

**ARABIA INSURANCE COOPERATIVE COMPANY**

**(A SAUDI JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2025**

**ARABIA INSURANCE COOPERATIVE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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## **Independent Auditors' Report on the Audit of the Financial Statements**

**To the shareholders of Arabia Insurance Cooperative Company (A Saudi Joint Stock Company)**

### **Opinion**

We have audited the financial statements of Arabia Insurance Cooperative Company – a Saudi Joint Stock Company (“the Company”), which comprise the statement of financial position as at 31 December 2025, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (“the Code”) that are relevant to our audit of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

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

**Independent Auditors' Report on the Audit of the Financial Statements**

**To the Shareholders of Arabia Insurance Cooperative Company (A Saudi Joint Stock Company)  
(Continued)**

**Key audit matters (Continued)**

<b>Valuation of estimates of present value of cash flows and risk adjustment for non-financial risk - insurance contract liabilities</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As at 31 December 2025, the insurance contract liabilities amounted to SAR 573.71 million. Of this amount, the insurance contract liabilities relating to insurance contract measured under Premium Allocation Approach ("PAA") amounts to SAR 554.17 million and insurance contract measured under general measurement model ("GMM") amounts to SAR 19.54 million.</p> <p>Actuarial projection methods, based on both historical information and assumptions on future developments, are used to measure the insurance contract liabilities. For liability for incurred claims, estimates include assumptions related to the amount of the expected settlement and claim payment patterns.</p> <p>Accordingly, complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, such as claims cost inflation and medical trends, as well as the actuarial methodology that is applied and the assumptions on current and future events.</p> <p>Due to the inherent estimation uncertainty and subjectivity involved in the assessment of the valuation of the liability for incurred claims arising from insurance contracts, along with these amounts being material, we have considered this as a key audit matter.</p> <p><i>Refer to notes 3 for the accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company, involved in the initial recognition and subsequent measurement of insurance contract liabilities. Also, refer to note 11 for the movement in insurance contract liabilities.</i></p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Performed walkthroughs to understand the key control activities related to the integrity of the data used in the process of valuation of the PVFCFs and assessed whether they were appropriately designed and implemented;</li> <li>• Tested the data used in the process of valuation of the PVFCFs;</li> <li>• On a sample basis performed substantive testing of the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of the ultimate expected claims;</li> <li>• Evaluated the objectivity, skills, qualifications and competence of the independent external actuary and considered the terms of the actuary's engagement with the Company to determine if the scope of his work was sufficient for audit purposes.</li> </ul> <p>In addition, with the assistance of our internal actuarial specialists, we:</p> <ul style="list-style-type: none"> <li>• Evaluated the Company's actuarial practices and provisions established, including the actuarial report issued by management's expert;</li> <li>• Assessed the calculation methods and the models applied in the valuation process;</li> </ul>

**Independent Auditors' Report on the Audit of the Financial Statements**

**To the Shareholders of Arabia Insurance Cooperative Company (A Saudi Joint Stock Company)  
(Continued)**

**Key audit matters (Continued)**

<b>Valuation of estimates of present value of cash flows and risk adjustment for non-financial risk - insurance contract liabilities</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"> <li>• Assessed the reasonableness of key actuarial assumptions such as loss ratios, claims development factors, mortality rates, lapse rates and discount rates;</li> <li>• Determined if the estimates applied in the current and prior year were consistent; and</li> <li>• Assessed the adequacy and appropriateness of the related disclosures in the financial statements.</li> </ul>

**Other matter**

The financial statements of the Company for the year ended 31 December 2024 were audited by other joint auditor who expressed an unmodified opinion on those statement on 16 Ramadan 1446 (corresponding to 16 March 2025).

**Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Independent Auditors' Report on the Audit of the Financial Statements**

### **To the Shareholders of Arabia Insurance Cooperative Company (A Saudi Joint Stock Company) (Continued)**

#### **Responsibilities of Management and Those Charged with Governance for the financial statements**

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

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

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**Independent Auditors' Report on the Audit of the Financial Statements**

**To the Shareholders of Arabia Insurance Cooperative Company (A Saudi Joint Stock Company)  
(Continued)**

**Auditors' responsibilities for the audit of the financial statements (Continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**El Sayed El Ayouty & Co.**  
**Certified Public Accountants**  
P.O. Box 780  
Jeddah 21421  
Kingdom of Saudi Arabia



**Abdullah Ahmed Balamesh**  
Certified Public Accountant  
License Number 345

**PKF AI Bassam**  
**Chartered Accountants**  
P.O. Box 69658  
Riyadh 11557  
Kingdom of Saudi Arabia



**Ahmed A. Mohandis**  
Certified Public Accountant  
License Number 477

27 Ramadan 1447 H  
16 March 2026  
Riyadh, Kingdom of Saudi Arabia



**ARABIA INSURANCE COOPERATIVE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**  
*All amounts expressed in Saudi Riyals*

	Note	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and cash equivalents	4	84,918,484	67,784,373
Insurance contract assets	11	55,311,424	24,951,617
Reinsurance contract assets	11	191,919,451	789,272,112
Prepaid expenses and other assets	16	74,108,257	73,840,814
Term deposits	5	444,465,287	369,850,855
Statutory deposit	22	53,000,000	53,000,000
Accrued income on statutory deposit	22	14,978,599	11,995,372
Investments	6	317,961,972	315,552,537
Right-of-use assets, net	17	4,405,992	6,469,539
Property and equipment, net	13	5,677,723	5,862,056
Intangible assets, net	14	7,786,560	7,454,722
<b>TOTAL ASSETS</b>		<b>1,254,533,749</b>	<b>1,726,033,997</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	11	573,711,282	1,001,933,463
Reinsurance contract liabilities	11	20,571,728	26,956,711
Accrued income payable to Insurance Authority	22	14,979,239	11,995,562
Accrued expenses and other liabilities	15	43,072,877	46,964,013
Provision for zakat and income tax	9	8,071,943	7,531,801
Lease liabilities	17	3,606,315	5,810,910
Provision for end-of-service benefits	18	19,537,885	19,903,577
<b>TOTAL LIABILITIES</b>		<b>683,551,269</b>	<b>1,121,096,037</b>
<b>EQUITY</b>			
Share capital	19	530,000,000	530,000,000
Statutory reserve	20	6,029,521	6,029,521
Fair value reserve for investments		69,469,449	59,558,241
Re-measurement reserve for end of service benefits		(6,349,916)	(6,226,049)
(Accumulated losses) / retained earnings		(28,166,574)	15,576,247
<b>TOTAL EQUITY</b>		<b>570,982,480</b>	<b>604,937,960</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,254,533,749</b>	<b>1,726,033,997</b>

  
Chief Financial Officer


  
Chairman of the Board of Directors

  
Chief Executive Officer

The accompanying notes 1 to 31 form part of these financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
STATEMENT OF INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025  
*All amounts expressed in Saudi Riyals*

	Note	31 December 2025	31 December 2024
<b>REVENUES</b>			
Insurance revenue	11	851,122,253	694,691,468
Insurance service expenses	11	(199,136,372)	(489,729,796)
<b>Insurance service result before reinsurance contracts held</b>		<b>651,985,881</b>	<b>204,961,672</b>
Allocation of reinsurance premiums	11	(191,764,167)	(154,965,435)
Amounts recoverable from reinsurance	11	(475,753,182)	(14,912,301)
<b>Net expenses from reinsurance contracts held</b>		<b>(667,517,349)</b>	<b>(169,877,736)</b>
<b>Insurance services result</b>		<b>(15,531,468)</b>	<b>35,083,936</b>
Income from investment and deposits	6	933,899	37,829,861
(Charge)/reversal of expected credit loss		(11,614)	244,687
<b>Net investment income</b>		<b>922,285</b>	<b>38,074,548</b>
Net finance expenses from insurance contracts issued	11	(25,699,949)	(33,122,232)
Net finance income from reinsurance contracts held	11	21,497,781	27,041,010
<b>Net insurance finance expenses</b>		<b>(4,202,168)</b>	<b>(6,081,222)</b>
<b>Net insurance and investment result</b>		<b>(18,811,351)</b>	<b>67,077,262</b>
Other income		1,872,603	3,075,455
Other operating expenses (non-attributable)	12.1.b	(17,242,553)	(30,605,112)
<b>Net (loss)/income for the year before zakat and income tax</b>		<b>(34,181,301)</b>	<b>39,547,605</b>
Provision for zakat and income tax	9	(11,000,000)	(9,400,000)
<b>Net (loss)/income for the year after zakat and income tax</b>		<b>(45,181,301)</b>	<b>30,147,605</b>
<b>Basic and diluted (loss)/earning per share</b>	23	<b>(0.85)</b>	<b>0.57</b>



Chief Financial Officer



Chairman of the Board of Directors



Chief Executive Officer

The accompanying notes 1 to 31 form part of these financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025

*All amounts expressed in Saudi Riyals*

	Note	31 December 2025	31 December 2024
Net (loss)/income for the year after zakat and income tax		(45,181,301)	30,147,605
<b>Other comprehensive (loss)/Income</b>			
<i>Items that may be reclassified to statement of income in subsequent years</i>			
Net changes in fair value of investments measured at FVOCI – debt instruments	6	11,513,705	18,648,956
<i>Items that will not be reclassified to statement of income in subsequent years</i>			
Net changes in fair value of investments measured at FVOCI – equity instruments	6	(164,017)	(181,286)
Re-measurement loss on defined benefit obligation	18	(123,867)	(3,592,970)
<b>Net comprehensive (loss)/income for the year</b>		<b>(33,955,480)</b>	<b>45,022,305</b>



Chief Financial Officer



Chairman of the Board of Directors



Chief Executive Officer

The accompanying notes 1 to 31 form part of these financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025

All amounts expressed in Saudi Riyals

31 December 2025

Note	Share capital	Statutory Reserve	Fair value reserve for investments	Actuarial loss on defined benefit plan	(Accumulated losses)/ Retained earnings	Total
	530,000,000	6,029,521	59,558,241	(6,226,049)	15,576,247	604,937,960
<b>Balance at the beginning of the year (Audited)</b>						
<b>Total comprehensive loss for the year:</b>						
	-	-	-	-	(45,181,301)	(45,181,301)
	-	-	-	(123,867)	-	(123,867)
18	-	-	-	-	-	-
6	-	-	11,349,688	-	-	11,349,688
	-	-	11,349,688	(123,867)	(45,181,301)	(33,955,480)
	-	-	(1,438,480)	-	1,438,480	-
6	-	-	-	-	-	-
	530,000,000	6,029,521	69,469,449	(6,349,916)	(28,166,574)	570,982,480
<b>Balance at the end of the year</b>						

31 December 2024

Note	Share capital	Statutory Reserve	Fair value reserve for investments	Actuarial loss on defined benefit plan	Retained earnings/ (Accumulated losses)	Total
	530,000,000	-	44,871,167	(2,633,079)	(12,322,433)	559,915,655
<b>Balance at the beginning of the year (Audited)</b>						
<b>Total comprehensive income for the year:</b>						
	-	-	-	-	30,147,605	30,147,605
	-	-	-	(3,592,970)	-	(3,592,970)
18	-	-	-	-	-	-
6	-	-	18,467,670	-	-	18,467,670
	-	-	18,467,670	(3,592,970)	30,147,605	45,022,305
	-	-	(3,780,596)	-	3,780,596	-
6	-	-	-	-	-	-
20	-	6,029,521	-	-	(6,029,521)	-
	530,000,000	6,029,521	59,558,241	(6,226,049)	15,576,247	604,937,960
<b>Balance at the end of the year</b>						

  
Chief Financial Officer

  
Chairman of the Board of Directors

  
Chief Executive Officer

The accompanying notes 1 to 31 form part of these financial statements.

ARABIA INSURANCE COOPERATIVE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025  
*All amounts expressed in Saudi Riyals*

	31 December 2025	31 December 2024
<b>Cash flows from operating activities</b>		
Net (loss)/income for the year after zakat and income tax	(45,181,301)	30,147,605
<b>Adjustments for non-cash items:</b>		
Depreciation of property and equipment	2,203,613	2,171,011
Amortisation of intangible assets	3,037,423	2,591,623
Finance cost on lease liabilities	239,212	326,350
Provision for end-of-service benefits	2,402,095	2,353,986
Depreciation of right-of-use assets	3,295,526	2,894,854
Provision for zakat and income tax	11,000,000	9,400,000
Change in investments at FVTPL	30,256,305	(3,656,993)
ECL on investments	2,075	4,835
Charge/(reversal) of expected credit loss	11,614	(244,687)
	<u>7,266,562</u>	<u>45,988,584</u>
<b>Changes in operating assets and liabilities:</b>		
Prepaid expenses and other assets	(267,443)	1,651,810
Accrued income on statutory deposit	450	(294)
Accrued expenses and other liabilities	(3,891,141)	(6,107,120)
Insurance contracts, net	(458,593,597)	(126,862,292)
Reinsurance contracts, net	590,967,678	77,977,190
<b>Cash generated from/(used in) operating activities</b>	<u>135,482,509</u>	<u>(7,352,122)</u>
Zakat and income tax paid	(10,459,858)	(13,469,574)
Payment of defined benefit obligation	(2,891,654)	(1,427,637)
<b>Net cash generated from/(used in) operating activities</b>	<u>122,130,997</u>	<u>(22,249,333)</u>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(2,019,280)	(1,463,427)
Additions to intangible assets	(3,369,261)	(5,193,457)
Additions to investments	(100,000,000)	(181,738,804)
Proceeds from investments	78,681,873	67,258,321
(Additions)/proceeds from term deposits	(74,614,432)	156,757,561
<b>Net cash (used in)/generated from investing activities</b>	<u>(101,321,100)</u>	<u>35,620,194</u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(3,675,786)	(3,305,997)
<b>Net cash used in financing activities</b>	<u>(3,675,786)</u>	<u>(3,305,997)</u>
Net increase in cash and cash equivalents	17,134,111	10,064,864
Cash and cash equivalents at the beginning of the year	67,784,373	57,719,509
<b>Cash and cash equivalents at the end of the year</b>	<u>84,918,484</u>	<u>67,784,373</u>
<b>Supplemental schedule of non-cash information</b>		
Change in fair value reserve on investments - OCI	11,349,688	18,467,670
Re-measurement loss on defined benefit obligation	(123,867)	(3,592,970)

  
Chief Financial Officer

  
Chairman of the Board of Directors

  
Chief Executive Officer

The accompanying notes 1 to 31 form part of these financial statements.

**ARABIA INSURANCE COOPERATIVE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*All amounts expressed in Saudi Riyals*

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**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 Muhram 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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA") ("IFRS as endorsed by SOCPA").

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 statements accordingly. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of revenues and expenses from joint operations is determined and approved by the management and the Board of Directors.

The financial statements are prepared on the going concern basis and on the historical cost basis, except for certain investments that are measured at fair value and end of service benefits are measured at present value. The financial position is not presented using the current / non-current classification.

Effective from 1 January 2023, the Company adopted IFRS 17 – Insurance Contracts, and IFRS 9 – Financial Instruments. The adoption of IFRS 17 and IFRS 9 had a significant impact on the accounting of insurance and reinsurance contracts, and the accounting of financial instruments, respectively. The resultant changes to the material accounting policies are described in note 3.

In preparing the Company-level financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for transactions and events in similar circumstances.

The statement of financial position, statements of income, statement of comprehensive income and statement of cash flows of the insurance operations and shareholders' operations which are presented in (note 25) of the financial statements have been provided as supplementary financial information to comply with the requirements of the guidelines issued by Insurance Authority implementing regulations.

**b) Functional and presentation currency**

These 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.

**c) Financial year**

The company's financial year begins on January 1 and ends on December 31 of each calendar year.

**d) Critical accounting judgments, estimates and assumptions**

In preparing the financial statements, management has made certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

**ARABIA INSURANCE COOPERATIVE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
*All amounts expressed in Saudi Riyals*

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**2. BASIS OF PREPARATION (continued)**

**d) Critical accounting judgments, estimates and assumptions (continued)**

**i) Insurance contracts**

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The measurement of these insurance contracts also requires significant judgement and estimates. These significant judgement and estimates include Risk Adjustment (“RA”), liability for incurred claims – estimate of future cash flows, and discounting methodology. Refer to note 3 for further details.

**ii) Expense attribution**

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as the best estimate proportional allocation method. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups.

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using current expense levels adjusted for inflation, where applicable. Expenses comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads. Claims settlement-related expenses are allocated based on the claims costs.

**iii) Fair value of financial instruments**

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, estimate is required to establish fair values. Refer note 3 and 6 for details.

**iv) Going concern**

The Company’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**3. MATERIAL ACCOUNTING POLICIES**

**Below are the material accounting policies related to IFRS 17:**

**i) IFRS 17**

The Company’s insurance contracts issued and reinsurance contracts held were assessed as eligible to be measured under the Premium Allocation Approach (PAA) based on actuarial analysis, whereby most groups automatically qualify due to a coverage period of 12 months or less, or the results of applying the PAA were not materially different from those under the General Measurement Model (GMM), with the exception of the Inherent Defect Insurance (IDI) pool business, which is measured under the GMM. Below are the material accounting policies related to IFRS 17:

**Claims and future cash flows**

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

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**i) IFRS 17 (continued)**

**Claims and future cash flows (continued)**

The Company estimates insurance liabilities in relation to claims incurred on an accident year basis, with further allocation to cohorts in proportion to the gross or reinsurance premiums earned by the respective cohort of contracts in a given accident year.

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

**Recognition**

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

- (i) the beginning of the coverage period of the group of contracts.
- (ii) the date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.

(iii) For a group of onerous contracts, the date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

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

For reinsurance contracts that provide proportionate coverage, at the later of:

- (i) the beginning of the coverage period of the group of reinsurance contracts and
- (ii) the initial recognition of any underlying contract.

All other groups of reinsurance contracts held are recognized from the beginning of the coverage period of the group of reinsurance contracts.

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

**Level of aggregation**

Portfolios will be split by sub line of business. This grouping meets the portfolio requirement of "similar risks" due to the following:

- Groups of contracts are grouped based on the risks covered under the contracts; and
- Contracts written within particular sub lines of business will cover similar perils and thus risks.

