

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025**

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Arabia Insurance Cooperative Company** ("the Company") as of September 30, 2025, and the related condensed interim statements of income and other comprehensive income for the three-month and nine-month periods then ended, and the related condensed interim statements of changes in equity and cash flows for the nine-months period then ended, and other explanatory notes (collectively referred to as "the condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the 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 the 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.

For: El Sayed El Ayouty & Co
Certified Public Accountants
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Abdullah Ahmed Balamesh
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For PKF Al Bassam
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Ahmed A. Mohandis
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November 10, 2025
(Jumada Al-Awwal 19, 1447H)



ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
All amounts expressed in Saudi Riyals

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Cash and cash equivalents	3	144,177,311	67,784,373
Insurance contract assets	10	51,079,284	24,951,617
Reinsurance contract assets	10	189,923,965	789,272,112
Prepaid expenses and other assets		53,002,321	73,840,814
Term deposits	4	310,551,901	369,850,855
Statutory deposit		53,000,000	53,000,000
Accrued income on statutory deposit		14,259,976	11,995,372
Investments	5	396,458,709	315,552,537
Right of use assets, net		4,053,147	6,469,539
Property and equipment, net		13,372,143	13,316,778
TOTAL ASSETS		1,229,878,757	1,726,033,997
LIABILITIES			
Insurance contract liabilities	10	516,189,982	993,085,264
Reinsurance contract liabilities	10	10,378,783	26,956,711
Accrued income payable on statutory deposit		14,261,266	11,995,562
Accrued expenses and other liabilities		48,323,238	55,812,212
Provision for zakat and income tax	8	2,040,247	7,531,801
Lease liabilities		3,255,949	5,810,910
Provision for end of service benefits		17,807,465	19,903,577
TOTAL LIABILITIES		612,256,930	1,121,096,037
EQUITY			
Share capital	11	530,000,000	530,000,000
Statutory reserve	12	6,029,521	6,029,521
Fair value reserve for investments	5	60,875,243	59,558,241
Remeasurement reserve for end of service benefits		(6,226,049)	(6,226,049)
Retained earnings		26,943,112	15,576,247
TOTAL EQUITY		617,621,827	604,937,960
TOTAL LIABILITIES AND EQUITY		1,229,878,757	1,726,033,997


Chief Financial Officer


Chairman of the Board of Directors


Chief Executive Officer

The accompanying notes 1 to 21 form part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
All amounts expressed in Saudi Riyals

	Note	For the three months period ended		For the nine months period ended	
		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
REVENUES					
Insurance revenue	10	220,124,010	164,704,677	589,360,583	532,533,963
Insurance service expenses	10,17	336,870,742	(108,013,888)	53,749,930	(366,629,132)
Insurance service result before reinsurance contracts held		556,994,752	56,690,789	643,110,513	165,904,831
Allocation of reinsurance premiums	10	(47,857,803)	(44,725,096)	(140,973,747)	(115,474,292)
Amounts recoverable from reinsurance	10	(500,808,066)	8,882,620	(493,794,609)	(9,581,304)
Net expenses from reinsurance contracts held		(548,665,869)	(35,842,476)	(634,768,356)	(125,055,596)
Insurance service result		8,328,883	20,848,313	8,342,157	40,849,235
Income from investment and deposits		639,195	9,133,871	20,022,134	27,894,809
ECL (allowance)/reversal		(2,287)	59,911	(4,863)	198,032
Net investment income		636,908	9,193,782	20,017,271	28,092,841
Net finance expenses from insurance contracts issued	10	(7,769,276)	(8,053,727)	(23,842,552)	(25,025,900)
Net finance income from reinsurance contracts held	10	6,861,873	6,578,804	20,819,648	20,112,208
Net insurance finance expenses		(907,403)	(1,474,923)	(3,022,904)	(4,913,692)
Net insurance and investment result		8,058,388	28,567,172	25,336,524	64,028,384
Other income		283,208	(64,849)	2,070,987	3,075,724
Other operating expenses (non-attributable)		(6,356,518)	(12,402,505)	(12,347,963)	(23,411,696)
Net income for the period before zakat and income tax		1,985,078	16,099,818	15,059,548	43,692,412
Provision for zakat and income tax	8	(1,000,000)	(1,500,000)	(4,500,000)	(6,500,000)
Net income for the period after zakat and income tax		985,078	14,599,818	10,559,548	37,192,412
Net income attributable to insurance operations		(631,163)	(1,039,114)	(631,163)	(2,572,361)
Net income attributable to shareholders		353,915	13,560,704	9,928,385	34,620,051
Basic and diluted earning per share	14	0.01	0.26	0.19	0.65


Chief Financial Officer


Chairman of the Board of Directors


Chief Executive Officer

The accompanying notes 1 to 21 form part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

All amounts expressed in Saudi Riyals

	Note	For the three months period ended		For the nine months period ended	
		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Net income attributable to the shareholders		353,915	13,560,704	9,928,385	34,620,051
Other comprehensive income					
<i>Items that will not be reclassified to statement of income in subsequent periods</i>					
Net change in investments held at fair value through other comprehensive income	5	86,009	750,697	2,755,482	2,132,475
Total other comprehensive income for the period attributable to the shareholders		439,924	14,311,401	12,683,867	36,752,526
Net other comprehensive income attributed to the insurance operations		-	1,039,114	-	2,572,361
Total comprehensive income		439,924	15,350,515	12,683,867	39,324,887



Chief Financial Officer



Chairman of the Board of Directors

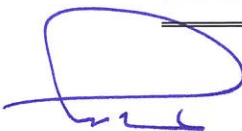


Chief Executive Officer

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ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2025
All amounts expressed in Saudi Riyals

30 September 2025	Note	Share capital	Statutory Reserve	Fair value reserve for investments	Remeasurement reserve for end of service benefits	Retained earnings	Total Equity
Balance at the beginning of the period (Audited)		530,000,000	6,029,521	59,558,241	(6,226,049)	15,576,247	604,937,960
Total comprehensive income for the period:							
Net income for the period attributable to the shareholders		-	-	-	-	9,928,385	9,928,385
Changes in fair values of investments	5	-	-	2,755,482	-	-	2,755,482
Total comprehensive income for the period attributed to the shareholders		-	-	2,755,482	-	9,928,385	12,683,867
Transfer of realized gain for FVOCI equity instruments to retained earnings	5	-	-	(1,438,480)	-	1,438,480	-
Balance at the end of the period (Unaudited)		<u>530,000,000</u>	<u>6,029,521</u>	<u>60,875,243</u>	<u>(6,226,049)</u>	<u>26,943,112</u>	<u>617,621,827</u>
30 September 2024		Share capital	Statutory Reserve	Fair value reserve for investments	Remeasurement reserve for end of service benefits	(Accumulated losses)/ retained earnings	Total Equity
Balance at the beginning of the period (Audited)		530,000,000	-	44,871,167	(2,633,079)	(12,322,433)	559,915,655
Total comprehensive income for the period:							
Net income for the period attributable to the shareholders		-	-	-	-	34,620,051	34,620,051
Changes in fair values of investments		-	-	2,132,475	-	-	2,132,475
Total comprehensive income for the period attributed to the shareholders		-	-	2,132,475	-	34,620,051	36,752,526
Transfer of realized gains for FVOCI equity instruments to retained earnings/(accumulated losses)		-	-	(3,780,596)	-	3,780,596	-
Balance at the end of the period (Unaudited)		<u>530,000,000</u>	<u>-</u>	<u>43,223,046</u>	<u>(2,633,079)</u>	<u>26,078,214</u>	<u>596,668,181</u>



Chief Financial Officer



Chairman of the Board of Directors



Chief Executive Officer

The accompanying notes 1 to 21 form part of these unaudited interim condensed financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2025
All amounts expressed in Saudi Riyals

