ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

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

PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
AlJazira Takaful Taawuni Company
(A Saudi Joint Stock Company)
Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed statement of financial position of AlJazira Takaful Taawuni Company (the "Company") as of 30 June 2026 and the related condensed statements of income and comprehensive income for the three-month and six-month periods then ended, and the condensed statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes (collectively referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

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

Dr. Mohamed Al-Amri & Co.

Gihad Al-Amri
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Jeddah, Kingdom of Saudi Arabia

29 Safar, 1448 AH
12 August, 2026

د. محمد العمري وشركاه - محاسبون قانونيون
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شركة بي كي اف البسام
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ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	*30 June 2026 (Unaudited) ⃁ '000*	*31 December 2025 (Audited) ⃁ '000*
ASSETS			
Cash and cash equivalents	4	**96,976**	51,680
Investments held to cover unit-linked liabilities at fair value through profit or loss	5.1	**1,680,047**	1,582,444
Investments held at fair value through profit or loss	5.2	**274,537**	257,218
Investment held at fair value through other comprehensive income	5.3	**72,758**	72,758
Investments held at amortised cost	5.4	**556,686**	558,630
Reinsurance contract assets	6.1	**143,338**	167,922
Due from a related party	11	**4,734**	14,679
Prepayments and other assets		**20,832**	11,963
Property and equipment		**7,424**	7,196
Right-of-use-assets		**13,439**	14,459
Intangible assets		**6,147**	6,436
Accrued income on statutory deposit		**8,254**	7,167
Statutory deposit	10	**65,990**	65,990
Goodwill		**232,255**	232,255
TOTAL ASSETS		**3,183,417**	3,050,797
LIABILITIES			
Accrued expenses and other liabilities		**31,833**	23,872
Insurance contract liabilities	6.1	**2,133,376**	1,976,650
Provision for employee end of service benefits		**8,388**	7,807
Lease liabilities		**13,000**	15,051
Zakat and income tax	12	**7,894**	13,278
Accrued income on statutory deposit		**8,254**	7,167
TOTAL LIABILITIES		**2,202,745**	2,043,825
EQUITY			
Share capital	17	**660,000**	660,000
Share premium		**87,286**	87,286
Statutory reserve	9	**72,471**	72,471
Fair value reserve for investments		**70,835**	70,835
Retained earnings		**90,186**	116,486
TOTAL SHAREHOLDERS' EQUITY		**980,778**	1,007,078
Remeasurement reserve of employee end of service benefits - related to insurance operations		**(106)**	(106)
TOTAL EQUITY		**980,672**	1,006,972
TOTAL LIABILITIES AND EQUITY		**3,183,417**	3,050,797

Chairman	Chief Financial Officer	Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED STATEMENT OF INCOME
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

	Note	**Three-month period ended 30 June 2026 (Unaudited)**	*Three-month period ended 30 June 2025 (Unaudited)*	**Six-month period ended 30 June 2026 (Unaudited)**	*Six-month period ended 30 June 2025 (Unaudited)*
		⃁'000	⃁'000	⃁'000	⃁'000
Insurance revenue	7	**104,590**	87,138	**202,996**	170,896
Insurance service expenses	7	**(95,400)**	(77,415)	**(177,396)**	(129,566)
Net expenses from reinsurance contracts held	7	**(19,135)**	(7,213)	**(26,720)**	(22,283)
Insurance service result from Company's directly written business		**(9,945)**	2,510	**(1,120)**	19,047
Share of surplus from insurance pools		**--**	2,845	**--**	2,845
Total insurance service result		**(9,945)**	5,355	**(1,120)**	21,892
Net income on investments held at FVTPL	5.1 & 5.2	**143,061**	48,111	**133,011**	53,487
Commission income on investments held at amortised cost	5.4	**4,982**	5,504	**9,801**	10,557
Commission income on short term deposits		**1,086**	377	**1,336**	923
Net impairment reversal on financial assets		**--**	(1)	**--**	--
Net investment return		**149,129**	53,991	**144,148**	64,967
Net finance expense from insurance contracts issued	8	**(138,403)**	(47,286)	**(129,503)**	(53,101)
Net finance income from reinsurance contracts held	8	**1,195**	841	**3,356**	2,933
Net insurance finance expense		**(137,208)**	(46,445)	**(126,147)**	(50,168)
Net insurance and investment result		**1,976**	12,901	**16,881**	36,691
Other income		**--**	66	**2**	106
Other operating expenses		**(8,836)**	(7,598)	**(15,730)**	(14,160)
(Loss) / income for the period attributable to the shareholders before zakat and income tax		**(6,860)**	5,369	**1,153**	22,637
Zakat charge	12.1	**(501)**	(1,045)	**(1,024)**	(2,121)
Income tax	12.2	**--**	(244)	**(29)**	(323)
Net (loss) / income for the period attributable to the shareholders		**(7,361)**	4,080	**100**	20,193
Weighted average number of ordinary shares outstanding (in thousands of shares)	17	**66,000**	66,000	**66,000**	66,000
(Loss)/ earnings per share for the period (SAR / share) (Basic and diluted)	17	**(0.11)**	0.06	**0.002**	0.31

Chairman | Chief Financial Officer | Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Note	***Three-month period ended 30 June 2026 (Unaudited)*** ***⃁ ’000***	*Three-month period ended 30 June 2025 (Unaudited)* *⃁ ’000*	***Six-month period ended 30 June 2026 (Unaudited)*** ***⃁ ’000***	*Six-month period ended 30 June 2025 (Unaudited)* *⃁ ’000*
Net (loss) / income for the period attributable to the shareholders		**(7,361)**	4,080	**100**	20,193
Other comprehensive income					
Items that will not be reclassified to statement of income in subsequent years					
Net change in fair value of investment held at FVOCI – equity instruments		--	--	--	2,509
Total comprehensive (loss) / income for the period		**(7,361)**	4,080	**100**	22,702

Chairman	Chief Financial Officer	Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

ALJAZIRA TAKAFUL TAAWUNI COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Shareholders' equity							
	Share capital ***⃁' 000***	***Share premium*** ***⃁ ' 000***	***Statutory reserve*** ***⃁' 000***	***Fair value reserve for investments*** ***⃁' 000***	***Retained earnings*** ***⃁' 000***	***Total shareholders' equity*** ***⃁' 000***	***Re-measurement reserve of employee benefits – related to insurance operations*** ***⃁' 000***	***Total equity*** ***⃁' 000***
Balance at 1 January 2026 – (Audited)	**660,000**	**87,286**	**72,471**	**70,835**	**116,486**	**1,007,078**	**(106)**	**1,006,972**
Net income for the period attributable to the shareholders	--	--	--	--	**100**	**100**	**--**	**100**
Other comprehensive income	--	--	--	**--**	--	--	--	--
Total comprehensive income for the period attributable to shareholders	--	--	--	**--**	**100**	**100**	**--**	**100**
Transactions with the shareholders of the Company:								
Cash dividend (Note 17.1)	--	--	--	--	**(26,400)**	**(26,400)**	**--**	**(26,400)**
Balance as at 30 June 2026 - (Unaudited)	**660,000**	**87,286**	**72,471**	**70,835**	**90,186**	**980,778**	**(106)**	**980,672**
Balance at 1 January 2025 – (Audited)	660,000	87,286	64,503	59,232	104,413	975,434	242	975,676
Net income for the period attributable to the shareholders	**--**	**--**	**--**	**--**	20,193	20,193	**--**	20,193
Other comprehensive income	--	--	--	2,509	--	2,509	--	2,509
Total comprehensive income for the period attributable to shareholders	--	--	--	2,509	20,193	22,702	--	22,702
Transactions with the shareholders of the Company:								
Cash dividend	**--**	**--**	**--**	**--**	(19,800)	(19,800)	**--**	(19,800)
Balance as at 30 June 2025 - (Unaudited)	660,000	87,286	64,503	61,741	104,806	978,336	242	978,578

Chairman　　Chief Financial Officer　　Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Note	*30 June 2026 (Unaudited) ⃁'000*	*30 June 2025 (Unaudited) ⃁'000*
CASHFLOWS FROM OPERATING ACTIVITIES			
Income for the period attributable to the shareholders before zakat and income tax		**1,153**	22,637
Adjustments for non-cash items:			
Commission from investments held at amortised cost	5.4	**(9,801)**	(10,557)
Net income on investments held at FVTPL	5.2	**(6,626)**	(4,740)
Commission income on short term deposits	4	**(1,336)**	(923)
Fair value gain on investments measured at FVTPL	5.2	**(1,964)**	--
Depreciation and amortization		**2,932**	2,570
Finance cost of lease liabilities		**359**	391
Provision for employees end of service		**750**	406
		(14,533)	9,784
Changes in operating assets and liabilities:			
Reinsurance contract assets		**24,584**	8,260
Investments held to cover unit-linked liabilities		**(97,603)**	7,829
Due from a related party		**9,945**	558
Prepayments and other assets		**(8,869)**	(6,780)
Insurance contract liabilities		**156,726**	(17,958)
Accrued expenses and other liabilities		**7,961**	3,718
Cash generated from operations		**78,211**	5,411
Zakat and income tax paid	12	**(6,437)**	(16,297)
Employee end of service benefits paid		**(169)**	--
Net cash generated from / (used in) operating activities		**71,605**	(10,886)
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments held at FVTPL	5.2	**18,645**	--
Purchase of investments held at FVTPL	5.2	**(34,000)**	(10,000)
Purchase of investments held at amortised cost	5.4	**(50,000)**	(60,000)
Proceeds from redemption of investment held at amortised cost	5.4	**53,641**	6,643
Commission received from investments held at amortised cost	5.4	**8,104**	5,250
Income received from investments held at FVTPL	5.2	**6,626**	7,189
Commission income on short term deposits	4	**1,336**	923
Purchase of property and equipment		**(1,851)**	(2,951)
Net cash generated from / (used in) investing activities		**2,501**	(52,946)
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(2,410)**	(2,242)
Dividend paid		**(26,400)**	--
Net cash used in financing activities		**(28,810)**	(2,242)
Net increase / (decrease) in cash and cash equivalents		**45,296**	(66,074)
Cash and cash equivalents at the beginning of the period	4	**51,680**	169,782
Cash and cash equivalents at the end of the period	4	**96,976**	103,708

Chairman	Chief Financial Officer	Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

1. GENERAL

AlJazira Takaful Taawuni Company (the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia pursuant to the Council of Ministers' resolution No. 137 dated 27 Rabi' Al-Thani 1431H (corresponding to 12 April 2010) and Royal Decree No. M/23 dated 28 Rabi' Al-Thani 1431H corresponding to 13 April 2010. The Company obtained its Commercial Registration ("CR") 4030251980 and Unified Number 7001791990 on 2 Ramadan 1434H corresponding to 10 July 2013 and Ministry of Commerce's Resolution dated 24 Sha'baan 1434H corresponding to 03 July 2013. The Company operates only in the Kingdom of Saudi Arabia. The Company has the following branches, and the assets, liabilities, and results of operations of these branches and offices are included in these condensed interim financial statements:

Branch	***CR Number***	***Date***
Riyadh	1010435872	13 Shawwal 1436
AlKhobar	2051224259	24 Jumada Al-Awal 1440

The registered office address of the Company is:
Building No. 3217, Hira Street, Al-Salamah District
P.O. Box 5215, Jeddah 21422, Kingdom of Saudi Arabia.