Furthermore, the portfolio requirement of "management together" is met as:

- Each line of business is generally underwritten and monitored separately, with separate underwriter for each main line of business; and
- The current actuarial valuation is done at a sub-line of business level, with these more granular results provided for internal management reporting.

**Risk adjustment**

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled.

As the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the entity level and then allocated down to each group of contracts in accordance with their risk profiles. The Value at Risk (VAR)

method was used to derive the overall risk adjustment for non-financial risk is based on a 75% level of confidence in relation of the Company's overall risk thresholds.

**Contract boundaries**

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

- i) The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- ii) Both of the following criteria are satisfied:

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

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

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**i) IFRS 17 (continued)**

**Discounting methodology**

The Company has adjusted the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows. The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows.

Discount rates are derived using a bottom up approach utilizing the EIOPA (European insurance and occupational pension authority) rate as the risk free rate, adjusted for country risk and illiquidity.

Discounting is applied on liability for incurred claims components within the group of contracts considering the duration of payment (whether direct or reinsurance) of claims can exceed a one-year period.

**Insurance revenue**

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is considered material in relation to recording the insurance revenue, where applicable. Insurance revenue is adjusted to allow for policyholders' default on future premiums. The default probability is derived from the expected loss model prescribed under IFRS 9.

**Insurance service expenses**

Insurance service expenses include the following:

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

**Onerous contracts**

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. A group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to the statement of income over the coverage period to offset incurred claims in insurance service expense. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

**ii) IFRS 9**

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after January 1, 2018. However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before January 1, 2023. For transition to IFRS 9, the Company applied a retrospective approach to be in line with transition option adopted under IFRS 17. The material accounting policies, judgements, estimates and assumptions can be summarized, as follows:

**a) Classification**

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

**Financial assets at amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**ii) IFRS 9 (continued)**

**a) Classification (continued)**

**Financial assets at FVOCI**

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI). Commission income and foreign exchange gains and losses are recognized in the statement of income.

For an equity investment, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument basis on initial recognition.

**Financial assets at FVTPL**

All other financial assets are measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI to be at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

**b) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. All purchases and sales of financial assets are initially recognized and derecognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

**Debt Instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of income and presented in other gains/(losses) together with foreign exchange gains and losses.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of income and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of income.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the statement of income and presented net within other gains/(losses) in the period in which it arises.

**Equity Instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of income following the derecognition of the investments. Dividends from such investments continue to be recognized in the statement of income as investment income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in investment income in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**ii) IFRS 9 (continued)**

**c) Impairment calculation**

**Expected Credit Loss (ECL) overview**

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of the statement of financial position date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Company recognizes loss allowances for ECL on the following financial instruments that are not measured at fair value:

- Financial assets that are debt instruments
- Deposits and bank balances
- Other receivables balances

No impairment loss is recognized on equity instruments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Company considers debt securities to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The measurement of ECL for other receivables is carried out using the simplified ECL impairment model and is determined by using a matrix which uses historical credit loss experience of the Company. For investment in debt securities, if the Days Past Due ('DPD') is 0, then investment is considered as Stage 1 and if the DPD is more than 0, investment is considered as Stage 3.

**Staging of financial assets**

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

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

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

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

The Company, when determining whether the credit risk on a financial asset has increased significantly, considers reasonable and supportable information available (e.g. days past due, customer credit scoring etc.), in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial asset.

Financial assets are written-off only when there is no reasonable expectation of recovery. Where financial assets are written-off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Recoveries made, after write-off, are recognized in statement of income.

Impairment losses on financial assets are presented separately in the statement of income.

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

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

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

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

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**ii) IFRS 9 (continued)**

**Presentation of allowance for ECL in the statement of financial position:**

Loss allowances for ECL are presented in the statement of financial position as follows: • financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets. • debt instruments measured at FVOCI and FVTPL: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

**d) De-recognition**

***Financial Asset***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

***Financial Liability***

The Company classifies its financial liabilities, other than financial guarantees if any, as measured at Amortized cost. Amortized cost is calculated by considering any discount or premium and costs that are an integral part of the Effective Interest Rate ("EIR"). A liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of income. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**Other material accounting policies**

**Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand, cheques under deposit, current accounts at banks and time deposits with an original maturity of less than three months from the acquisition date.

**Time deposits**

Time deposits comprise of time deposits at bank with original maturity of more than three months and less than one year at the date of acquisitions.

**Prepayments**

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to statements of income - insurance operations and statement of income shareholders' operations as they are consumed or expire with the passage of time.

**Property and equipment**

Property and equipment is measured at cost less accumulated depreciation and any impairment in value. Depreciation is charged to the statement of income - insurance operations on a straight line basis over the estimated useful lives of assets. The estimated useful lives of the assets are as follows:

	<u>Years</u>
Leasehold improvements	4
Furniture and fixtures	10
Vehicles	5
Computer hardware	4

The carrying values of these assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts. The carrying amount of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The gain or loss on disposal of an item of property and equipment (which is calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in the statement of income.

**Intangible assets**

Separately acquired intangible assets (software) are stated at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. The Company amortises intangible assets with a limited useful life using the straight-line method over the following periods:

	<u>Years</u>
Software	5

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**Other material accounting policies (continued)**

**Right to use assets and lease liabilities**

The Company has recognized new assets and liabilities for operating leases of office premises. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

i. Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date
- Less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

ii. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in- substance fixed payments), less any lease incentives receivable,
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less. It includes impaired assets related to office equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the term of the lease, management takes into account all facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option of termination. Extension options are only included in the term of the lease if the lease is fairly certain. When determining the lease term, management generally takes into account certain factors including historical lease periods and business interruption costs required to replace the leased asset.

**Accrued expenses and other liabilities**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Short-term employee benefits, include leave pay and airfare, are current liabilities included in accrued expenses, measured at the undiscounted amount that the entity expects to pay as a result of the unused entitlement.

**Provisions**

Provisions are recognized when the Company has an obligation (legal or constructive) as a result of a past event, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognized for future operating losses.

**Zakat and income tax**

Zakat is levied on the equity accounts of the Saudi Shareholders and the general public, while the income tax is levied to the equity accounts of the non-Saudi shareholders and the Zakat and Income Tax provisions are charged to the statement of income.

**Retirement benefits**

The Company pays retirement contributions for its Saudi Arabian employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

**Employees' end-of-service benefits**

The Company provides end of service compensation to its employees in accordance with the provisions of the Labor Law applicable in the Kingdom of Saudi Arabia. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Provision is made annually based on independent actuarial valuation, in accordance with the requirements of IAS 19 "Employee Benefits" using projected unit credit method. The Company has carried out actuarial valuation in current year. All past service costs are recognized as an expense immediately in statement of income.

**Commission income**

Commission income from time deposits is recognized on an effective yield basis.

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**Other material accounting policies (continued)**

**Statutory reserve**

In accordance with the Company's by-laws, the Company shall allocate 20% of its net income from shareholders operations each year to the statutory reserve until it has built up a reserve equal to the share capital. The reserve is not available for distribution.

**Trade date**

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e. the date that the Company commits to purchase or sell the assets). Regular way purchases or sales of financial assets are transactions that require settlement of assets within the time frame generally established by regulation or convention in the market place.

**Foreign currencies**

Transactions in foreign currencies are recorded in Saudi Riyals at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at the exchange rate prevailing at the statement of financial position date. All translation differences are taken to the statement of income.

**Offsetting financial assets and liabilities**

Financial assets and liabilities are offset and the net amounts reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Revenues and expenses are not offset in the statement of income unless required or permitted by any accounting standards on their interpretations.

**Segment reporting**

An operating segment is a component of the Company that is engaged in business activities from which it earns revenues and incurs expenses and about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

For management purposes, the Company is organized into business units based on their products and services and has six reportable operating segments as follows:

- Medical insurance, which covers medical costs, medicines, and all other medical services and supplies.
- Motor insurance, which provides coverage against losses and liability related to motor vehicles, excluding transport insurance.
- Fire, provides coverage against fire and any other insurance included under this class of insurance.
- Engineering, provides coverage for builder's risks, construction, mechanical, electrical, electronic work, and machinery disruption and any other insurance included under this class of insurance.
- Marine, provides coverage for goods in transit and the vehicles of transportation on main roads, and any other insurance included under this class of insurance.
- Other insurance classes, which cover any other classes of insurance not mentioned above.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from income or loss in the accompanying financial statements.

No inter-segment transactions occurred during the year. If any transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between operating segments which will then be eliminated at the level of the financial statements of the Company.

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

**Standards and amendments effective in the current period**

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

**Standards and amendments issued but not yet effective**

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

<b>Amendments to standard</b>	<b>Description</b>	<b>Effective from accounting period beginning on or after</b>	<b>Summary of the amendment</b>	<b>Management assessment</b>
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements are not expected to be significantly affected.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Company's operations and contractual arrangements, management does not expect these amendments to have a material impact on the Company's financial statements upon initial application.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 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 or profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

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**4. CASH AND CASH EQUIVALENTS**

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

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

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 time deposits at the end of the year 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 statement of financial position date.

**5. 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 5.53% 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 statement of financial position date.

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

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**6. INVESTMENTS**

Investments comprise of the following:

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Financial assets at fair value	-	217,204,715	217,204,715	-	210,115,079	210,115,079
Debt instruments at amortized cost *	31,178,813	69,634,164	100,812,977	33,977,251	71,513,852	105,491,103
ECL provision	(923)	(54,797)	(55,720)	(372)	(53,273)	(53,645)
<b>Total</b>	<b>31,177,890</b>	<b>286,784,082</b>	<b>317,961,972</b>	<b>33,976,879</b>	<b>281,575,658</b>	<b>315,552,537</b>

\* This item represents bonds which are stated in the statement of financial position at amortized cost. The fair value of these investments as at 31 December 2025 amounted to SAR 99,346,904 (31 December 2024: SAR 102,286,815). Further, fair value reserve for investments include changes in fair values of investments amounting to SAR 11,349,688 and transfer of realized gain for FVOCI equity instruments to retained earnings amounting to SAR 1,438,480, as shown in statement of changes in equity.

Details of investments of financial assets at fair value are as follows:

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
Investments at FVTPL (a)	-	112,986,529	112,986,529	-	103,128,999	103,128,999
Investments at FVOCI (b)	-	104,218,186	104,218,186	-	106,986,080	106,986,080
<b>Total</b>	<b>-</b>	<b>217,204,715</b>	<b>217,204,715</b>	<b>-</b>	<b>210,115,079</b>	<b>210,115,079</b>

a) Investments at FVTPL comprise of the following:

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Mutual funds	-	43,733,229	43,733,229	-	40,786,456	40,786,456
- Discretionary portfolio	-	59,590,116	59,590,116	-	50,968,128	50,968,128
- Equity - Aramco	-	9,663,184	9,663,184	-	11,374,415	11,374,415
<b>Total</b>	<b>-</b>	<b>112,986,529</b>	<b>112,986,529</b>	<b>-</b>	<b>103,128,999</b>	<b>103,128,999</b>

b) Investments at FVOCI comprise of the following:

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders' Operations	Total	Insurance Operations	Shareholders' Operations	Total
- Mutual funds	-	-	-	-	-	-
- Discretionary portfolio	-	-	-	-	14,710,725	14,710,725
- Bonds/sukuk	-	28,767,401	28,767,401	-	28,264,304	28,264,304
- REIT	-	2,692,620	2,692,620	-	2,856,637	2,856,637
- Equity - Najm	-	72,758,165	72,758,165	-	61,154,414	61,154,414
<b>Total</b>	<b>-</b>	<b>104,218,186</b>	<b>104,218,186</b>	<b>-</b>	<b>106,986,080</b>	<b>106,986,080</b>

The movement in investments is as follows:

	Insurance Operations	
	31 December 2025	31 December 2024
Beginning balance - net	33,976,879	15,760,317
Additions	-	30,428,813
Disposals	(2,798,438)	(12,216,675)
ECL (provision)/reversal	(551)	4,424
<b>Ending balance</b>	<b>31,177,890</b>	<b>33,976,879</b>
	Shareholders' Operations	
	31 December 2025	31 December 2024
Beginning balance - net	281,575,658	163,191,909
Additions	100,000,000	151,309,991
Disposals	(75,883,435)	(55,041,646)
Net additions and disposals	24,116,565	96,268,345
Change in investments at FVOCI	11,349,688	18,467,670
Change in investments at FVTPL	(30,256,305)	3,656,993
ECL provision	(1,524)	(9,259)
<b>Ending balance</b>	<b>286,784,082</b>	<b>281,575,658</b>

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**6. INVESTMENTS (CONTINUED)**

Movement in ECL provision for investments for the year is as follows:

	<b>31 December 2025</b>			<i>Total</i>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Beginning balance	(53,645)	-	-	(53,645)
Charge during the year	(2,074)	-	-	(2,074)
<b>Ending balance</b>	<b>(55,719)</b>	<b>-</b>	<b>-</b>	<b>(55,719)</b>

	<b>31 December 2024</b>			<i>Total</i>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Beginning balance	(48,810)	-	-	(48,810)
Charge during the year	(4,835)	-	-	(4,835)
Ending balance	(53,645)	-	-	(53,645)

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.

**Fair value**

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.

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

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**6. INVESTMENTS (CONTINUED)**

31 December 2024	Fair value			Total
	Level 1	Level 2	Level 3	
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
<b>Total</b>	<b>97,529,588</b>	<b>51,431,077</b>	<b>61,154,414</b>	<b>210,115,079</b>

**Sensitivity analysis:**

The impact of change in net assets value reported in level 3 on total equity is as follows:

	<b>31 December 2025</b>	31 December 2024
+/- 5% change in net assets value	<b>+/- 3,637,908</b>	+/- 3,057,721

Income from investment and deposits comprise of the following:

	<b>31 December 2025</b>		
	<b>Insurance Operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>
Interest income on deposits	<b>10,524,807</b>	<b>13,661,143</b>	<b>24,185,950</b>
Interest income on bonds	<b>1,661,421</b>	<b>4,627,934</b>	<b>6,289,355</b>
Dividend income	-	<b>714,899</b>	<b>714,899</b>
Net unrealized losses on financial assets at FVTPL	-	<b>(30,256,305)</b>	<b>(30,256,305)</b>
	<b>12,186,228</b>	<b>(11,252,329)</b>	<b>933,899</b>
	<b>31 December 2024</b>		
	<b>Insurance Operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>
Interest income on deposits	11,568,164	18,562,713	30,130,877
Interest income on bonds	386,948	2,880,114	3,267,062
Dividend income	-	774,929	774,929
Net unrealized gains on financial assets at FVTPL	-	3,656,993	3,656,993
	<b>11,955,112</b>	<b>25,874,749</b>	<b>37,829,861</b>

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**6. INVESTMENTS (CONTINUED)**

a. The following is an analysis of the components of Investments at fair value through OCI/P&L for shareholders' operations:

	Local		Foreign		Total	
	2025	2024	2025	2024	2025	2024
Mutual funds	43,733,229	40,786,456	-	-	43,733,229	40,786,456
Discretionary Portfolio	59,590,116	65,678,853	-	-	59,590,116	65,678,853
Bonds/sukuk	27,271,151	26,756,804	1,496,250	1,507,500	28,767,401	28,264,304
REIT	2,692,620	2,856,637	-	-	2,692,620	2,856,637
Equity - Najm and Aramco	82,421,349	72,528,829	-	-	82,421,349	72,528,829
<b>Total</b>	<b>215,708,465</b>	<b>208,607,579</b>	<b>1,496,250</b>	<b>1,507,500</b>	<b>217,204,715</b>	<b>210,115,079</b>

b. The following is an analysis of debt instruments at amortized cost of the insurance operations:

	Local		Foreign		Total	
	2025	2024	2025	2024	2025	2024
Fixed yield bonds/sukuk	30,428,813	33,227,251	750,000	750,000	31,178,813	33,977,251
<b>Total</b>	<b>30,428,813</b>	<b>33,227,251</b>	<b>750,000</b>	<b>750,000</b>	<b>31,178,813</b>	<b>33,977,251</b>

- The following is an analysis of the debt instruments at amortized cost of shareholders' operations:

	Local		Foreign		Total	
	2025	2024	2025	2024	2025	2024
Fixed yield bonds/sukuk	57,881,464	57,881,464	5,632,388	5,632,388	63,513,852	63,513,852
Floating yield bonds/sukuk	8,000,000	8,000,000	-	-	8,000,000	8,000,000
<b>Total</b>	<b>65,881,464</b>	<b>65,881,464</b>	<b>5,632,388</b>	<b>5,632,388</b>	<b>71,513,852</b>	<b>71,513,852</b>

All the above bonds are listed and classified (A1/BBB+) by Standards and Poor's , Moody's and Fitch. The average interest rate was 4.27% per annum (31 December 2024: 4.42%), The maturity date of these bonds extends up to 2036.

**7. COMMITMENTS AND CONTINGENCIES**

a. Commitments and contingencies comprise of the following:

	31 December 2025	31 December 2024
Letter of guarantee	800,000	800,000
<b>Total</b>	<b>800,000</b>	<b>800,000</b>

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 financial statements.

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**8. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the Company's major shareholders, Board of Directors, and key management personnel (being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly), together with entities controlled, jointly controlled or significantly influenced by 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:

<b>Related party</b>	<b>Nature of transactions</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Board of Directors and the companies they represent	Gross Premiums	<b>1,102,136</b>	1,054,554
	Claims paid	<b>513,424</b>	166,316
	Expenses paid by Arabia Insurance Company on behalf of the Company	-	-
Arabia Insurance Company - Lebanon (shareholder)	Expenses paid by the company for the Arabian Insurance Company	<b>646,750</b>	305,523
	Settlement of the balance of Arabia Insurance Company	-	514,273

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Arabia Insurance Company – Lebanon – Shareholder	<b>646,750</b>	-
Jordan Insurance Company – Shareholder	<b>83,346</b>	83,346
Board members and the companies they represent	<b>323,846</b>	708,624
Reinsurance balance due from Jordan Insurance Company	<b>548,646</b>	548,646

**Board of directors compensation and balances**

The compensation of the board of directors and accrual balance were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Board of directors compensation during the year	<b>1,500,088</b>	-
Board of directors accrued allowance balances	<b>181,537</b>	666,039

The Company made payments of SAR 1,984,590 to the Board of Directors during the year ended 31 December 2025.

