by class of business. The Risk management committee closely reviews decisions related to claims and periodically assesses claim handling processes and guidelines. Additionally, risk management committee establishes and implements appropriate reserving mechanisms.

Concentration of insurance risk

The Company monitors concentration of insurance risks primarily by class of business. The major concentration lies in medical and motor portfolio.

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Concentration of insurance risk (Continued)

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company. Since the Company operates primarily in Saudi Arabia, hence, all the insurance risks relate to policies written in Saudi Arabia.

Reinsurance Risk

In order to minimize financial exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- The reinsurers selected met the Insurance Authority's minimum acceptable rating of BBB from a reputable credit agency;
- Reputation of particular reinsurance companies; and
- Existing or past business relationship with the reinsurer.

The Company evaluates concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to the acceptable levels. Additionally, it conducts regular actuarial reviews of reinsurance and have the well-defined strategy and plan in place to effectively manage this risk. Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for reinsurance business. As at December 31, 2025, 83% of reinsurance receivables balance was due from one party (2024: 32.5% due from one party).

Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders and as a result the Company remains liable for the portion of insurance contract liabilities reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

The nature of the Company's exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous year.

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Reinsurance Risk (Continued)

The following tables show the concentration of net insurance contract liabilities by type of contract:

	December 31, 2025			December 31, 2024		
	Insurance contracts issued	**Reinsurance contracts held**	**Net**	Insurance contracts issued	Reinsurance contracts held	Net
Medical	**53,697,946**	**1,771,328**	**55,469,274**	73,228,713	4,768,456	77,997,169
Motor Comprehensive	**39,782,536**	**(2,399,535)**	**37,383,001**	35,125,927	(2,358,232)	32,767,695
Motor Third party	**124,041,725**	**9,518,990**	**133,560,715**	120,125,637	(2,473,463)	117,652,174
Engineering	**5,827,262**	**1,623,548**	**7,450,810**	5,588,612	304,364	5,892,976
Property	**(11,342,015)**	**(11,819,811)**	**(23,161,826)**	(13,471,313)	(13,520,866)	(26,992,179)
General Accident	**22,573,945**	**(4,723,210)**	**17,850,735**	23,536,982	(5,386,549)	18,150,433
Marine Cargo	**361,044**	**(455,496)**	**(94,452)**	525,667	(138,574)	387,093
Marine Hull	**2,439,223**	**1,038,954**	**3,478,177**	2,400,938	1,411,437	3,812,375
Total	**237,381,666**	**(5,445,232)**	**231,936,434**	247,061,163	(17,393,427)	229,667,736

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the reporting date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty. Actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position date and for the expected ultimate cost of claims at the statement of financial position date. The details of estimation of insurance contract liabilities are given under Note 4.

Process used to determine assumptions

The process used to determine the assumptions for calculating the estimate of present value of cash flows is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of estimate of present value of cash flows is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. Such estimates are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Sensitivity analysis on significant assumptions used

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

The following sensitivity analysis shows the impact on gross and net liabilities, profit / (loss) before tax and equity for reasonably possible movements in key assumptions with all other assumptions in notes 4 held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

	December 31, 2025	December 31, 2024
Liability for incurred claims		
Estimates of present value of FCF	**80,871,091**	69,154,535
Risk adjustment for non-financial risk	**3,427,430**	2,880,804
Asset for incurred claims		
Estimates of present value of FCF	**31,377,028**	13,739,628
Risk adjustment for non-financial risk	**552,779**	157,241

Following are the sensitivities derived for the portfolios computed under PAA approach before risk mitigation by insurance contracts held:

	2025 Impact on profit before zakat	2024 Impact on profit before zakat
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims cost	**(3,883,169)**	(4,224,617)
Decrease of 5% in the ultimate claims cost	**3,883,169**	4,224,617
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	**(2,439,637)**	(2,104,424)
5 percentiles decrease in the confidence level	**1,228,481**	1,059,684

Following are the sensitivities derived for the portfolios computed under PAA approach for the reinsurance contracts held:

	2025 Impact on profit before zakat	2024 Impact on profit before zakat
Change in estimates of present value of FCF		
Increase of 5% in the ultimate claims cost	**102,527**	343,317
Decrease of 5% in the ultimate claims cost	**(102,527)**	(343,317)
Change in risk adjustment for non-financial risk		
5 percentiles increase in the confidence level	**(187,402)**	126,008
5 percentiles decrease in the confidence level	**429,992**	(54,918)

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Sensitivity analysis on significant assumptions used (Continued)

The following shows the impact of a reasonable possible change in direct expense ratio on the loss component as at the reporting date.

	2025	2024
Impact on net income of change in direct expense ratio – loss component*		
Increase by 2%	**133,998**	150,876
Decrease by 2%	**(133,998)**	(150,876)

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

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and claims not reported for each successive accident year at each reporting date, together with cumulative payments to date.

In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The Company aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. Claims triangulation analysis is by accident years, spanning a number of financial years.

2025

Accident year	**2021 and earlier**	**2022**	**2023**	**2024**	**2025**	**Total**
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	**2,235,907,737**	**411,246,845**	**352,367,116**	**345,991,381**	**487,295,584**	**-**
1 year later	**2,900,872,601**	**376,888,357**	**321,659,662**	**429,661,955**	**-**	**-**
2 years later	**2,985,650,752**	**376,611,493**	**310,959,114**	**-**	**-**	**-**
3 years later	**3,097,097,798**	**379,129,731**	**-**	**-**	**-**	**-**
4 years later	**2,611,717,113**	**-**	**-**	**-**	**-**	**-**
5 years later	**2,380,676,513**	**-**	**-**	**-**	**-**	**-**
Gross estimates of the undiscounted amount of the claims	**2,380,676,513**	**379,129,731**	**310,959,114**	**429,661,955**	**487,295,584**	**3,987,722,897**
Cumulative gross claims and other directly attributable expenses paid	**(2,380,206,005)**	**(378,326,796)**	**(322,372,141)**	**(417,280,911)**	**(411,851,252)**	**(3,910,037,105)**
Gross undiscounted liabilities for incurred claims	**470,508**	**802,935**	**(11,413,027)**	**12,381,044**	**75,444,332**	**77,685,792**
Gross undiscounted liabilities for other incurred insurance service expenses	**-**	**-**	**-**	**-**	**-**	**1,692,685**
Effect of discounting	**-**	**-**	**-**	**-**	**-**	**1,715,097**
Insurance operations' surplus	**-**	**-**	**-**	**-**	**-**	**3,207,705**
Gross discounted liabilities for incurred claims excluding risk adjustment						**80,871,091**
Effect of the risk adjustment margin for non-financial risk	**-**	**-**	**-**	**-**	**-**	**3,427,430**
Gross liabilities for incurred claims	**-**	**-**	**-**	**-**	**-**	**84,298,521**