From 23 November 2023 the Insurance Authority (IA) became the authorized regulator (herein after referred to as "the Regulator") of the insurance industry in the Kingdom of Saudi Arabia, however, laws and regulations issued previously by the Saudi Central Bank ("SAMA") related to the insurance sector will remain in effect until further instructions are issued by the Regulator. The objectives of the Company are to engage in providing insurance products that include protection and saving insurance products and related services in accordance with its By-Laws and applicable regulations in the Kingdom of Saudi Arabia. On 13 Jumada al-Thani 1442H (corresponding to 26 January 2021), the Company amended its By-Laws to include the objective of practicing general insurance and health insurance business. The Company received license number TMN/34/201312 dated 15 Safar 1435H (corresponding to 18 December 2013) from SAMA to conduct insurance business.

The Company continues to monitor the regional geopolitical developments and their potential impact on Kingdom of Saudi Arabia and other Gulf Cooperation Council countries given that the majority of the Company's operations are conducted within Kingdom of Saudi Arabia. While the situation remains evolving, the Company maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Company's condensed interim financial statements for the six-month period ended 30 June 2026. However, given the evolving nature of the conflict, the potential long-term impact on the Company's business will continue to be assessed on future reporting dates.

The Company is owned 98.78% by Saudi shareholders' and the general public subject to Zakat and 1.22% by non-Saudi shareholders subject to income tax.

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

As required by the Implementation Regulations issued by SAMA (herein after referred to as "the Implementation Regulations"), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Accordingly, assets, liabilities, revenues and expenses clearly attributable to either operation, are recorded in the respective books of accounts.

In preparing the Company's financial statements in compliance with IFRS Accounting Standards as endorsed in KSA, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealized gains and 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.

The condensed interim financial statements may not be considered indicative of the expected results for the full year.

2. BASIS OF PREPARATION (continued)

b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis, except for investments held to cover unit-linked liabilities, investments held at fair value through profit or loss and investments held at fair value through other comprehensive income that are measured at fair value and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cashflows that are expected to arise as the Company fulfils its contractual obligations and a contractual service margin ("CSM") in accordance with IFRS 17. Further, the condensed interim financial statements are prepared using the accrual basis of accounting and the going concern assumption.

c) Basis of presentation

The condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 31 December 2025. The Company's condensed statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, prepayments and other assets, accrued income on statutory deposit, accrued expenses and other liabilities, zakat and income tax payable and accrued income payable to SAMA and short term investment and related balances.

The following balances would generally be classified as non-current:

Investments held at fair value through profit or loss, investments held at amortised cost, investments held at fair value through other comprehensive income, property and equipment, intangible assets, goodwill, right of use assets, long term duration insurance and reinsurance balances and statutory deposit.

The balances which are of mixed nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract assets and provision for employee end of service benefits.

d) Functional and presentation currency

The condensed interim financial statements are expressed in Saudi Arabian Riyals (⃁), which is also the functional currency of the Company. All financial information presented in ⃁ has been rounded to the nearest thousands, except where otherwise indicated.

e) Fiscal year

The Company follows a fiscal year ending on 31 December.

f) Seasonality of operations

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

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025 except as explained below:

3.1 New standards and amendment to standards and interpretations

The accounting policies, estimates and assumptions used in the preparation of this condensed interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2025.

3. MATERIAL ACCOUNTING POLICIES (continued)

3.1 New standards and amendment to standards and interpretations (continued)

Amendments

A number of new amendments to standards, enlisted below, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in this condensed interim financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in this condensed interim financial information.

Amendments to standard	**Description**	**Effective from accounting period beginning on or after**	**Summary of standards and the amendment**
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.
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.
International Financial Reporting Standards – Volume 11	Annual improvements to International Financial Reporting Standards – Volume 11	January 1, 2026	The pronouncement comprises the following amendments: • IFRS 1 First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter • IFRS 7 Financial Instruments - Disclosures: Gain or loss on derecognition • IFRS 7 Financial Instruments - Disclosures: Disclosure of deferred difference between fair value and transaction price • IFRS 7 Financial Instruments - Disclosures: Introduction and credit risk disclosures • IFRS 9 Financial Instruments: Lessee derecognition of lease liabilities • IFRS 9 Financial Instruments: Transaction price • IFRS 10 Consolidated Financial Statements: Determination of a “de facto agent” • IAS 7 Statement of Cash Flows: Cost method

3.2 Standards and amendments issued but not yet effective

The following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s condensed interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions which have been published and are mandatory for compliance for the Company with effect from future dates. The Company is currently assessing the impact of below mentioned standards.

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
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.
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.
IAS 21	'The Effects of Changes in Foreign Exchange Rates' – Translation to a Hyperinflationary Presentation Currency	January 1, 2027	The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.
IAS 28	Investments in Associates and Joint Ventures relating to the Fair Value Option for Investments in Associates and Joint Ventures	January 1, 2027	The amendments provide clarity about which entities are eligible to measure investments using the fair value option in IAS 28.
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2027	IFRS 20 requires an entity that is subject to a regulatory agreement to provide information about its regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

3. MATERIAL ACCOUNTING POLICIES (continued)

(i) IFRS 18 impact assessment - Structure of the statement of income

IFRS 18 requires income and expenses to be classified into one of the five categories i.e. operating, investing, financing, zakat and income tax, and discontinued operations. Classification is driven by an entity's main business activities. IFRS 18 also introduces two new required subtotals: "operating profit or loss" and "profit or loss before financing and zakat and income tax".

The Company has preliminarily determined that providing insurance services constitutes its main business activities, and that investing in financial assets to back its insurance contract liabilities and its capital base is integral to that activity. On this basis, the Company expects the following items, most of which are currently presented as part of insurance and investment results in the statement of income, to be classified within the operating category:

- Insurance revenue;
- Insurance service expenses;
- Net income or expenses from reinsurance contracts;
- Share of surplus from insurance pools;
- Commission income from financial assets not measured at FVTPL (Insurance operations);
- Insurance finance income or expense from insurance contracts; and
- Insurance finance income or expense from reinsurance contracts held.

The Company currently expect to classify the following incomes in the investing category:
- Net gains on investments measured at FVTPL;
- Commission income from financial assets not measured at FVTPL (Shareholders’ operations);
- Dividend income;

The Company currently expect to classify the following expenses in the financing category:
- Finance expense on lease liabilities; and
- Finance expense on employee benefits obligations.

Management is assessing the classification of other operating expenses and other income between operating, investing and financing categories, in line with the specific requirements applicable to insurers, and expects changes to the current structure of the statement of income.

Based on the assessment performed to date, the Company expects that its currently presented subtotal "Net insurance and investment result" will not correspond directly to the "operating profit" subtotal required by IFRS 18, and that the statement of income will require restructuring to present the newly defined subtotals.

(ii) Management-defined performance measures

MPMs are subtotals of income and expenses used in public communications outside the financial statements (for example, in earnings announcements, investor presentations and the Board of Directors' report) that communicate management's view of an aspect of the Company's financial performance. IFRS 18 requires disclosure of specified information about MPMs in a single note, including a reconciliation to the most directly comparable subtotal specified by International Financial Reporting Standards.

The Company is in process to determine which public communications should be considered when identifying MPMs. As MPMs are determined by reference to public communications relating to the reporting period to which the financial statements relate, the MPMs to be disclosed by the Company will be based on its public communications for the 2027 interim and annual reporting periods.

(iii) Principles of aggregation and disaggregation

IFRS 18 provides enhanced guidance on grouping items with similar characteristics and disaggregating items with dissimilar characteristics in the primary financial statements and the notes, together with guidance on labelling. The Company's existing disclosures already present insurance revenue, insurance service expenses, net expenses from reinsurance contracts, Insurance contract liabilities and Reinsurance contract assets / liabilities by portfolio (Motor, Property & Casualty, and Term life) and by operating segment. The Company is currently assessing whether additional disaggregation may be required for other assets, other liabilities, and other income and expenses.

3. MATERIAL ACCOUNTING POLICIES (continued)

(iv) Consequential amendments

IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. The amendment in IAS 7 "Statement of Cash Flows" require the newly defined operating profit subtotal, rather than profit before zakat and income tax for the period, to be used as the starting point for the reconciliation of cash flows from operating activities under the indirect method. The Company currently uses net income / (loss) for the period before zakat and income tax as its starting point. The composition of adjusting items in the reconciliation to cash flows from operating activities is expected to change as a result of the new starting point.

The amendments also specify the classification of interest and dividend cash flows. The Company is assessing the classification of cash flows relating to commission and dividends received, which are currently included within cash flows from investing activities, as per the requirements of the amended IAS 7.

(v) Other considerations

The Company's maintenance of separate books of accounts for Insurance Operations and Shareholders' Operations, as required by the Insurance Implementing Regulations, and the resulting amalgamation for the purpose of these condensed interim financial statements, is not expected to be affected by the adoption of IFRS 18

The Company will continue to monitor developments, including any guidance issued by SOCPA, the IASB and the Insurance Authority (IA), and will update its assessment and these disclosures in subsequent interim and annual financial statements as the assessment is finalized.

3.3. Critical accounting judgments, estimates and assumptions

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2025.

4. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Cash at banks	**81,989**	51,693
Short term deposit	**15,000**	--
	96,989	51,693
Less: allowance for expected credit loss	**(13)**	(13)
Total	**96,976**	51,680

Cash and cash equivalents include the amount of ⃁ 76.43 million (31 December 2025: ⃁ 32.32 million) held with Bank AlJazira "the founding shareholder". The gross carrying amount of cash and cash equivalents represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1.