**Compensation of key management personnel**

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Short-term benefits	<b>5,713,697</b>	5,495,937
End of service benefit	<b>206,095</b>	196,378
	<b>5,919,792</b>	5,692,315

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**9. PROVISION FOR ZAKAT AND INCOME TAX**

***Zakat charge for the year***

The zakat provision consists of the zakat charged during the period in the amount of SAR 11,000,000 (31 December 2024: SAR 7,800,000). The zakat provision is calculated on the Saudi shareholders' share of the capital at 68.25% (2024: 68.25%).

***Income tax charge for the year***

Income tax provision consists of income tax charged during the period in an amount of Zero Saudi riyals (31 December 2024: 1,600,000 Saudi riyals). 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 "ZATCA" 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. The Company is in the process of meeting the requirements of the Zakat and Income Tax audit for the year 2024.

***Value Added Tax***

During the current period, the Company received VAT reassessment notices from the ZATCA relating to VAT returns submitted for the years 2021 and 2022, resulting in VAT differences of SAR 1,923,740 and penalties of SAR 570,383. The Company settled the VAT differences, and accordingly all penalties were waived under the Authority's fines exemption initiative. The Company will submit its objection to these reassessments to ZATCA.

In addition, following VAT assessments conducted by the Authority for the years 2023 and 2024, the Company settled VAT differences amounting to SAR 8,064 and SAR 7,488, respectively, thereby finalizing its VAT position for those years.

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**9. PROVISION FOR ZAKAT AND INCOME TAX (CONTINUED)**

	<u>31 December 2025</u>	<u>31 December 2024</u>
The zakat base is composed of the following:		
Adjusted (loss)/income	<u>(45,181,301)</u>	31,727,744
Zakat Adjustments	<u>118,884</u>	(489,765)
Adjusted net loss/profit subject to Zakat	<u>(30,716,490)</u>	21,164,420
Add to it:		
Share capital ( <i>Saudi partner's share</i> )	<u>399,527,261</u>	422,259,891
Provisions	<u>20,369,611</u>	58,117,652
Total Zakat adjustments	<u>118,884</u>	(489,765)
<b>Total additions</b>	<u><b>420,015,756</b></u>	<u>479,887,778</u>
Deduct from it:		
Property and equipment, net	<u>9,189,115</u>	13,316,778
Investments	<u>111,545,563</u>	151,679,153
Statutory deposits	<u>36,171,486</u>	53,000,000
Right of use assets	<u>3,007,005</u>	6,469,539
<b>Total deductions</b>	<u><b>159,913,169</b></u>	<u>224,465,470</u>
<b>Total zakat base</b>	<u><b>260,102,587</b></u>	<u>255,422,308</u>
<b>Non-deductible assets</b>	<u><b>696,282,112</b></u>	<u>1,024,820,519</u>
<b>Difference between accounting net profit and adjusted profit</b>	<u><b>118,884</b></u>	<u>(489,765)</u>
<b>Minimum Zakat base</b>	<u><b>(30,716,490)</b></u>	<u>21,164,420</u>
<b>Equity and its equivalent according to the Balance Sheet and any item that has been reclassified to be equity</b>	<u><b>399,527,261</b></u>	<u>422,259,891</u>
<b>Difference between accounting net profit and adjusted profit</b>	<u><b>118,884</b></u>	<u>(489,765)</u>
<b>Maximum Zakat base</b>	<u><b>399,646,145</b></u>	<u>421,770,126</u>
<b>Zakat base</b>	<u><b>260,102,587</b></u>	<u>326,690,094</u>

**A) Zakat for the year**

The zakat charge for the year consists of the following:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Zakat for the year at 2.5%	<u>6,704,622</u>	8,444,108

**b) Income tax**

Income tax charge for the year consists of the following:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Adjusted net loss/profit subject to zakat	<u>(10,957,058)</u>	7,737,227
Investment losses	<u>9,150,210</u>	2,362,973
Income tax base	<u>(1,806,848)</u>	10,100,200
Income tax for the year at (20%)	<u>-</u>	1,547,445
<b>Zakat and income tax for the year</b>	<u><b>6,704,622</b></u>	<u>9,991,554</u>

The Company charged an estimated amount of Zakat and income tax for the year ended 31 December 2025 by SAR 11,000,000 (31 December 2024: SR 9,400,000).

**c) Movement of zakat and income tax provision during the year are as follows:**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Provision at the beginning of the year	<u>7,531,801</u>	11,601,375
Calculated for the year	<u>11,000,000</u>	9,400,000
Paid during the year	<u>(10,459,858)</u>	(13,469,574)
	<u><b>8,071,943</b></u>	<u>7,531,801</u>

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**10. OPERATING SEGMENTS**

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

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

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

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

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

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

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**10. OPERATING SEGMENTS (CONTINUED)**

**Statement of Financial Position**

**31 December 2025**

	<b>Motor</b>	<b>Medical</b>	<b>Engineering</b>	<b>Property</b>	<b>Marine</b>	<b>Others</b>	<b>Total</b>
<b>Assets</b>							
Insurance contract assets	27,543,427	-	1,551,041	15,580,430	1,713,952	8,922,574	55,311,424
Reinsurance contract assets	11,107,836	2,132,358	42,516,903	93,644,162	5,177,465	37,340,727	191,919,451
Unallocated assets							1,007,302,874
<b>Total</b>	<b>38,651,263</b>	<b>2,132,358</b>	<b>44,067,944</b>	<b>109,224,592</b>	<b>6,891,417</b>	<b>46,263,301</b>	<b>1,254,533,749</b>
<b>Liabilities</b>							
Insurance contract liabilities	222,804,006	187,544,365	56,620,561	50,813,972	6,955,828	48,972,550	573,711,282
Reinsurance contract liabilities	-	-	802,908	13,607,858	1,020,378	5,140,584	20,571,728
Unallocated liabilities							89,268,259
<b>Total</b>	<b>222,804,006</b>	<b>187,544,365</b>	<b>57,423,469</b>	<b>64,421,830</b>	<b>7,976,206</b>	<b>54,113,134</b>	<b>683,551,269</b>

**31 December 2024**

	<b>Motor</b>	<b>Medical</b>	<b>Engineering</b>	<b>Property</b>	<b>Marine</b>	<b>Others</b>	<b>Total</b>
<b>Assets</b>							
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
<b>Total</b>	<b>19,656,823</b>	<b>12,565,079</b>	<b>48,998,577</b>	<b>696,458,235</b>	<b>4,896,132</b>	<b>31,648,883</b>	<b>1,726,033,997</b>
<b>Liabilities</b>							
Insurance contract liabilities	58,805,391	104,922,729	95,440,480	690,733,285	6,923,830	45,107,748	1,001,933,463
Reinsurance contract liabilities	-	-	4,061,345	20,867,911	1,223,618	803,837	26,956,711
Unallocated liabilities							92,205,863
<b>Total</b>	<b>58,805,391</b>	<b>104,922,729</b>	<b>99,501,825</b>	<b>711,601,196</b>	<b>8,147,448</b>	<b>45,911,585</b>	<b>1,121,096,037</b>

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10. OPERATING SEGMENTS (CONTINUED)

Statement of Income

	For the year ended 31 December 2025						Total
	Motor	Medical	Engineering	Property	Marine	Others	
<b>REVENUES</b>							
Insurance revenue	264,200,391	358,202,136	100,515,142	77,285,287	9,495,823	41,423,474	<b>851,122,253</b>
Insurance service expenses	(313,487,965)	(329,964,766)	(15,397,475)	478,539,785	(5,203,503)	(13,622,448)	<b>(199,136,372)</b>
<b>Insurance service result before reinsurance contracts held</b>	<b>(49,287,574)</b>	<b>28,237,370</b>	<b>85,117,667</b>	<b>555,825,072</b>	<b>4,292,320</b>	<b>27,801,026</b>	<b>651,985,881</b>
Allocation of reinsurance premiums	(2,962,000)	-	(88,783,526)	(66,355,688)	(4,631,905)	(29,031,048)	<b>(191,764,167)</b>
Amounts recoverable from reinsurance	261,603	255,432	8,111,787	(492,048,246)	2,616,157	5,050,085	<b>(475,753,182)</b>
<b>Net expenses from reinsurance contracts held</b>	<b>(2,700,397)</b>	<b>255,432</b>	<b>(80,671,739)</b>	<b>(558,403,934)</b>	<b>(2,015,748)</b>	<b>(23,980,963)</b>	<b>(667,517,349)</b>
<b>Insurance service result</b>	<b>(51,987,971)</b>	<b>28,492,802</b>	<b>4,445,928</b>	<b>(2,578,862)</b>	<b>2,276,572</b>	<b>3,820,063</b>	<b>(15,531,468)</b>
Income from investment and deposits							<b>933,899</b>
Expected credit loss							<b>(11,614)</b>
<b>Net investment income</b>							<b>922,285</b>
Net finance expenses from insurance contracts issued	(1,811,839)	(1,441,107)	(1,295,870)	(19,837,399)	(266,342)	(1,047,392)	<b>(25,699,949)</b>
Net finance income from reinsurance contracts held	-	-	759,546	19,700,804	201,389	836,042	<b>21,497,781</b>
<b>Insurance finance result</b>	<b>(1,811,839)</b>	<b>(1,441,107)</b>	<b>(536,324)</b>	<b>(136,595)</b>	<b>(64,953)</b>	<b>(211,350)</b>	<b>(4,202,168)</b>
<b>Net insurance and investment result</b>	<b>(53,799,810)</b>	<b>27,051,695</b>	<b>3,909,604</b>	<b>(2,715,457)</b>	<b>2,211,619</b>	<b>3,608,713</b>	<b>(18,811,351)</b>
Other income							<b>1,872,603</b>
Other operating expenses (non-attributable)							<b>(17,242,553)</b>
<b>Net loss for the year before zakat and income tax</b>							<b>(34,181,301)</b>
Provision for zakat and income tax							<b>(11,000,000)</b>
<b>Net loss for the year after zakat and income tax</b>							<b>(45,181,301)</b>

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**10. OPERATING SEGMENTS (CONTINUED)**

**Statement of Income**

	For the year ended 31 December 2024						Total
	Motor	Medical	Engineering	Property	Marine	Others	
<b>REVENUES</b>							
Insurance revenue	114,414,955	393,054,046	66,560,193	76,924,822	10,264,845	33,472,607	694,691,468
Insurance service expenses	(111,105,771)	(362,473,148)	(19,408,707)	17,147,826	(4,433,927)	(9,456,069)	(489,729,796)
<b>Insurance service result before reinsurance contracts held</b>	<b>3,309,184</b>	<b>30,580,898</b>	<b>47,151,486</b>	<b>94,072,648</b>	<b>5,830,918</b>	<b>24,016,538</b>	<b>204,961,672</b>
Allocation of reinsurance premiums	(1,532,000)	(5,558,925)	(53,460,609)	(64,453,337)	(4,377,156)	(25,583,408)	(154,965,435)
Amounts recoverable from reinsurance	(331,455)	8,377,655	5,752,326	(33,733,382)	1,906,261	3,116,294	(14,912,301)
<b>Net income/(expenses) from reinsurance contracts held</b>	<b>(1,863,455)</b>	<b>2,818,730</b>	<b>(47,708,283)</b>	<b>(98,186,719)</b>	<b>(2,470,895)</b>	<b>(22,467,114)</b>	<b>(169,877,736)</b>
<b>Insurance service result</b>	<b>1,445,729</b>	<b>33,399,628</b>	<b>(556,797)</b>	<b>(4,114,071)</b>	<b>3,360,023</b>	<b>1,549,424</b>	<b>35,083,936</b>
Income from investment and deposits							37,829,861
Expected credit loss							244,687
<b>Net investment income</b>							<b>38,074,548</b>
Net finance expenses from insurance contracts issued	(2,542,592)	(2,925,405)	(366,655)	(25,826,784)	(231,995)	(1,228,801)	(33,122,232)
Net finance income from reinsurance contracts held	-	-	229,515	25,676,263	185,528	949,704	27,041,010
<b>Insurance finance result</b>	<b>(2,542,592)</b>	<b>(2,925,405)</b>	<b>(137,140)</b>	<b>(150,521)</b>	<b>(46,467)</b>	<b>(279,097)</b>	<b>(6,081,222)</b>
<b>Net insurance and investment result</b>	<b>(1,096,863)</b>	<b>30,474,223</b>	<b>(693,937)</b>	<b>(4,264,592)</b>	<b>3,313,556</b>	<b>1,270,327</b>	<b>67,077,262</b>
Other income							3,075,455
Other operating expenses (non-attributable)							(30,605,112)
<b>Net income for the year before zakat and income tax</b>							<b>39,547,605</b>
Provision for zakat and income tax							(9,400,000)
<b>Net income for the year after zakat and income tax</b>							<b>30,147,605</b>

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11. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

PAA, gross (Total)

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

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

PAA, gross (Total) (continued)

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

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

PAA, gross (Motor)

	31 December 2025				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2025</b>					
Insurance contract assets	(8,581,990)	-	-	-	(8,581,990)
Insurance contract liabilities	19,165,007	1,015,640	36,498,919	2,125,825	58,805,391
<b>Net insurance contract liabilities</b>	<b>10,583,017</b>	<b>1,015,640</b>	<b>36,498,919</b>	<b>2,125,825</b>	<b>50,223,401</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(264,200,391)</b>	-	-	-	<b>(264,200,391)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	299,739,586	1,270,182	301,009,768
Insurance acquisition cash flows amortization	12,606,659	-	-	-	12,606,659
Losses and reversals of losses on onerous contracts	-	4,804,283	-	-	4,804,283
Changes that relate to past service - adjustments to the LIC	-	-	(3,270,668)	(1,662,076)	(4,932,744)
<b>Insurance service expenses</b>	<b>12,606,659</b>	<b>4,804,283</b>	<b>296,468,918</b>	<b>(391,894)</b>	<b>313,487,966</b>
<b>Insurance service result</b>	<b>(251,593,732)</b>	<b>4,804,283</b>	<b>296,468,918</b>	<b>(391,894)</b>	<b>49,287,575</b>
Finance expense from insurance contracts	-	-	1,707,360	104,480	<b>1,811,840</b>
<b>Total changes in the statement of income and OCI</b>	<b>(251,593,732)</b>	<b>4,804,283</b>	<b>298,176,278</b>	<b>(287,414)</b>	<b>51,099,415</b>
<b><u>Cashflows</u></b>					
Premiums received	402,908,544	-	-	-	402,908,544
Claims and other directly attributable expenses paid	-	-	(291,423,864)	-	(291,423,864)
Insurance acquisition cashflows paid	(17,546,917)	-	-	-	(17,546,917)
<b>Total cash inflows / (outflows)</b>	<b>385,361,627</b>	-	<b>(291,423,864)</b>	-	<b>93,937,763</b>
<b>Net closing balance</b>	<b>144,350,912</b>	<b>5,819,923</b>	<b>43,251,333</b>	<b>1,838,411</b>	<b>195,260,579</b>
<b>Insurance contracts</b>					
Insurance contract assets	(27,543,427)	-	-	-	(27,543,427)
Insurance contract liabilities	171,894,339	5,819,923	43,251,333	1,838,411	222,804,006
<b>Net insurance contract liabilities - 31 December 2025</b>	<b>144,350,912</b>	<b>5,819,923</b>	<b>43,251,333</b>	<b>1,838,411</b>	<b>195,260,579</b>

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

PAA, gross (Motor) (continued)

	31 December 2025				Total
	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	
<b>Reinsurance contracts - 1 January 2025</b>					
Reinsurance contract assets	(7)	-	11,074,840	-	11,074,833
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets</b>	<b>(7)</b>	<b>-</b>	<b>11,074,840</b>	<b>-</b>	<b>11,074,833</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(2,962,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,962,000)</b>
Incurring Claims Amounts Recoverable from Reinsurance	-	-	-	-	-
Changes that relate to past service: changes related to AIC	-	-	261,603	-	261,603
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>261,603</b>	<b>-</b>	<b>261,603</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(2,962,000)</b>	<b>-</b>	<b>261,603</b>	<b>-</b>	<b>(2,700,397)</b>
Finance income from reinsurance contracts	-	-	-	-	-
<b>Total changes in the statement of income and OCI</b>	<b>(2,962,000)</b>	<b>-</b>	<b>261,603</b>	<b>-</b>	<b>(2,700,397)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	2,962,000	-	-	-	2,962,000
Recoveries from reinsurance	-	-	(228,600)	-	(228,600)
<b>Total cash inflows / (outflows)</b>	<b>2,962,000</b>	<b>-</b>	<b>(228,600)</b>	<b>-</b>	<b>2,733,400</b>
<b>Net closing balance</b>	<b>(7)</b>	<b>-</b>	<b>11,107,843</b>	<b>-</b>	<b>11,107,836</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	(7)	-	11,107,843	-	11,107,836
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets 31 December 2025</b>	<b>(7)</b>	<b>-</b>	<b>11,107,843</b>	<b>-</b>	<b>11,107,836</b>

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

PAA, gross (Medical)