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Claims development table (Continued)

2024

Accident year	2020 and earlier	2021	2022	2023	2024	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	2,095,812,885	140,094,852	411,246,845	352,367,116	345,991,381	-
1 year later	2,666,639,386	234,233,215	376,888,357	321,659,662	-	-
2 years later	2,675,085,283	310,565,469	376,611,493	-	-	-
3 years later	2,784,979,836	312,527,543	-	-	-	-
4 years later	2,206,982,800	-	-	-	-	-
5 years later	1,425,303,132	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	1,425,303,132	312,527,543	376,611,493	321,659,662	345,991,381	2,782,093,211
Cumulative gross claims and other directly attributable expenses paid	(1,424,322,095)	(305,115,990)	(376,280,389)	(330,590,905)	(267,780,331)	(2,704,089,710)
Gross undiscounted liabilities for incurred claims	981,037	7,411,553	331,104	(8,931,243)	78,211,050	78,003,501
Gross undiscounted liabilities for other incurred insurance service expenses		-	-	-	-	1,256,357
Effect of discounting		-	-	-	-	1,717,001
Gross discounted liabilities for incurred claims excluding risk adjustment						69,154,535
Effect of the risk adjustment margin for non-financial risk		-	-	-	-	2,880,804
Gross liabilities for incurred claims		-	-	-	-	72,035,339

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Claims development table (Continued)

2025 **Accident year**	**2021 and earlier**	**2022**	**2023**	**2024**	**2025**	**Total**
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	**1,034,462,622**	**299,525,308**	**246,438,569**	**334,461,419**	**475,181,766**	**-**
1 year later	**1,533,288,044**	**367,514,396**	**307,807,436**	**404,231,553**	**-**	**-**
2 years later	**1,567,763,646**	**375,719,811**	**308,568,840**	**-**	**-**	**-**
3 years later	**1,575,241,054**	**378,196,251**	**-**	**-**	**-**	**-**
4 years later	**1,281,191,618**	**-**	**-**	**-**	**-**	**-**
5 years later	**1,343,256,821**	**-**	**-**	**-**	**-**	**-**
Net estimates of the undiscounted amount of the claims	**1,343,256,821**	**378,196,251**	**308,568,840**	**404,231,553**	**475,181,766**	**2,909,435,231**
Cumulative Net claims and other directly attributable expenses paid	**(1,342,926,837)**	**(377,388,184)**	**(307,033,164)**	**(402,466,669)**	**(404,015,539)**	**(2,833,830,393)**
Net undiscounted liabilities for incurred claims	**329,984**	**808,067**	**1,535,676**	**1,764,884**	**71,166,227**	**75,604,838**
Net undiscounted liabilities for other incurred insurance service expenses	**-**	**-**	**-**	**-**	**-**	**1,692,685**
Effect of discounting	**-**	**-**	**-**	**-**	**-**	**1,684,676**
Reinsurance recoverable	**-**	**-**	**-**	**-**	**-**	**(26,118,789)**
Any other item forming part of reconciliation to net LIC	**-**	**-**	**-**	**-**	**-**	**-**
Net discounted liabilities for incurred claims excluding risk adjustment						**49,494,058**
Effect of the risk adjustment margin for non-financial risk	**-**	**-**	**-**	**-**	**-**	**2,874,651**
Net liabilities for incurred claims	**-**	**-**	**-**	**-**	**-**	**52,368,709**

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

Claims development table (Continued)

2024 **Accident year**	2020 and earlier	2021	2022	2023	2024	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	1,741,161,575	129,249,563	299,525,308	246,438,569	334,461,419	-
1 year later	2,260,539,429	197,670,236	367,514,396	307,807,436	-	-
2 years later	2,293,637,719	293,990,377	375,719,811	-	-	-
3 years later	2,454,855,935	294,090,214	-	-	-	-
4 years later	1,896,455,778	-	-	-	-	-
5 years later	1,202,448,609	-	-	-	-	-
Net estimates of the undiscounted amount of the claims	1,202,448,609	294,090,214	375,719,811	307,807,436	334,461,419	2,514,527,489
Cumulative Net claims and other directly attributable expenses paid	(1,200,166,423)	(292,936,700)	(375,410,396)	(304,316,545)	(277,452,265)	(2,450,282,329)
Net undiscounted liabilities for incurred claims	2,282,186	1,153,514	309,415	3,490,891	57,009,154	64,245,160
Net undiscounted liabilities for other incurred insurance service expenses		-	-	-	-	1,256,357
Effect of discounting		-	-	-	-	1,865,729
Any other item forming part of reconciliation to net LIC		-	-	-	-	(4,730,038)
Net discounted liabilities for incurred claims excluding risk adjustment						55,414,907
Effect of the risk adjustment margin for non-financial risk		-	-	-	-	2,723,563
Net liabilities for incurred claims		-	-	-	-	58,138,470

28. RISK MANAGEMENT (Continued)

28.1 Insurance risk (Continued)

The reconciliation of the net liabilities for incurred claims with the aggregate carrying amounts of the groups of insurance contracts and reinsurance contracts is presented below:

December 31, 2025	**Estimates of present value of FCF**	**Risk adjustment for non-financial risk**	**Total**
Gross liabilities for incurred claims	**80,871,091**	**3,427,430**	**84,298,521**
Amounts recoverable from reinsurers	**(31,377,028)**	**(552,779)**	**(31,929,807)**
Net liabilities for incurred claims	**49,494,063**	**2,874,651**	**52,368,714**

December 31, 2024	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Gross liabilities for incurred claims	69,154,535	2,880,804	72,035,339
Amounts recoverable from reinsurers	(13,739,628)	(157,241)	(13,896,869)
Net liabilities for incurred claims	55,414,907	2,723,563	58,138,470

28.2 Financial risk

The Company's principal financial assets and liabilities are cash and cash equivalents, term deposits, premiums and insurance balances receivable - net, investments, accrued income on statutory deposit, reinsurer's share of outstanding claims, reinsurers' share of claims incurred but not reported and other assets (included in prepaid expenses and other assets). The Company's principal financial liabilities are reinsurance balances payable, outstanding claims, claims incurred but not reported, accrued and other liabilities, accounts payable, dividend payable, surplus distribution payable and amounts due to a related party.