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Cash flows from operating activities		
Net income for the period after zakat and income tax	10,559,548	37,192,412
Adjustments for non-cash items:		
Depreciation of property and equipment	3,869,397	3,101,287
Lease finance charges	189,332	234,126
Provision for end-of-service benefits	741,843	2,253,803
Depreciation of right-of-use assets	2,416,397	2,045,594
Provision for zakat and income tax	4,500,000	6,500,000
Unrealized loss/(gain) on investments at FVTPL	3,053,442	(1,167,706)
ECL allowance/(reversal)	4,863	(198,032)
	25,334,822	49,961,484
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	20,838,493	3,681,299
Accrued income on statutory deposit	1,100	20
Accrued expenses and other liabilities	(8,120,137)	(26,073,012)
Insurance contracts	(503,022,949)	(123,090,921)
Reinsurance contracts	582,770,220	72,659,249
Cash generated from/(used in) operating activities	117,801,549	(22,861,881)
Zakat and income tax paid	(9,991,554)	(13,469,574)
End-of service benefits paid	(2,837,955)	(972,006)
Net cash generated from/(used in) operating activities	104,972,040	(37,303,461)
Cash flows from investing activities		
Additions to property and equipment	(3,924,762)	(1,945,725)
Additions to investments	(81,208,995)	(9,685,119)
Proceeds from term deposits	59,298,954	131,981,012
Net cash (used in)/generated from investing activities	(25,834,803)	120,350,168
Cash flows from financing activities		
Payment of lease liabilities	(2,744,299)	(2,500,918)
Net cash used in financing activities	(2,744,299)	(2,500,918)
Net increase in cash and cash equivalents	76,392,938	80,545,789
Cash and cash equivalents at the beginning of the period	67,784,373	57,719,509
Cash and cash equivalents at the end of the period	144,177,311	138,265,298
Supplemental schedule of non-cash information		
Change in fair value reserve on investments - OCI	2,755,482	2,132,475


Chief Financial Officer


Chairman of the Board of Directors


Chief Executive Officer

The accompanying notes 1 to 21 form part of these unaudited condensed interim financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

All amounts expressed in Saudi Riyals

1. ORGANISATION AND PRINCIPAL ACTIVITIES

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

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

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

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

2. BASIS OF PREPARATION

a) Statement of compliance

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

The Company’s condensed interim statement of financial position is prepared under going concern basis, and not using current / non-current classification. However, except for property and equipment, statutory deposit, accrued income on statutory deposit, some components of investment in financial assets such as Sukuks carried at amortized cost, Investments at FVTPL, Investments at FVOCI, long-term deposits, right of use assets, lease liabilities, end-of-service indemnities and accrued commission income payable to Insurance Authority (IA), all other assets and liabilities are of short-term nature, unless, stated otherwise. As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders’ Operations and presents the financial information accordingly.

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

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

(b) Basis of measurement

These condensed interim financial statements are prepared under the historical cost convention, except for the financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVOCI), defined benefits obligation recorded at the present value using the projected unit credit method and liability of incurred claims (LIC) and assets for incurred claims (AIC) recorded at the present value at the current discount rates. In preparing the Company-level condensed interim financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders’ operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders’ operations are uniform for like transactions and events in similar circumstances.

c) Functional and presentation currency

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

(d) Seasonality of operations

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
All amounts expressed in Saudi Riyals

2. BASIS OF PREPARATION (continued)

e) Critical accounting judgments, estimates and assumptions

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended 31 December 2024.

Financial risk management objectives and policies are consistent with those disclosed in the Company's annual financial statements for the year ended 31 December 2024.

f) Material Accounting Policies

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on the condensed interim financial statements of the Company.

Standard/interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025.

Standards issued but not yet effective

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

Standard/interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.
Contracts referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026.
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027.
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027.

ARABIA INSURANCE COOPERATIVE COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025***All amounts expressed in Saudi Riyals***3. CASH AND CASH EQUIVALENTS**

	30 September 2025 (Unaudited)		
	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
Cash in banks	53,214,071	852,213	54,066,284
Time deposits	65,000,000	25,111,027	90,111,027
	<u>118,214,071</u>	<u>25,963,240</u>	<u>144,177,311</u>

	31 December 2024 (Audited)		
	<i>Insurance Operations</i>	<i>Shareholders' Operations</i>	<i>Total</i>
Cash in banks	27,034,847	887,026	27,921,873
Time deposits	20,000,000	19,862,500	39,862,500
	<u>47,034,847</u>	<u>20,749,526</u>	<u>67,784,373</u>

Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company. The average variable commission rate on term deposits at the end of the period is 5.06% per annum (31 December 2024: 5.35% per annum).

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

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

4. TERM DEPOSITS

Term deposits are placed with a maturity of more than three months from the date of original acquisition and earn special commission income at an average rate of 5.61% per annum (31 December 2024: 5.76% per annum).

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

ARABIA INSURANCE COOPERATIVE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
All amounts expressed in Saudi Riyals

5. INVESTMENTS

Investments comprise of the following:

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at fair value	-	295,701,278	295,701,278	-	210,115,079	210,115,079
Debt instruments at amortized cost *	31,178,814	69,634,164	100,812,978	33,977,251	71,513,852	105,491,103
ECL provision	(532)	(55,015)	(55,547)	(372)	(53,273)	(53,645)
Total	31,178,282	365,280,427	396,458,709	33,976,879	281,575,658	315,552,537

* This item represents bonds which are stated in the condensed interim statement of financial position at amortized cost. The fair value of these investments as at 30 September 2025 amounted to SAR 100,294,904 (31 December 2024: SAR 102,286,815). Further, fair value reserve for investments include changes in fair values of investments amounting to SAR 2,755,482 and transfer of realized gain for FVOCI equity instruments to retained earnings amounting to SAR 1,438,480, as shown in condensed interim statement of changes in equity.

Details of investments at fair value are as follows:

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at FVTPL (a)	-	200,077,298	200,077,298	-	103,128,999	103,128,999
Investments at FVOCI (b)	-	95,623,980	95,623,980	-	106,986,080	106,986,080
Total	-	295,701,278	295,701,278	-	210,115,079	210,115,079

a) Investments at FVTPL comprise of the following:

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Mutual funds	-	43,019,060	43,019,060	-	40,786,456	40,786,456
- Discretionary portfolio	-	147,074,705	147,074,705	-	50,968,128	50,968,128
- Equity - Aramco	-	9,983,533	9,983,533	-	11,374,415	11,374,415
Total	-	200,077,298	200,077,298	-	103,128,999	103,128,999

b) Investments at FVOCI comprise of the following:

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Discretionary portfolio	-	-	-	-	14,710,725	14,710,725
- Bonds/sukuk	-	29,113,957	29,113,957	-	28,264,304	28,264,304
- REIT	-	2,846,386	2,846,386	-	2,856,637	2,856,637
- Equity - Najm	-	63,663,637	63,663,637	-	61,154,414	61,154,414
Total	-	95,623,980	95,623,980	-	106,986,080	106,986,080

The movement in investments is as follows:

	Insurance Operations	
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Beginning balance	33,976,879	15,760,317
Additions	-	30,428,813
Disposals	(2,798,437)	(12,216,675)
ECL (allowance)/reversal	(160)	4,424
Ending balance	31,178,282	33,976,879
	Shareholders' Operations	
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Beginning balance	281,575,658	163,191,909
Additions	100,000,000	151,309,991
Disposals	(14,558,791)	(51,261,050)
Net additions and disposals	85,441,209	100,048,941
Transfer of realized gains for FVOCI equity instruments to retained earnings	(1,438,480)	(3,780,596)
Change in investments at FVOCI	2,755,482	18,467,670
Change in investments at FVTPL	(3,051,700)	3,656,993
ECL allowance	(1,742)	(9,259)
Ending balance	365,280,427	281,575,658

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5. INVESTMENTS (CONTINUED)

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

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

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

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

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

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

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

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

<u>30 September 2025 (Unaudited)</u>	Fair value			
	Level 1	Level 2	Level 3	Total
Investments at fair value through OCI/P&L				
Mutual funds	-	43,019,060	-	43,019,060
Discretionary portfolio	147,074,705	-	-	147,074,705
Bonds/sukuk	18,209,895	10,904,062	-	29,113,957
REIT	2,846,386	-	-	2,846,386
Equity - Najm	-	-	63,663,637	63,663,637
Equity - Aramco	9,983,533	-	-	9,983,533
Total	178,114,519	53,923,122	63,663,637	295,701,278