	31 December 2025				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of cash flows	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2025</b>					
Insurance contract assets	(5,394,031)	-	-	-	(5,394,031)
Insurance contract liabilities	39,676,218	1,367,276	61,816,370	2,062,865	104,922,729
<b>Net insurance contract liabilities</b>	<b>34,282,187</b>	<b>1,367,276</b>	<b>61,816,370</b>	<b>2,062,865</b>	<b>99,528,698</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(358,202,136)</b>	-	-	-	<b>(358,202,136)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	322,482,201	1,697,033	324,179,234
Insurance acquisition cash flows amortization	19,110,332	-	-	-	19,110,332
Losses and reversals of losses on onerous contracts	-	614,818	-	-	614,818
Changes that relate to past service - adjustments to the LIC	-	-	(11,859,229)	(2,080,390)	(13,939,619)
<b>Insurance service expenses</b>	<b>19,110,332</b>	<b>614,818</b>	<b>310,622,972</b>	<b>(383,357)</b>	<b>329,964,765</b>
<b>Insurance service result</b>	<b>(339,091,804)</b>	<b>614,818</b>	<b>310,622,972</b>	<b>(383,357)</b>	<b>(28,237,371)</b>
Finance expense from insurance contracts	-	-	1,359,021	82,086	1,441,107
<b>Total changes in the statement of income and OCI</b>	<b>(339,091,804)</b>	<b>614,818</b>	<b>311,981,993</b>	<b>(301,271)</b>	<b>(26,796,264)</b>
<b><u>Cashflows</u></b>					
Premiums received	436,351,331	-	-	-	436,351,331
Claims and other directly attributable expenses paid	-	-	(305,492,997)	-	(305,492,997)
Insurance acquisition cashflows paid	(16,046,403)	-	-	-	(16,046,403)
<b>Total cash inflows / (outflows)</b>	<b>420,304,928</b>	-	<b>(305,492,997)</b>	-	<b>114,811,931</b>
<b>Net closing balance</b>	<b>115,495,311</b>	<b>1,982,094</b>	<b>68,305,366</b>	<b>1,761,594</b>	<b>187,544,365</b>
<b>Insurance contracts</b>					
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	115,495,311	1,982,094	68,305,366	1,761,594	187,544,365
<b>Net insurance contract liabilities - 31 December 2025</b>	<b>115,495,311</b>	<b>1,982,094</b>	<b>68,305,366</b>	<b>1,761,594</b>	<b>187,544,365</b>

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

PAA, gross (Medical) (continued)

	31 December 2025				Total
	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	
<b>Reinsurance contracts - 1 January 2025</b>					
Reinsurance contract assets	-	-	7,171,048	-	7,171,048
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets</b>	-	-	<b>7,171,048</b>	-	<b>7,171,048</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	-	-	-	-	-
Incurred Claims Amounts Recoverable from Reinsurance	-	-	-	-	-
Changes that relate to past service: changes related to AIC	-	-	255,432	-	255,432
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	-	-	<b>255,432</b>	-	<b>255,432</b>
<b>Net income (expenses) from reinsurance contracts held</b>	-	-	<b>255,432</b>	-	<b>255,432</b>
Finance income from reinsurance contracts	-	-	-	-	-
<b>Total changes in the statement of income and OCI</b>	-	-	<b>255,432</b>	-	<b>255,432</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	-	-	-	-	-
Recoveries from reinsurance	-	-	(5,294,122)	-	(5,294,122)
<b>Total cash inflows / (outflows)</b>	-	-	<b>(5,294,122)</b>	-	<b>(5,294,122)</b>
<b>Net closing balance</b>	-	-	<b>2,132,358</b>	-	<b>2,132,358</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	-	-	2,132,358	-	2,132,358
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets 31 December 2025</b>	-	-	<b>2,132,358</b>	-	<b>2,132,358</b>

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

PAA, gross (Property)

	31 December 2025				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2025</b>					
Insurance contract assets	(10,446,930)	-	-	-	(10,446,930)
Insurance contract liabilities	3,947,517	-	686,019,759	766,009	690,733,285
<b>Net insurance contract liabilities</b>	<b>(6,499,413)</b>	<b>-</b>	<b>686,019,759</b>	<b>766,009</b>	<b>680,286,355</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(77,285,288)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(77,285,288)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	31,160,855	1,743,693	32,904,548
Insurance acquisition cash flows amortization	5,351,276	-	-	-	5,351,276
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(517,688,418)	892,809	(516,795,609)
<b>Insurance service expenses</b>	<b>5,351,276</b>	<b>-</b>	<b>(486,527,563)</b>	<b>2,636,502</b>	<b>(478,539,785)</b>
<b>Insurance service result</b>	<b>(71,934,012)</b>	<b>-</b>	<b>(486,527,563)</b>	<b>2,636,502</b>	<b>(555,825,073)</b>
Finance expense from insurance contracts	-	-	19,804,250	33,150	19,837,400
<b>Total changes in the statement of income and OCI</b>	<b>(71,934,012)</b>	<b>-</b>	<b>(466,723,313)</b>	<b>2,669,652</b>	<b>(535,987,673)</b>
<b><u>Cashflows</u></b>					
Premiums received	69,287,449	-	-	-	69,287,449
Claims and other directly attributable expenses paid	-	-	(172,421,057)	-	(172,421,057)
Insurance acquisition cashflows paid	(5,931,532)	-	-	-	(5,931,532)
<b>Total cash inflows / (outflows)</b>	<b>63,355,917</b>	<b>-</b>	<b>(172,421,057)</b>	<b>-</b>	<b>(109,065,140)</b>
<b>Net closing balance</b>	<b>(15,077,508)</b>	<b>-</b>	<b>46,875,389</b>	<b>3,435,661</b>	<b>35,233,542</b>
<b>Insurance contracts</b>					
Insurance contract assets	(15,580,430)	-	-	-	(15,580,430)
Insurance contract liabilities	502,922	-	46,875,389	3,435,661	50,813,972
<b>Net insurance contract liabilities - 31 December 2025</b>	<b>(15,077,508)</b>	<b>-</b>	<b>46,875,389</b>	<b>3,435,661</b>	<b>35,233,542</b>

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

PAA, gross (Property) (continued)

	31 December 2025				Total
	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	
<b>Reinsurance contracts - 1 January 2025</b>					
Reinsurance contract assets	2,774,055	-	682,627,932	609,318	686,011,305
Reinsurance contract liabilities	(20,867,911)	-	-	-	(20,867,911)
<b>Net reinsurance contract assets</b>	<b>(18,093,856)</b>	<b>-</b>	<b>682,627,932</b>	<b>609,318</b>	<b>665,143,394</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(66,355,688)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,355,688)</b>
Incurred Claims Amounts Recoverable from Reinsurance	-	-	30,485,995	1,009,615	31,495,610
Changes that relate to past service: changes related to AIC	-	-	(524,565,521)	1,021,666	(523,543,855)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>(494,079,526)</b>	<b>2,031,281</b>	<b>(492,048,245)</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(66,355,688)</b>	<b>-</b>	<b>(494,079,526)</b>	<b>2,031,281</b>	<b>(558,403,933)</b>
Finance income from reinsurance contracts	-	-	19,674,703	26,101	19,700,804
<b>Total changes in the statement of income and OCI</b>	<b>(66,355,688)</b>	<b>-</b>	<b>(474,404,823)</b>	<b>2,057,382</b>	<b>(538,703,129)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	72,563,612	-	-	-	72,563,612
Recoveries from reinsurance	-	-	(118,967,573)	-	(118,967,573)
<b>Total cash inflows / (outflows)</b>	<b>72,563,612</b>	<b>-</b>	<b>(118,967,573)</b>	<b>-</b>	<b>(46,403,961)</b>
<b>Net closing balance</b>	<b>(11,885,932)</b>	<b>-</b>	<b>89,255,536</b>	<b>2,666,700</b>	<b>80,036,304</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	1,721,926	-	89,255,536	2,666,700	93,644,162
Reinsurance contract liabilities	(13,607,858)	-	-	-	(13,607,858)
<b>Net reinsurance contract assets 31 December 2025</b>	<b>(11,885,932)</b>	<b>-</b>	<b>89,255,536</b>	<b>2,666,700</b>	<b>80,036,304</b>

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

PAA, gross (Engineering)

	31 December 2025				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2025</b>					
Insurance contract assets	(126,719)	-	-	-	(126,719)
Insurance contract liabilities	74,703,079	-	10,019,205	766,226	85,488,510
<b>Net insurance contract liabilities</b>	<b>74,576,360</b>	<b>-</b>	<b>10,019,205</b>	<b>766,226</b>	<b>85,361,791</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(100,168,924)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,168,924)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	12,863,448	386,070	13,249,518
Insurance acquisition cash flows amortization	4,034,874	-	-	-	4,034,874
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(1,982,574)	(353,676)	(2,336,250)
<b>Insurance service expenses</b>	<b>4,034,874</b>	<b>-</b>	<b>10,880,874</b>	<b>32,394</b>	<b>14,948,142</b>
<b>Insurance service result</b>	<b>(96,134,050)</b>	<b>-</b>	<b>10,880,874</b>	<b>32,394</b>	<b>(85,220,782)</b>
Finance expense from insurance contracts	-	-	611,541	45,055	656,596
<b>Total changes in the statement of income and OCI</b>	<b>(96,134,050)</b>	<b>-</b>	<b>11,492,415</b>	<b>77,449</b>	<b>(84,564,186)</b>
<b><u>Cashflows</u></b>					
Premiums received	52,356,109	-	-	-	52,356,109
Claims and other directly attributable expenses paid	-	-	(10,000,713)	-	(10,000,713)
Insurance acquisition cashflows paid	(7,622,884)	-	-	-	(7,622,884)
<b>Total cash inflows / (outflows)</b>	<b>44,733,225</b>	<b>-</b>	<b>(10,000,713)</b>	<b>-</b>	<b>34,732,512</b>
<b>Net closing balance</b>	<b>23,175,535</b>	<b>-</b>	<b>11,510,907</b>	<b>843,675</b>	<b>35,530,117</b>
<b>Insurance contracts</b>					
Insurance contract assets	(1,551,041)	-	-	-	(1,551,041)
Insurance contract liabilities	24,726,576	-	11,510,907	843,675	37,081,158
<b>Net insurance contract liabilities - 31 December 2025</b>	<b>23,175,535</b>	<b>-</b>	<b>11,510,907</b>	<b>843,675</b>	<b>35,530,117</b>

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

PAA, gross (Engineering) (continued)

	31 December 2025				Total
	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	
<b>Reinsurance contracts - 1 January 2025</b>					
Reinsurance contract assets	34,917,223	-	7,027,346	429,868	42,374,437
Reinsurance contract liabilities	(4,061,345)	-	-	-	(4,061,345)
<b>Net reinsurance contract assets</b>	<b>30,855,878</b>	<b>-</b>	<b>7,027,346</b>	<b>429,868</b>	<b>38,313,092</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(88,331,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(88,331,385)</b>
Incurred Claims Amounts Recoverable from Reinsurance	-	-	9,306,326	547,884	9,854,210
Changes that relate to past service: changes related to AIC	-	-	(1,536,118)	(462,166)	(1,998,284)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>7,770,208</b>	<b>85,718</b>	<b>7,855,926</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(88,331,385)</b>	<b>-</b>	<b>7,770,208</b>	<b>85,718</b>	<b>(80,475,459)</b>
Finance income from reinsurance contracts	-	-	472,512	27,849	500,361
<b>Total changes in the statement of income and OCI</b>	<b>(88,331,385)</b>	<b>-</b>	<b>8,242,720</b>	<b>113,567</b>	<b>(79,975,098)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	78,661,644	-	-	-	78,661,644
Recoveries from reinsurance	-	-	(6,272,555)	-	(6,272,555)
<b>Total cash inflows / (outflows)</b>	<b>78,661,644</b>	<b>-</b>	<b>(6,272,555)</b>	<b>-</b>	<b>72,389,089</b>
<b>Net closing balance</b>	<b>21,186,137</b>	<b>-</b>	<b>8,997,511</b>	<b>543,435</b>	<b>30,727,083</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets	21,989,045	-	8,997,511	543,435	31,529,991
Reinsurance contract liabilities	(802,908)	-	-	-	(802,908)
<b>Net reinsurance contract assets 31 December 2025</b>	<b>21,186,137</b>	<b>-</b>	<b>8,997,511</b>	<b>543,435</b>	<b>30,727,083</b>

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

PAA, gross (Marine)

	31 December 2025				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2025</b>					
Insurance contract assets	(401,947)	-	-	-	(401,947)
Insurance contract liabilities	1,012,642	-	5,548,454	362,734	6,923,830
<b>Net insurance contract liabilities</b>	<b>610,695</b>	<b>-</b>	<b>5,548,454</b>	<b>362,734</b>	<b>6,521,883</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(9,495,823)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,495,823)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	3,674,599	162,582	3,837,181
Insurance acquisition cash flows amortization	743,070	-	-	-	743,070
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	723,491	(100,238)	623,253
<b>Insurance service expenses</b>	<b>743,070</b>	<b>-</b>	<b>4,398,090</b>	<b>62,344</b>	<b>5,203,504</b>
<b>Insurance service result</b>	<b>(8,752,753)</b>	<b>-</b>	<b>4,398,090</b>	<b>62,344</b>	<b>(4,292,319)</b>
Finance expense from insurance contracts	-	-	249,998	16,344	266,342
<b>Total changes in the statement of income and OCI</b>	<b>(8,752,753)</b>	<b>-</b>	<b>4,648,088</b>	<b>78,688</b>	<b>(4,025,977)</b>
<b><u>Cashflows</u></b>					
Premiums received	7,508,554	-	-	-	7,508,554
Claims and other directly attributable expenses paid	-	-	(4,173,858)	-	(4,173,858)
Insurance acquisition cashflows paid	(588,726)	-	-	-	(588,726)
<b>Total cash inflows / (outflows)</b>	<b>6,919,828</b>	<b>-</b>	<b>(4,173,858)</b>	<b>-</b>	<b>2,745,970</b>
<b>Net closing balance</b>	<b>(1,222,230)</b>	<b>-</b>	<b>6,022,684</b>	<b>441,422</b>	<b>5,241,876</b>
<b>Insurance contracts</b>					
Insurance contract assets	(1,713,952)	-	-	-	(1,713,952)
Insurance contract liabilities	491,722	-	6,022,684	441,422	6,955,828
<b>Net insurance contract liabilities - 31 December 2025</b>	<b>(1,222,230)</b>	<b>-</b>	<b>6,022,684</b>	<b>441,422</b>	<b>5,241,876</b>

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

PAA, gross (Marine) (continued)

	31 December 2025				Total
	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	
<b>Reinsurance contracts - 1 January 2025</b>					
Reinsurance contract assets	305,868	-	3,966,412	221,905	4,494,185
Reinsurance contract liabilities	(1,223,618)	-	-	-	(1,223,618)
<b>Net reinsurance contract assets</b>	<b>(917,750)</b>	<b>-</b>	<b>3,966,412</b>	<b>221,905</b>	<b>3,270,567</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(4,631,905)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,631,905)</b>
Incurred Claims Amounts Recoverable from Reinsurance	-	-	2,858,867	153,652	3,012,519
Changes that relate to past service: changes related to AIC	-	-	(279,880)	(116,482)	(396,362)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>2,578,987</b>	<b>37,170</b>	<b>2,616,157</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(4,631,905)</b>	<b>-</b>	<b>2,578,987</b>	<b>37,170</b>	<b>(2,015,748)</b>
Finance income from reinsurance contracts	-	-	191,380	10,009	201,389
<b>Total changes in the statement of income and OCI</b>	<b>(4,631,905)</b>	<b>-</b>	<b>2,770,367</b>	<b>47,179</b>	<b>(1,814,359)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	5,079,457	-	-	-	5,079,457
Recoveries from reinsurance	-	-	(2,378,578)	-	(2,378,578)
<b>Total cash inflows / (outflows)</b>	<b>5,079,457</b>	<b>-</b>	<b>(2,378,578)</b>	<b>-</b>	<b>2,700,879</b>
<b>Net closing balance</b>	<b>(470,198)</b>	<b>-</b>	<b>4,358,201</b>	<b>269,084</b>	<b>4,157,087</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	550,180	-	4,358,201	269,084	5,177,465
Reinsurance contract liabilities	(1,020,378)	-	-	-	(1,020,378)
<b>Net reinsurance contract assets 31 December 2025</b>	<b>(470,198)</b>	<b>-</b>	<b>4,358,201</b>	<b>269,084</b>	<b>4,157,087</b>

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

PAA, gross (Other)

	31 December 2025				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2025</b>					
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	11,789,839	33,063	31,964,820	1,320,026	45,107,748
<b>Net insurance contract liabilities</b>	<b>11,789,839</b>	<b>33,063</b>	<b>31,964,820</b>	<b>1,320,026</b>	<b>45,107,748</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(41,423,474)</b>	-	-	-	<b>(41,423,474)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	12,100,104	608,773	12,708,877
Insurance acquisition cash flows amortization	2,292,053	-	-	-	2,292,053
Losses and reversals of losses on onerous contracts	-	(27,601)	-	-	(27,601)
Changes that relate to past service - adjustments to the LIC	-	-	(2,013,924)	663,048	(1,350,876)
<b>Insurance service expenses</b>	<b>2,292,053</b>	<b>(27,601)</b>	<b>10,086,180</b>	<b>1,271,821</b>	<b>13,622,453</b>
<b>Insurance service result</b>	<b>(39,131,421)</b>	<b>(27,601)</b>	<b>10,086,180</b>	<b>1,271,821</b>	<b>(27,801,021)</b>
Finance expense from insurance contracts	-	-	998,445	48,947	1,047,392
<b>Total changes in the statement of income and OCI</b>	<b>(39,131,421)</b>	<b>(27,601)</b>	<b>11,084,625</b>	<b>1,320,768</b>	<b>(26,753,629)</b>
<b><u>Cashflows</u></b>					
Premiums received	30,702,134	-	-	-	30,702,134
Claims and other directly attributable expenses paid	-	-	(6,311,650)	-	(6,311,650)
Insurance acquisition cashflows paid	(2,694,627)	-	-	-	(2,694,627)
<b>Total cash inflows / (outflows)</b>	<b>28,007,507</b>	-	<b>(6,311,650)</b>	-	<b>21,695,857</b>
<b>Net closing balance</b>	<b>665,925</b>	<b>5,462</b>	<b>36,737,795</b>	<b>2,640,794</b>	<b>40,049,976</b>
<b>Insurance contracts</b>					
Insurance contract assets	(8,922,574)	-	-	-	(8,922,574)
Insurance contract liabilities	9,588,499	5,462	36,737,795	2,640,794	48,972,550
<b>Net insurance contract liabilities - 31 December 2025</b>	<b>665,925</b>	<b>5,462</b>	<b>36,737,795</b>	<b>2,640,794</b>	<b>40,049,976</b>