The main risks arising from the Company's financial instruments are market risks (including price risk, currency risk and commission rate risk), credit risk, liquidity risk and, which are summarized below:

28.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

The market risk policy is predominantly based on the three types of risks.

(i) The currency risk is not required to be managed as Saudi Riyal (﷼) is pegged to the United States Dollar and the transactions are processed in the local currency.

(ii) The commission rate risk is managed by considering diversification of portfolio with having mix of fixed and floating rate instruments to offset the impact of interest rate changes on the overall portfolio. Further, the regular review is performed to monitor the trend and adjust the mix of investment.

28. RISK MANAGEMENT (Continued)

28.2 Financial risk (Continued)

28.2.1 Market risk (Continued)

(i) The price risk is managed by diversifying the investment portfolio across different industries with ongoing monitoring of trends.

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board of Directors gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than ﷼ and United States Dollars, during the year. As the Saudi Riyal (﷼) is pegged to the United States Dollar, balances in United States Dollars are not considered to represent significant currency risk.

b) Commission rate risk

Commission rate risk is the risk that the value or future cash flows of a financial instrument will change because of change in market commission rates.

The Company invests in securities and has deposits that are subject to commission rate risk. Commission rate risk to the Company is the risk of changes in commission rates reducing the overall return on its fixed commission rate bearing securities. The commission rate risk is limited by monitoring changes in commission rates and by investing in floating rate instruments.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value commission rate risk.

There is no direct contractual relationship between financial assets and insurance and reinsurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net commission rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The Company has no significant concentration of interest rate risk.

The Company is exposed to commission rate risk through its deposits and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred.

The Company's exposure to commission rate risk sensitive insurance and reinsurance contracts, deposits and debt instruments are, as follows:

28. RISK MANAGEMENT (Continued)

28.2 Financial risk (Continued)

28.2.1 Market risk (Continued)

b) Commission rate risk (Continued)

	2025	2024
Insurance contract liabilities, net	**237,381,666**	247,061,163
Reinsurance contract assets, net	**(5,445,232)**	(17,393,427)
Cash and cash equivalents	**171,030,408**	262,559,683
Term deposits	**215,505,643**	219,950,895
Debt instruments carried at FVOCI	**41,233,820**	37,713,418

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on net profit and net equity. The correlation of variables will have a significant effect in determining the ultimate impact of commission rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

	Changes in commission rate	**2025**	2024
Insurance contract liabilities, net	**+/-2%**	**4,747,633**	4,941,223
Reinsurance contract assets, net	**+/-2%**	**(108,905)**	(347,869)
Cash and cash equivalents	**+/-2%**	**3,420,608**	5,251,194
Term deposits	**+/-2%**	**4,310,113**	4,399,018
Debt instruments carried at FVOCI	**+/-2%**	**824,676**	754,268

c) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's FVTPL and FVOCI investments amounting to ﷼ 151.4 million (2024: ﷼ 146.2 million) are susceptible to market price risk arising from uncertainty about the future value of invested securities. The Company limits this nature of market risk by diversifying its invested portfolio and by actively monitoring the developments in markets.

The impact of a hypothetical change of a 5% increase and 5% decrease in the market prices of financial assets held at FVTPL (Level 1 and Level 2) on net profit and net equity would be as follows:

% change in equity price	**December 31, 2025**	December 31, 2024
+5	**1,370,827**	2,365,660
- 5	**(1,370,827)**	(2,365,660)

28. RISK MANAGEMENT (Continued)

28.2 Financial risk (Continued)

28.2.1 Market risk (Continued)

c) Price risk (Continued)

The impact of a hypothetical change of a 5% increase and 5% decrease in the market prices of financial assets held at FVOCI (Debt instruments) on other comprehensive income and fair value reserve would be as follows:

% change in debt price	**December 31, 2025**	December 31, 2024
+5	**2,561,691**	1,885,671
-5	**(2,561,691)**	(1,885,671)

For sensitivity analysis relating to financial assets held at FVOCI (equity instruments), refer Note 26(c).

The sensitivity analysis presented is based upon the portfolio position as at December 31, 2025 and December 31, 2024. Accordingly, the sensitivity analysis prepared is not necessarily indicative of the effect on the Company's assets of future movements in the value of investments held by the Company.

28.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial instruments held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

The Company only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.

The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

The Company's investment portfolio is managed by the investment committee in accordance with the investment policy established by the investment committee, which is approved by the Board of Directors.

The Company's other financial assets are held with commercial banks and financial institutions with strong financial positions and credit ratings. The Company's policy is to invest in high-quality, liquid (that is, investment-grade) financial instruments. The Company maintains its bank balances, short-term, long term and statutory deposits with banks which have investment grade credit ratings. Investments are made in instruments with either investment grade or satisfactory non-investment grade credit rating.

28. RISK MANAGEMENT (Continued)

28.3 Credit risk (Continued)

The table below shows the maximum exposure to credit risk for the relevant components of the statement of financial position:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	**171,030,408**	262,559,683
Reinsurance contract assets	**13,952,820**	6,484,257
Insurance contract assets	**11,342,015**	13,471,313
Term deposits	**215,505,643**	219,950,895
Investments carried at FVTPL	**37,416,544**	47,313,196
Investments carried at FVOCI	**113,955,624**	98,837,270
Statutory deposits	**30,000,000**	30,000,000
Accrued income on statutory deposit	**236,833**	640,078
Other assets (included in prepaid expenses and other assets)	**5,872,942**	19,761,713
Total	**599,312,829**	699,018,405

Credit quality

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. Approximately all of the Company's underwriting activities are carried out in Saudi Arabia.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit rating of counterparties.