<u>31 December 2024 (Audited)</u>	Fair value			
	Level 1	Level 2	Level 3	Total
Investments at fair value through OCI/P&L				
Mutual funds	-	40,786,456	-	40,786,456
Discretionary portfolio	65,678,853	-	-	65,678,853
Bonds/sukuk	17,619,683	10,644,621	-	28,264,304
REIT	2,856,637	-	-	2,856,637
Equity - Najm	-	-	61,154,414	61,154,414
Equity - Aramco	11,374,415	-	-	11,374,415
Total	97,529,588	51,431,077	61,154,414	210,115,079

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6. COMMITMENTS AND CONTINGENCIES

a. Commitments and contingencies comprise of the following:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Letter of guarantee	800,000	800,000
Total	800,000	800,000

b. Litigations and lawsuits

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

7. RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related party	Nature of transactions	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Board of Directors and the companies they represent	Gross premiums	1,653,880	1,003,578
	Claims paid	435,855	155,056
Arabia Insurance Company - Lebanon (shareholder)	Expenses paid by the Company for Arabia Insurance Company-Lebanon	593,175	305,523
	Settlement of the balance by Arabia Insurance Company-Lebanon	-	384,649

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Arabia Insurance Company – Lebanon – Shareholder	593,175	-
Jordan Insurance Company – Shareholder	83,346	83,346
Board members and the companies they represent	643,743	708,624
Reinsurance balance due from Jordan Insurance Company	548,646	548,646

Compensation of key management personnel

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

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Short-term benefits	5,762,814	4,036,467
End of service benefit	161,500	151,564
	5,924,314	4,188,031

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8. PROVISION FOR ZAKAT AND INCOME TAX

Zakat charge for the period

The zakat provision consists of the zakat charged during the period in the amount of SAR 3,100,000 (30 September 2024: SAR 5,000,000). The zakat provision is calculated on the Saudi shareholders' share of the capital at 68.25% (2024: 68.25%).

Income tax charge for the period

Income tax provision consists of income tax charged during the period in an amount of SAR 1,400,000 (30 September 2024: SAR 1,500,000). Income tax is calculated on the share of capital by non-Saudi shareholders at a rate of 31.75% (2024: 31.75%).

Status of assessment

The Company submitted its tax and zakat returns to the Zakat, Tax and Customs Authority for all years up to the fiscal year ending on 31 December 2024 and the Zakat certificate has been issued for this year.

Zakat, Income Tax and Withholding Tax

The Company has completed its position related to Zakat, income tax and withholding until the year 2023 and it paid Zakat differences amounting to SAR 468,307 for the year 2023.

Value Added Tax

During the current period, the Company received from the Zakat, Tax and Customs Authority the re-assessments of VAT returns submitted by the Company for the years 2021 and 2022 resulted in VAT differences of SAR 1,923,740 and fines of SAR 570,383. The Company paid the VAT differences and accordingly all fines were removed in accordance with the authority's initiative to exempt fines applied and the Company will submit its objection to this assessments to ZATCA, and the Company also terminated its position on VAT as a result of the assessment conducted by the Authority for the year 2023, which resulted in VAT differences amounting to only SAR 8,064 paid by the Company.

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9. OPERATING SEGMENTS

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

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

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2024.

Segment assets do not include property and equipment, right of use assets, prepaid expenses and other assets, investments, term deposits, cash and cash equivalents, statutory deposit, and accrued income on statutory deposit, and thus they are included in the unallocated assets.

Segments liabilities do not include provision of end-of-service benefits, accrued expenses and other liabilities, provision for zakat and income tax, lease liabilities, and accrued income on statutory deposit and thus they are included in the unallocated liabilities.

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

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9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Financial Position

	30 September 2025 (Unaudited)						
	Motor	Medical	Engineering	Property	Marine	Others	Total
Assets							
Insurance contract assets	22,302,062	6,158,850	9,074,647	3,920,600	2,423,536	7,199,589	51,079,284
Reinsurance contract assets	12,394,170	2,090,729	54,374,214	68,735,070	5,211,983	47,117,799	189,923,965
Unallocated assets							988,875,508
Total	34,696,232	8,249,579	63,448,861	72,655,670	7,635,519	54,317,388	1,229,878,757
Liabilities							
Insurance contract liabilities	236,391,380	110,125,326	61,561,567	37,328,038	6,674,113	64,109,558	516,189,982
Reinsurance contract liabilities	-	-	3,513,955	1,883,747	618,388	4,362,693	10,378,783
Unallocated liabilities							85,688,165
Total	236,391,380	110,125,326	65,075,522	39,211,785	7,292,501	68,472,251	612,256,930
	31 December 2024 (Audited)						
	Motor	Medical	Engineering	Property	Marine	Others	Total
Assets							
Insurance contract assets	8,581,990	5,394,031	126,719	10,446,930	401,947	-	24,951,617
Reinsurance contract assets	11,074,833	7,171,048	48,871,858	686,011,305	4,494,185	31,648,883	789,272,112
Unallocated assets							911,810,268
Total	19,656,823	12,565,079	48,998,577	696,458,235	4,896,132	31,648,883	1,726,033,997
Liabilities							
Insurance contract liabilities	58,805,391	96,074,534	95,440,475	690,733,285	6,923,830	45,107,749	993,085,264
Reinsurance contract liabilities	-	-	4,061,345	20,867,911	1,223,618	803,837	26,956,711
Unallocated liabilities							101,054,062
Total	58,805,391	96,074,534	99,501,820	711,601,196	8,147,448	45,911,586	1,121,096,037

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9. OPERATING SEGMENTS (Continued))

Condensed Interim Statement of Income

	Three months period ended 30 September 2025 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	73,702,209	88,796,986	26,639,455	18,157,598	2,378,537	10,449,225
Insurance service expenses	(85,565,771)	(72,178,102)	(4,249,627)	503,691,575	(1,196,604)	(3,630,729)
Insurance service result before reinsurance contracts held	(11,863,562)	16,618,884	22,389,828	521,849,173	1,181,933	6,818,496
Allocation of reinsurance premiums	(976,750)	-	(23,854,124)	(15,605,642)	15,766	(7,437,053)
Amounts recoverable from reinsurance	(2,573)	(19,946)	1,995,539	(504,881,419)	490,456	1,609,877
Net (expenses)/income from reinsurance contracts held	(979,323)	(19,946)	(21,858,585)	(520,487,061)	506,222	(5,827,176)
Insurance service result	(12,842,885)	16,598,938	531,243	1,362,112	1,688,155	991,320
Income from investment and deposits						639,195
ECL allowance						(2,287)
Net investment income						636,908
Net finance expenses from insurance contracts issued	(460,396)	(305,515)	(177,393)	(6,515,505)	(58,050)	(252,417)
Net finance income from reinsurance contracts held	-	-	139,281	6,474,415	44,231	203,946
Insurance finance result	(460,396)	(305,515)	(38,112)	(41,090)	(13,819)	(48,471)
Net insurance and investment result	(13,303,281)	16,293,423	493,131	1,321,022	1,674,336	942,849
Other income						283,208
Other operating expenses (non-attributable)						(6,356,518)
Net income for the period before zakat and income tax						1,985,078
Provision for zakat and income tax						(1,000,000)
Net income for the period after zakat and income tax						985,078
Net income attributable to insurance operations						(631,163)
Net Income attributable to shareholders						353,915

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9. OPERATING SEGMENTS (Continued)