Short term deposits represent deposits with Bank AlJazira "the founding shareholder" that have an original maturity of less than 90 days. During the six-month period ended 30 June 2026, the Company recorded commission income from short term deposits amounting to ⃁ 1.34 million (30 June 2025: ⃁ 0.92 million).

5. INVESTMENTS

	30 June 2026 (Unaudited) ⃁'000	31 December 2025 (Audited) ⃁'000
Investments held to cover unit-linked liabilities at fair value through profit or loss (note 5.1)	**1,680,047**	1,582,444
Investments held at FVTPL (note 5.2)		
Equity shares – quoted	**--**	16,681
Tier 1 Sukuks	**274,537**	240,537
	274,537	257,218
Investment held at FVOCI (note 5.3)		
Equity shares in Najm	**72,758**	72,758
Investments held at amortised cost (note 5.4)		
Sukuks	**402,927**	413,655
Murabaha deposits	**153,784**	145,000
Less: allowance for expected credit loss	**(25)**	(25)
	556,686	558,630

5.1 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments held to cover unit-linked liabilities are classified as fair value through profit or loss (FVTPL) investments. These investments comprise of units of mutual funds denominated in Saudi Arabian Riyals (⃁) and United States Dollars (USD) managed by AlJazira Capital, “the founding shareholder”.

Mutual funds	***Denomination***	***30 June 2026 (Unaudited) ⃁ '000***	*31 December 2025 (Audited) ⃁'000*
AlJazira Saudi Equities Fund	SAR	**409,023**	408,776
AlJazira Diversified Aggressive Fund	SAR	**377,272**	339,308
AlJazira International Equities Fund	USD	**259,033**	236,344
AlJazira Japanese Equities Fund	USD	**199,077**	175,396
AlJazira European Equities Fund	USD	**172,426**	160,898
AlJazira Saudi Riyal Murabaha Fund	SAR	**138,149**	139,100
AlJazira Diversified Balanced Fund	SAR	**95,146**	92,810
AlJazira Diversified Conservative Fund	SAR	**29,921**	29,812
Total		**1,680,047**	1,582,444

The movement in investments held to cover unit-linked liabilities during the period / year is as follows:

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁ '000*
Balance at the beginning of the period / year	**1,582,444**	1,570,520
Redemptions during the period, net / year	**(26,818)**	(96,971)
Changes in fair value during the period / year	**124,421**	108,895
Balance at the end of the period	**1,680,047**	1,582,444

5. INVESTMENTS (Continued)

5.2 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The fair value through profit or loss investments represents investments in quoted equity shares and investment in corporate sukuks which failed solely payment of principal and interest (SPPI) assessment. Movement in FVTPL investments during the period ended is as follows:

Movement in investment in corporate sukuks during the period / year ended is as follows:

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Balance at the beginning of the period / year	**240,537**	242,166
Purchases during the period / year	**34,000**	28,000
Maturities during the period / year	**--**	(30,210)
Net income during the period / year	**--**	581
Balance at the end of the period / year	**274,537**	240,537

During the period, the Company recorded commission income from sukuks amounting to ⃁ 6.6 million (30 June 2025: ⃁ 6.5 million). These investments include sukuks amounting to ⃁ 195.7 million (2025: ⃁ 160.9 million) issued by Bank AlJazira, the founding shareholder.

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Balance at beginning of the period / year	**16,681**	19,635
Disposal during the period / year	**(18,645)**	--
Fair value changes during the period / year	**1,964**	(2,954)
Balance at the end of the period / year	--	16,681

5.3 INVESTMENTS HELD AT FAIR VALUE OTHER COMPREHENSIVE INCOME (FVOCI)

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁'000*
Balance at the beginning of the period / year	**72,758**	61,155
Changes in fair value of investment	**--**	11,603
Balance at the end of the period / year	**72,758**	72,758

The above represents Company's holding of 3.45% (31 December 2025: 3.45%) in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value. The Company has determined the fair value of its investment in Najm to be ⃁ 72.76 million as at 31 December 2025 based on the valuation exercise performed by an independent valuer. The management believes that there is no significant change in the fair value during the period ended 30 June 2026. Refer to note 13 for the details relating to fair value techniques.

5. INVESTMENTS (Continued)

5.4 INVESTMENTS HELD AT AMORTISED COST

Investments held at amortised cost represent sukuks with a maturity of 7 to 30 years. The average coupon rate on these sukuks ranges between 2.47% to 6.4% per annum (31 December 2025: 2.47% to 6.4%). Investments held at amortised cost also include Murabaha deposit of ⃁ 150 million (31 December 2025: ⃁ 145 million) with a maturity period of more than 90 days and carry commission at the rate of 5.3% - 5.8% per annum (31 December 2025: 5.3 – 5.8%) placed with Bank AlJazira, the founding shareholder.

The movement in the investments held at amortised cost for the period ended 30 June 2026 and 31 December 2025 is as follows:

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Balance at the beginning of the period	**558,655**	514,125
Investments purchased during the period	**50,000**	160,000
Investments matured during the period	**(53,641)**	(115,000)
Commission income during the period	**9,801**	24,262
Commission received during the period	**(8,104)**	(24,732)
Balance at the end of the period – gross	**556,711**	558,655
Less: allowance for expected credit loss	**(25)**	(25)
Balance at the end of the period – net	**556,686**	558,630

5.4.1 The gross carrying amount of investments held at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to S&P Global Ratings' rating of AAA to BBB.

6. INSURANCE AND REINSURANCE CONTRACTS

6.1 Composition of statement of financial position

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

	Non-life	**Individual life**	**Group life**	**Total**
	⃁'000			
30 June 2026 (Unaudited)				
Insurance contracts:				
Insurance contract liabilities (see below notes)	**371,141**	**1,735,106**	**27,129**	**2,133,376**
Reinsurance contracts:				
Reinsurance contract assets (see below notes)	**(123,606)**	**(9,324)**	**(10,408)**	**(143,338)**

	Non-life	Individual life	Group life	Total
	⃁'000			
31 December 2025 (Audited)				
Insurance contracts:				
Insurance contract liabilities (see below notes)	333,745	1,606,518	36,387	1,976,650
Reinsurance contracts:				
Reinsurance contract assets (see below notes)	(126,374)	(11,525)	(30,023)	(167,922)

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.1 Non-life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 June 2026 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Insurance contracts					
Insurance contract liabilities – opening	**85,551**	**7,456**	**227,741**	**12,997**	**333,745**
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	**85,551**	**7,456**	**227,741**	**12,997**	**333,745**
Changes in the statement of income					
Insurance revenue (note 7)	**(140,315)**	--	--	--	**(140,315)**
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	**122,161**	--	**122,161**
Insurance acquisition cashflows amortization (note 7)	**29,120**	--	--	--	**29,120**
Reversal of losses on onerous contracts (note 7)	--	**(4,483)**	--	--	**(4,483)**
Changes that relate to past service - adjustments to the LIC (note 7)	--	--	**5,667**	**(569)**	**5,098**
Insurance service expenses	**29,120**	**(4,483)**	**127,828**	**(569)**	**151,896**
Finance expense from insurance contracts (note 8)	--	--	**3,572**	**397**	**3,969**
Total changes in the statement of income	**(111,195)**	**(4,483)**	**131,400**	**(172)**	**15,550**
Cashflows					
Premiums received	**177,864**	--	--	--	**177,864**
Claims and other directly attributable expenses paid	--	--	**(126,898)**	--	**(126,898)**
Insurance acquisition cashflows paid	**(29,120)**	--	--	--	**(29,120)**
Total cash inflows / (outflows)	**148,744**	--	**(126,898)**	--	**21,846**
Net closing balance	**123,100**	**2,973**	**232,243**	**12,825**	**371,141**
Insurance contract liabilities – closing	**123,100**	**2,973**	**232,243**	**12,825**	**371,141**
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	**123,100**	**2,973**	**232,243**	**12,825**	**371,141**

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.1 Non-life insurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 31 December 2025 (Audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁’000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	70,389	5,442	228,862	21,514	326,207
Insurance contract assets – opening					
Opening balance – net	70,389	5,442	228,862	21,514	326,207
<u>Changes in the statement of income</u>					
Insurance revenue	(253,217)	--	--	--	(253,217)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	212,567	1,915	214,482
Insurance acquisition cash flows amortization	46,975	--	--	--	46,975
Losses on onerous contracts	--	2,014	--	--	2,014
Changes that relate to past service - adjustments to the LIC	--	--	(11,210)	(11,737)	(22,947)
Insurance service expenses	46,975	2,014	201,357	(9,822)	240,524
Finance expense from insurance contracts	--	--	2,961	1,305	4,266
Total changes in the statement of income	(206,242)	2,014	204,318	(8,517)	(8,427)
Cash flows					
Premiums received	269,611	--	--	--	269,611
Claims and other directly attributable expenses paid	--	--	(205,439)	--	(205,439)
Insurance acquisition cash flows paid	(48,207)	--	--	--	(48,207)
Total cash inflows / (outflows)	221,404	--	(205,439)	--	15,965
Net closing balance	85,551	7,456	227,741	12,997	333,745
Insurance contract liabilities – closing	85,551	7,456	227,741	12,997	333,745
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	85,551	7,456	227,741	12,997	333,745

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.2 Non-life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 30 June 2026 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Reinsurance contracts					
Reinsurance contract assets – opening	**2,826**	**--**	**(119,531)**	**(9,669)**	**(126,374)**
Reinsurance contract liabilities – opening	**--**	**--**	**--**	**--**	**--**
Opening balance – net (Audited)	**2,826**	**--**	**(119,531)**	**(9,669)**	**(126,374)**
Changes in the statement of income					
Allocation of reinsurance premium paid (note 7)	**14,105**	**--**	**--**	**--**	**14,105**
Amounts recoverable from reinsurers	**(2,713)**	**--**	**(7,438)**	**174**	**(9,977)**
Recoveries of incurred claims and other insurance service expenses	**--**	**--**	**--**	**--**	**--**
Changes that relate to past service – adjustments to the LIC	**--**	**--**	**1,250**	**33**	**1,283**
Amounts recoverable from reinsurers – net (note 7)	**(2,713)**	**--**	**(6,188)**	**207**	**(8,694)**
Finance income from reinsurance contracts (note 8)	**--**	**--**	**(1,998)**	**(286)**	**(2,284)**
Total changes in the statement of income	**11,392**	**--**	**(8,186)**	**(79)**	**3,127**
Cashflows					
Premiums ceded and acquisition cashflows paid	**(10,511)**	**--**	**--**	**--**	**(10,511)**
Recoveries from reinsurance	**2,714**	**--**	**7,438**	**--**	**10,152**
Total cash (outflows) / inflows	**(7,797)**	**--**	**7,438**	**--**	**(359)**
Net closing balance	**6,421**	**--**	**(120,279)**	**(9,748)**	**(123,606)**
Reinsurance contract assets – closing	**6,421**	**--**	**(120,279)**	**(9,748)**	**(123,606)**
Reinsurance contract liabilities – closing	**--**	**--**	**--**	**--**	**--**
Closing balance – net (Unaudited)	**6,421**	**--**	**(120,279)**	**(9,748)**	**(123,606)**