The Company applies the three-stage model for impairment of financial assets measured at amortised cost and debt instruments held at FVOCI only, based on changes in credit quality since initial recognition. Also see Note 3.4 (iii) for further details regarding impairment.

The Company uses "low credit risk" practical expedient for the cash and cash equivalents, term deposits, debt instruments at FVOCI, statutory deposits with the assumption that the credit risk on such financial instruments has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months.

Management does not expect any losses from non-performance by these counterparties. At December 31, 2025 and 2024, the ECL allowance on cash at bank was immaterial.

The gross carrying amount of cash and cash equivalents, term deposits, investments and statutory deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1, except for certain investments which are classified as satisfactory. Investment grade ratings refers to companies with sound credit standing of AAA to BBB- (as per S&P and Fitch) and/or Aaa to Baa3 (as per Moody's). Ratings below the mentioned threshold are considered speculative/satisfactory grade with a higher default risk. The Company's exposures to credit risk are not collateralized. At December 31, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

28. RISK MANAGEMENT (Continued)

28.3 Credit risk (Continued)

Credit quality (Continued)

Other financial assets at amortised cost include other receivables. These instruments are considered to be low credit risk since they have a low risk of default and the issuers have a strong capacity to meet their contractual cash flow obligations in the near term. At December 31, 2025 and 2024, the ECL allowance on other financial assets was immaterial.

	2025	2024	**2025**	2024	**2025**	2024
	Investment grade		**Satisfactory**		**Past due impaired**	
Cash and cash equivalents	**171,030,408**	262,559,683	-	-	**-**	-
Insurance contract assets	**11,342,015**	13,471,313				
Reinsurance contract assets	**13,952,820**	6,484,257	**-**	-	**-**	-
Term deposits	**215,505,643**	219,950,895	**-**	-	-	-
Investments carried at FVTPL	**30,000,000**	38,396,227	**7,416,544**	8,916,969	**-**	-
Investments carried at FVOCI	**41,233,820**	37,713,418	**72,721,804**	61,123,852	**-**	-
Statutory deposits	**30,000,000**	30,000,000	-	-	**-**	-
Accrued income on statutory deposit	**236,833**	640,078	-	-	**-**	-
Other assets (included in prepaid expenses and other assets)	**835,432**	497,294	**5,037,510**	19,264,419	**-**	-
Total	**514,136,971**	609,713,165	**85,175,858**	89,305,240	**-**	-

Premiums receivable balances have been classified under insurance contract liabilities and the reinsurers' receivable balances and reinsurers' share of outstanding claims and claims incurred but not reported have been classified under reinsurance contract assets, as rights and obligations under insurance contracts are accounted for under IFRS 17 because the policyholder transfers significant insurance risk to the insurer rather than financial risk, which are in the scope of IFRS 17 for impairment. Also see Notes 3.4 and 4 (vi), for further details in this regard.

28.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations and commitments associated with financial liabilities. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets. Further, the Company manages liquidity risk as follows:

- The Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- The Company ensures the use of sound asset-liability management practices.
- The Company ensures the use of a variety of techniques for funds management.

28. RISK MANAGEMENT (Continued)

28.4 Liquidity risk (Continued)

Further, the Company utilises stress testing conducted by the risk management department to identify potential liquidity shortages and address them. Stress and scenario tests are conducted to assess the anticipated financial and non-financial repercussions of adverse circumstances and events occurring within the relevant time horizon. Stress tests considers fluctuations in key financial parameters, such as interest rates, asset values, or liability values. On the other hand, scenario tests involve the causes of adverse developments, such as a significant natural catastrophe or a major industrial incident.

To assess the Company's resilience to uncontrollable negative events, hypothetical scenarios or scenarios based on industry information are created. The impact of these changes is evaluated based on various factors, including return on equity, solvency margin, liquidity of the Company, and the average credit rating of reinsurance counterparties.

The table below summarizes the maturities of the Company's undiscounted contractual obligations at December 31, 2025 and 2024. As the Company does not have any commission bearing liabilities, contractual cash flow of financial liabilities approximates their carrying value.

	2025			2024		
	Less than one year	**More than 12 months**	**Total**	Less than one year	More than 12 months	Total
Cash and cash equivalents	**171,030,408**	**-**	**171,030,408**	262,559,683	-	262,559,683
Term deposits	**170,130,420**	**45,375,223**	**215,505,643**	174,554,422	45,396,473	219,950,895
Prepaid expenses and other assets	**3,209,808**	**2,663,134**	**5,872,942**	19,761,713	-	19,761,713
Investments carried at FVTPL	**30,822,356**	**6,594,188**	**37,416,544**	44,703,196	2,610,000	47,313,196
Investments carried at FVOCI	**-**	**113,955,624**	**113,955,624**	-	98,837,270	98,837,270
Statutory deposit	**-**	**30,000,000**	**30,000,000**	-	30,000,000	30,000,000
Accrued income on statutory deposit	**236,833**	**-**	**236,833**	640,078	-	640,078
Total	**375,429,825**	**198,588,169**	**574,017,994**	502,219,092	176,843,743	679,062,835

	2025			2024		
	Less than one year	**More than 12 months**	**Total**	Less than one year	More than 12 months	Total
Accrued and other liabilities	**9,708,752**	**-**	**9,708,752**	9,467,398	-	9,467,398
Accrued commission income payable to the Insurance Authority	**236,833**	**-**	**236,833**	640,078	-	640,078
Lease liability	**1,554,924**	**1,882,386**	**3,437,310**	646,500	150,000	796,500
Total	**11,500,509**	**1,882,386**	**13,382,895**	10,753,976	150,000	10,903,976
Total liquidity gap	**363,929,316**	**196,705,783**	**560,635,099**	491,465,116	176,693,743	668,158,859