Condensed Interim Statement of Income

	Three months period ended 30 September 2024 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	25,392,558	91,402,881	17,712,761	19,317,875	2,389,860	8,488,742
Insurance service expenses	(18,934,931)	(81,489,242)	(7,534,730)	3,607,073	(327,038)	(3,335,020)
Insurance service result before reinsurance contracts held	6,457,627	9,913,639	10,178,031	22,924,948	2,062,822	5,153,722
Allocation of reinsurance premiums	(383,010)	(5,558,926)	(14,637,977)	(16,634,381)	(1,028,979)	(6,481,823)
Amounts recoverable from reinsurance	70,008	7,982,541	4,751,248	(6,136,908)	127,718	2,088,013
Net (expenses)/income from reinsurance contracts held	(313,002)	2,423,615	(9,886,729)	(22,771,289)	(901,261)	(4,393,810)
Insurance service result	6,144,625	12,337,254	291,302	153,659	1,161,561	759,912
Income from investment and deposits						9,133,871
Reversal of ECL allowance						59,911
Net investment income						9,193,782
Net finance expenses from insurance contracts issued	(571,174)	(748,994)	(76,166)	(6,269,080)	(64,921)	(323,392)
Net finance income from reinsurance contracts held	-	-	44,771	6,232,879	53,285	247,869
Insurance finance result	(571,174)	(748,994)	(31,395)	(36,201)	(11,636)	(75,523)
Net insurance and investment result	5,573,451	11,588,260	259,907	117,458	1,149,925	684,389
Other income						(64,849)
Other operating expenses (non-attributable)						(12,402,505)
Net income for the period before zakat and income tax						16,099,818
Provision for zakat and income tax						(1,500,000)
Net income for the period after zakat and income tax						14,599,818
Net income attributable to insurance operations						(1,039,114)
Net Income attributable to shareholders						13,560,704

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9. OPERATING SEGMENTS (CONTINUED)

Condensed Interim Statement of Income

	Nine-month period ended 30 September 2025 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
						Total
REVENUES						
Insurance revenue	161,602,432	257,732,039	73,990,964	57,901,276	6,630,866	31,503,006
Insurance service expenses	(189,861,467)	(226,050,001)	(12,153,124)	496,078,588	(3,718,284)	(10,545,782)
Insurance service result before reinsurance contracts held	(28,259,035)	31,682,038	61,837,840	553,979,864	2,912,582	20,957,224
Allocation of reinsurance premiums	(1,670,250)	-	(64,992,084)	(49,691,468)	(2,655,254)	(21,964,691)
Amounts recoverable from reinsurance	27,581	213,804	6,333,179	(506,213,520)	1,738,808	4,105,539
Net (expenses)/income from reinsurance contracts held	(1,642,669)	213,804	(58,658,905)	(555,904,988)	(916,446)	(17,859,152)
Insurance service result	(29,901,704)	31,895,842	3,178,935	(1,925,124)	1,996,136	3,098,072
Income from investment and deposits						20,022,134
ECL allowance						(4,863)
Net investment income						20,017,271
Net finance expenses from insurance contracts issued	(1,336,577)	(1,133,304)	(920,075)	(19,470,290)	(201,834)	(780,472)
Net finance income from reinsurance contracts held	-	-	691,636	19,349,956	153,170	624,886
Insurance finance result	(1,336,577)	(1,133,304)	(228,439)	(120,334)	(48,664)	(155,586)
Net insurance and investment result	(31,238,281)	30,762,538	2,950,496	(2,045,458)	1,947,472	2,942,486
Other income						2,070,987
Other operating expenses (non-attributable)						(12,347,963)
Net income for the period before zakat and income tax						15,059,548
Provision for zakat and income tax						(4,500,000)
Net income for the period after zakat and income tax						10,559,548
Net income attributable to insurance operations						(631,163)
Net income attributable to shareholders						9,928,385

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9. OPERATING SEGMENTS (CONTINUED)

Condensed Interim Statement of Income

	Nine-month period ended 30 September 2024 (Unaudited)					
	Motor	Medical	Engineering	Property	Marine	Others
REVENUES						
Insurance revenue	88,608,411	307,917,615	45,040,876	57,960,962	7,980,141	25,025,958
Insurance service expenses	(82,340,622)	(272,818,733)	(13,856,455)	14,412,424	(2,775,564)	(9,250,182)
Insurance service result before reinsurance contracts held	6,267,789	35,098,882	31,184,421	72,373,386	5,204,577	15,775,776
Allocation of reinsurance premiums	(1,149,000)	(5,558,926)	(37,214,096)	(48,600,734)	(3,753,835)	(19,197,701)
Amounts recoverable from reinsurance	(1,969)	8,132,538	5,599,797	(28,479,944)	1,104,270	4,064,004
Net (expenses)/income from reinsurance contracts held	(1,150,969)	2,573,612	(31,614,299)	(77,080,678)	(2,649,565)	(15,133,697)
Insurance service result	5,116,820	37,672,494	(429,878)	(4,707,292)	2,555,012	642,079
Income from investment and deposits						
Reversal of ECL allowance						
Net investment income						
Net finance expenses from insurance contracts issued	(2,073,505)	(2,399,404)	(217,642)	(19,255,382)	(172,854)	(907,113)
Net finance income from reinsurance contracts held	-	-	128,453	19,143,095	136,978	703,682
Insurance finance result	(2,073,505)	(2,399,404)	(89,189)	(112,287)	(35,876)	(203,431)
Net insurance and investment result	3,043,315	35,273,090	(519,067)	(4,819,579)	2,519,136	438,648
Other income						
Other operating expenses (non-attributable)						
Net income for the period before zakat and income tax						
Provision for zakat and income tax						
Net income for the period after zakat and income tax						
Net income attributable to insurance operations						
Net income attributable to shareholders						

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10. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

PAA, gross (Total)

	30 September 2025 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts - 1 January 2025					
Insurance contract assets	(24,951,617)	-	-	-	(24,951,617)
Insurance contract liabilities	150,294,303	2,415,976	823,019,331	7,403,688	983,133,298
Net insurance contract liabilities	125,342,686	2,415,976	823,019,331	7,403,688	958,181,681
<u>Changes in the statement of income and OCI:</u>					
Insurance revenue	(589,074,082)	-	-	-	(589,074,082)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	451,132,903	4,787,115	455,920,018
Insurance acquisition cash flows amortization	33,408,738	-	-	-	33,408,738
Losses/(reversals of losses) on onerous contracts	-	(1,629,435)	-	-	(1,629,435)
Changes that relate to past service - adjustments to the LIC	-	-	(537,306,182)	(4,229,472)	(541,535,654)
Insurance service expenses	33,408,738	(1,629,435)	(86,173,279)	557,643	(53,836,333)
Insurance service result	(555,665,344)	(1,629,435)	(86,173,279)	557,643	(642,910,415)
Finance expense from insurance contracts	-	-	23,146,479	244,501	23,390,980
Total changes in the statement of income and OCI	(555,665,344)	(1,629,435)	(63,026,800)	802,144	(619,519,435)
<u>Cash flows</u>					
Premiums received	719,142,726	-	-	-	719,142,726
Claims and other directly attributable expenses paid	-	-	(566,313,940)	-	(566,313,940)
Insurance acquisition cashflows paid	(38,672,035)	-	-	-	(38,672,035)
Total cash inflows / (outflows)	680,470,691	-	(566,313,940)	-	114,156,751
Net closing balance	250,148,033	786,541	193,678,591	8,205,832	452,818,997
Insurance contracts					
Insurance contract assets	(51,079,284)	-	-	-	(51,079,284)
Insurance contract liabilities	301,227,317	786,541	193,678,591	8,205,832	503,898,281
Net insurance contract liabilities - 30 September 2025	250,148,033	786,541	193,678,591	8,205,832	452,818,997

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

PAA, gross (Total) (Continued)

	30 September 2025 (Unaudited)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component	Loss component	PVCF, Contracts measured under PAA	Risk adjustment, Contracts measured under PAA	Total
Reinsurance contracts - 1 January 2025					
Reinsurance contract assets	45,165,374	-	735,397,571	2,153,747	782,716,692
Reinsurance contract liabilities	(26,956,711)	-	58,006	-	(26,898,705)
Net reinsurance contract assets	18,208,663	-	735,455,577	2,153,747	755,817,987
<u>Changes in the statement of income and OCI:</u>					
Amounts Allocated to Reinsurance	(140,899,018)	-	-	-	(140,899,018)
Incurred Claims Amounts Recoverable from Reinsurance	-	-	31,446,022	972,687	32,418,709
Changes that relate to past service: changes related to AIC	-	-	(525,707,217)	(506,102)	(526,213,319)
Net expenses from reinsurance contracts	-	-	(494,261,195)	466,585	(493,794,610)
Net income/(expenses) from reinsurance contracts held	(140,899,018)	-	(494,261,195)	466,585	(634,693,628)
Finance income from reinsurance contracts	-	-	20,403,912	70,890	20,474,802
Total changes in the statement of income and OCI	(140,899,018)	-	(473,857,283)	537,475	(614,218,826)
<u>Cash flows</u>					
Premiums ceded and acquisition cashflows received	176,630,657	-	-	-	176,630,657
Recoveries from reinsurance	-	-	(145,182,058)	-	(145,182,058)
Total cash inflows / (outflows)	176,630,657	-	(145,182,058)	-	31,448,599
Net closing balance	53,940,302	-	116,416,236	2,691,222	173,047,760
Insurance contracts					
Reinsurance contract assets	64,257,547	-	113,912,887	2,574,215	180,744,649
Reinsurance contract liabilities	(10,317,245)	-	2,503,349	117,007	(7,696,889)
Net reinsurance contract assets 30 September 2025	53,940,302	-	116,416,236	2,691,222	173,047,760