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.2 Non-life reinsurance contracts (continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Non-life				
	As at 31 December 2025 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Reinsurance contracts					
Reinsurance contract assets – opening	6,309	--	(121,601)	(18,614)	(133,906)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	6,309	--	(121,601)	(18,614)	(133,906)
Changes in the statement of income					
Allocation of reinsurance premium paid	26,177	--	--	--	26,177
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(8,449)	10,033	1,584
Recoveries and reversals of recoveries of losses on onerous underlying contracts	--	--	--	--	--
Changes that relate to past service – adjustments to the LIC	--	--	3,752	33	3,785
Amounts recoverable from reinsurers – net	--	--	(4,697)	10,066	5,369
Finance expense / (income) from reinsurance contracts	--	--	(1,682)	(1,121)	(2,803)
Total changes in the statement of income	26,177	--	(6,379)	8,945	28,743
Cash flows					
Premiums ceded and acquisition cash flows paid	(29,660)	--	--	--	(29,660)
Recoveries from reinsurance	--	--	8,449	--	8,449
Total cash (outflows) / inflows	(29,660)	--	8,449	--	(21,211)
Net closing balance	2,826	--	(119,531)	(9,669)	(126,374)
Reinsurance contract assets – closing	2,826	--	(119,531)	(9,669)	(126,374)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	2,826	--	(119,531)	(9,669)	(126,374)

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.3 Individual life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:

	Individual life				
	As at 30 June 2026 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of PV of Future Cashflows	Risk Adjustment for non-financial risk	
	⃁'000				
Insurance contracts					
Insurance contract liabilities – opening	**1,564,693**	--	**41,825**	--	**1,606,518**
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net (Audited)	**1,564,693**	--	**41,825**	--	**1,606,518**
Changes in the statement of income					
Insurance revenue (note 7)	**(19,417)**	--	--	--	**(19,417)**
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	--	--	**9,942**	--	**9,942**
Changes that relate to past service – adjustments to the LIC (note 7)	--	--	--	--	--
Reversal of losses on onerous contracts (note 7)	--	--	--	--	--
Insurance acquisition cashflows amortization (note 7)	**519**	--	--	--	**519**
Insurance service expenses	**519**	--	**9,942**	--	**10,461**
Investment component	**(85,036)**	--	**85,036**	--	--
Net finance expense from insurance contracts (note 8)	**124,421**	--	--	--	**124,421**
Total changes in the statement of income	**20,487**	--	**94,978**	--	**115,465**
Cashflows					
Premiums received	**91,291**	--	--	--	**91,291**
Claims and other directly attributable expenses paid	--	--	**(75,008)**	--	**(75,008)**
Insurance acquisition cashflows	**(3,160)**	--	--	--	**(3,160)**
Total cash inflows / (outflows)	**88,131**	--	**(75,008)**	--	**13,123**
Net closing balance	**1,673,311**	--	**61,795**	--	**1,735,106**
Insurance contract liabilities – closing	**1,673,311**	--	**61,795**	--	**1,735,106**
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net (Unaudited)	**1,673,311**	--	**61,795**	--	**1,735,106**

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.3 Individual life insurance contracts (Continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2026 (Unaudited)			
	Estimates of PV of Future Cashflows	Risk Adjustment	Contractual Service Margin (CSM)	Total
	⃁'000			
Insurance contracts				
Insurance contract liabilities – opening	1,474,156	1,786	130,576	1,606,518
Insurance contract assets – opening	--	--	--	--
Opening balance – net (Audited)	1,474,156	1,786	130,576	1,606,518
Changes in the statement of income				
Changes related to current services				
CSM recognised for services provided	--	--	(11,959)	(11,959)
Change in risk adjustment for non-financial risk for risk expired	--	(154)	--	(154)
Experience adjustments	(646)	--	--	(646)
	(646)	(154)	(11,959)	(12,759)
Changes that relate to future services				
Contracts initially recognised in the period	(7,562)	144	7,434	16
Changes in estimates that adjust the CSM	(4,713)	92	4,604	(17)
	(12,275)	236	12,038	(1)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	3,804	--	--	3,804
Net finance expense from insurance contracts (note 8)	124,421	--	--	124,421
Total changes in the statement of income	115,304	82	79	115,465
Cashflows				
Premiums received	91,291	--	--	91,291
Claims and other directly attributable expenses paid	(75,008)	--	--	(75,008)
Insurance acquisition cashflows	(3,160)	--	--	(3,160)
Total cash inflow	13,123	--	--	13,123
Net closing balance	1,602,583	1,868	130,655	1,735,106
Insurance contract liabilities – closing	1,602,583	1,868	130,655	1,735,106
Insurance contract assets – closing	--	--	--	--
Closing balance – net (Unaudited)	1,602,583	1,868	130,655	1,735,106

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.3 Individual life insurance contracts (Continued):

Analysis by remaining coverage and incurred claims – Contracts not measured under the PAA:

	Individual life				
	As at 31 December 2025				
	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	
	⃁'000				
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	1,553,613	869	55,360	--	1,609,842
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	1,553,613	869	55,360	--	1,609,842
<u>Changes in the statement of income</u>					
Insurance revenue (note 8)	(37,977)	--	--	--	(37,977)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 8)	--	--	15,111	--	15,111
Reversal of losses on onerous contracts (note 8)	--	(869)	--	--	(869)
Amortization of insurance acquisition cash flows (note 8)	687	--	--	--	687
Changes that relate to past service - adjustments to the LIC (note 8)	--	--	(16,174)	--	(16,174)
Insurance service expenses	687	(869)	(1,063)	--	(1,245)
Investment component	(235,652)	--	235,652	--	--
Net finance expense from insurance contracts (note 9)	108,894	--	--	--	108,894
Total changes in the statement of income	(164,048)	(869)	234,589	--	69,672
Cash flows					
Premiums received	176,906	--	--	--	176,906
Claims and other directly attributable expenses paid	--	--	(248,124)	--	(248,124)
Insurance acquisition cash flows	(1,778)	--	--	--	(1,778)
Total cash inflows / (outflows)	175,128	--	(248,124)	--	(72,996)
Net closing balance	1,564,693	--	41,825	--	1,606,518
Insurance contract liabilities – closing	1,564,693	--	41,825	--	1,606,518
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	1,564,693	--	41,825	--	1,606,518

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.3 Individual life insurance contracts (Continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 31 December 2025			
	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin (CSM)	Total
	⃁'000			
Insurance contracts				
Insurance contract liabilities – opening	1,469,853	2,089	137,900	1,609,842
Insurance contract assets – opening	--	--	--	--
Opening balance – net	1,469,853	2,089	137,900	1,609,842
Changes in the statement of income				
Changes related to current services				
CSM recognised for services provided	--	--	(23,362)	(23,362)
Change in risk adjustment for non-financial risk for risk expired	--	(337)	--	(337)
Experience adjustments	2,059	--	--	2,059
	2,059	(337)	(23,362)	(21,640)
Changes that relate to future services				
Contracts initially recognised in the period	(8,931)	203	8,728	--
Changes in estimates that adjust the CSM	(8,009)	(169)	7,310	(868)
	(16,940)	34	16,038	(868)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(16,714)	--	--	(16,714)
Net finance expense from insurance contracts (note 9)	108,894	--	--	108,894
Total changes in the statement of income	77,299	(303)	(7,324)	69,672
Cash flows				
Premiums received	176,906	--	--	176,906
Claims and other directly attributable expenses paid	(248,124)	--	--	(248,124)
Insurance acquisition cash flows	(1,778)	--	--	(1,778)
Total cash outflows	(72,996)	--	--	(72,996)
Net closing balance	1,474,156	1,786	130,576	1,606,518
Insurance contract liabilities – closing	1,474,156	1,786	130,576	1,606,518
Insurance contract assets – closing	--	--	--	--
Closing balance – net	1,474,156	1,786	130,576	1,606,518

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.4 Individual life reinsurance contracts (Continued):

	Individual Life				
	As at 30 June 2026 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Reinsurance contracts					
Reinsurance contract assets – opening	**(6,256)**	**16**	**(5,285)**	**--**	**(11,525)**
Reinsurance contract liabilities – opening	**--**	**--**	**--**	**--**	**--**
Opening balance – net (Audited)	**(6,256)**	**16**	**(5,285)**	**--**	**(11,525)**
Changes in the statement of income					
Allocation of reinsurance premium paid (note 7)	**1,464**	**--**	**--**	**--**	**1,464**
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	**--**	**--**	**(1,525)**	**--**	**(1,525)**
Recoveries and reversals of recoveries of losses on onerous underlying contracts	**--**	**--**	**--**	**--**	**--**
Amounts recoverable from reinsurers – net	**--**	**--**	**(1,525)**	**--**	**(1,525)**
Finance expense from reinsurance contracts (note 8)	**(181)**	**--**	**--**	**--**	**(181)**
Total changes in the statement of income	**1,283**	**--**	**(1,525)**	**--**	**(242)**
Cashflows					
Premiums ceded and acquisition cashflows paid	**(5,540)**	**--**	**--**	**--**	**(5,540)**
Recoveries from reinsurance	**--**	**--**	**7,983**	**--**	**7,983**
Total cash (outflows) / inflows	**(5,540)**	**--**	**7,983**	**--**	**2,443**
Net closing balance	**(10,513)**	**16**	**1,173**	**-**	**(9,324)**
Reinsurance contract assets – closing	**(10,513)**	**16**	**1,173**	**--**	**(9,324)**
Reinsurance contract liabilities – closing	**--**	**--**	**--**	**--**	**--**
Closing balance – net (Unaudited)	**(10,513)**	**16**	**1,173**	**-**	**(9,324)**