28. RISK MANAGEMENT (Continued)

28.4 Liquidity risk (Continued)

Insurance contracts issued	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-5 years**	**Total**
Medical	**25,476,240**	**1,314,895**	**295,974**	**154**	**27,087,263**
Motor Comprehensive	**13,639,138**	**877,023**	**614,173**	**55,992**	**15,186,326**
Motor Third Party	**38,505,856**	**2,215,830**	**685,123**	**-**	**41,406,809**
Engineering	**2,138,764**	**335,925**	**-**	**-**	**2,474,689**
Property	**(12,488,464)**	**-**	**-**	**-**	**(12,488,464)**
General Accident	**7,251,225**	**31,528**	**-**	**-**	**7,282,753**
Marine Cargo	**111,332**	**10,101**	**-**	**-**	**121,433**
Marine Hull	**20,006**	**-**	**-**	**-**	**20,006**
December 31, 2025	**74,654,097**	**4,785,302**	**1,595,270**	**56,146**	**81,090,815**

Reinsurance contracts held	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**Total**
Medical	**276,386**	**15,306**	**3,405**	**2**	**295,099**
Motor Comprehensive	**530,640**	**34,395**	**25,011**	**2,334**	**592,380**
Motor Third Party	**8,658,644**	**549,237**	**132,246**	**-**	**9,340,127**
Engineering	**1,593,884**	**250,343**	**-**	**-**	**1,844,227**
Property	**(11,631,965)**	**-**	**-**	**-**	**(11,631,965)**
General Accident	**1,189,243**	**5,171**	**-**	**-**	**1,194,414**
Marine Cargo	**84,621**	**7,678**	**-**	**-**	**92,299**
Marine Hull	**13,004**	**-**	**-**	**-**	**13,004**
December 31, 2025	**714,457**	**862,130**	**160,662**	**2,336**	**1,739,585**

Insurance contracts issued	Up to 1 year	1-2 years	2-3 years	3-5 years	Total
Medical	156,886,009	1,280,023	295,775	202	158,462,009
Motor Comprehensive	79,195,076	847,401	584,476	54,438	80,681,391
Motor Third Party	133,882,194	1,401,536	450,827		135,734,557
Engineering	10,389,711	199,261	-	-	10,588,972
Property	(4,495,106)	-	-	-	(4,495,106)
General Accident	28,428,854	32,265	-	-	28,461,119
Marine Cargo	1,350,842	57,230	-	-	1,408,072
Marine Hull	325,946	-	-	-	325,946
December 31, 2024	405,963,526	3,817,716	1,331,078	54,640	411,166,960

Reinsurance contracts held	Up to 1 year	1-2 years	2-3 years	3-4 years	Total
Medical	7,162,384	1,124,960	-	-	8,287,344
Motor Comprehensive	25,005,434	-	-	-	25,005,434
Motor Third Party	1,965,635	8,547	-	-	1,974,182
Engineering	213,426	19,364	-	-	232,790
Property	2,955,248	145,076	33,952	25	3,134,301
General Accident	239,492	7,554	1,573	-	248,619
Marine Cargo	72,069	4,674	3,395	316	80,454
Marine Hull	452,013	28,737	6,876	-	487,626
December 31, 2024	38,065,701	1,338,912	45,796	341	39,450,750

28. RISK MANAGEMENT (Continued)

28.4 Liquidity risk (Continued)

To manage the liquidity risk arising from financial liabilities mentioned above, the Company holds liquid assets comprising cash and cash equivalents and investment securities. These assets can be readily sold to meet liquidity requirements.

The assets with maturity less than one year are expected to realize as follows:

- Fair value through profit or loss investments includes investments in mutual funds and equity and are held for cash management purposes and expected to be matured or settled within 12 months from the balance sheet date.
- Term deposits includes deposits placed with high credit rating financial institutions with maturities of less than 12 and more than 12 months from the date of placement.
- Cash and bank balances are available on demand.
- Reinsurers contract assets mainly pertain to property and casualty segment and are generally realized within 6 to 9 months based on settlement of claims.

The liabilities with maturity less than one year are expected to settle as follows:

- Majority of insurance contract liabilities are expected to be settled within 12 months in accordance with statutory timelines for payment. Property and casualty policies due to the inherent nature are generally settled within 12 months from the date of receipt of loss adjustor report.
- Accrued expenses and other liabilities are expected to settle within a year of 12 months from the year end date.
- Accrued commission income to the Insurance Authority is payable on demand and hence classified as current.
- Employee benefit obligations are expected to settle based on the maturity analysis disclosed in Note 16. The assets with maturity more than one year are expected to realize as follows:
- Term deposits includes deposits placed with high credit rating financial institutions with maximum maturities of about 18 months from the date of placement.
- Fair value through profit or loss investments includes investments in equity and debt (tier one sukuks) instruments, which are strategically placed and expected to be matured or settled in the normal course.
- Fair value through other comprehensive income investments includes investments in najm (equity instruments), which are strategic investments as mandated by the Insurance Authority, and debt instruments, which have the hold to collect and sell model. All such investments are expected to be settled in the normal course based on investment strategies, upon targeted gains achieved.
- Statutory deposits can be liquidated only upon consent from the Insurance Authority.

28.5 Capital risk management

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

28. RISK MANAGEMENT (Continued)

28.5 Capital risk management (Continued)

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

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

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

- Minimum Capital Requirement
- Premium Solvency Margin; or
- Claims Solvency Margin.

As of December 31, 2025 the Company is in compliance with the minimum solvency margin as required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

29. COMMITMENTS AND CONTINGENCIES

Legal proceedings

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

A fire in August 2023 at a warehouse leased to MEK Saudi Trading Company caused significant damage. The Company compensated its insured and filed a subrogation claim alleging gross negligence; the case is currently under appeal. Management, based on legal advice, is monitoring the matter and has assessed that no additional provision is required at this stage.

30. AUDITORS' REMUNERATION

Auditors' fee for 2025 audit and review services amounts to ﷼ 1.4 million (2024: ﷼ 1.6 million) and their fee for other statutory services amounts to ﷼ 0.02 million (2024: ﷼ 0.1 million).

31. SUBSEQUENT EVENTS

No other subsequent events occurred between December 31, 2025 and the date of authorization of issue of these financial statements which may have a material impact on these financial statements.