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

	30 September 2025 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	LIC excluding risk adjustment	Risk adjustment for non-financial risk	
Insurance contracts - 1 January 2025	9,571,117	-	380,849	-	9,951,966
<u>Insurance revenue</u>					
Expected incurred claims and other service expenses	(240,514)	-	-	-	(240,514)
CSM recognized for service period	(45,987)	-	-	-	(45,987)
Total Insurance revenue	(286,501)	-	-	-	(286,501)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	86,401	-	86,401
Experience adjustments	-	-	-	-	-
Insurance service expenses	-	-	86,401	-	86,401
Insurance service result	(286,501)	-	86,401	-	(200,100)
Finance Income from insurance contracts	451,571	-	-	-	451,571
Total changes in the statement of income and OCI	165,070	-	86,401	-	251,471
<u>Cashflows</u>					
Premiums received	2,129,331	-	-	-	2,129,331
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cashflows paid	-	-	(41,068)	-	(41,068)
Total cash inflows / (outflows)	2,129,331	-	(41,068)	-	2,088,263
Net closing balance	11,865,518	-	426,182	-	12,291,700

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

	30 September 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss recovery component	AIC excluding risk adjustment	Risk adjustment	
Reinsurance contracts - 1 January 2025	6,555,427	-	(58,006)	-	6,497,421
Changes in the statement of income and OCI:					
Amounts allocated to reinsurance and recoveries					
Expected claim recoverable	(38,025)	-	-	-	(38,025)
Changes in risk adjustment	(1,319)	-	-	-	(1,319)
CSM recognized for the service period	(447)	-	-	-	(447)
Incurred claims	-	-	-	-	-
Experience adjustment	(34,947)	-	-	-	(34,947)
Net expenses from reinsurance contracts	(74,738)	-	-	-	(74,738)
Reinsurance service result	(74,738)	-	-	-	(74,738)
Finance income from reinsurance contracts	341,772	-	3,075	-	344,847
Total changes in the statement of income and OCI	267,034	-	3,075	-	270,109
Cashflows					
Premiums ceded	-	-	(6,609)	-	(6,609)
Commission and management fee	(263,500)	-	-	-	(263,500)
Total cash inflows / (outflows)	(263,500)	-	(6,609)	-	(270,109)
Net closing balance	6,558,961	-	(61,540)	-	6,497,421

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

	30 September 2025 (Unaudited)			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contracts - 1 January 2025	(964,055)	495,367	10,420,654	9,951,966
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	694,756	-	-	694,756
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to insurance service expenses	-	-	-	-
Other changes on current services	(853,118)	-	-	(853,118)
Incurred expenses	(41,738)	-	-	(41,738)
	(200,100)	-	-	(200,100)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
	-	-	-	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
	-	-	-	-
Insurance service result	(200,100)	-	-	(200,100)
Net finance income/(expense) from insurance contracts	275,210	23,240	153,121	451,571
Total changes in the statement of profit or loss and OCI	75,110	23,240	153,121	251,471
Cash flows				
Premiums received	2,129,331	-	-	2,129,331
Incurred claims paid	(7,263)	-	-	(7,263)
Insurance acquisition cash flows	(33,805)	-	-	(33,805)
	2,088,263	-	-	2,088,263
Net closing balance	1,199,318	518,607	10,573,775	12,291,700

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

	30 September 2025 (Unaudited)			Total
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	
Reinsurance contracts - 1 January 2025	271,680	504,197	5,721,544	6,497,421
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to reinsurance service expenses	2,050,184	-	-	2,050,184
Other changes on current services	(2,124,922)	-	-	(2,124,922)
	(74,738)	-	-	(74,738)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
	-	-	-	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
	-	-	-	-
Reinsurance service result	(74,738)	-	-	(74,738)
Net finance income/(expense) from reinsurance contracts	241,836	19,416	83,594	344,846
Total changes in the statement of profit or loss and OCI	167,098	19,416	83,594	270,108
Cash flows				
Ceded premium	(6,608)	-	-	(6,608)
Commission and management fee	(263,500)	-	-	(263,500)
	(270,108)	-	-	(270,108)
Net closing balance	168,670	523,613	5,805,138	6,497,421

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

PAA, gross (Total) (Continued)

	31 December 2024 (Audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts - 1 January 2024					
Insurance contract assets	(23,654,641)	-	-	-	(23,654,641)
Insurance contract liabilities	223,919,500	937,213	874,202,508	8,142,571	1,107,201,792
Net insurance contract liabilities	200,264,859	937,213	874,202,508	8,142,571	1,083,547,151
<u>Changes in the statement of income and OCI:</u>					
Insurance revenue	(692,906,939)	-	-	-	(692,906,939)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	500,633,015	3,594,225	504,227,240
Insurance acquisition cash flows amortization	47,605,446	-	-	-	47,605,446
Losses/(reversals of losses) on onerous contracts	-	1,478,762	-	-	1,478,762
Changes that relate to past service - adjustments to the LIC	-	-	(61,141,615)	(4,702,348)	(65,843,963)
Insurance service expenses	47,605,446	1,478,762	439,491,400	(1,108,123)	487,467,485
Insurance service result	(645,301,493)	1,478,762	439,491,400	(1,108,123)	(205,439,454)
Finance expense from insurance contracts	-	-	32,534,626	369,240	32,903,866
Total changes in the statement of income and OCI	(645,301,493)	1,478,762	472,026,026	(738,883)	(172,535,588)
<u>Cash flows</u>					
Premiums received	590,938,855	-	-	-	590,938,855
Claims and other directly attributable expenses paid	-	-	(523,845,708)	-	(523,845,708)
Insurance acquisition cashflows paid	(30,849,462)	-	-	-	(30,849,462)
Total cash inflows / (outflows)	560,089,393	-	(523,845,708)	-	36,243,685
Net closing balance	115,052,759	2,415,975	822,382,826	7,403,688	947,255,248
Insurance contracts					
Insurance contract assets	(24,951,617)	-	-	-	(24,951,617)
Insurance contract liabilities	140,004,376	2,415,975	822,382,826	7,403,688	972,206,865
Net insurance contract liabilities - 31 December 2024	115,052,759	2,415,975	822,382,826	7,403,688	947,255,248

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

PAA, gross (Total) (Continued)