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

PAA, gross (Other) (continued)

	31 December 2025				Total
	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	
<b>Reinsurance contracts - 1 January 2025</b>					
Reinsurance contract assets	7,168,236	-	23,587,991	892,656	31,648,883
Reinsurance contract liabilities	(803,837)	-	-	-	(803,837)
<b>Net reinsurance contract assets</b>	<b>6,364,399</b>	<b>-</b>	<b>23,587,991</b>	<b>892,656</b>	<b>30,845,046</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(29,031,038)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,031,038)</b>
Incurred Claims Amounts Recoverable from Reinsurance	-	-	9,205,519	519,626	9,725,145
Changes that relate to past service: changes related to AIC	-	-	(4,837,203)	162,142	(4,675,061)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>4,368,316</b>	<b>681,768</b>	<b>5,050,084</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(29,031,038)</b>	<b>-</b>	<b>4,368,316</b>	<b>681,768</b>	<b>(23,980,954)</b>
Finance income from reinsurance contracts	-	-	802,293	33,739	836,032
<b>Total changes in the statement of income and OCI</b>	<b>(29,031,038)</b>	<b>-</b>	<b>5,170,609</b>	<b>715,507</b>	<b>(23,144,922)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	26,843,065	-	-	-	26,843,065
Recoveries from reinsurance	-	-	(2,343,046)	-	(2,343,046)
<b>Total cash inflows / (outflows)</b>	<b>26,843,065</b>	<b>-</b>	<b>(2,343,046)</b>	<b>-</b>	<b>24,500,019</b>
<b>Net closing balance</b>	<b>4,176,426</b>	<b>-</b>	<b>26,415,554</b>	<b>1,608,163</b>	<b>32,200,143</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	9,317,010	-	26,415,554	1,608,163	37,340,727
Reinsurance contract liabilities	(5,140,584)	-	-	-	(5,140,584)
<b>Net reinsurance contract assets 31 December 2025</b>	<b>4,176,426</b>	<b>-</b>	<b>26,415,554</b>	<b>1,608,163</b>	<b>32,200,143</b>

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

GMM (IDI)

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

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

GMM (IDI) (continued)

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

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

GMM (IDI) (continued)

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

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

GMM (IDI) (continued)

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

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11. INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

PAA, gross (Total)

	31 December 2024				
	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	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	(23,654,641)	-	-	-	(23,654,641)
Insurance contract liabilities	223,919,500	937,213	882,526,148	8,142,571	1,115,525,432
<b>Net insurance contract liabilities</b>	<b>200,264,859</b>	<b>937,213</b>	<b>882,526,148</b>	<b>8,142,571</b>	<b>1,091,870,791</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(692,906,939)</b>	-	-	-	<b>(692,906,939)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	502,213,154	3,594,225	505,807,379
Insurance acquisition cash flows amortization	47,605,446	-	-	-	47,605,446
Losses and reversals of losses on onerous contracts	-	1,478,766	-	-	1,478,766
Changes that relate to past service - adjustments to the LIC	-	-	(61,141,615)	(4,702,348)	(65,843,963)
<b>Insurance service expenses</b>	<b>47,605,446</b>	<b>1,478,766</b>	<b>441,071,539</b>	<b>(1,108,123)</b>	<b>489,047,628</b>
<b>Insurance service result</b>	<b>(645,301,493)</b>	<b>1,478,766</b>	<b>441,071,539</b>	<b>(1,108,123)</b>	<b>(203,859,311)</b>
Finance expense from insurance contracts	-	-	32,534,626	369,237	32,903,863
<b>Total changes in the statement of income and OCI</b>	<b>(645,301,493)</b>	<b>1,478,766</b>	<b>473,606,165</b>	<b>(738,886)</b>	<b>(170,955,448)</b>
<b><u>Cash flows</u></b>					
Premiums received	590,938,855	-	-	-	590,938,855
Claims and other directly attributable expenses paid	-	-	(524,901,293)	-	(524,901,293)
Insurance acquisition cashflows paid	(20,559,536)	-	636,507	-	(19,923,029)
<b>Total cash inflows / (outflows)</b>	<b>570,379,319</b>	-	<b>(524,264,786)</b>	-	<b>46,114,533</b>
<b>Net closing balance</b>	<b>125,342,685</b>	<b>2,415,979</b>	<b>831,867,527</b>	<b>7,403,685</b>	<b>967,029,876</b>
<b>Insurance contracts</b>					
Insurance contract assets	(24,951,617)	-	-	-	(24,951,617)
Insurance contract liabilities	150,294,302	2,415,979	831,867,527	7,403,685	991,981,493
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>125,342,685</b>	<b>2,415,979</b>	<b>831,867,527</b>	<b>7,403,685</b>	<b>967,029,876</b>

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

PAA, gross (Total) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	78,262,912	-	757,620,416	1,267,756	837,151,084
Reinsurance contract liabilities	(4,397,493)	-	-	-	(4,397,493)
<b>Net reinsurance contract assets</b>	<b>73,865,419</b>	<b>-</b>	<b>757,620,416</b>	<b>1,267,756</b>	<b>832,753,591</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(154,675,227)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(154,675,227)</b>
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)
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>(15,996,895)</b>	<b>830,304</b>	<b>(15,166,591)</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(154,675,227)</b>	<b>-</b>	<b>(15,996,895)</b>	<b>830,304</b>	<b>(169,841,818)</b>
Finance income from reinsurance contracts	-	-	26,780,711	55,687	26,836,398
<b>Total changes in the statement of income and OCI</b>	<b>(154,675,227)</b>	<b>-</b>	<b>10,783,816</b>	<b>885,991</b>	<b>(143,005,420)</b>
<b><u>Cash flows</u></b>					
Premiums ceded and acquisition cashflows paid	99,018,472	-	-	-	99,018,472
Recoveries from reinsurance	-	-	(32,948,663)	-	(32,948,663)
<b>Total cash inflows / (outflows)</b>	<b>99,018,472</b>	<b>-</b>	<b>(32,948,663)</b>	<b>-</b>	<b>66,069,809</b>
<b>Net closing balance</b>	<b>18,208,664</b>	<b>-</b>	<b>735,455,569</b>	<b>2,153,747</b>	<b>755,817,980</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	45,165,375	-	735,455,569	2,153,747	782,774,691
Reinsurance contract liabilities	(26,956,711)	-	-	-	(26,956,711)
<b>Net reinsurance contract assets 31 December 2024</b>	<b>18,208,664</b>	<b>-</b>	<b>735,455,569</b>	<b>2,153,747</b>	<b>755,817,980</b>

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

PAA, gross (Motor)

	31 December 2024				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	(13,103,444)	-	-	-	(13,103,444)
Insurance contract liabilities	17,101,520	-	60,712,156	3,035,236	80,848,912
<b>Net insurance contract liabilities</b>	<b>3,998,076</b>	<b>-</b>	<b>60,712,156</b>	<b>3,035,236</b>	<b>67,745,468</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Insurance revenue</b>	<b>(114,414,955)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(114,414,955)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	108,096,461	810,538	108,906,999
Insurance acquisition cash flows amortization	9,168,235	-	-	-	9,168,235
Losses and reversals of losses on onerous contracts	-	1,015,640	-	-	1,015,640
Changes that relate to past service - adjustments to the LIC	-	-	(6,143,914)	(1,841,189)	(7,985,103)
<b>Insurance service expenses</b>	<b>9,168,235</b>	<b>1,015,640</b>	<b>101,952,547</b>	<b>(1,030,651)</b>	<b>111,105,771</b>
<b>Insurance service result</b>	<b>(105,246,720)</b>	<b>1,015,640</b>	<b>101,952,547</b>	<b>(1,030,651)</b>	<b>(3,309,184)</b>
Finance expense from insurance contracts	-	-	2,421,352	121,240	2,542,592
<b>Total changes in the statement of income and OCI</b>	<b>(105,246,720)</b>	<b>1,015,640</b>	<b>104,373,899</b>	<b>(909,411)</b>	<b>(766,592)</b>
<b><u>Cashflows</u></b>					
Premiums received	118,056,755	-	-	-	118,056,755
Claims and other directly attributable expenses paid	-	-	(128,587,136)	-	(128,587,136)
Insurance acquisition cashflows paid	(6,225,094)	-	-	-	(6,225,094)
<b>Total cash inflows / (outflows)</b>	<b>111,831,661</b>	<b>-</b>	<b>(128,587,136)</b>	<b>-</b>	<b>(16,755,475)</b>
<b>Net closing balance</b>	<b>10,583,017</b>	<b>1,015,640</b>	<b>36,498,919</b>	<b>2,125,825</b>	<b>50,223,401</b>
<b>Insurance contracts</b>					
Insurance contract assets	(8,581,990)	-	-	-	(8,581,990)
Insurance contract liabilities	19,165,007	1,015,640	36,498,919	2,125,825	58,805,391
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>10,583,017</b>	<b>1,015,640</b>	<b>36,498,919</b>	<b>2,125,825</b>	<b>50,223,401</b>

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

PAA, gross (Motor) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	-	-	11,406,295	-	11,406,295
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets</b>	-	-	<b>11,406,295</b>	-	<b>11,406,295</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(1,532,000)</b>	-	-	-	<b>(1,532,000)</b>
Incurred Claims Amounts Recoverable from Reinsurance	-	-	-	-	-
Changes that relate to past service: changes related to AIC	-	-	(331,455)	-	(331,455)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	-	-	<b>(331,455)</b>	-	<b>(331,455)</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(1,532,000)</b>	-	<b>(331,455)</b>	-	<b>(1,863,455)</b>
Finance income from reinsurance contracts	-	-	-	-	-
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	1,531,993	-	-	-	1,531,993
Recoveries from reinsurance	-	-	-	-	-
<b>Total cash inflows / (outflows)</b>	<b>1,531,993</b>	-	-	-	<b>1,531,993</b>
<b>Net closing balance</b>	<b>(7)</b>	-	<b>11,074,840</b>	-	<b>11,074,833</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	(7)	-	11,074,840	-	11,074,833
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets 31 December 2024</b>	<b>(7)</b>	-	<b>11,074,840</b>	-	<b>11,074,833</b>

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

PAA, gross (Medical)

	31 December 2024				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of cash flows	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	145,202,448	937,213	79,566,756	3,232,277	228,938,694
<b>Net insurance contract liabilities</b>	<b>145,202,448</b>	<b>937,213</b>	<b>79,566,756</b>	<b>3,232,277</b>	<b>228,938,694</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
Insurance revenue	(393,054,046)	-	-	-	(393,054,046)
<b>Insurance service expenses</b>					
Incurring claims and other directly attributable expenses	-	-	352,458,599	1,958,934	354,417,533
Insurance acquisition cash flows amortization	22,808,084	-	-	-	22,808,084
Losses and reversals of losses on onerous contracts	-	430,063	-	-	430,063
Changes that relate to past service - adjustments to the LIC	-	-	(11,890,563)	(3,291,968)	(15,182,531)
<b>Insurance service expenses</b>	<b>22,808,084</b>	<b>430,063</b>	<b>340,568,036</b>	<b>(1,333,034)</b>	<b>362,473,149</b>
<b>Insurance service result</b>	<b>(370,245,962)</b>	<b>430,063</b>	<b>340,568,036</b>	<b>(1,333,034)</b>	<b>(30,580,897)</b>
Finance expense from insurance contracts	-	-	2,761,783	163,622	2,925,405
<b>Total changes in the statement of income and OCI</b>	<b>(370,245,962)</b>	<b>430,063</b>	<b>343,329,819</b>	<b>(1,169,412)</b>	<b>(27,655,492)</b>
<b><u>Cashflows</u></b>					
Premiums received	275,511,296	-	-	-	275,511,296
Claims and other directly attributable expenses paid	-	-	(361,080,205)	-	(361,080,205)
Insurance acquisition cashflows paid	(16,185,595)	-	-	-	(16,185,595)
<b>Total cash inflows / (outflows)</b>	<b>259,325,701</b>	<b>-</b>	<b>(361,080,205)</b>	<b>-</b>	<b>(101,754,504)</b>
<b>Net closing balance</b>	<b>34,282,187</b>	<b>1,367,276</b>	<b>61,816,370</b>	<b>2,062,865</b>	<b>99,528,698</b>
<b>Insurance contracts</b>					
Insurance contract assets	(5,394,031)	-	-	-	(5,394,031)
Insurance contract liabilities	39,676,218	1,367,276	61,816,370	2,062,865	104,922,729
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>34,282,187</b>	<b>1,367,276</b>	<b>61,816,370</b>	<b>2,062,865</b>	<b>99,528,698</b>

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

PAA, gross (Medical) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	-	-	12,723,875	-	12,723,875
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets</b>	-	-	<b>12,723,875</b>	-	<b>12,723,875</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(5,558,925)</b>	-	-	-	<b>(5,558,925)</b>
Incurring Claims Amounts Recoverable from Reinsurance	-	-	-	-	-
Changes that relate to past service: changes related to AIC	-	-	8,377,655	-	8,377,655
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	-	-	<b>8,377,655</b>	-	<b>8,377,655</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(5,558,925)</b>	-	<b>8,377,655</b>	-	<b>2,818,730</b>
Finance income from reinsurance contracts	-	-	-	-	-
<b>Total changes in the statement of income and OCI</b>	<b>(5,558,925)</b>	-	<b>8,377,655</b>	-	<b>2,818,730</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	5,558,925	-	-	-	5,558,925
Recoveries from reinsurance	-	-	(13,930,482)	-	(13,930,482)
<b>Total cash inflows / (outflows)</b>	<b>5,558,925</b>	-	<b>(13,930,482)</b>	-	<b>(8,371,557)</b>
<b>Net closing balance</b>	-	-	<b>7,171,048</b>	-	<b>7,171,048</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	-	-	7,171,048	-	7,171,048
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets 31 December 2024</b>	-	-	<b>7,171,048</b>	-	<b>7,171,048</b>

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

PAA, gross (Property)

	31 December 2024				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	(8,607,930)	-	-	-	(8,607,930)
Insurance contract liabilities	474,269	-	701,662,003	652,897	702,789,169
<b>Net insurance contract liabilities</b>	<b>(8,133,661)</b>	<b>-</b>	<b>701,662,003</b>	<b>652,897</b>	<b>694,181,239</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
Insurance revenue	(76,924,822)	-	-	-	(76,924,822)
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	19,548,289	12,962	19,561,251
Insurance acquisition cash flows amortization	6,482,866	-	-	-	6,482,866
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(43,268,084)	76,141	(43,191,943)
<b>Insurance service expenses</b>	<b>6,482,866</b>	<b>-</b>	<b>(23,719,795)</b>	<b>89,103</b>	<b>(17,147,826)</b>
<b>Insurance service result</b>	<b>(70,441,956)</b>	<b>-</b>	<b>(23,719,795)</b>	<b>89,103</b>	<b>(94,072,648)</b>
Finance expense from insurance contracts	-	-	25,802,775	24,009	25,826,784
<b>Total changes in the statement of income and OCI</b>	<b>(70,441,956)</b>	<b>-</b>	<b>2,082,980</b>	<b>113,112</b>	<b>(68,245,864)</b>
<b><u>Cashflows</u></b>					
Premiums received	77,890,837	-	-	-	77,890,837
Claims and other directly attributable expenses paid	-	-	(17,725,224)	-	(17,725,224)
Insurance acquisition cashflows paid	(5,814,633)	-	-	-	(5,814,633)
<b>Total cash inflows / (outflows)</b>	<b>72,076,204</b>	<b>-</b>	<b>(17,725,224)</b>	<b>-</b>	<b>54,350,980</b>
<b>Net closing balance</b>	<b>(6,499,413)</b>	<b>-</b>	<b>686,019,759</b>	<b>766,009</b>	<b>680,286,355</b>
<b>Insurance contracts</b>					
Insurance contract assets	(10,446,930)	-	-	-	(10,446,930)
Insurance contract liabilities	3,947,517	-	686,019,759	766,009	690,733,285
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>(6,499,413)</b>	<b>-</b>	<b>686,019,759</b>	<b>766,009</b>	<b>680,286,355</b>

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

PAA, gross (Property) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	613,719	-	704,461,509	519,465	705,594,693
Reinsurance contract liabilities	(3,738,316)	-	-	-	(3,738,316)
<b>Net reinsurance contract assets</b>	<b>(3,124,597)</b>	<b>-</b>	<b>704,461,509</b>	<b>519,465</b>	<b>701,856,377</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(64,453,337)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,453,337)</b>
Incurring Claims Amounts Recoverable from Reinsurance	-	-	22,311,104	17,326	22,328,430
Changes that relate to past service: changes related to AIC	-	-	(56,115,240)	53,428	(56,061,812)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>(33,804,136)</b>	<b>70,754</b>	<b>(33,733,382)</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(64,453,337)</b>	<b>-</b>	<b>(33,804,136)</b>	<b>70,754</b>	<b>(98,186,719)</b>
Finance income from reinsurance contracts	-	-	25,657,164	19,099	25,676,263
<b>Total changes in the statement of income and OCI</b>	<b>(64,453,337)</b>	<b>-</b>	<b>(8,146,972)</b>	<b>89,853</b>	<b>(72,510,456)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	49,484,078	-	-	-	49,484,078
Recoveries from reinsurance	-	-	(13,686,605)	-	(13,686,605)
<b>Total cash inflows / (outflows)</b>	<b>49,484,078</b>	<b>-</b>	<b>(13,686,605)</b>	<b>-</b>	<b>35,797,473</b>
<b>Net closing balance</b>	<b>(18,093,856)</b>	<b>-</b>	<b>682,627,932</b>	<b>609,318</b>	<b>665,143,394</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	2,774,055	-	682,627,932	609,318	686,011,305
Reinsurance contract liabilities	(20,867,911)	-	-	-	(20,867,911)
<b>Net reinsurance contract assets 31 December 2024</b>	<b>(18,093,856)</b>	<b>-</b>	<b>682,627,932</b>	<b>609,318</b>	<b>665,143,394</b>