32. GROSS WRITTEN PREMIUM

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

	December 31, 2025					
				Protection & Savings		Total
Breakdown of GWP	**Medical**	**Motor**	**Property & casualty**	**Individual**	**Group (Term life)**	
Retail	**28,831,767**	**155,860,106**	**5,990,237**	-	-	**190,682,110**
Very small	**36,138,206**	**16,714,315**	**3,037,159**	-	-	**55,889,680**
Small	**21,949,129**	**29,636,482**	**6,500,918**	-	-	**58,086,529**
Medium	**27,027,811**	**21,829,584**	**16,131,524**	-	-	**64,988,919**
Corporate	**147,385,372**	**70,456,543**	**4,355,985**	-	-	**222,197,900**
Total	**261,332,285**	**294,497,030**	**36,015,823**	-	-	**591,845,138**

	December 31, 2024					
				Protection & Savings		Total
Breakdown of GWP	Medical	Motor	Property & casualty	Individual	Group (Term life)	
Retail	35,069,752	130,567,588	35,455,016	-	-	201,092,356
Very small	40,675,536	12,179,506	9,442,672	-	-	62,297,714
Small	38,777,693	26,035,039	9,172,834	-	-	73,985,566
Medium	34,278,741	15,481,156	9,164,439	-	-	58,924,336
Corporate	83,091,297	118,231,126	4,169,377	-	-	205,491,800
Total	231,893,019	302,494,415	67,404,338	-	-	601,791,772

33. NET WRITTEN PREMIUM

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

	December 31, 2025					
				Protection & Savings		Total
Item	**Medical**	**Motor**	**Property & casualty**	**Individual**	**Group (Term life)**	
Gross written premium	**261,332,285**	**294,497,030**	**36,015,823**	-	-	**591,845,138**
Reinsurance premium ceded - globally (including excess of loss)	**(9,958,258)**	**(3,328,144)**	**(14,875,058)**	-	-	**(28,161,460)**
Reinsurance premium ceded - locally (including excess of loss)	**(4,515,821)**	**(2,562,912)**	**(8,100,500)**	-	-	**(15,179,233)**
Net written premium - total	**246,858,206**	**288,605,974**	**13,040,265**	-	-	**548,504,445**

	December 31, 2024					
				Protection & Savings		Total
Item	Medical	Motor	Property & casualty	Individual	Group (Term life)	
Gross written premium	231,893,019	302,494,415	67,404,338	-	-	601,791,772
Reinsurance premium ceded - globally (including excess of loss)	(13,977,022)	(7,011,056)	(44,510,322)	-	-	(65,498,400)
Reinsurance premium ceded - locally (including excess of loss)	(1,613,998)	(2,363,000)	(1,979,301)	-	-	(5,956,299)
Net written premium - total	216,301,999	293,120,359	20,914,715	-	-	530,337,073

34. SURPLUS DISTRIBUTION

The surplus payables to policyholders for the year December 31, 2025 amounts to ﷼ nil (2024: ﷼ 3.1 million).

35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on Ramadan 20, 1447 (H) corresponding to March 9, 2026 (G).

36. SUPPLEMENTARY INFORMATION

Supplementary information sets out the disaggregated information between insurance and shareholders' operations in order to comply with requirements of the Insurance Regulations and is not required by International Financial Reporting Standards (IFRS).

STATEMENT OF FINANCIAL POSITION

	December 31, 2025			December 31, 2024		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
ASSETS						
Cash and cash equivalents	**24,208,992**	**146,821,416**	**171,030,408**	18,017,936	244,541,747	262,559,683
Term deposits	**78,017,142**	**137,488,501**	**215,505,643**	168,813,047	51,137,848	219,950,895
Investments:						
Financial assets at fair value through profit or loss ("FVTPL")	**11,864,520**	**25,552,024**	**37,416,544**	41,527,946	5,785,250	47,313,196
Financial assets at fair value through other comprehensive income ("FVOCI")	**72,721,804**	**41,233,820**	**113,955,624**	61,123,852	37,713,418	98,837,270
Prepaid expenses and other assets	**15,889,519**	**599,784**	**16,489,303**	21,162,246	1,449,442	22,611,688
Insurance contract assets	**11,342,015**	**-**	**11,342,015**	13,471,313	-	13,471,313
Reinsurance contract assets	**13,952,820**	**-**	**13,952,820**	6,484,257	-	6,484,257
Right-of-use assets	**3,011,045**	**-**	**3,011,045**	401,562	-	401,562
Property and equipment	**5,587,109**	**-**	**5,587,109**	6,247,601	-	6,247,601
Intangible assets	**7,796,011**	**-**	**7,796,011**	9,477,909	-	9,477,909
Accrued income on statutory deposit	**-**	**236,833**	**236,833**	-	640,078	640,078
Goodwill	**-**	**25,513,750**	**25,513,750**	-	25,513,750	25,513,750
Statutory deposit	**-**	**30,000,000**	**30,000,000**	-	30,000,000	30,000,000
Due from shareholders' operations	**127,284,044**	**-**	**127,284,044**	25,740,096	-	25,740,096
TOTAL ASSETS	**371,675,021**	**407,446,128**	**779,121,149**	372,467,765	396,781,533	769,249,298
Due from Shareholders' Operations	**(127,284,044)**	**-**	**(127,284,044)**	(25,740,096)	-	(25,740,096)
TOTAL ASSETS AS PER FINANCIAL STATEMENTS	**244,390,977**	**407,446,128**	**651,837,105**	346,727,669	396,781,533	743,509,202

36. SUPPLEMENTARY INFORMATION (Continued)

STATEMENT OF FINANCIAL POSITION (Continued)