31 December 2024 (Audited)					
Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)			
Excluding loss component	Loss component	PVCF, Contracts measured under PAA	Risk adjustment, Contracts measured under PAA	Total	
Reinsurance contracts - 1 January 2024					
Reinsurance contract assets	78,262,912	-	757,620,416	1,267,756	837,151,084
Reinsurance contract liabilities	(4,397,493)	-	-	-	(4,397,493)
Net reinsurance contract assets	73,865,419	-	757,620,416	1,267,756	832,753,591
<u>Changes in the statement of income and OCI:</u>					
Amounts Allocated to Reinsurance	(154,675,227)	-	-	-	(154,675,227)
Incurred Claims Amounts Recoverable from Reinsurance	-	-	34,302,872	509,218	34,812,090
Changes that relate to past service: changes related to AIC	-	-	(50,299,767)	321,086	(49,978,681)
Net expenses from reinsurance contracts	-	-	(15,996,895)	830,304	(15,166,591)
					-
Net income/(expenses) from reinsurance contracts held	(154,675,227)	-	(15,996,895)	830,304	(169,841,818)
Finance income from reinsurance contracts	-	-	26,780,711	55,687	26,836,398
Total changes in the statement of income and OCI	(154,675,227)	-	10,783,816	885,991	(143,005,420)
<u>Cash flows</u>					
Premiums ceded and acquisition cashflows paid	92,653,931	-	-	-	92,653,931
Recoveries from reinsurance	-	-	(33,598,156)	-	(33,598,156)
Total cash inflows / (outflows)	92,653,931	-	(33,598,156)	-	59,055,775
Net closing balance	11,844,123	-	734,806,076	2,153,747	748,803,946
Insurance contracts					
Reinsurance contract assets	38,800,834	-	734,806,076	2,153,747	775,760,657
Reinsurance contract liabilities	(26,956,711)	-	-	-	(26,956,711)
Net reinsurance contract assets 31 December 2024	11,844,123	-	734,806,076	2,153,747	748,803,946

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

GMM (IDI)

	31 December 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	LIC excluding risk adjustment	Risk adjustment for non-financial risk	Total
Insurance contracts - 1 January 2024	11,361,334	-	332,141	-	11,693,475
<u>Insurance revenue</u>					
Expected incurred claims and other service expenses	(1,650,334)	-	-	-	(1,650,334)
CSM recognized for service period	(134,195)	-	-	-	(134,195)
Total Insurance revenue	(1,784,529)	-	-	-	(1,784,529)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	682,172	-	682,172
Experience adjustments	-	-	-	-	-
Insurance service expenses	-	-	682,172	-	682,172
Insurance service result	(1,784,529)	-	682,172	-	(1,102,357)
Finance Income from insurance contracts	218,366	-	-	-	218,366
Total changes in the statement of income and OCI	(1,566,163)	-	682,172	-	(883,991)
<u>Cashflows</u>					
Premiums received	10,284,240	-	-	-	10,284,240
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cashflows paid	-	-	(215,324)	-	(215,324)
Total cash inflows / (outflows)	10,284,240	-	(215,324)	-	10,068,916
Net closing balance	20,079,411	-	798,989	-	20,878,400

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

GMM (IDI)

	31 December 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss recovery component	AIC excluding risk adjustment	Risk adjustment	
Reinsurance contracts - 1 January 2024	7,396,715	-	142,285	-	7,539,000
Changes in the statement of income and OCI:					
Amounts allocated to reinsurance and recoveries		-	-	-	-
Expected claim recoverable	(85,902)	-	-	-	(85,902)
Changes in risk adjustment	(1,224)	-	-	-	(1,224)
CSM recognized for the service period	72,872	-	-	-	72,872
Incurred claims	(254,290)	-	254,290	-	-
Experience adjustment	(21,664)	-	-	-	(21,664)
Net expenses from reinsurance contracts	(290,208)	-	254,290	-	(35,918)
Reinsurance service result	(290,208)	-	254,290	-	(35,918)
Finance income from reinsurance contracts	204,612	-	-	-	204,612
Total changes in the statement of income and OCI	(85,596)	-	254,290	-	168,694
Cashflows					
Premiums ceded	6,987,047	-	(9,692)	-	6,977,355
Commission and management fee	(1,173,594)	-	-	-	(1,173,594)
Total cash inflows / (outflows)	5,813,453		(9,692)	-	5,803,761
Net closing balance	13,124,572	-	386,883	-	13,511,455

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

	31 December 2024 (Audited)			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contracts - 1 January 2024	(913,477)	444,881	12,162,071	11,693,475
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	11,701,137	-	-	11,701,137
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to insurance service expenses	-	-	-	-
Other changes on current services	(21,110,980)	-	-	(21,110,980)
Incurred expenses	68,343	-	-	68,343
	(9,341,500)	-	-	(9,341,500)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	-	8,330,144	8,330,144
Experience adjustment - arising from premiums received in the period that relate to future service	-	547,398	-	547,398
	-	547,398	8,330,144	8,877,542
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
	-	-	-	-
Insurance service result	(9,341,500)	547,398	8,330,144	(463,958)
Net finance income/(expense) from insurance contracts	(1,634,628)	46,960	1,369,454	(218,214)
Total changes in the statement of profit or loss and OCI	(10,976,128)	594,358	9,699,598	(682,172)
Cash flows				
Premiums received	10,082,421	-	-	10,082,421
Incurred claims paid	(8,870)	-	-	(8,870)
Insurance acquisition cash flows	(206,454)	-	-	(206,454)
	9,867,097	-	-	9,867,097
Net closing balance	(2,022,508)	1,039,239	21,861,669	20,878,400

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

31 December 2024 (Audited)

	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts - 1 January 2024	(1,538,540)	(404,645)	9,482,185	7,539,000
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognized for the services provided	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments - relating to reinsurance service expenses	15,480,815	-	-	15,480,815
Other changes on current services	(18,607,763)	-	-	(18,607,763)
	(3,126,948)	-	-	(3,126,948)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Contracts initially recognized in the period	-	719,738	2,575,761	3,295,499
Experience adjustment - arising from premiums received in the period that relate to future service	-	-	-	-
	-	719,738	2,575,761	3,295,499
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from premiums received in the period that relate to past service	-	-	-	-
	-	-	-	-
Reinsurance service result	(3,126,948)	719,738	2,575,761	168,551
Net finance income/(expense) from reinsurance contracts	(451,698)	301,850	(54,621)	(204,469)
Total changes in the statement of profit or loss and OCI	(3,578,646)	1,021,588	2,521,140	(35,918)
Cash flows				
Ceded premium	7,191,516	-	-	7,191,516
Commission and management fee	(1,183,143)	-	-	(1,183,143)
	6,008,373	-	-	6,008,373
Net closing balance	891,187	616,943	12,003,325	13,511,455

**ARABIA INSURANCE COOPERATIVE COMPANY
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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025**

All amounts expressed in Saudi Riyals

11. SHARE CAPITAL

The authorized, subscribed and paid up share capital of the Company is SAR 530 million, divided into 53 million shares at nominal value of SAR 10 each. (As at 31 December 2024, paid up share capital of the Company is SAR 530 million, divided into 53 million shares at nominal value of SAR 10 each).

12. STATUTORY RESERVE

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

13. CAPITAL MANAGEMENT

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

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

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

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

14. EARNINGS PER SHARE

Basic and diluted earnings per share for the three and nine month periods ended September 30, 2025 and 2024 have been calculated by dividing the net income attributable to shareholders for the period by the average number of ordinary shares authorized and issued during the period amounting to 53 million shares.

ARABIA INSURANCE COOPERATIVE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION