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

PAA, gross (Engineering)

	31 December 2024				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	(1,475,796)	-	-	-	(1,475,796)
Insurance contract liabilities	52,982,171	-	4,421,444	261,068	57,664,683
<b>Net insurance contract liabilities</b>	<b>51,506,375</b>	<b>-</b>	<b>4,421,444</b>	<b>261,068</b>	<b>56,188,887</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
Insurance revenue	(64,775,664)	-	-	-	(64,775,664)
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	13,592,949	572,278	14,165,227
Insurance acquisition cash flows amortization	5,476,673	-	-	-	5,476,673
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(829,155)	(86,206)	(915,361)
<b>Insurance service expenses</b>	<b>5,476,673</b>	<b>-</b>	<b>12,763,794</b>	<b>486,072</b>	<b>18,726,539</b>
<b>Insurance service result</b>	<b>(59,298,991)</b>	<b>-</b>	<b>12,763,794</b>	<b>486,072</b>	<b>(46,049,125)</b>
Finance expense from insurance contracts	-	-	129,200	19,086	148,286
<b>Total changes in the statement of income and OCI</b>	<b>(59,298,991)</b>	<b>-</b>	<b>12,892,994</b>	<b>505,158</b>	<b>(45,900,839)</b>
<b><u>Cashflows</u></b>					
Premiums received	72,374,121	-	-	-	72,374,121
Claims and other directly attributable expenses paid	-	-	(7,931,740)	-	(7,931,740)
Insurance acquisition cashflows paid	9,994,855	-	636,507	-	10,631,362
<b>Total cash inflows / (outflows)</b>	<b>82,368,976</b>	<b>-</b>	<b>(7,295,233)</b>	<b>-</b>	<b>75,073,743</b>
<b>Net closing balance</b>	<b>74,576,360</b>	<b>-</b>	<b>10,019,205</b>	<b>766,226</b>	<b>85,361,791</b>
<b>Insurance contracts</b>					
Insurance contract assets	(126,719)	-	-	-	(126,719)
Insurance contract liabilities	74,703,079	-	10,019,205	766,226	85,488,510
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>74,576,360</b>	<b>-</b>	<b>10,019,205</b>	<b>766,226</b>	<b>85,361,791</b>

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

PAA, gross (Engineering) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	66,378,811	-	2,370,570	126,744	68,876,125
Reinsurance contract liabilities	(659,177)	-	-	-	(659,177)
<b>Net reinsurance contract assets</b>	<b>65,719,634</b>	<b>-</b>	<b>2,370,570</b>	<b>126,744</b>	<b>68,216,948</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(53,170,401)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53,170,401)</b>
Incurring Claims Amounts Recoverable from Reinsurance	-	-	5,777,695	273,768	6,051,463
Changes that relate to past service: changes related to AIC	-	-	(573,121)	19,694	(553,427)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>5,204,574</b>	<b>293,462</b>	<b>5,498,036</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(53,170,401)</b>	<b>-</b>	<b>5,204,574</b>	<b>293,462</b>	<b>(47,672,365)</b>
Finance income from reinsurance contracts	-	-	15,253	9,662	24,915
<b>Total changes in the statement of income and OCI</b>	<b>(53,170,401)</b>	<b>-</b>	<b>5,219,827</b>	<b>303,124</b>	<b>(47,647,450)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	18,306,645	-	-	-	18,306,645
Recoveries from reinsurance	-	-	(563,051)	-	(563,051)
<b>Total cash inflows / (outflows)</b>	<b>18,306,645</b>	<b>-</b>	<b>(563,051)</b>	<b>-</b>	<b>17,743,594</b>
<b>Net closing balance</b>	<b>30,855,878</b>	<b>-</b>	<b>7,027,346</b>	<b>429,868</b>	<b>38,313,092</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	34,917,223	-	7,027,346	429,868	42,374,437
Reinsurance contract liabilities	(4,061,345)	-	-	-	(4,061,345)
<b>Net reinsurance contract assets 31 December 2024</b>	<b>30,855,878</b>	<b>-</b>	<b>7,027,346</b>	<b>429,868</b>	<b>38,313,092</b>

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

PAA, gross (Marine)

	31 December 2024				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	(342,396)	-	-	-	(342,396)
Insurance contract liabilities	2,221,910	-	4,556,557	276,353	7,054,820
<b>Net insurance contract liabilities</b>	<b>1,879,514</b>	<b>-</b>	<b>4,556,557</b>	<b>276,353</b>	<b>6,712,424</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
Insurance revenue	(10,264,845)	-	-	-	(10,264,845)
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	4,094,519	173,979	4,268,498
Insurance acquisition cash flows amortization	1,036,685	-	-	-	1,036,685
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(770,393)	(100,863)	(871,256)
<b>Insurance service expenses</b>	<b>1,036,685</b>	<b>-</b>	<b>3,324,126</b>	<b>73,116</b>	<b>4,433,927</b>
<b>Insurance service result</b>	<b>(9,228,160)</b>	<b>-</b>	<b>3,324,126</b>	<b>73,116</b>	<b>(5,830,918)</b>
Finance expense from insurance contracts	-	-	218,730	13,265	231,995
<b>Total changes in the statement of income and OCI</b>	<b>(9,228,160)</b>	<b>-</b>	<b>3,542,856</b>	<b>86,381</b>	<b>(5,598,923)</b>
<b><u>Cashflows</u></b>					
Premiums received	8,875,190	-	-	-	8,875,190
Claims and other directly attributable expenses paid	-	-	(2,550,959)	-	(2,550,959)
Insurance acquisition cashflows paid	(915,849)	-	-	-	(915,849)
<b>Total cash inflows / (outflows)</b>	<b>7,959,341</b>	<b>-</b>	<b>(2,550,959)</b>	<b>-</b>	<b>5,408,382</b>
<b>Net closing balance</b>	<b>610,695</b>	<b>-</b>	<b>5,548,454</b>	<b>362,734</b>	<b>6,521,883</b>
<b>Insurance contracts</b>					
Insurance contract assets	(401,947)	-	-	-	(401,947)
Insurance contract liabilities	1,012,642	-	5,548,454	362,734	6,923,830
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>610,695</b>	<b>-</b>	<b>5,548,454</b>	<b>362,734</b>	<b>6,521,883</b>

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

PAA, gross (Marine) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	2,287,894	-	3,208,285	171,063	5,667,242
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets</b>	<b>2,287,894</b>	<b>-</b>	<b>3,208,285</b>	<b>171,063</b>	<b>5,667,242</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(4,377,156)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,377,156)</b>
Incurring Claims Amounts Recoverable from Reinsurance	-	-	3,008,848	148,967	3,157,815
Changes that relate to past service: changes related to AIC	-	-	(1,144,845)	(106,709)	(1,251,554)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>1,864,003</b>	<b>42,258</b>	<b>1,906,261</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(4,377,156)</b>	<b>-</b>	<b>1,864,003</b>	<b>42,258</b>	<b>(2,470,895)</b>
Finance income from reinsurance contracts	-	-	176,943	8,584	185,527
<b>Total changes in the statement of income and OCI</b>	<b>(4,377,156)</b>	<b>-</b>	<b>2,040,946</b>	<b>50,842</b>	<b>(2,285,368)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	1,171,512	-	-	-	1,171,512
Recoveries from reinsurance	-	-	(1,282,819)	-	(1,282,819)
<b>Total cash inflows / (outflows)</b>	<b>1,171,512</b>	<b>-</b>	<b>(1,282,819)</b>	<b>-</b>	<b>(111,307)</b>
<b>Net closing balance</b>	<b>(917,750)</b>	<b>-</b>	<b>3,966,412</b>	<b>221,905</b>	<b>3,270,567</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	305,868	-	3,966,412	221,905	4,494,185
Reinsurance contract liabilities	(1,223,618)	-	-	-	(1,223,618)
<b>Net reinsurance contract assets 31 December 2024</b>	<b>(917,750)</b>	<b>-</b>	<b>3,966,412</b>	<b>221,905</b>	<b>3,270,567</b>

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

PAA, gross (Other)

	31 December 2024				Total
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>					
Insurance contract assets	(125,075)	-	-	-	(125,075)
Insurance contract liabilities	5,937,182	-	31,607,232	684,740	38,229,154
<b>Net insurance contract liabilities</b>	<b>5,812,107</b>	<b>-</b>	<b>31,607,232</b>	<b>684,740</b>	<b>38,104,079</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
Insurance revenue	(33,472,607)	-	-	-	(33,472,607)
<b>Insurance service expenses</b>					
Incurrd claims and other directly attributable expenses	-	-	4,422,337	65,534	4,487,871
Insurance acquisition cash flows amortization	2,632,903	-	-	-	2,632,903
Losses and reversals of losses on onerous contracts	-	33,063	-	-	33,063
Changes that relate to past service - adjustments to the LIC	-	-	1,760,494	541,737	2,302,231
<b>Insurance service expenses</b>	<b>2,632,903</b>	<b>33,063</b>	<b>6,182,831</b>	<b>607,271</b>	<b>9,456,068</b>
<b>Insurance service result</b>	<b>(30,839,704)</b>	<b>33,063</b>	<b>6,182,831</b>	<b>607,271</b>	<b>(24,016,539)</b>
Finance expense from insurance contracts	-	-	1,200,786	28,015	1,228,801
<b>Total changes in the statement of income and OCI</b>	<b>(30,839,704)</b>	<b>33,063</b>	<b>7,383,617</b>	<b>635,286</b>	<b>(22,787,738)</b>
<b><u>Cashflows</u></b>					
Premiums received	38,230,656	-	-	-	38,230,656
Claims and other directly attributable expenses paid	-	-	(7,026,029)	-	(7,026,029)
Insurance acquisition cashflows paid	(1,413,220)	-	-	-	(1,413,220)
<b>Total cash inflows / (outflows)</b>	<b>36,817,436</b>	<b>-</b>	<b>(7,026,029)</b>	<b>-</b>	<b>29,791,407</b>
<b>Net closing balance</b>	<b>11,789,839</b>	<b>33,063</b>	<b>31,964,820</b>	<b>1,320,026</b>	<b>45,107,748</b>
<b>Insurance contracts</b>					
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	11,789,839	33,063	31,964,820	1,320,026	45,107,748
<b>Net insurance contract liabilities - 31 December 2024</b>	<b>11,789,839</b>	<b>33,063</b>	<b>31,964,820</b>	<b>1,320,026</b>	<b>45,107,748</b>

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

PAA, gross (Other) (continued)

	31 December 2024				Total
	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	
<b>Reinsurance contracts - 1 January 2024</b>					
Reinsurance contract assets	8,982,488	-	23,449,882	450,484	32,882,854
Reinsurance contract liabilities	-	-	-	-	-
<b>Net reinsurance contract assets</b>	<b>8,982,488</b>	<b>-</b>	<b>23,449,882</b>	<b>450,484</b>	<b>32,882,854</b>
<b><u>Changes in the statement of income and OCI:</u></b>					
<b>Amounts Allocated to Reinsurance</b>	<b>(25,583,408)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,583,408)</b>
Incurring Claims Amounts Recoverable from Reinsurance	-	-	3,205,225	69,157	3,274,382
Changes that relate to past service: changes related to AIC	-	-	(512,761)	354,673	(158,088)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>-</b>	<b>-</b>	<b>2,692,464</b>	<b>423,830</b>	<b>3,116,294</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(25,583,408)</b>	<b>-</b>	<b>2,692,464</b>	<b>423,830</b>	<b>(22,467,114)</b>
Finance income from reinsurance contracts	-	-	931,351	18,342	949,693
<b>Total changes in the statement of income and OCI</b>	<b>(25,583,408)</b>	<b>-</b>	<b>3,623,815</b>	<b>442,172</b>	<b>(21,517,421)</b>
<b><u>Cashflows</u></b>					
Premiums ceded and acquisition cashflows paid	22,965,319	-	-	-	22,965,319
Recoveries from reinsurance	-	-	(3,485,706)	-	(3,485,706)
<b>Total cash inflows / (outflows)</b>	<b>22,965,319</b>	<b>-</b>	<b>(3,485,706)</b>	<b>-</b>	<b>19,479,613</b>
<b>Net closing balance</b>	<b>6,364,399</b>	<b>-</b>	<b>23,587,991</b>	<b>892,656</b>	<b>30,845,046</b>
<b>ReInsurance contracts</b>					
Reinsurance contract assets	7,168,236	-	23,587,991	892,656	31,648,883
Reinsurance contract liabilities	(803,837)	-	-	-	(803,837)
<b>Net reinsurance contract assets 31 December 2024</b>	<b>6,364,399</b>	<b>-</b>	<b>23,587,991</b>	<b>892,656</b>	<b>30,845,046</b>

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

GMM (IDI)

	31 December 2024				Total
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	LIC excluding risk adjustment	Risk adjustment for non-financial risk	
<b>Insurance contracts - 1 January 2024</b>	11,361,334	-	332,141	-	<b>11,693,475</b>
<b><u>Insurance revenue</u></b>					
Expected incurred claims and other service expenses	(1,650,334)	-	-	-	(1,650,334)
CSM recognized for service period	(134,195)	-	-	-	(134,195)
<b>Total Insurance revenue</b>	<b>(1,784,529)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,784,529)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	-	682,168	-	682,168
Experience adjustments	-	-	-	-	-
<b>Insurance service expenses</b>	<b>-</b>	<b>-</b>	<b>682,168</b>	<b>-</b>	<b>682,168</b>
<b>Insurance service result</b>	<b>(1,784,529)</b>	<b>-</b>	<b>682,168</b>	<b>-</b>	<b>(1,102,361)</b>
Finance Income from insurance contracts	218,366	-	-	-	218,366
<b>Total changes in the statement of income and OCI</b>	<b>(1,566,163)</b>	<b>-</b>	<b>682,168</b>	<b>-</b>	<b>(883,995)</b>
<b><u>Cashflows</u></b>					
Premiums received	10,284,240	-	-	-	10,284,240
Claims and other directly attributable expenses paid	-	-	(4,228)	-	(4,228)
Insurance acquisition cashflows paid	(10,508,290)	-	(629,232)	-	(11,137,522)
<b>Total cash inflows / (outflows)</b>	<b>(224,050)</b>	<b>-</b>	<b>(633,460)</b>	<b>-</b>	<b>(857,510)</b>
<b>Net closing balance</b>	<b>9,571,121</b>	<b>-</b>	<b>380,849</b>	<b>-</b>	<b>9,951,970</b>

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

GMM (IDI) (continued)

	31 December 2024				Total
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss recovery component	AIC excluding risk adjustment	Risk adjustment	
<b>Reinsurance contracts - 1 January 2024</b>	7,396,715	-	142,285	-	<b>7,539,000</b>
<i>Changes in the statement of income and OCI:</i>					
<b>Amounts allocated to reinsurance and recoveries</b>	-	-	-	-	-
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
Incurring claims	(254,290)	-	254,290	-	-
Experience adjustment	(21,664)	-	-	-	(21,664)
<b>Net expenses from reinsurance contracts</b>	<b>(290,208)</b>	-	<b>254,290</b>	-	<b>(35,918)</b>
<b>Reinsurance service result</b>	<b>(290,208)</b>	-	<b>254,290</b>	-	<b>(35,918)</b>
Finance income from reinsurance contracts	204,612	-	-	-	204,612
<b>Total changes in the statement of income and OCI</b>	<b>(85,596)</b>	-	<b>254,290</b>	-	<b>168,694</b>
<b><u>Cashflows</u></b>					
Premiums ceded	6,987,047	-	(9,692)	-	6,977,355
Commission and management fee	(7,742,739)	-	(444,889)	-	(8,187,628)
<b>Total cash inflows / (outflows)</b>	<b>(755,692)</b>	-	<b>(454,581)</b>	-	<b>(1,210,273)</b>
<b>Net closing balance</b>	<b>6,555,427</b>	-	<b>(58,006)</b>	-	<b>6,497,421</b>

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

GMM (IDI) (continued)

	31 December 2024			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
<b>Insurance contracts - 1 January 2024</b>	(913,477)	444,881	12,162,071	<b>11,693,475</b>
<b>Changes in the statement of profit or loss and OCI</b>				
<b>Changes that relate to current service</b>				
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	(21,749,383)	-	-	(21,749,383)
Incurred expenses	68,343	-	-	68,343
	<b>(9,979,903)</b>	<b>-</b>	<b>-</b>	<b>(9,979,903)</b>
<b>Changes that relate to future service</b>				
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
	<b>-</b>	<b>547,398</b>	<b>8,330,144</b>	<b>8,877,542</b>
<b>Changes that relate to past service</b>				
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	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Insurance service result</b>	<b>(9,979,903)</b>	<b>547,398</b>	<b>8,330,144</b>	<b>(1,102,361)</b>
Net finance income/(expense) from insurance contracts	(1,198,048)	46,960	1,369,454	<b>218,366</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(11,177,951)</b>	<b>594,358</b>	<b>9,699,598</b>	<b>(883,995)</b>
<b>Cash flows</b>				
Premiums received	10,284,240	-	-	10,284,240
Incurred claims paid	(4,228)	-	-	(4,228)
Insurance acquisition cash flows	(11,137,522)	-	-	(11,137,522)
	<b>(857,510)</b>	<b>-</b>	<b>-</b>	<b>(857,510)</b>
<b>Net closing balance</b>	<b>(12,948,938)</b>	<b>1,039,239</b>	<b>21,861,669</b>	<b>9,951,970</b>

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

GMM (IDI) (continued)

	31 December 2024			
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
<b>Reinsurance contracts - 1 January 2024</b>	(1,538,540)	(404,645)	9,482,185	<b>7,539,000</b>
<b>Changes in the statement of profit or loss and OCI</b>				
<b>Changes that relate to current service</b>				
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	(18,812,232)	-	-	(18,812,232)
	<b>(3,331,417)</b>	-	-	<b>(3,331,417)</b>
<b>Changes that relate to future service</b>				
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	-	-	-	-
	-	<b>719,738</b>	<b>2,575,761</b>	<b>3,295,499</b>
<b>Changes that relate to past service</b>				
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	-	-	-	-
	-	-	-	-
<b>Reinsurance service result</b>	<b>(3,331,417)</b>	<b>719,738</b>	<b>2,575,761</b>	<b>(35,918)</b>
Net finance income/(expense) from reinsurance contracts	(42,617)	301,850	(54,621)	204,612
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(3,374,034)</b>	<b>1,021,588</b>	<b>2,521,140</b>	<b>168,694</b>
<b>Cash flows</b>				
Ceded premium	6,977,355	-	-	6,977,355
Commission and management fee	(8,187,628)	-	-	(8,187,628)
	<b>(1,210,273)</b>	-	-	<b>(1,210,273)</b>
<b>Net closing balance</b>	<b>(6,122,847)</b>	<b>616,943</b>	<b>12,003,325</b>	<b>6,497,421</b>

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**12) OTHER OPERATING EXPENSES**

	<b>2025</b>	2024
Policy acquisition cost	<b>49,041,603</b>	22,910,106
Employees' costs	<b>41,071,050</b>	41,583,781
Claims administration expenses	<b>22,717,295</b>	26,692,355
Legal and professional fees	<b>11,050,565</b>	9,009,378
Depreciation of property and equipment	<b>2,203,613</b>	2,171,011
Amortisation of intangible assets	<b>3,037,423</b>	2,591,623
Depreciation on right of use assets	<b>3,295,521</b>	2,894,854
Insurance expenses	<b>3,353,862</b>	3,382,043
Rentals	<b>1,101,042</b>	1,096,387
Communication expenses	<b>849,331</b>	1,149,159
Others	<b>3,578,878</b>	14,024,864
	<b>141,300,183</b>	127,505,561

**12.1 Allocation of expenses is as follows:**

	<b>2025</b>		
	<b>Insurance Operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>
a. Attributable expenses *	<b>124,057,630</b>	-	<b>124,057,630</b>
b. Other operating expenses (non-attributable)**	<b>13,407,404</b>	<b>3,835,149</b>	<b>17,242,553</b>
	<b>137,465,034</b>	<b>3,835,149</b>	<b>141,300,183</b>
	2024		
	<b>Insurance Operations</b>	<b>Shareholders' Operations</b>	<b>Total</b>
a. Attributable expenses *	96,900,449	-	96,900,449
b. Other operating expenses (non-attributable)**	29,878,032	727,080	30,605,112
	126,778,481	727,080	127,505,561

\*Reported as part of insurance service expense.