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.4 Individual life reinsurance contracts (Continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life			
	As at 30 June 2026 (Unaudited)			
	Estimates of PV of future cashflows	Risk adjustment	Contractual service margin	Total
	⃁'000			
Reinsurance contracts				
Reinsurance contract liabilities – opening	3,458	(27)	(14,956)	(11,525)
Reinsurance contract assets – opening	--	--	--	--
Opening balance – net (Audited)	3,458	(27)	(14,956)	(11,525)
Changes in the statement of income				
Changes related to current services				
CSM recognised for services provided	--	--	--	--
Change in risk adjustment for non-financial risk for risk expired	--	--	--	--
Experience adjustments	(306)	2	1,768	1,464
	(306)	2	1,768	1,464
Changes that relate to future services				
Contracts initially recognised in the year	57	(1)	(56)	--
Changes in estimates that adjust the CSM	3,102	--	(3,102)	--
	3,159	(1)	(3,158)	--
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(1,525)	--	--	(1,525)
Finance expense / (income) from reinsurance contracts (note 8)	153	(1)	(333)	(181)
Total changes in the statement of income	1,481	--	(1,723)	(242)
Cashflows				
Premiums paid	(5,540)	--	--	(5,540)
Claims and other directly attributable expenses recovered	7,983	--	--	7,983
Total cash outflows	2,443	--	--	2,443
Net closing balance	7,382	(27)	(16,679)	(9,324)
Reinsurance contract assets – closing	7,382	(27)	(16,679)	(9,324)
Reinsurance contract liabilities – closing	--	--	--	--
Closing balance – net (unaudited)	7,382	(27)	(16,679)	(9,324)

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.4 Individual life reinsurance contracts (Continued):

	Individual Life				
	As at 31 December 2025				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Reinsurance contracts					
Reinsurance contract assets – opening	(1,817)	(356)	(135)	--	(2,308)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	(1,817)	(356)	(135)	--	(2,308)
Changes in the statement of income					
Allocation of reinsurance premium paid	6,887	--	--	--	6,887
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(2,463)	--	(2,463)
Changes that relate to past services	--	372	(6,218)	--	(5,846)
Amounts recoverable from reinsurers – net	--	372	(8,681)	--	(8,309)
Finance income from reinsurance contracts (note 9)	(200)	--	--	--	(200)
Total changes in the statement of income	6,687	372	(8,681)	--	(1,622)
Cash flows					
Premiums ceded and acquisition cash flows paid	(11,126)	--	--	--	(11,126)
Recoveries from reinsurance	--	--	3,531	--	3,531
Total cash (outflows) / inflows	(11,126)	--	3,531	--	(7,595)
Net closing balance	(6,256)	16	(5,285)	--	(11,525)
Reinsurance contract assets – closing	(6,256)	16	(5,285)	--	(11,525)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	(6,256)	16	(5,285)	--	(11,525)

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances (Continued)

6.2.4 Individual life reinsurance contracts (Continued):

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life As at 31 December 2025			
	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
	⃁'000			
Reinsurance contracts				
Reinsurance contract assets – opening	8,736	(34)	(11,010)	(2,308)
Reinsurance contract liabilities – opening	--	--	--	--
Opening balance – net	8,736	(34)	(11,010)	(2,308)
Changes in the statement of income				
Changes related to current services				
CSM recognized for the services received	--	--	3,166	3,166
Change in risk adjustment for non-financial risk for risk expired	--	6	--	6
Experience adjustments	1,252	--	--	1,252
Changes that relate to future services				
Contracts initially recognised in the year	73	(1)	(72)	--
Changes in estimates that adjust the CSM	6,893	3	(6,525)	371
	6,966	2	(6,597)	371
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(6,217)	--	--	(6,217)
Finance expense / (income) from reinsurance contracts (note 9)	316	(1)	(515)	(200)
Total changes in the statement of income	2,317	7	(3,946)	(1,622)
Cash flows				
Premiums paid	(11,126)	--	--	(11,126)
Claims and other directly attributable expenses recovered	3,531	--	--	3,531
Total cash outflows	(7,595)	--	--	(7,595)
Net closing balance	3,458	(27)	(14,956)	(11,525)
Reinsurance contract assets – closing	3,458	(27)	(14,956)	(11,525)
Reinsurance contract liabilities – closing	--	--	--	--
Closing balance – net	3,458	(27)	(14,956)	(11,525)

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.5 Group life insurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 30 June 2026 (Unaudited)				
	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	
	⃁'000				
Insurance contracts					
Insurance contract liabilities – opening	**(12,560)**	**--**	**47,966**	**981**	**36,387**
Insurance contract assets – opening	**--**	**--**	**--**	**--**	**--**
Opening balance – net (Audited)	**(12,560)**	**--**	**47,966**	**981**	**36,387**
Changes in the statement of income					
Insurance revenue (note 7)	**(43,264)**	**--**	**--**	**--**	**(43,264)**
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 7)	**--**	**--**	**15,891**	**42**	**15,933**
Insurance acquisition cashflows amortization (note 7)	**2,629**	**--**	**--**	**--**	**2,629**
Changes that relate to past service - adjustments to the LIC (note 7)	**--**	**--**	**(3,523)**	**--**	**(3,523)**
Insurance service expenses	**2,629**	**--**	**12,368**	**42**	**15,039**
Finance expense from insurance contracts (note 8)	**--**	**--**	**1,082**	**31**	**1,113**
Total changes in the statement of income	**(40,635)**	**--**	**13,450**	**73**	**(27,112)**
Cashflows					
Premiums received	**34,374**	**--**	**--**	**--**	**34,374**
Claims and other directly attributable expenses paid	**--**	**--**	**(13,891)**	**--**	**(13,891)**
Insurance acquisition cashflows paid	**(2,629)**	**--**	**--**	**--**	**(2,629)**
Total cash inflows / (outflows)	**31,745**	**--**	**(13,891)**	**--**	**17,854**
Net closing balance	**(21,450)**	**--**	**47,525**	**1,054**	**27,129**
Insurance contract liabilities – closing	**(21,450)**	**--**	**47,525**	**1,054**	**27,129**
Insurance contract assets – closing	**--**	**--**	**--**	**--**	**--**
Closing balance – net (Unaudited)	**(21,450)**	**--**	**47,525**	**1,054**	**27,129**

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.5 Group life insurance contracts (Continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 31 December 2025				
	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	
	⃁'000				
Insurance contracts					
Insurance contract liabilities – opening	53,418	--	38,843	1,428	93,689
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	53,418	--	38,843	1,428	93,689
Changes in the statement of income					
Insurance revenue (note 8)	(70,368)	--	--	--	(70,368)
Insurance service expenses					
Incurred claims and other directly attributable expenses (note 8)	--	--	38,056	(536)	37,520
Amortization of insurance acquisition cashflows (note 8)	8,473	--	--	--	8,473
Changes that relate to past services (note 8)	--	--	7,557	--	7,557
Insurance service expenses	8,473	--	45,613	(536)	53,550
Finance expense from insurance contracts (note 9)	--	--	508	89	597
Total changes in the statement of income	(61,895)	--	46,121	(447)	(16,221)
Cash flows					
Premiums received	4,390	--	--	--	4,390
Claims and other directly attributable expenses paid	--	--	(36,998)	--	(36,998)
Insurance acquisition cash flows paid	(8,473)	--	--	--	(8,473)
Total cash outflows	(4,083)	--	(36,998)	--	(41,081)
Net closing balance	(12,560)	--	47,966	981	36,387
Insurance contract liabilities – closing	(12,560)	--	47,966	981	36,387
Insurance contract assets – closing	--	--	--	--	--
Closing balance – net	(12,560)	--	47,966	981	36,387

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.6 Group life reinsurance contracts:

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life As at 30 June 2026 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Reinsurance contracts					
Reinsurance contract assets – opening	**9,529**	**--**	**(38,649)**	**(903)**	**(30,023)**
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net (Audited)	**9,529**	**--**	**(38,649)**	**(903)**	**(30,023)**
Changes in the statement of income					
Allocation of reinsurance premium paid (note 7)	**25,335**	**--**	**--**	**--**	**25,335**
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses (note 7)	**--**	**--**	**(8,036)**	**92**	**(7,944)**
Changes that relate to past service – adjustments to the LIC (note 7)	**--**	**--**	**3,979**	**--**	**3,979**
Amounts recoverable from reinsurers – net	**--**	**--**	**(4,057)**	**92**	**(3,965)**
Finance income from reinsurance contracts (note 8)	**--**	**--**	**(864)**	**(27)**	**(891)**
Total changes in the statement of income	**25,335**	**--**	**(4,921)**	**65**	**20,479**
Cashflows					
Premiums ceded and acquisition cashflows paid	**(8,900)**	**--**	**--**	**--**	**(8,900)**
Recoveries from reinsurance	**--**	**--**	**8,036**	**--**	**8,036**
Total cash (outflows) / inflows	**(8,900)**	**--**	**8,036**	**--**	**(864)**
Net closing balance	**25,964**	**--**	**(35,534)**	**(838)**	**(10,408)**
Reinsurance contract assets – closing	**25,964**	**--**	**(35,534)**	**(838)**	**(10,408)**
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net (Unaudited)	**25,964**	**--**	**(35,534)**	**(838)**	**(10,408)**

6. INSURANCE AND REINSURANCE CONTRACTS (Continued)

6.2 Movements in insurance and reinsurance contract balances

6.2.6 Group life reinsurance contracts (Continued):

Analysis by remaining coverage and incurred claims – Contracts measured under the PAA:

	Group life				
	As at 31 December 2025				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
	⃁'000				
Reinsurance contracts					
Reinsurance contract assets – opening	4,511	--	(31,842)	(1,051)	(28,382)
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	4,511	--	(31,842)	(1,051)	(28,382)
Changes in the statement of income					
Allocation of reinsurance premium paid	33,270	--	--	--	33,270
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	--	--	(28,612)	212	(28,400)
Changes that relate to past services	--	--	(6,399)	--	(6,399)
Amounts recoverable from reinsurers – net	--	--	(35,011)	212	(34,799)
Finance income from reinsurance contracts (note 9)	--	--	(408)	(64)	(472)
Total changes in the statement of income	33,270	--	(35,419)	148	(2,001)
Cash flows					
Premiums ceded and acquisition cash flows paid	(28,252)	--	--	--	(28,252)
Recoveries from reinsurance	--	--	28,612	--	28,612
Total cash (outflows) / inflows	(28,252)	--	28,612	--	360
Net closing balance	9,529	--	(38,649)	(903)	(30,023)
Reinsurance contract assets – closing	9,529	--	(38,649)	(903)	(30,023)
Reinsurance contract liabilities – closing	--	--	--	--	--
Closing balance – net	9,529	--	(38,649)	(903)	(30,023)