- Condensed Interim Statement of Financial Position

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
ASSETS						
Cash and cash equivalents	118,214,071	25,963,240	144,177,311	47,034,847	20,749,526	67,784,373
Insurance contract assets	51,079,284	-	51,079,284	24,951,617	-	24,951,617
Reinsurance contract assets	189,923,965	-	189,923,965	789,272,112	-	789,272,112
Prepaid expenses and other assets	49,290,932	3,711,389	53,002,321	70,000,597	3,840,217	73,840,814
Term deposits	85,892,600	224,659,301	310,551,901	119,353,761	250,497,094	369,850,855
Statutory deposit	-	53,000,000	53,000,000	-	53,000,000	53,000,000
Accrued income on statutory deposit	-	14,259,976	14,259,976	-	11,995,372	11,995,372
Investments	31,178,282	365,280,427	396,458,709	33,976,879	281,575,658	315,552,537
Due from insurance operations/shareholders' operations	46,388,573	-	46,388,573	-	9,866,878	9,866,878
Right of use assets	4,053,147	-	4,053,147	6,469,539	-	6,469,539
Property and equipment, net	13,372,143	-	13,372,143	13,316,778	-	13,316,778
TOTAL ASSETS	589,392,997	686,874,333	1,276,267,330	1,104,376,130	631,524,745	1,735,900,875
LIABILITIES						
Insurance contract liabilities	516,189,982	-	516,189,982	993,085,264	-	993,085,264
Reinsurance contract liabilities	10,378,783	-	10,378,783	26,956,711	-	26,956,711
Accrued income payable on statutory deposit	-	14,261,266	14,261,266	-	11,995,562	11,995,562
Accrued expenses and other liabilities	47,986,867	336,371	48,323,238	54,978,839	833,373	55,812,212
Provision for zakat and income tax	-	2,040,247	2,040,247	-	7,531,801	7,531,801
Lease liabilities	3,255,949	-	3,255,949	5,810,910	-	5,810,910
Due to shareholders' operations/insurance operations	-	46,388,573	46,388,573	9,866,878	-	9,866,878
Provision for end of service benefits	17,807,465	-	17,807,465	19,903,577	-	19,903,577
TOTAL LIABILITIES	595,619,046	63,026,457	658,645,503	1,110,602,179	20,360,736	1,130,962,915
EQUITY						
Share capital	-	530,000,000	530,000,000	-	530,000,000	530,000,000
Statutory reserve	-	6,029,521	6,029,521	-	6,029,521	6,029,521
Fair value reserve for investments	-	60,875,243	60,875,243	-	59,558,241	59,558,241
Remeasurement reserve for end of service benefits	(6,226,049)	-	(6,226,049)	(6,226,049)	-	(6,226,049)
Retained earnings	-	26,943,112	26,943,112	-	15,576,247	15,576,247
TOTAL EQUITY	(6,226,049)	623,847,876	617,621,827	(6,226,049)	611,164,009	604,937,960
TOTAL LIABILITIES AND EQUITY	589,392,997	686,874,333	1,276,267,330	1,104,376,130	631,524,745	1,735,900,875

ARABIA INSURANCE COOPERATIVE COMPANY
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FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Income

	For the three months period ended					
	30 September 2025 (Unaudited)			30 September 2024 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
REVENUES						
Insurance revenue	220,124,010	-	220,124,010	164,704,677	-	164,704,677
Insurance service expenses	336,870,742	-	336,870,742	(108,013,888)	-	(108,013,888)
Insurance service result before reinsurance contracts held	556,994,752	-	556,994,752	56,690,789	-	56,690,789
Allocation of reinsurance premiums	(47,857,803)	-	(47,857,803)	(44,725,096)	-	(44,725,096)
Amounts recoverable from reinsurance	(500,808,066)	-	(500,808,066)	8,882,620	-	8,882,620
Net expenses from reinsurance contracts held	(548,665,869)	-	(548,665,869)	(35,842,476)	-	(35,842,476)
Insurance service result	8,328,883	-	8,328,883	20,848,313	-	20,848,313
Income from investment and deposits	3,839,223	(3,200,028)	639,195	3,330,043	5,803,828	9,133,871
ECL (allowance)/reversal	(854)	(1,433)	(2,287)	(30,711)	90,622	59,911
Net investment income	3,838,369	(3,201,461)	636,908	3,299,332	5,894,450	9,193,782
Net finance expenses from insurance contracts issued	(7,769,276)	-	(7,769,276)	(8,053,727)	-	(8,053,727)
Net finance income from reinsurance contracts held	6,861,873	-	6,861,873	6,578,804	-	6,578,804
Net insurance finance expenses	(907,403)	-	(907,403)	(1,474,923)	-	(1,474,923)
Net insurance and investment result	11,259,849	(3,201,461)	8,058,388	22,672,722	5,894,450	28,567,172
Other income	283,208	-	283,208	(64,849)	-	(64,849)
Other operating expenses (non-attributable)	(4,654,920)	(1,701,598)	(6,356,518)	(12,216,735)	(185,770)	(12,402,505)
Net income/(loss) for the period before zakat & income tax	6,888,137	(4,903,059)	1,985,078	10,391,138	5,708,680	16,099,818
Provision for zakat & income tax	-	(1,000,000)	(1,000,000)	-	(1,500,000)	(1,500,000)
Net income/(loss) for the period after zakat & income tax	6,888,137	(5,903,059)	985,078	10,391,138	4,208,680	14,599,818
Net income attributable to the shareholders	(6,256,974)	6,256,974	-	(9,352,024)	9,352,024	-
Net income for the period	631,163	353,915	985,078	1,039,114	13,560,704	14,599,818

**ARABIA INSURANCE COOPERATIVE COMPANY
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FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025**

All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Income

	For the nine-months period ended					
	30 September 2025 (Unaudited)			30 September 2024 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
REVENUES						
Insurance revenue	589,360,583	-	589,360,583	532,533,963	-	532,533,963
Insurance service expenses	53,749,930	-	53,749,930	(366,629,132)	-	(366,629,132)
Insurance service result before reinsurance contracts held	643,110,513	-	643,110,513	165,904,831	-	165,904,831
Allocation of reinsurance premiums	(140,973,747)	-	(140,973,747)	(115,474,292)	-	(115,474,292)
Amounts recoverable from reinsurance	(493,794,609)	-	(493,794,609)	(9,581,304)	-	(9,581,304)
Net expenses from reinsurance contracts held	(634,768,356)	-	(634,768,356)	(125,055,596)	-	(125,055,596)
Insurance service result	8,342,157	-	8,342,157	40,849,235	-	40,849,235
Income from investment and deposits	9,263,430	10,758,704	20,022,134	9,633,149	18,261,660	27,894,809
ECL (allowance)/reversal	(1,296)	(3,567)	(4,863)	13,016	185,016	198,032
Net investment income	9,262,134	10,755,137	20,017,271	9,646,165	18,446,676	28,092,841
Net finance expenses from insurance contracts issued	(23,842,552)	-	(23,842,552)	(25,025,900)	-	(25,025,900)
Net finance income from reinsurance contracts held	20,819,648	-	20,819,648	20,112,208	-	20,112,208
Net insurance finance expenses	(3,022,904)	-	(3,022,904)	(4,913,692)	-	(4,913,692)
Net insurance and investment result	14,581,387	10,755,137	25,336,524	45,581,708	18,446,676	64,028,384
Other income	2,070,987	-	2,070,987	3,075,724	-	3,075,724
Other operating expenses (non-attributable)	(10,340,739)	(2,007,224)	(12,347,963)	(22,933,826)	(477,870)	(23,411,696)
Net income for the period before zakat & income tax	6,311,635	8,747,913	15,059,548	25,723,606	17,968,806	43,692,412
Provision for zakat & income tax	-	(4,500,000)	(4,500,000)	-	(6,500,000)	(6,500,000)
Net income for the period after zakat & income tax	6,311,635	4,247,913	10,559,548	25,723,606	11,468,806	37,192,412
Net income attributable to the shareholders	(5,680,472)	5,680,472	-	(23,151,245)	23,151,245	-
Net income for the period	631,163	9,928,385	10,559,548	2,572,361	34,620,051	37,192,412

ARABIA INSURANCE COOPERATIVE COMPANY
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All amounts expressed in Saudi Riyals

15. SUPPLEMENTARY INFORMATION (Continued)

- Condensed Interim Statement of Other Comprehensive Income

	For the three months period ended					
	30 September 2025 (Unaudited)			30 September 2024 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
Net income for the period after zakat and income tax	631,163	353,915	985,078	1,039,114	13,560,704	14,599,818
Other comprehensive Income						
<i>Items that will not be reclassified to statement of income in subsequent periods</i>						
Net change in investments held at fair value through other comprehensive income	-	86,009	86,009	-	750,697	750,697
Total comprehensive income for the period	631,163	439,924	1,071,087	1,039,114	14,311,401	15,350,515
Net comprehensive income attributed to the insurance operations	-	(631,163)	(631,163)	-	(1,039,114)	(1,039,114)
Total comprehensive income attributable to the shareholders	631,163	(191,239)	439,924	1,039,114	13,272,287	14,311,401
	For the nine months period ended					
	30 September 2025 (Unaudited)			30 September 2024 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
Net income for the period after zakat and income tax	631,163	9,928,385	10,559,548	2,572,361	34,620,051	37,192,412
Other comprehensive Income						
<i>Items that will not be reclassified to statement of income in subsequent periods</i>						
Net change in investments held at fair value through other comprehensive income	-	2,755,482	2,755,482	-	2,132,475	2,132,475
Total comprehensive income for the period	631,163	12,683,867	13,315,030	2,572,361	36,752,526	39,324,887
Net comprehensive income attributed to the insurance operations	-	(631,163)	(631,163)	-	(2,572,361)	(2,572,361)
Total comprehensive income attributable to the shareholders	631,163	12,052,704	12,683,867	2,572,361	34,180,165	36,752,526