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

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**12) OTHER OPERATING EXPENSES (continued)**

The breakdown of remuneration for the statutory audit, quarterly reviews, zakat, tax, and other services of the Company's financial statements is presented below.

	<u>2025</u>	<u>2024</u>
Annual audit of 2025 and quarterly reviews three quarters – El Sayed El Ayouty & Co. Certified Public Accountants	<b>495,000</b>	495,000
Annual audit of 2025 and quarterly reviews three quarters – PKF Al Bassam Chartered Accountants	<b>540,000</b>	-
Annual audit of 2024 and quarterly reviews three quarters – Crowe Solutions For Professional Consulting	-	450,000
Zakat and tax services – Deloitte and Touche & Co. Chartered Accountants	<b>306,246</b>	266,286
VAT services - PricewaterhouseCoopers Public Accountants	<b>103,500</b>	173,391
	<b><u>1,444,746</u></b>	<b><u>1,384,677</u></b>
Other services:		
	<u>2025</u>	<u>2024</u>
Fees for agreed upon procedures related to surplus distribution	<b>30,000</b>	30,000
Fees for agreed upon procedures related to local content and government procurement authority	<b>45,000</b>	-
	<b><u>75,000</u></b>	<b><u>30,000</u></b>

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**13. PROPERTY AND EQUIPMENT, NET**

	Leasehold Improvements	Furnitures and Fixtures	Vehicles	Computer Hardware	Total
<b>Cost:</b>					
As at 1 January 2024	4,820,853	7,050,877	1,216,090	13,683,830	26,771,650
Additions during the year	-	347,383	-	1,116,044	1,463,427
As at 31 December 2024	4,820,853	7,398,260	1,216,090	14,799,874	28,235,077
Additions during the year	<b>245,000</b>	<b>280,020</b>	<b>472,300</b>	<b>1,021,960</b>	<b>2,019,280</b>
<b>As at 31 December 2025</b>	<b>5,065,853</b>	<b>7,678,280</b>	<b>1,688,390</b>	<b>15,821,834</b>	<b>30,254,357</b>
<b>Accumulated depreciation:</b>					
As at 1 January 2024	2,824,563	6,573,373	813,763	9,990,311	20,202,010
Depreciation of the year	366,522	193,957	156,688	1,453,844	2,171,011
As at 31 December 2024	3,191,085	6,767,330	970,451	11,444,155	22,373,021
Depreciation of the year	<b>369,545</b>	<b>213,957</b>	<b>179,057</b>	<b>1,441,054</b>	<b>2,203,613</b>
<b>As at 31 December 2025</b>	<b>3,560,630</b>	<b>6,981,287</b>	<b>1,149,508</b>	<b>12,885,209</b>	<b>24,576,634</b>
<b>Net Book Value:</b>					
<b>As at 31 December 2025</b>	<b>1,505,223</b>	<b>696,993</b>	<b>538,882</b>	<b>2,936,625</b>	<b>5,677,723</b>
As at 31 December 2024	1,629,768	630,930	245,639	3,355,719	5,862,056

The leasehold improvements are in the head office building. The head office building lease contract is for two years and expires in 2027.

**14. INTANGIBLE ASSETS, NET**

	Software
<b>Cost:</b>	
As at 1 January 2024	17,553,898
Additions during the year	5,193,457
As at 31 December 2024	22,747,355
Additions during the year	<b>3,369,261</b>
<b>As at 31 December 2025</b>	<b>26,116,616</b>
<b>Accumulated amortisation:</b>	
As at 1 January 2024	12,701,010
Amortisation of the year	2,591,623
As at 31 December 2024	15,292,633
Amortisation of the year	<b>3,037,423</b>
<b>As at 31 December 2025</b>	<b>18,330,056</b>
<b>Net Book Value:</b>	
<b>As at 31 December 2025</b>	<b>7,786,560</b>
As at 31 December 2024	7,454,722

**15. ACCRUED EXPENSES AND OTHER LIABILITIES**

	31 December 2025		
	Operations	Shareholders	Total
Due to suppliers and intermediaries	31,944,138		31,944,138
Withholding tax due	2,080,136		2,080,136
Council of Health Insurance dues	976,841		976,841
Board attendance expenses and allowances	-	181,537	181,537
Others	7,018,229	871,996	7,890,225
	<b>42,019,344</b>	<b>1,053,533</b>	<b>43,072,877</b>
	31 December 2024		
	Operations	Shareholders	Total
Due to suppliers and intermediaries	36,299,023	-	36,299,023
Withholding tax due	9,109,964	-	9,109,964
Council of Health Insurance dues	721,653	-	721,653
Board attendance expenses and allowances	-	666,039	666,039
Others	-	167,334	167,334
	<b>46,130,640</b>	<b>833,373</b>	<b>46,964,013</b>

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**16. PREPAID EXPENSES AND OTHER ASSETS**

	31 December 2025		
	Operations	Shareholders	Total
Prepaid expenses	47,164,192	-	47,164,192
Prepayment to vendors	877,849	-	877,849
Banking letter of guarantee - margin deposit	800,000	-	800,000
Employees balance	3,611,984	-	3,611,984
Deferred third party administrator fees	10,559,843	-	10,559,843
Accrued income	2,744,646	7,619,647	10,364,293
Due from related parties	730,096	-	730,096
	<b>66,488,610</b>	<b>7,619,647</b>	<b>74,108,257</b>

	31 December 2024		
	Operations	Shareholders	Total
Prepaid expenses	48,668,077	-	48,668,077
Prepayment to vendors	7,336,118	-	7,336,118
Banking letter of guarantee - margin deposit	800,000	-	800,000
Employees balance	3,021,022	-	3,021,022
Deferred third party administrator fees	7,074,096	-	7,074,096
Accrued income	3,017,938	3,840,217	6,858,155
Due from related parties	83,346	-	83,346
	<b>70,000,597</b>	<b>3,840,217</b>	<b>73,840,814</b>

**17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

The following represents the movement of right-of-use assets and lease liabilities of the Company:

	31 December 2025	31 December 2024
<b>Right-of -use assets</b>		
<b>Cost</b>		
As at 1 January	9,749,401	8,184,453
Additions during the year	1,231,979	4,009,497
Disposals during the year	(287,775)	(2,444,549)
As at 31 December	<b>10,693,605</b>	<b>9,749,401</b>
<b>Accumulated Depreciation</b>		
As at 1 January	3,279,862	2,467,402
Charge during the year	3,295,526	2,894,854
Disposals during the year	(287,775)	(2,082,394)
As at 31 December	<b>6,287,613</b>	<b>3,279,862</b>
<b>Net book value</b>	<b>4,405,992</b>	<b>6,469,539</b>
<b>Lease liabilities</b>		
As at 1 January	5,810,910	5,143,216
Additions during the year	1,231,979	4,009,497
Finance cost on lease liabilities	239,212	326,350
Reversal during the year	-	(362,156)
Payments during the year	(3,675,786)	(3,305,997)
As at 31 December	<b>3,606,315</b>	<b>5,810,910</b>
Current part of lease liability	2,305,521	3,022,673
Non-current part of lease liability	1,300,794	2,788,237
<b>Total lease liabilities</b>	<b>3,606,315</b>	<b>5,810,910</b>

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**18) PROVISION FOR END OF SERVICE BENEFITS**

The Company has carried out actuarial valuation of its end of service benefits obligation as at 31 December 2025. The following table summarizes the components of the employees' end-of-service benefits recognized in the statement of income, statement of comprehensive income and in the statement of financial position.

<b>The amounts recognized in the statement of financial position</b>	<b>31 December 2025</b>	31 December 2024
Present value of end of service benefits	<u><b>19,537,885</b></u>	<u>19,903,577</u>
	<u><b>19,537,885</b></u>	<u>19,903,577</u>

<b>Movement in Present value of end of service benefits</b>	<b>31 December 2025</b>	31 December 2024
End of service benefits at the beginning of year	<b>19,903,577</b>	15,384,258
Current service cost	<b>1,812,308</b>	1,826,272
Interest cost	<b>589,787</b>	527,714
Re-measurement loss on end of service benefits	<b>123,867</b>	3,592,970
Benefits paid	<u><b>(2,891,654)</b></u>	<u>(1,427,637)</u>
Present value of end of service benefits at the end of year	<u><b>19,537,885</b></u>	<u>19,903,577</u>

<b>End of service benefits expense (recognized in statement of income - insurance operations)</b>	<b>31 December 2025</b>	31 December 2024
Current service cost	<b>1,812,308</b>	1,826,272
Interest cost	<b>589,787</b>	527,714
Present value of end of service benefits at the end of year	<u><b>2,402,095</b></u>	<u>2,353,986</u>

**The valuation of the defined benefit obligation and assumptions**

Liability under the scheme is based on various assumptions ("actuarial assumptions") including the estimation of the discount rate, inflation rate, expected rate of salary increase and normal retirement ages. Based on the assumptions, cash outflows are estimated for the Company's employees as a whole giving the total payments expected over the future years, which are discounted to arrive at the obligation at the reporting date. Any changes in actuarial assumptions from one period to another may affect the determination of the estimated obligation at the reporting date, which is accounted for as an actuarial gain or loss for the year.

The principal actuarial assumptions (in respect of the employee benefit scheme) used for the valuation as at 31 December are as follows:

**Basic actuarial assumptions as at:**

	<b>31 December 2025</b>	31 December 2024
Discount rate	<b>5.03%</b>	4.97%
Rate of salary increase	<b>5.00%</b>	6.00%
Normal retirement age	<b>60 years</b>	60 years

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region.

The impact of changes in sensitivities on present value of employees' end-of-service ((Increase) / Decrease) benefits is as follows:

	<b>31 December 2025</b>	31 December 2024
Discount rate		
- increase by 1.0%	<b>2,378</b>	2,423
- decrease by 1.0%	<b>(2,766)</b>	(2,817)
Salary increase rate		
- increase by 1.0%	<b>(2,734)</b>	(2,784)
- decrease by 1.0%	<b>2,149</b>	2,190
Employee turnover		
- increase by 1.0%	<b>405</b>	413
- decrease by 1.0%	<b>(472)</b>	82

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**19. SHARE CAPITAL**

As at 31 December 2025 and 31 December 2024, 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.

On Rabi-Al-Thani 26, 1444 H corresponding to 20 November 2022, The Extra Ordinary General Assembly approved increasing the capital by 100%, accordingly a total of 26.5 million right shares was issued at a nominal value of SAR 10 per share. The funds for the capital increase were received on January 18, 2023. The total transaction cost related to increase in share capital amounted to SAR 14.9 million.

**20. 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. As the Company incurred a net loss during the year ended 31 December 2025, no transfer to the statutory reserve was made for the year.

**21. 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 abroad during the reported financial year.

**22. STATUTORY DEPOSIT**

The deposit represents 10% of the paid-up share capital as of 31 December 2025, in accordance with the requirements of the Cooperative Insurance Companies Control Law in Saudi Arabia. This statutory deposit cannot be withdrawn without the approval of the regulatory body. Accrued income on this deposit is payable to Insurance Authority amounting to SR 14.9 million (31 December 2024: SR 11.9 million), noting that the asset side is shown on the statement of financial position net of impairment allowance.

**23. (LOSS)/EARNINGS PER SHARE**

Basic and diluted (loss)/earnings per share for the year ended 31 December 2025 and 2024 have been calculated by dividing the net (loss)/income for the year after zakat and income tax by the average number of ordinary shares authorized and issued during the year amounting to 53 million shares.

The basic and diluted (loss)/earnings per share is calculated as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net (loss)/income for the year after zakat & income tax	<b>(45,181,301)</b>	30,147,605
Weighted average number of ordinary shares	<b>53,000,000</b>	53,000,000
Basic and diluted (loss)/earnings per share	<b><u>(0.85)</u></b>	<u>0.57</u>

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**24. Claims Development Table**

The following tables show the estimates of cumulative incurred claims, including both claims reported and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

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

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

**2025**

<b>Accident Year</b>	<b>2022 and earlier</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Undiscounted liabilities for incurred claims gross of reinsurance</b>					
At end of accident year	3,675,792,469	457,070,151	412,066,711	542,993,489	5,087,922,820
1 year later	3,694,750,158	437,947,350	407,199,596	-	4,539,897,104
2 years later	3,684,402,515	435,719,217	-	-	4,120,121,732
3 years later	3,151,564,277	-	-	-	3,151,564,277
<b>Current estimate of ultimate claims</b>	<b>3,151,564,277</b>	<b>435,719,217</b>	<b>407,199,596</b>	<b>542,993,489</b>	<b>4,537,476,579</b>
<b>Ultimate payments to date</b>	<b>3,103,723,762</b>	<b>426,009,808</b>	<b>392,064,817</b>	<b>450,579,106</b>	<b>4,372,377,493</b>
<b>Gross Liability for incurred claims Undiscounted excl. Risk adjustment</b>	<b>47,840,515</b>	<b>9,709,409</b>	<b>15,134,779</b>	<b>92,414,383</b>	<b>165,099,086</b>
Gross Risk Adjustment undiscounted					10,835,314
<b>Balance as at 31 December 2025</b>					<b>175,934,400</b>

**2024**

<b>Accident Year</b>	<b>2021 and earlier</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
<b>Undiscounted liabilities for incurred claims gross of reinsurance</b>					
At end of accident year	2,638,860,205	1,045,744,863	457,070,151	412,066,711	4,553,741,930
1 year later	2,630,047,606	1,062,255,956	437,947,350	-	4,130,250,912
2 years later	2,632,494,202	1,047,515,143	-	-	3,680,009,345
3 years later	2,636,887,371	-	-	-	2,636,887,371
<b>Current estimate of ultimate claims</b>	<b>2,636,887,371</b>	<b>1,047,515,143</b>	<b>437,947,350</b>	<b>412,066,711</b>	<b>4,534,416,575</b>
<b>Ultimate payments to date</b>	<b>2,600,890,485</b>	<b>353,727,896</b>	<b>419,082,180</b>	<b>334,622,999</b>	<b>3,708,323,560</b>
<b>Gross Liability for incurred claims Undiscounted excl. Risk adjustment</b>	<b>35,996,886</b>	<b>693,787,247</b>	<b>18,865,170</b>	<b>77,443,712</b>	<b>826,093,015</b>
Gross Risk Adjustment undiscounted					7,633,303
<b>Balance as at 31 December 2024</b>					<b>833,726,318</b>

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**24. Claims Development Table (CONTINUED)**

<b>2025</b>	<b>2022 and earlier</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Accident Year</b>					
<b>Undiscounted liabilities for incurred claims net of reinsurance</b>					
At end of accident year	2,027,259,294	432,049,088	389,169,985	517,272,728	3,365,751,095
1 year later	2,058,285,280	423,141,406	392,326,222	-	2,873,752,908
2 years later	2,059,578,720	421,899,105	-	-	2,481,477,825
3 years later	2,058,380,006	-	-	-	2,058,380,006
<b>Current estimate of ultimate claims</b>	<b>2,058,380,006</b>	<b>421,899,105</b>	<b>392,326,222</b>	<b>517,272,728</b>	<b>3,389,878,061</b>
<b>Ultimate payments to date</b>	<b>2,052,444,893</b>	<b>420,144,907</b>	<b>387,293,453</b>	<b>445,380,728</b>	<b>3,305,263,981</b>
<b>Net liability for incurred claims undiscounted excl. risk adjustment</b>	<b>5,935,113</b>	<b>1,754,198</b>	<b>5,032,769</b>	<b>71,892,000</b>	<b>84,614,080</b>
Net risk adjustment undiscounted					5,835,101
<b>Balance as at 31 December 2025</b>					<b>90,449,181</b>
<b>2024</b>					
<b>Accident Year</b>					
<b>Undiscounted liabilities for incurred claims net of reinsurance</b>					
At end of accident year	1,723,079,107	311,343,294	432,049,088	389,169,985	2,855,641,474
1 year later	1,715,916,000	337,775,430	423,141,406	-	2,476,832,836
2 years later	1,720,509,850	336,460,489	-	-	2,056,970,339
3 years later	1,723,118,231	-	-	-	1,723,118,231
<b>Current estimate of ultimate claims</b>	<b>1,723,118,231</b>	<b>336,460,489</b>	<b>423,141,406</b>	<b>389,169,985</b>	<b>2,871,890,111</b>
<b>Ultimate payments to date</b>	<b>1,717,345,491</b>	<b>329,582,400</b>	<b>414,953,645</b>	<b>333,612,424</b>	<b>2,795,493,960</b>
<b>Net liability for incurred claims undiscounted excl. risk adjustment</b>	<b>5,772,740</b>	<b>6,878,089</b>	<b>8,187,761</b>	<b>55,557,561</b>	<b>76,396,151</b>
Net risk adjustment undiscounted					5,386,932
<b>Balance as at 31 December 2024</b>					<b>81,783,083</b>