7. INSURANCE REVENUE AND EXPENSES

	For the six-month period ended 30 June 2026 (Unaudited)			
	Non-life	**Individual Life**	**Group Life**	**Total**
	⃁'000			
Contracts not measured under the PAA				
Amounts relating to changes in liabilities for remaining coverage:				
Expected incurred claims and other insurance service expenses	--	4,835	--	4,835
Change in risk adjustment for non-financial risk for risk expired	--	154	--	154
CSM recognized for services provided	--	11,959	--	11,959
Experience adjustments	--	2,469	--	2,469
Insurance revenue from contracts not measured under the PAA	--	19,417	--	19,417
Insurance revenue from contracts measured under the PAA	140,315	--	43,264	183,579
Insurance revenue – total (note 6)	140,315	19,417	43,264	202,996
Insurance service expenses				
Incurred claims and other directly attributable expenses (note 6)	(122,161)	(9,942)	(15,933)	(148,036)
Insurance acquisition cashflows amortization (note 6)	(29,120)	(519)	(2,629)	(32,268)
Reversal of losses on onerous contracts (note 6)	4,483	--	--	4,483
Changes that relate to past service - adjustments to the LIC (note 6)	(5,098)	--	3,523	(1,575)
Insurance service expenses – total	(151,896)	(10,461)	(15,039)	(177,396)
Net expenses from reinsurance contracts held				
Allocation of reinsurance premium paid (note 6)	(14,105)	(1,464)	(25,335)	(40,904)
Amounts recoverable from reinsurers – net (note 6)	8,694	1,525	3,965	14,184
	(5,411)	61	(21,370)	(26,720)
Share of surplus from insurance pools	--	--	--	--
Total insurance service result	(16,992)	9,017	6,855	(1,120)

7. INSURANCE SERVICE EXPENSES (Continued)

	For the six-month period ended 30 June 2025 (Unaudited)			
	Non-life	Individual Life	Group Life	Total
	⃁'000			
Contracts not measured under the PAA				
Amounts relating to changes in liabilities for remaining coverage:	--	--	--	--
Expected incurred claims and other insurance service expenses	--	5,065	--	5,065
Change in risk adjustment for non-financial risk for risk expired	--	173	--	173
CSM recognized for services provided	--	11,868	--	11,868
Experience adjustments	--	1,927	--	1,927
Insurance revenue from contracts not measured under the PAA	--	19,033	--	19,033
Insurance revenue from contracts measured under the PAA	117,258	--	34,605	151,863
Insurance revenue – total (note 6)	117,258	19,033	34,605	170,896
Insurance service expenses				
Incurred claims and other directly attributable expenses (note 6)	(73,526)	(7,960)	(21,158)	(102,644)
Insurance acquisition cashflows amortization (note 6)	(18,695)	(326)	(231)	(19,252)
Reversals of losses and (loss) on onerous contracts (note 6)	(3,720)	868	--	(2,852)
Changes that relate to past service - adjustments to the LIC (note 6)	(6,137)	--	1,319	(4,818)
Insurance service expenses – total	(102,078)	(7,418)	(20,070)	(129,566)
Net expenses from reinsurance contracts held				
Allocation of reinsurance premium paid (note 6)	(14,776)	(1,476)	(16,197)	(32,449)
Amounts recoverable from reinsurers – net (note 6)	(52)	(2,044)	12,262	10,166
	(14,828)	(3,520)	(3,935)	(22,283)
Share of surplus from insurance pools	2,845	--	--	2,845
Total insurance service result	3,197	8,095	10,600	21,892

8. INSURANCE FINANCE (EXPENSE) / INCOME

	For the six-month period ended			
	Non-life	**Individual life**	**Group life**	**Total**
30 June 2026 – (Unaudited)				
Finance expense from insurance contracts issued (note 6)	**(3,969)**	**(124,421)**	**(1,113)**	**(129,503)**
Finance income from reinsurance contracts held (note 6)	**2,284**	**181**	**891**	**3,356**
Finance expense – net	**(1,685)**	**(124,240)**	**(222)**	**(126,147)**

8. INSURANCE FINANCE (EXPENSE) / INCOME (Continued)

	For the six-month period ended			
	Non-life	Individual life	Group life	Total
30 June 2025 – (Unaudited)				
Finance expense from insurance contracts issued (note 6)	(3,717)	(48,747)	(637)	(53,101)
Finance income from reinsurance contracts held (note 6)	2,334	91	508	2,933
Finance expense – net	(1,383)	(48,656)	(129)	(50,168)

9. STATUTORY RESERVE

As required by Saudi Arabian Insurance Laws and Regulations, 20% of the net shareholders income shall be set aside as a statutory reserve until this reserve amounts to 100% of paid-up capital. The Company makes this transfer on an annual basis at 31 December each year. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

10. STATUTORY DEPOSIT

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Statutory deposit	**66,000**	66,000
Expected credit loss	**(10)**	(10)
	65,990	65,990

In compliance with Insurance Regulations, the Company has deposited an amount equivalent to 10% of its paid-up share capital, amounting to ⃁ 66 million as at 30 June 2026 (31 December 2025: ⃁ 66 million), in a bank designated by IA. Accrued income on this deposit is payable to the Insurance Authority (IA) amounting to ⃁ 8.2 million (31 December 2025: ⃁ 7.2 million) and this deposit cannot be withdrawn without approval from IA. The statutory deposit is shown on the statement of financial position net of ECL allowance. This deposit is held with Bank AlJazira, "the founding shareholder".

11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company in the normal course of business, enters into transactions with other entities that fall within the definition of the related party contained in the International Accounting Standard (IAS) 24 – Related Party Disclosures. Related parties represent shareholders with significant influence, key management personnel (KMP) of the Company, their immediate family members and entities controlled or jointly controlled by such shareholders. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The due from related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the related party transactions during the period and the related balances:

11. TRANSACTIONS AND BALANCES RELATED PARTIES (Continued)

11.1 In addition to the disclosures set out in notes 4, 5.1, and 5.2, the following are the details of major related party transactions during the six-month period ended:

Related parties	**Relationship**	**Nature of transaction**	**Amount of transactions**	
			30 June 2026 (unaudited) ⃁'000	30 June 2025 (unaudited) ⃁'000
Bank AlJazira	Shareholder with significant influence	Commission income on deposits	**4,561**	4,590
		Insurance policies sold	**13,049**	15,180
		Premium received	**40,207**	8,413
		Claims paid	**12,113**	13,075
		Commission paid	**77**	429
		Investment in sukuk	**34,000**	10,000
		Profit on statutory deposit	**1,311**	1,311
		Profit on sukuk	**4,500**	4,742
		Purchase of Murabaha deposit	**132,500**	60,000
		Encashment of deposit	**112,500**	115,000
		Rent paid	**750**	--
Key management personnel		Salaries, benefits and allowances, net	**3,166**	2,976
		Insurance policies sold	**2**	5
		Premium received	**2**	5
Board of directors and committee members		Insurance policies sold	**7**	29
		Premium received	**8**	29
AlJazira Capital	Subsidiary of shareholder with significant influence	Other income	**3,464**	5,153
		Custodian charges	**138**	208
		Insurance policies sold	**732**	788
		Premium received	**732**	788
Durrah Advanced Development Company *	Common directorship	Insurance policies sold	**3,065**	3,226
		Premium received	**983**	3,226
Consolidated Brother Company*	Significant shareholder	Insurance policies sold	**30**	23
		Claims paid	**--**	1
		Premium received	**28**	23
Ibrahim Abdul Mohsin Mohammed AlSultan	Immediate family member of KMP	Insurance policies sold	**152**	139
		Premium received	**152**	139

* The above transactions are disclosed in accordance with the local law and regulations.

11. TRANSACTIONS AND BALANCES RELATED PARTIES (Continued)

11.2 Amount due from related party

Related parties	***Relationship***	***30 June 2026 (Unaudited) ⃁ '000***	*31 December 2025 (Audited) ⃁ '000*
AlJazira Capital	Subsidiary of shareholder with significant influence	**4,734**	14,679
Others (key management personnel)			
Prepayments and other current assets:			
Advances due from key management personnel		**126**	8

11.3 Premium receivable amount disclosed in Insurance contract liability Note 6.2.1 and 6.2.5, shown in the condensed interim statement of financial position comprise of following.

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Bank AlJazira	**63,290**	90,200
Consolidated Brother Company	**1**	255
Durrah Advanced Development Company	**2,217**	136
AlJazira Capital	**48**	48
Board of directors	**--**	7
	65,556	90,646

11.4 Outstanding claims amount disclosed in Insurance contract liability Note 6.2.1 and 6.2.5, shown in the statement of financial position includes ⃁35.750 million (31 December 2025: ⃁ 29.70 million) due to related parties.

12. ZAKAT AND INCOME TAX

The zakat and income tax payable by the Company has been calculated in accordance with zakat and income tax regulations in the Kingdom of Saudi Arabia. The movement in the Zakat and income tax payable during the six-month period ended 30 June 2026 and year ended 31 December 2025 is as follows:

12.1 Zakat charge

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Balance at the beginning of period / year		35,319
Provision for zakat for the period / year	**1,024**	4,595
Zakat paid during the period / year	**(6,327)**	(26,863)
Balance at the end of the period / year	**7,748**	13,051

12. ZAKAT AND INCOME TAX (Continued)

12.2 Income tax

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Balance at the beginning of period / year	**227**	86
Income tax for the period / year	**29**	459
Paid during the period / year	**(110)**	(318)
Balance at the end of the period / year	**146**	227
Total zakat and income tax at the end of the period / year	**7,894**	13,278

12.3 Status of assessments

The Company has submitted its Zakat and income tax returns for the years 2014 to 2025 with Zakat, Tax and Customs Authority ("ZATCA") and obtained the zakat certificate valid till 30 April 2027.

The Company settled and closed 2014 assessment by settling outstanding liability of ⃁ 7.57 million. With regards to years 2015 to 2020, these were finalized after receiving the Higher Appeal Committee ("HAC") decision which led to zakat differences of ⃁ 23.82 million for the years 2015, 2017, and 2018, and ⃁ 16.94 million for the years 2016, 2019, and 2020. The Company has agreed with ZATCA to pay these outstanding liabilities in instalments, with final payments due in 2025 and 2027 respectively.