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15. SUPPLEMENTARY INFORMATION (Continued)

Unaudited Condensed Interim Statement of Cash Flows	For the nine months period ended					
	30 September 2025 (Unaudited)			30 September 2024 (Unaudited)		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
<u>Cash Flow From Operating Activities</u>						
Net income for the period after zakat and income tax	631,163	9,928,385	10,559,548	2,572,361	34,620,051	37,192,412
Adjustments For Non-Cash Items:						
Depreciation of property and equipment	3,869,397	-	3,869,397	3,101,287	-	3,101,287
Lease finance charges	189,332	-	189,332	234,126	-	234,126
Provision for end-of-service benefits	741,843	-	741,843	2,253,803	-	2,253,803
Depreciation of Right-of-use assets	2,416,397	-	2,416,397	2,045,594	-	2,045,594
Provision for zakat and income tax	-	4,500,000	4,500,000	-	6,500,000	6,500,000
Unrealized gain on investments at FVTPL	3,053,442	-	3,053,442	(1,167,706)	-	(1,167,706)
ECL allowance/(reversal)	4,863	-	4,863	(198,032)	-	(198,032)
	10,906,437	14,428,385	25,334,822	8,841,433	41,120,051	49,961,484
<u>Changes In Operating Assets And Liabilities:</u>						
Prepaid Expenses And Other Assets	20,709,665	128,828	20,838,493	6,378,834	(2,697,535)	3,681,299
Accrued Income On Statutory Deposit	-	1,100	1,100	-	20	20
Accrued Expenses And Other Liabilities	(7,623,135)	(497,002)	(8,120,137)	(25,076,901)	(996,111)	(26,073,012)
Insurance Contracts	(503,022,949)	-	(503,022,949)	(123,090,921)	-	(123,090,921)
Reinsurance Contracts	582,770,220	-	582,770,220	72,659,249	-	72,659,249
Cash generated from/(used in) operating Activities	103,740,238	14,061,311	117,801,549	(60,288,306)	37,426,425	(22,861,881)
Zakat And income tax paid	-	(9,991,554)	(9,991,554)	-	(13,469,574)	(13,469,574)
End-of-service benefits paid	-	(2,837,955)	(2,837,955)	(972,006)	-	(972,006)
Net cash generated from/(used in) operating activities	103,740,238	1,231,802	104,972,040	(61,260,312)	23,956,851	(37,303,461)
<u>Cash flow from investing activities</u>						
Additions to property and equipment	(3,924,762)	-	(3,924,762)	(1,945,725)	-	(1,945,725)
(Additions)/proceeds from investments	(259,708)	(80,949,287)	(81,208,995)	13,382,007	(23,067,126)	(9,685,119)
Proceeds/(additions) in term deposits	33,461,161	25,837,793	59,298,954	41,949,824	90,031,188	131,981,012
Net cash (used in)/generated from investing activities	29,276,691	(55,111,494)	(25,834,803)	53,386,106	66,964,062	120,350,168
<u>Cash flow from Financing activities</u>						
Payment of lease liabilities	(2,744,299)	-	(2,744,299)	(2,500,918)	-	(2,500,918)
Due from/(to) shareholders /insurance operations	(59,093,406)	59,093,406	-	50,023,025	(50,023,025)	-
Net cash (used in)/generated from financing activities	(61,837,705)	59,093,406	(2,744,299)	47,522,107	(50,023,025)	(2,500,918)
Net increase in cash and cash equivalents	71,179,224	5,213,714	76,392,938	39,647,901	40,897,888	80,545,789
Cash and cash equivalents at the beginning of the period	47,034,847	20,749,526	67,784,373	54,235,251	3,484,258	57,719,509
Cash and cash equivalents at the end of the period	118,214,071	25,963,240	144,177,311	93,883,152	44,382,146	138,265,298
Supplemental schedule of non-cash information						
Change in fair value reserve on investments - OCI	-	2,755,482	2,755,482	-	2,132,475	2,132,475

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16. PREMIUMS WRITTEN BY TYPE OF CUSTOMERS
For the three-months period ended 30 September 2025
(Unaudited)

	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	6,958,384	123,277,307	311,062	-	130,546,753
Very small size entities	86,066,147	1,347,677	419,516	-	87,833,340
Small size entities	8,098,039	939,910	593,931	-	9,631,880
Medium size entities	5,017,712	8,052,510	3,418,013	122,371	16,610,606
Large size entities	44,660,942	591,533	8,839,107	-	54,091,582
Total	150,801,224	134,208,937	13,581,629	122,371	298,714,161

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

	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	7,703,719	13,916,188	247,474	-	21,867,381
Very small size entities	50,158,762	837,875	283,266	-	51,279,903
Small size entities	13,580,649	764,575	15,094,687	-	29,439,911
Medium size entities	3,073,767	1,177,734	19,285,550	134,313	23,671,364
Large size entities	42,543,388	1,085,530	5,304,444	-	48,933,362
Total	117,060,285	17,781,902	40,215,421	134,313	175,191,921

For the nine-months period ended 30 September 2025
(Unaudited)

	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	22,784,229	253,902,084	867,198	-	277,553,511
Very small size entities	189,801,405	3,928,201	1,644,662	-	195,374,268
Small size entities	26,006,367	3,609,432	7,428,205	39,162	37,083,166
Medium size entities	12,107,184	56,870,898	22,030,114	1,060,243	92,068,439
Large size entities	54,489,998	25,361,481	94,441,753	-	174,293,232
Total	305,189,183	343,672,096	126,411,932	1,099,405	776,372,616

For the nine-months period ended 30 September 2024
(Unaudited)

	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	22,529,732	35,398,370	812,502	-	58,740,604
Very small size entities	145,250,955	1,674,636	894,962	-	147,820,553
Small size entities	34,561,221	3,216,953	23,564,527	-	61,342,701
Medium size entities	11,491,649	14,791,545	42,256,236	895,821	69,435,251
Large size entities	53,215,243	20,698,723	99,069,953	-	172,983,919
Total	267,048,800	75,780,227	166,598,180	895,821	510,323,028

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17. INSURANCE SERVICE EXPENSES – RELEASE OF MAJOR CLAIM RESERVES

Insurance service expenses for the period are presented as a positive amount, primarily due to the release of reserves associated with a major claim, as announced on the Saudi Exchange on 28 August 2025.

18. COMPARATIVE FIGURES

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

19. NON-BINDING MEMORANDUM OF UNDERSTANDING FOR POTENTIAL MERGER WITH UNITED COOPERATIVE ASSURANCE COMPANY (UCA)

On 23 Dhu al-Hijjah 1446H (corresponding to 19 June 2025), the Company signed a non-binding Memorandum of Understanding (MoU) with United Cooperative Assurance Company (“UCA”), to evaluate a potential merger between UCA and the Company. In the event that a binding merger agreement is signed with UCA, the transaction would be executed through a share exchange offer with AICC as the merging company and UCA as the merged company. This will involve increasing AICC’s capital and issuing new shares to the shareholders of UCA based on a swap ratio to be agreed between the parties. Both companies have agreed to negotiate definitive agreements that will outline the commercial terms, including the final transaction structure and swap ratio.

The completion of the Proposed Transaction is subject to a number of regulatory approvals, including the approval of the Insurance Authority, the Capital Market Authority, the Saudi Exchange and the General Authority for Competition, and the approval of the extraordinary general assemblies of the shareholders of UCA and AICC, in accordance with the relevant regulatory requirements.

20. EVENTS AFTER THE REPORTING PERIOD

There have been no subsequent events after 30 September 2025 and up to the date of approval of these unaudited condensed interim financial statements that would have a material impact on the financial statements as of 30 September 2025.

21. APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements have been approved by the Board of Directors on 04 November 2025 corresponding to 13 Jumada al-Awwal 1447H.