LIABILITIES						
Accrued and other liabilities	**15,251,057**	**1,566,082**	**16,817,139**	14,718,698	2,393,460	17,112,158
Insurance contract liabilities	**248,723,681**	**-**	**248,723,681**	260,532,476	-	260,532,476
Reinsurance contract liabilities	**19,398,052**	**-**	**19,398,052**	23,877,684	-	23,877,684
Employee benefit obligations	**10,465,333**	**-**	**10,465,333**	8,868,623	-	8,868,623
Lease liabilities	**3,343,513**	**-**	**3,343,513**	790,271	-	790,271
Zakat payable	**-**	**10,346,296**	**10,346,296**	-	30,408,598	30,408,598
Accrued income payable to the Insurance Authority	**-**	**236,833**	**236,833**	-	640,078	640,078
Dividends payable	**-**	**362,849**	**362,849**	-	369,349	369,349
Due to insurance operations	**-**	**127,284,044**	**127,284,044**	-	25,740,096	25,740,096
TOTAL LIABILITIES	**297,181,636**	**139,796,104**	**436,977,740**	308,787,752	59,551,581	368,339,333
Due to Insurance Operations	**-**	**(127,284,044)**	**(127,284,044)**	-	(25,740,096)	(25,740,096)
TOTAL LIABILITIES AS PER FINANCIAL STATEMENTS	**297,181,636**	**12,512,060**	**309,693,696**	308,787,752	33,811,485	342,599,237
EQUITY						
Share capital	**-**	**300,000,000**	**300,000,000**	-	300,000,000	300,000,000
(Accumulated losses) / retained earnings	**-**	**(41,476,996)**	**(41,476,996)**	-	28,840,334	28,840,334
Statutory reserve	**-**	**8,982,272**	**8,982,272**	-	8,982,272	8,982,272
Fair value reserve	**70,798,724**	**144,748**	**70,943,472**	59,200,772	(592,654)	58,608,118
Remeasurement reserve of employee benefit obligations	**3,694,661**	**-**	**3,694,661**	4,479,241	-	4,479,241
TOTAL EQUITY	**74,493,385**	**267,650,024**	**342,143,409**	63,680,013	337,229,952	400,909,965
TOTAL LIABILITIES AND EQUITY	**371,675,021**	**280,162,084**	**651,837,105**	372,467,765	371,041,437	743,509,202

36. SUPPLEMENTARY INFORMATION (Continued)

STATEMENT OF INCOME

	December 31, 2025			December 31, 2024		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
REVENUES						
Insurance revenue	**604,414,187**	**-**	**604,414,187**	503,656,077	-	503,656,077
Insurance service expense*	**(641,868,450)**	**-**	**(641,868,450)**	(400,561,614)	-	(400,561,614)
Net expenses from reinsurance contracts held	**(29,988,954)**	**-**	**(29,988,954)**	(72,678,122)	-	(72,678,122)
Insurance service result from Company's directly written business	**(67,443,217)**	**-**	**(67,443,217)**	30,416,341	-	30,416,341
Share of surplus from insurance pools	**617,811**	**-**	**617,811**	3,364,995	-	3,364,995
Total insurance service result	**(66,825,406)**	**-**	**(66,825,406)**	33,781,336	-	33,781,336
Commission income from financial assets not measured at FVTPL	**6,023,273**	**20,885,507**	**26,908,780**	11,789,369	15,312,328	27,101,697
Net (losses) / gains on financial assets measured at FVTPL	**(5,046,184)**	**(233,226)**	**(5,279,410)**	(1,723,024)	2,001,311	278,287
Net investment income	**977,089**	**20,652,281**	**21,629,370**	10,066,345	17,313,639	27,379,984
Finance income / (expense) from insurance contracts issued	**37,641**	**-**	**37,641**	(2,001,687)	-	(2,001,687)
Finance (expense) / income from reinsurance contracts held	**(207,865)**	**-**	**(207,865)**	1,474,822	-	1,474,822
Net insurance finance income	**(170,224)**	**-**	**(170,224)**	(526,865)	-	(526,865)
Net insurance and investment result	**(66,018,541)**	**20,652,281**	**(45,366,260)**	43,320,816	17,313,639	60,634,455
Other operating expenses	**(21,152,893)**	**(4,717,184)**	**(25,870,077)**	(14,921,150)	(5,027,660)	(19,948,810)
Finance costs on lease liabilities	**(80,993)**	**-**	**(80,993)**	(13,451)	-	(13,451)
Net (deficit) / surplus from Operations	**(87,252,427)**	**15,935,097**	**(71,317,330)**	28,386,215	12,285,979	40,672,194
(Deficit) / Surplus transfer to shareholders	**87,252,427**	**(87,252,427)**	**-**	(28,386,215)	28,386,215	-
Total (loss) / profit for the year before zakat	-	**(71,317,330)**	**(71,317,330)**	**-**	40,672,194	40,672,194
Zakat expense	-	**1,000,000**	**1,000,000**	**-**	(8,813,986)	(8,813,986)
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	-	**(70,317,330)**	**(70,317,330)**	**-**	31,858,208	31,858,208
(Loss) / earnings per share (expressed in ﷼ per share)						
Basic earnings per share	-	**(2.34)**	**(2.34)**	**-**	1.26	1.26
Diluted earnings per share	-	**(2.34)**	**(2.34)**	**-**	1.26	1.26

* This includes surplus distribution of ﷼ nil for the year ended December 31, 2025 (December 31, 2024: ﷼ 3.1 million) (Also see note 34)

36. SUPPLEMENTARY INFORMATION (Continued)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED

	December 31, 2025			December 31, 2024		
	Insurance operations	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**-**	**(70,317,330)**	**(70,317,330)**	-	31,858,208	31,858,208
Other comprehensive income						
Items that will not be reclassified to the statement of income in subsequent years						
Remeasurement (gain) / loss on employee benefit obligations	**(784,580)**	**-**	**(784,580)**	895,957	-	895,957
Net changes in fair value of investments measured at FVOCI - Equity instruments	**11,597,952**	**-**	**11,597,952**	17,639,600	-	17,639,600
Items that will be reclassified to the statement of income in subsequent years						
Net changes in fair value of investments measured at FVOCI - Debt instruments	**-**	**737,402**	**737,402**	(592,654)	-	(592,654)
Total other comprehensive income	**10,813,372**	**737,402**	**11,550,774**	17, 942,903	-	17, 942,903
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	**10,813,372**	**(69,579,928)**	**(58,766,556)**	17,942,903	31,858,208	49,801,111