In addition, the Company has also submitted its zakat and income tax returns in relation to Solidarity for the years 2009 to 2020 with the ZATCA and obtained restricted certificates. During the previous years, the ZATCA issued zakat and income tax assessments in respect of Solidarity for the years 2009 and 2010 and from 2012 to 2018 with additional zakat and income tax liability of ⃁ 48.55 million. The Company submitted a settlement request for the years 2011 to 2018 and ZATCA accepted the settlement request which resulted in zakat differences amounting to ⃁ 22.57 million. The Company agreed with ZATCA to pay the outstanding liabilities in installments, and the final payment has been made in the year ended 31 December 2025. During the year 2024, a decision was issued by the committees to accept the Company's objection for the years 2009 and 2010. During the year 2025, a decision was issued by the committee for the year 2020, asking the Company to pay the zakat amounting to ⃁ 0.13 million and the same was paid by the Company. During the current period, a decision was issued by the committee for the year 2019, asking the company to pay the zakat amount to ⃁ 2.54 million. The Company agreed with ZATCA to pay the outstanding liabilities in installments, and the final payment is due in May 2027.

The assessments for the years 2021 to 2025 are currently under the ZATCA's review and final assessment is awaited from the ZATCA.

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial assets consist of cash and cash equivalents, investments held to cover unit-linked liabilities, investments carried at fair value through profit or loss, investments carried at amortised cost, other receivables, and financial liabilities consist of other liabilities and due to related party. The fair values of financial instruments are not materially different from their carrying values. As at 30 June 2026, apart from the investments which are carried at fair value (note 5), there were no other financial instruments held by the Company that were measured at fair value.

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

Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repackaging);
Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
Level 3: valuation techniques for which any significant input is not based on observable market data.

13. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

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

	30 June 2026 (Unaudited) Fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments held at FVTPL:				
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	**1,680,047**	--	**1,680,047**
Equity shares	--	--	--	--
Tier 1 Sukuks	--	**274,537**	--	**274,537**
Investments held at FVOCI:				
Equity shares	--	--	**72,758**	**72,758**
Total	--	**1,954,584**	**72,758**	**2,027,342**

	31 December 2025 (Audited) (⃁'000) Fair value			
	Level 1	Level 2	Level 3	Total
Investments held at fair value through profit or loss (FVTPL):				
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,582,444	--	1,582,444
Equity shares	16,681	--	--	16,681
Tier 1 Sukuks	--	240,537	--	240,537
Investments held at fair value through other comprehensive income (FVOCI):				
Equity shares	--	--	72,758	72,758
Total	16,681	1,822,981	72,758	1,912,420

Significant unobservable inputs used in the valuation of level 3 investments include fair value estimates from reputable third-party valuer who use technique such as discounted cashflows and other sophisticated models. The fair value of investments in mutual funds and sukuks at level 2 is based on the net asset values and value of similar quoted sukuks available. There were no transfers between levels of the fair value hierarchy during the period ended 30 June 2026. Additionally, there were no changes in the valuation techniques.

14. RISK MANAGEMENT

Risk is inherent in the Company's activities but is managed through a process of on-going identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability, and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company's policy is to monitor business risk through strategic planning process. The strategy considers the impact of market conditions and available expertise on inherent risks to which the Company is exposed. 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, mitigate, and control risks.

Board of Directors
The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

14. RISK MANAGEMENT (Continued)

Risk management structure (Continued)

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

Audit Committee
The Audit Committee is elected by the General Assembly. The Audit Committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting and risk management, the audit thereof and the soundness of the internal controls of the Company.

Risk Committee
The Risk Committee is elected by the Board of Directors. The Risk Committee is responsible for the Company's risk management strategy to ensure that the Company's exposure to risks is minimal.

Internal Audit
All key operational, financial and risk management processes are audited by Internal Audit. Internal Audit examines the adequacy of the relevant policies and procedures, the Company's compliance with internal policies and regulatory guidelines. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations 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 summarized below:

14.1 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from factors other than credit, market and liquidity risks such as those arising from regulatory requirements. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks, and the adequacy of controls and procedures to address those risks;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

Insurance risk
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. For longer tail claims that take some years to settle, there is also inflation risk. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The Head of Operations manages this risk by ensuring that adequate reinsurance cover is taken to restrict the maximum loss payable for any individual claim.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, structured claims management, quarterly review of reserves as well as the use of reinsurance arrangements.

14. RISK MANAGEMENT (Continued)

Insurance risk (Continued)

Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk's 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. The Company's motor portfolio is reinsured under a non-proportional treaty arrangement.

a) Concentration of insurance risk

The Company monitors the concentration of insurance risks primarily by class of business. The major concentration lies in medical, individual life, and group life segments. The Company also monitors the 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. 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 does not have any foreign operations, hence, all the insurance risks relate to policies written in Saudi Arabia.

b) Frequency and severity of claims

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.

The frequency and severity of claims can be affected by several factors like natural disasters, floods, environmental and economic, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages these risks through conservative underwriting strategies and effective use of reinsurance arrangements. 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 overall aim is currently to restrict the impact of a single catastrophic event to approximately 10% of equity on a gross basis and 2% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 5% of equity. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Medical

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risks and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular view of actual claims experience and product pricing, as well as detailed claims handling procedures. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. The Company has reinsurance cover to limit the losses for any individual claim.

Motor

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. In the current year, the Company has only underwritten comprehensive polices for owner/drivers over 18 years of age. The Company also has risk management procedures to control cost of claims. The Company has reinsurance cover to limit the losses for any individual claim.

14. RISK MANAGEMENT (Continued)

b) Frequency and severity of claims

Reinsurance risk
Similar to other insurance companies, in order to minimise the financial exposure arising from large claims, the Company in normal course of business, enters into reinsurance arrangements with the reinsurers. Such reinsurance arrangements provide for greater diversification of business, allow the management to control exposure potential losses arising from large risk, and provide additional capacity for growth. All of the reinsurance is affected under treaty, Quota share and Surplus reinsurance contracts. 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:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent.
- Reputation of particular reinsurance companies.
- Existing or past business relationship with the reinsurer

Market risk
Market risk is the risk that the fair value or future cashflows 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 commission rates (commission 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.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders’ liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- The Company stipulates diversification benchmarks by type of instrument and geographical area.

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.

Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of losses due to exchange rate fluctuations as the Insurance Operations and Shareholders’ Operations primarily deal in Saudi Riyals and in US Dollar. Saudi Riyal which is pegged to the US Dollar.

b) Commission rate risk

Commission rate risk is the risk that the value or future cashflows of a financial instrument will change because of change in market commission rates. Floating rate instruments expose the Company to cashflow 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 commission 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 commission rate risk.

14. RISK MANAGEMENT (Continued)

c) Other price risk

Other price risk is the risk that the fair value or future cashflows of financial instruments or insurance contract assets and / or liabilities 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 contract, or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to price risk arises from its investments in equity securities and mutual funds that invest in equities. Price risk arising from the underlying items of participating contracts is generally borne by contract holders except to the extent of the Company's share of the performance of the underlying items.

d) 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 Company issues direct participating contracts comprising of investment in mutual funds as underlying items. In unit linked business the plan holder bears the investment risk on the assets held in the unit linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Company has no material credit risk on the unit linked financial assets.

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.
- To minimize its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance counterparties. Accordingly, as a pre-requisite, the parties with whom reinsurance is affected are required to have a minimum acceptable security rating level affirming their financial strength.
- 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 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.

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Cash and cash equivalents	**96,989**	51,693
Debt instruments held at amortized cost	**556,711**	558,655
Due from a related party	**4,734**	14,679
Other assets	**13,977**	8,578
Statutory deposit	**66,000**	66,000
Accrued income on statutory deposit	**8,254**	7,167
	746,665	706,772

14. RISK MANAGEMENT (Continued)

Concentration of credit risk

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. All of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

14.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. 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.

15. CAPITAL MANAGEMENT

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

- Minimum Capital Requirement of ⃁ 300 million
- Premium Solvency Margin
- Claims Solvency Margin

As at 30 June 2026, the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

16. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Managing Director that makes strategic decisions. For management purposes, the activities of Insurance Operations, which are all in the Kingdom of Saudi Arabia, are reported under three business units, as detailed below:

The non-life segment includes medical, motor and general portfolios. The medical portfolio offers comprehensive medical care to the members of organizations and their dependents on a group basis and individuals in a wide network of hospitals and medical centers throughout the Kingdom of Saudi Arabia. The motor portfolio offers Third-Party Liability Vehicle Insurance product, which solely covers the amounts payable to third parties by the insured and a Vehicle comprehensive Insurance product, which covers all losses or damages incurred to the vehicle, including third party liability. The general portfolio offers Fire and property insurance products, Marine insurance products, Engineering insurance products, other liability insurance contracts, and others.

Individual life segment offers life insurance products on an individual basis, including unit-linked investment-oriented products to individuals.

The unallocated assets and liabilities are not reported to the Chief Operating Decision Maker under related segments and are monitored on a centralized basis.

Group life segment offers life protection programs to the members of organizations on a group basis, and credit protection benefits in respect of personal loan given by financing organization. This segment also includes protection benefits in respect of various credit facilities other than personal loans extended by the financing organizations to its customers.

The unallocated assets and liabilities are not reported to the Chief Operating Decision Maker under related segments and are monitored on a centralized basis.

Operating segments do not include Shareholders' operations of the Company.