36. SUPPLEMENTARY INFORMATION (Continued)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31,

	2025			2024		
CASH FLOWS FROM OPERATING ACTIVITIES	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
Total (loss) / profit for the year before zakat	**-**	**(71,317,330)**	**(71,317,330)**	-	40,672,194	40,672,194
Adjustments for non-cash items:						
Depreciation of property and equipment	**1,507,332**	**-**	**1,507,332**	1,098,685	-	1,098,685
Amortisation of intangible assets	**3,806,946**	**-**	**3,806,946**	1,816,271	-	1,816,271
Gain on termination of leases	**(346,500)**	**-**	**(346,500)**	-	-	-
Depreciation for right-of-use assets	**1,555,363**	**-**	**1,555,363**	536,066	-	536,066
Finance costs on lease liabilities	**80,993**	**-**	**80,993**	13,451	-	13,451
Gain on disposal of property and equipment	**(55,000)**	**-**	**(55,000)**	-	-	-
Net loss / (gain) on FVTPL investments	**5,046,184**	**233,226**	**5,279,410**	1,723,024	(2,001,311)	(278,287)
Provision for employees benefit obligations	**2,032,468**	**-**	**2,032,468**	2,083,148	-	2,083,148
Commission income from financial assets not measured at FVTPL	**(11,705,449)**	**(15,203,331)**	**(26,908,780)**	(11,789,369)	(15,312,328)	(27,101,697)
Changes in operating assets and liabilities:						
Prepaid expenses and other assets	**5,272,727**	**849,658**	**6,122,385**	6,562,106	(1,077,175)	5,484,931
Insurance contract assets	**2,129,298**	**-**	**2,129,298**	(4,696,772)	-	(4,696,772)
Reinsurance contract assets	**(7,468,563)**	**-**	**(7,468,563)**	30,996,028	-	30,996,028
Accrued income on statutory deposit	**-**	**403,245**	**403,245**	-	1,174,093	1,174,093
Accrued and other liabilities	**532,359**	**(827,378)**	**(295,019)**	2,359,622	41,581	2,401,203
Insurance contract liabilities	**(11,808,795)**	**-**	**(11,808,795)**	(54,663,384)	-	(54,663,384)
Reinsurance contract liabilities	**(4,479,632)**	**-**	**(4,479,632)**	22,125,996	-	22,125,996
Accrued income payable to the Insurance Authority	**-**	**(403,245)**	**(403,245)**	-	(1,174,093)	(1,174,093)
Cash (used in) / generated from operations	**(13,900,269)**	**(86,265,155)**	**(100,165,424)**	(1,835,128)	22,322,961	20,487,833
Employee benefit obligations paid	**(1,220,338)**	**-**	**(1,220,338)**	(1,380,888)	-	(1,380,888)
Finance costs paid on lease liabilities	**(80,993)**	**-**	**(80,993)**	(13,451)	-	(13,451)
Commission income received from financial assets measured at FVTPL	**605,500**	**-**	**605,500**			
Commission income received from financial assets not measured at FVTPL	**11,705,449**	**15,203,331**	**26,908,780**	11,789,369	15,312,328	27,101,697
Zakat paid	**-**	**(19,062,302)**	**(19,062,302)**	-	(18,591,699)	(18,591,699)
Net cash (used in) / generated from operating activities	**(2,890,651)**	**(90,124,126)**	**(93,014,777)**	8,559,902	19,043,590	27,603,492

36. SUPPLEMENTARY INFORMATION (Continued)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, (Continued)

	2025			2024		
CASH FLOWS FROM INVESTING ACTIVITIES	**Insurance operations**	**Shareholders' operations**	**Total**	Insurance operations	Shareholders' operations	Total
Placement in term deposits	**(50,486,304)**	**(135,000,000)**	**(185,486,304)**	(128,486,304)	(50,000,000)	(178,486,304)
Redemption of term deposits	**141,282,209**	**48,649,347**	**189,931,556**	121,974,070	39,767,719	161,741,789
Purchases of financial assets held at FVTPL	**(140,809,118)**	**(20,000,000)**	**(160,809,118)**	(89,164,835)	(10,307,669)	(99,472,504)
Proceeds from disposal of financial assets held at FVTPL	**164,820,860**	**-**	**164,820,860**	70,430,718	32,396,949	102,827,667
Purchases of financial assets held at FVOCI	**-**	**(2,783,000)**	**(2,783,000)**	-	(38,306,072)	(38,306,072)
Payments for purchases of property and equipment	**(846,840)**	**-**	**(846,840)**	(3,173,769)	-	(3,173,769)
Payments for purchases of intangible assets	**(2,125,048)**	**-**	**(2,125,048)**	(9,181,327)	-	(9,181,327)
Proceeds from disposal of property and equipment	**55,000**	**-**	**55,000**	-	-	-
Placement in statutory deposits	**-**	**-**	**-**	-	(9,000,000)	(9,000,000)
Net cash generated from / (used in) investing activities	**111,890,759**	**(109,133,653)**	**2,757,106**	(37,601,447)	(35,449,073)	(73,050,520)
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal elements of lease payments	**(1,265,104)**	**-**	**(1,265,104)**	(651,707)	-	(651,707)
Issuance of share capital, net of expenses	**-**	**-**	**-**	-	152,911,250	152,911,250
Dividend paid	**-**	**(6,500)**	**(6,500)**	-	(500)	(500)
Due to (from) / to operations	**(101,306,336)**	**101,306,336**	**-**	26,924,566	(26,924,566)	-
Net cash (used in) / generated from financing activities	**(102,571,440)**	**101,299,836**	**(1,271,604)**	26,272,859	125,986,184	152,259,043
Net change in cash and cash equivalents	**6,428,668**	**(97,957,943)**	**(91,529,275)**	(2,768,686)	109,580,701	106,812,015
Cash and cash equivalents at the beginning of the year	**17,968,194**	**244,591,489**	**262,559,683**	20,736,880	135,010,788	155,747,668
Cash and cash equivalents at end of the year	**24,396,862**	**146,633,546**	**171,030,408**	17,968,194	244,591,489	262,559,683
Supplemental non-cash information:						
Net change in fair value of financial assets at FVOCI	**12,335,354**	**-**	**12,335,354**	17,046,946	-	17,046,946
Remeasurement (loss) / gain on employee benefit obligations	**(784,580)**	**-**	**(784,580)**	895,957	-	895,957
Addition in right-of-use assets and lease liabilities	**4,164,846**	**-**	**4,164,846**	-	-	-