16. OPERATING SEGMENT INFORMATION (Continued)

	As at 30 June 2026 (Unaudited)			
	Non-life	Individual life	Group life	Total
	⃁'000			
ASSETS				
Reinsurance contract assets	**123,606**	**9,324**	**10,408**	**143,338**
Investments held to cover unit-linked liabilities at fair value through profit or loss	**--**	**1,680,047**	**--**	**1,680,047**
Goodwill	**232,255**	**--**	**--**	**232,255**
Total segment assets	**355,861**	**1,689,371**	**10,408**	**2,055,640**
Unallocated assets				
Cash and cash equivalents				**96,976**
Investments held at fair value through profit or loss				**274,537**
Investments held at fair value through other comprehensive income				**72,758**
Investments held at amortised cost				**556,686**
Due from a related party				**4,734**
Prepayments and other assets				**20,832**
Property and equipment				**7,424**
Right-of-use-assets				**13,439**
Intangible assets				**6,147**
Accrued income on statutory deposit				**8,254**
Statutory deposit				**65,990**
Total assets				**3,183,417**
LIABILITIES				
Insurance contract liabilities	**371,141**	**1,735,106**	**27,129**	**2,133,376**
Total segment liabilities	**371,141**	**1,735,106**	**27,129**	**2,133,376**
Unallocated liabilities				
Accrued expenses and other liabilities				**31,833**
Provision for employee end of service benefits				**8,388**
Lease liabilities				**13,000**
Zakat and income tax				**7,894**
Accrued income on statutory deposit				**8,254**
TOTAL LIABILITIES				**2,202,745**
EQUITY				
Share capital				**660,000**
Share premium				**87,286**
Statutory reserve				**72,471**
Retained earnings				**90,186**
Fair value reserve for investments				**70,835**
TOTAL SHAREHOLDERS' EQUITY				**980,778**
Remeasurement reserve of employee end of service benefits - related to insurance operations				**(106)**
TOTAL EQUITY				**980,672**
TOTAL LIABILITIES AND EQUITY				**3,183,417**

16. OPERATING SEGMENT INFORMATION (Continued)

	As at 31 December 2025			
	Non-life	Individual life	Group life	Total
	⃁'000			
ASSETS				
Reinsurance contract assets	126,374	11,525	30,023	167,922
Investments held to cover unit-linked liabilities at fair value through profit or loss	--	1,582,444	--	1,582,444
Goodwill	232,255	--	--	232,255
Total segment assets	358,629	1,593,969	30,023	1,982,621
Unallocated assets				
Cash and cash equivalents				51,680
Investments held at fair value through profit or loss				257,218
Investments held at fair value through other comprehensive income				72,758
Investments held at amortised cost				558,630
Due from a related party				14,679
Prepayments and other assets				11,963
Property and equipment				7,196
Right-of-use assets				14,459
Intangible assets				6,436
Accrued income on statutory deposit				7,167
Statutory deposit				65,990
TOTAL ASSETS				3,050,797
LIABILITIES				
Insurance contract liabilities	333,745	1,606,518	36,387	1,976,650
Total segment liabilities	333,745	1,606,518	36,387	1,976,650
Unallocated liabilities				
Accrued expenses and other liabilities				23,872
Provision for employee end of service benefits				7,807
Lease liabilities				15,051
Zakat and income tax				13,278
Accrued income on statutory deposit				7,167
TOTAL LIABILITIES				2,043,825
EQUITY				
Share capital				660,000
Share premium				87,286
Statutory reserve				72,471
Retained earnings				116,486
Fair value reserve for investments				70,835
TOTAL SHAREHOLDERS' EQUITY				1,007,078
Remeasurement reserve of employee benefits - related to Insurance Operations				(106)
TOTAL EQUITY				1,006,972
TOTAL LIABILITIES AND EQUITY				3,050,797

16. OPERATING SEGMENT INFORMATION (Continued)

	For the six-month period ended 30 June 2026 (Unaudited)			
	Non-life	Individual life	Group life	Total
	⃁'000	⃁'000	⃁'000	⃁'000
Insurance revenue	**140,315**	**19,417**	**43,264**	**202,996**
Insurance service expenses	**(151,896)**	**(10,461)**	**(15,039)**	**(177,396)**
Net (expenses) / income from reinsurance contracts held	**(5,411)**	**61**	**(21,370)**	**(26,720)**
Total Insurance service result	**(16,992)**	**9,017**	**6,855**	**(1,120)**
Net income on investments held at FVTPL to cover unit linked policies	**--**	**124,421**	**--**	**124,421**
Net income on investments held at FVTPL				**8,590**
Commission income on investments held at amortised cost				**9,801**
Commission income on short term deposits				**1,336**
Net Investment return				**144,148**
Net finance expense from insurance contracts issued	**(3,969)**	**(124,421)**	**(1,113)**	**(129,503)**
Net finance income from reinsurance contracts held	**2,284**	**181**	**891**	**3,356**
Net insurance financial expense				**(126,147)**
Net insurance and investment result				**16,881**
Other income				**2**
Other operating expenses				**(15,730)**
Loss for the period attributable to the shareholders before zakat and income tax				**1,153**
Zakat charge				**(1,024)**
Income tax charge				**(29)**
Net income for the period attributable to the shareholders				**100**
Weighted average number of ordinary shares outstanding (in thousands of shares)				**66,000**
Earnings per share for the period (SAR / share) (Basic and diluted)				**0.002**

Details relating to gross written premium ("GWP") for the three month and six-month period ended 30 June 2026 are disclosed below:

	For the six-month period ended 30 June 2026 (Unaudited) (⃁'000)					
				Protection & Savings		
Breakdown of GWP	**Medical**	**Motor**	**Property & casualty**	**Individual**	**Group (Term Life)**	**Total**
Retail	**8,716**	**48,969**	**37,054**	**88,323**	**--**	**183,062**
Very small	**14,850**	**(78)**	**--**	**--**	**--**	**14,772**
Small	**24,094**	**1,163**	**--**	**--**	**--**	**25,257**
Medium	**10,747**	**976**	**--**	**--**	**--**	**11,723**
Corporate	**7,039**	**5,771**	**17,340**	**--**	**6,994**	**37,144**
Total	**65,446**	**56,801**	**54,394**	**88,323**	**6,994**	**271,958**

16. OPERATING SEGMENT INFORMATION (Continued)

Details relating to gross written premium ("GWP") for the three month and six-month period ended 30 June 2026 are disclosed below: (Continued)

	For the three-month period ended 30 June 2026 (Unaudited) (⃁'000)					
Breakdown of GWP	**Medical**	**Motor**	**Property & casualty**	**Protection & Savings – Individual**	**Protection & Savings – Group (Term Life)**	**Total**
Retail	**1,902**	**31,019**	**24,965**	**49,893**	**--**	**107,779**
Very small	**6,980**	**(43)**	**--**	**--**	**--**	**6,937**
Small	**12,250**	**405**	**--**	**--**	**--**	**12,655**
Medium	**5,763**	**606**	**--**	**--**	**--**	**6,369**
Corporate	**4,696**	**3,046**	**12,362**	**--**	**1,984**	**22,088**
Total	**31,591**	**35,033**	**37,327**	**49,893**	**1,984**	**155,828**

	For the six-month period ended 30 June 2025 (Unaudited)			
	Non-life ⃁'000	Individual life ⃁'000	Group life ⃁'000	Total ⃁'000
Insurance revenue	117,258	19,033	34,605	170,896
Insurance service expenses	(102,078)	(7,418)	(20,070)	(129,566)
Net income expenses from reinsurance contracts held	(14,828)	(3,520)	(3,935)	(22,283)
Insurance service result from Company's directly written business	352	8,095	10,600	19,047
Share of surplus from insurance pools	2,845	--	--	2,845
Total Insurance service result	3,197	8,095	10,600	21,892
Net income on investments held at FVTPL				53,487
Commission income on investments held at amortised cost				10,557
Commission income on short term deposits				923
Net Investment return				64,967
Net finance expense from insurance contracts issued	(3,717)	(48,747)	(637)	(53,101)
Net finance income from reinsurance contracts held	2,334	91	508	2,933
Net financial results				(50,168)
Other income				106
Other operating expenses				(14,160)
Income for the period attributable to the shareholders before zakat and income tax				22,637
Zakat charge				(2,121)
Income tax				(323)
Net income for the period attributable to the shareholders				20,193
Weighted average number of ordinary shares outstanding (in thousands of shares)				66,000
Earnings per share for the period (SAR / share) (Basic and diluted)				0.31

Details relating to gross written premium for the three month and six-month period ended 30 June 2025 are disclosed below to comply with the

	For the six-month period ended 30 June 2025 (Unaudited) (⃁'000)					
Breakdown of GWP	Medical	Motor	Property & casualty	Protection & Savings – Individual	Protection & Savings – Group (Term Life)	Total
Retail	10,390	30,811	3,491	64,648	--	109,340
Very small	8,664	52	--	--	--	8,716
Small	20,124	3,274	--	--	--	23,398
Medium	17,374	8,617	--	--	--	25,991
Corporate	6,857	1,561	22,975	--	5,562	36,955
Total	63,409	44,315	26,466	64,648	5,562	204,400

16. OPERATING SEGMENT INFORMATION (Continued)

Breakdown of GWP	For the three-month period ended 30 June 2025 (Unaudited) (⃁'000) Medical	Motor	Property & casualty	Protection & Savings Individual	Group (Term Life)	Total
Retail	3,303	13,473	3,488	30,985	--	51,249
Very small	4,992	54	--	--	--	5,046
Small	9,479	1,955	--	--	--	11,434
Medium	6,013	4,745	--	--	--	10,758
Corporate	5,688	1,561	10,705	--	755	18,709
Total	29,475	21,788	14,193	30,985	755	97,196

17 SHARE CAPITAL AND EARNINGS PER SHARE

The authorized, issued and paid-up capital of the Company at 30 June 2026 is ⃁ 660 million divided into 66 million shares of ⃁ 10 each (31 December 2025: ⃁ 660 million divided into 66 million shares of ⃁ 10 each).

	Percentage of holding 30 June 2026 (Unaudited) %	*31 December 2025 (Audited) %*	***Amount of share capital*** 30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Founding Shareholders	**38.08**	38.08	**251,310**	251,310
General public	**61.92**	61.92	**408,690**	408,690
	100.00	100.00	**660,000**	660,000

The basic and diluted earnings per share is calculated as follows:

	Six-month period ended 30 June 2026 ***(Unaudited)***	Six-month period ended 30 June 2025 *(Unaudited)*
Net profit for the period attributable to the shareholders (⃁'000)	**100**	20,193
Weighted average number of ordinary shares (in thousands of shares) – Restated	**66,000**	66,000
Basic and diluted earnings per share	**0.002**	0.31

17.1 On 16 June 2026, the Company in its Extra Ordinary General Meeting, approved a dividend of ⃁ 26.4 million (⃁ 0.40 per share) paid in June 2026 to the shareholders of the Company.

18. CONTINGENCIES AND COMMITMENTS

The Company is a legal defendant in a case that was filed by a client. The management, supported by legal opinion and related supporting documentation, believes the decision to be in favor of the Company. This matter represents a contingent liability, the outcome of which is dependent on the Arbitrator's decision. Based on the Company's management assessment, the potential outcome is not expected to have a material impact on the financial statements of the Company.

19. SUBSEQUENT EVENTS

There have been no significant subsequent events since the period end, that would require disclosures or adjustments in these condensed interim financial statements.

20. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved by the Board of Directors on 4 August 2026 G corresponding to 21 Safar 1448 H.