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**25. SUPPLEMENTARY INFORMATION**  
**- STATEMENT OF FINANCIAL POSITION**

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
<b>ASSETS</b>						
Cash and cash equivalents	68,227,771	16,690,713	84,918,484	47,034,847	20,749,526	67,784,373
Insurance contract assets	55,311,424	-	55,311,424	24,951,617	-	24,951,617
Reinsurance contract assets	191,919,451	-	191,919,451	789,272,112	-	789,272,112
Prepaid expenses and other assets	66,488,610	7,619,647	74,108,257	70,000,597	3,840,217	73,840,814
Term deposits	162,799,456	281,665,831	444,465,287	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	-	14,978,599	14,978,599	-	11,995,372	11,995,372
Investments	31,177,890	286,784,082	317,961,972	33,976,879	281,575,658	315,552,537
Due from shareholders'	59,301,761	-	59,301,761	-	9,866,878	9,866,878
Right-of-use assets	4,405,992	-	4,405,992	6,469,539	-	6,469,539
Property and equipment, net	5,677,723	-	5,677,723	5,862,056	-	5,862,056
Intangible assets, net	7,786,560	-	7,786,560	7,454,722	-	7,454,722
<b>TOTAL ASSETS</b>	<b>653,096,638</b>	<b>660,738,872</b>	<b>1,313,835,510</b>	<b>1,104,376,130</b>	<b>631,524,745</b>	<b>1,735,900,875</b>
<b>LIABILITIES</b>						
Insurance contract liabilities	573,711,282	-	573,711,282	1,001,933,458	-	1,001,933,458
Reinsurance contract liabilities	20,571,728	-	20,571,728	26,956,711	-	26,956,711
Accrued income payable to Insurance Authority	-	14,979,239	14,979,239	-	11,995,562	11,995,562
Accrued expenses and other liabilities	42,019,344	1,053,533	43,072,877	46,130,645	833,373	46,964,018
Provision for zakat and income tax	-	8,071,943	8,071,943	-	7,531,801	7,531,801
Lease liability	3,606,315	-	3,606,315	5,810,910	-	5,810,910
Due to insurance operations	-	59,301,761	59,301,761	9,866,878	-	9,866,878
Provision for end-of-service benefits	19,537,885	-	19,537,885	19,903,577	-	19,903,577
<b>TOTAL LIABILITIES</b>	<b>659,446,554</b>	<b>83,406,476</b>	<b>742,853,030</b>	<b>1,110,602,179</b>	<b>20,360,736</b>	<b>1,130,962,915</b>
<b>EQUITY</b>						
Share capital	-	530,000,000	530,000,000	-	530,000,000	530,000,000
Statutory reserve	-	6,029,521	6,029,521	-	6,029,521	6,029,521
Fair value reserve for investments	-	69,469,449	69,469,449	-	59,558,241	59,558,241
Re-measurement reserve for end of service benefits (Accumulated losses) / retained earnings	(6,349,916)	-	(6,349,916)	(6,226,049)	-	(6,226,049)
<b>TOTAL EQUITY</b>	<b>(6,349,916)</b>	<b>577,332,396</b>	<b>570,982,480</b>	<b>(6,226,049)</b>	<b>611,164,009</b>	<b>604,937,960</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>653,096,638</b>	<b>660,738,872</b>	<b>1,313,835,510</b>	<b>1,104,376,130</b>	<b>631,524,745</b>	<b>1,735,900,875</b>

The gross footing of the supplementary information statement of financial position does not align with the Statement of Financial Position due to the balances for Due from/to shareholders/insurance operations.

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25. SUPPLEMENTARY INFORMATION (continued)

- Statement of Income

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
<b>REVENUES</b>						
Insurance revenue	851,122,253	-	851,122,253	694,691,468	-	694,691,468
Insurance service expenses	(199,136,372)	-	(199,136,372)	(489,729,796)	-	(489,729,796)
<b>Insurance service result before reinsurance contracts held</b>	<b>651,985,881</b>	<b>-</b>	<b>651,985,881</b>	<b>204,961,672</b>	<b>-</b>	<b>204,961,672</b>
Allocation of reinsurance premiums	(191,764,167)	-	(191,764,167)	(154,965,435)	-	(154,965,435)
Amounts recoverable from reinsurance	(475,753,182)	-	(475,753,182)	(14,912,301)	-	(14,912,301)
<b>Net income expenses from reinsurance contracts held</b>	<b>(667,517,349)</b>	<b>-</b>	<b>(667,517,349)</b>	<b>(169,877,736)</b>	<b>-</b>	<b>(169,877,736)</b>
<b>Insurance service result</b>	<b>(15,531,468)</b>	<b>-</b>	<b>(15,531,468)</b>	<b>35,083,936</b>	<b>-</b>	<b>35,083,936</b>
Income/(loss) from investment and deposits	12,186,228	(11,252,329)	933,899	11,955,112	25,874,749	37,829,861
(Charge)/reversal of expected credit loss	(8,133)	(3,481)	(11,614)	66,002	178,685	244,687
<b>Net investment income</b>	<b>12,178,095</b>	<b>(11,255,810)</b>	<b>922,285</b>	<b>12,021,114</b>	<b>26,053,434</b>	<b>38,074,548</b>
Net finance expenses from insurance contracts issued	(25,699,949)	-	(25,699,949)	(33,122,232)	-	(33,122,232)
Net finance income from reinsurance contracts held	21,497,781	-	21,497,781	27,041,010	-	27,041,010
<b>Net insurance finance expenses</b>	<b>(4,202,168)</b>	<b>-</b>	<b>(4,202,168)</b>	<b>(6,081,222)</b>	<b>-</b>	<b>(6,081,222)</b>
<b>Net insurance and investment result</b>	<b>(7,555,541)</b>	<b>(11,255,810)</b>	<b>(18,811,351)</b>	<b>41,023,828</b>	<b>26,053,434</b>	<b>67,077,262</b>
Other income	1,872,603	-	1,872,603	3,075,455	-	3,075,455
Other operating expenses (non-attributable)	(13,407,404)	(3,835,149)	(17,242,553)	(29,878,032)	(727,080)	(30,605,112)
<b>Net (loss)/income for the year before zakat and income tax</b>	<b>(19,090,342)</b>	<b>(15,090,959)</b>	<b>(34,181,301)</b>	<b>14,221,251</b>	<b>25,326,354</b>	<b>39,547,605</b>
Provision for zakat and income tax	-	(11,000,000)	(11,000,000)	-	(9,400,000)	(9,400,000)
<b>Net (loss)/income for the year after zakat and income tax</b>	<b>(19,090,342)</b>	<b>(26,090,959)</b>	<b>(45,181,301)</b>	<b>14,221,251</b>	<b>15,926,354</b>	<b>30,147,605</b>

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25. SUPPLEMENTARY INFORMATION (continued)

- Statement of Comprehensive Income

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
Net (loss)/income for the year after zakat and income tax	(19,090,342)	(26,090,959)	(45,181,301)	14,221,251	15,926,354	30,147,605
<b>Other comprehensive (loss)/Income</b>						
<i>Items that may be reclassified to statement of income in subsequent years</i>						
Net changes in fair value of investments measured at FVOCI – debt instruments	-	11,513,705	11,513,705	-	18,648,956	18,648,956
<i>Items that will not be reclassified to statement of income in subsequent years</i>						
Net changes in fair value of investments measured at FVOCI – equity instruments	-	(164,017)	(164,017)	-	(181,286)	(181,286)
Re-measurement loss on defined benefit obligation	(123,867)	-	(123,867)	(3,592,970)	-	(3,592,970)
<b>Net comprehensive (loss)/income for the year</b>	<b>(19,214,209)</b>	<b>(14,741,271)</b>	<b>(33,955,480)</b>	<b>10,628,281</b>	<b>34,394,024</b>	<b>45,022,305</b>

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25. SUPPLEMENTARY INFORMATION (continued)

STATEMENT OF CASH FLOWS

	31 December 2025			31 December 2024		
	Insurance Operations	Shareholders Operations	Total	Insurance Operations	Shareholders Operations	Total
<b>Cash Flow From Operating Activities</b>						
Net (loss)/income for the year after zakat and income tax	(19,090,342)	(26,090,959)	(45,181,301)	14,221,251	15,926,354	30,147,605
<b>Adjustments For Non-Cash Items:</b>						
Depreciation of property and equipment	2,203,613	-	2,203,613	2,171,011	-	2,171,011
Amortisation of intangible assets	3,037,423	-	3,037,423	2,591,623	-	2,591,623
Finance cost on lease liabilities	239,212	-	239,212	326,350	-	326,350
Provision for end-of-service benefits	2,402,095	-	2,402,095	2,353,986	-	2,353,986
Depreciation of Right-of-use assets	3,295,526	-	3,295,526	2,894,854	-	2,894,854
Provision for zakat and income tax	-	11,000,000	11,000,000	-	9,400,000	9,400,000
Change in investments at FVTPL	-	30,256,305	30,256,305	-	(3,656,993)	(3,656,993)
ECL on investments	551	1,524	2,075	(4,424)	9,259	4,835
Charge/(reversal) of expected credit loss	11,614	-	11,614	(244,687)	-	(244,687)
	(7,900,308)	15,166,870	7,266,562	24,309,964	21,678,620	45,988,584
<b>Changes In Operating Assets And Liabilities:</b>						
Prepaid Expenses And Other Assets	3,511,987	(3,779,430)	(267,443)	(2,736,004)	4,387,814	1,651,810
Accrued Income On Statutory Deposit	-	450	450	-	(294)	(294)
Accrued Expenses And Other Liabilities	(4,111,301)	220,160	(3,891,141)	(4,749,546)	(1,357,574)	(6,107,120)
Insurance contracts, net	(458,593,597)	-	(458,593,597)	(126,862,292)	-	(126,862,292)
Reinsurance contracts, net	590,967,678	-	590,967,678	77,977,190	-	77,977,190
<b>Cash generated from/(used in) operating Activities</b>	<b>123,874,459</b>	<b>11,608,050</b>	<b>135,482,509</b>	<b>(32,060,688)</b>	<b>24,708,566</b>	<b>(7,352,122)</b>
Zakat And Income Tax Paid	-	(10,459,858)	(10,459,858)	-	(13,469,574)	(13,469,574)
Payment of defined benefit obligation	(2,891,654)	-	(2,891,654)	(1,427,637)	-	(1,427,637)
<b>Net cash generated from/(used in) operating activities</b>	<b>120,982,805</b>	<b>1,148,192</b>	<b>122,130,997</b>	<b>(33,488,325)</b>	<b>11,238,992</b>	<b>(22,249,333)</b>
<b>Cash flow from investing activities</b>						
Additions to property and equipment	(2,019,280)	-	(2,019,280)	(1,463,427)	-	(1,463,427)
Additions to intangible assets	(3,369,261)	-	(3,369,261)	(5,193,457)	-	(5,193,457)
Additions to investments	-	(100,000,000)	(100,000,000)	(30,428,813)	(151,309,991)	(181,738,804)
Proceeds from investments	2,798,438	75,883,435	78,681,873	12,216,675	55,041,646	67,258,321
(Additions)/proceeds from term deposits	(43,445,695)	(31,168,737)	(74,614,432)	53,081,107	103,676,454	156,757,561
<b>Net cash (used in)/generated from investing activities</b>	<b>(46,035,798)</b>	<b>(55,285,302)</b>	<b>(101,321,100)</b>	<b>28,212,085</b>	<b>7,408,109</b>	<b>35,620,194</b>
<b>Cash flow from investing activities</b>						
Payment of lease liabilities	(3,675,786)	-	(3,675,786)	(3,305,997)	-	(3,305,997)
Due From/ To Shareholders'	(50,078,297)	50,078,297	-	1,381,832	(1,381,832)	-
<b>Net cash used in financing activities</b>	<b>(53,754,083)</b>	<b>50,078,297</b>	<b>(3,675,786)</b>	<b>(1,924,165)</b>	<b>(1,381,832)</b>	<b>(3,305,997)</b>
Net increase/(decrease) in cash and cash equivalents	21,192,924	(4,058,813)	17,134,111	(7,200,405)	17,265,269	10,064,864
Cash and cash equivalents at the beginning of the year	47,034,847	20,749,526	67,784,373	54,235,252	3,484,257	57,719,509
<b>Cash and cash equivalents at the end of the year</b>	<b>68,227,771</b>	<b>16,690,713</b>	<b>84,918,484</b>	<b>47,034,847</b>	<b>20,749,526</b>	<b>67,784,373</b>
<b>Supplemental schedule of non-cash information</b>						
Change in fair value reserve on investments - OCI	-	11,349,688	11,349,688	-	18,467,670	18,467,670
Re-measurement loss on defined benefit obligation	(123,867)	-	(123,867)	(3,592,970)	-	(3,592,970)

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**26. RISK MANAGEMENT**

**Risk governance**

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

**Risk management structure**

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

**Board of Directors**

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

**Senior management**

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

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

***a) Insurance risk***

Insurance risk is the risk that actual claims payable to contract holders in respect of insured events exceed the carrying amount of insurance liabilities. This could occur because the frequency or amounts of claims severity, actual benefits paid and subsequent development of long term claims are different than expected. Therefore the objective of the Company is to ensure that sufficient resources are available to cover these liabilities. The insurance risk arising from insurance contracts is mainly concentrated in the Kingdom of Saudi Arabia.

***Frequency and amounts of claims***

The frequency and amounts of claims can be affected by several factors. The Company underwrites mainly motor and medical risks. These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

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**26. RISK MANAGEMENT (continued)**

***Motor***

For motor contracts, the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The Company only grants comprehensive policies for owner/drivers over 18 years of age. Substantially all of the motor contracts relate to private individuals. 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 to SR 2,000,000.

***Medical insurance***

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across the industry sectors and geography to ensure that pricing takes account of current health conditions, 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 of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

**b) Sensitivities analysis**

The Company believes that the claim liabilities under insurance contracts outstanding at year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Impact on equity, insurance contract liabilities and profit or loss due to change in claims ratio</b>		
5% Increase	<b>32,973,200</b>	26,986,301
5% Decrease	<b>(32,973,200)</b>	(26,986,301)
<b>Impact on equity, insurance contract liabilities and profit or loss due to change in risk adjustment for non-financial</b>		
5% Increase	<b>(293,709)</b>	(262,497)
5% Decrease	<b>293,709</b>	262,497

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

<b>Impact on equity, insurance contract liabilities and profit or loss due to change in direct expense ratio – loss</b>		
2% Increase	<b>(4,329,125)</b>	(1,176,824)
2% Decrease	<b>4,329,125</b>	1,040,770

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

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**26. RISK MANAGEMENT (continued)**

*c) Reinsurance risk*

In line with other insurance companies, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes in order to minimize financial exposure arising from large claims. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

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

*d) Regulatory framework risk*

The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

*e) 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 assets held by the Company, the maximum exposure to credit risk to the Company is the carrying value as disclosed in the statement of financial position.

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

- The Company only enters into insurance and reinsurance contracts with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- Cash and cash equivalents, time deposits and the statutory deposit are maintained with local banks approved by the management. Accordingly, and as prerequisite, the bank with which cash and cash equivalents, time affirming to the financial position strength.
- The Company's investment in funds and portfolios are managed by the investment officer in accordance with the investment policy established by the investment committee.

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**26. RISK MANAGEMENT (continued)**

*e) Credit risk (continued)*

- The Company, with respect to credit risk arising from other financial assets, deals only with commercial banks having strong financial positions and good credit ratings.
- There are no significant concentrations of credit risk within the Company.

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Assets</b>		
Cash and cash equivalents	<b>84,918,484</b>	67,784,373
Insurance contract assets	<b>55,311,424</b>	24,951,617
Reinsurance contract assets	<b>191,919,451</b>	789,272,112
Time deposits	<b>444,465,287</b>	369,850,855
Investments	<b>317,961,972</b>	315,552,537
Prepaid expenses and other assets	<b>74,108,257</b>	73,840,814
Statutory deposit	<b>53,000,000</b>	53,000,000
Accrued income on statutory deposit	<b>14,978,599</b>	11,995,372
	<u><b>1,236,663,474</b></u>	<u>1,706,247,680</u>

*f) Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they due.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

**Maturity Date**

The table below summarizes the maturity date of the financial liabilities of the Company based on the remaining expected undiscounted contractual obligations.

	<u>31 December 2025</u>		
	<u>Up to one year</u>	<u>More than one year</u>	<u>Total</u>
Insurance contract liabilities	<b>573,711,282</b>	-	<b>573,711,282</b>
Reinsurance contract liabilities	<b>20,571,728</b>	-	<b>20,571,728</b>
Accrued income payable to Insurance Authority	<b>14,979,239</b>	-	<b>14,979,239</b>
Accrued expenses and other liabilities	<b>43,072,877</b>	-	<b>43,072,877</b>
Lease liability	<b>2,305,521</b>	<b>1,300,794</b>	<b>3,606,315</b>
Provision for end-of-service benefits	-	<b>19,537,885</b>	<b>19,537,885</b>
Provision for zakat and income tax	<b>8,071,943</b>	-	<b>8,071,943</b>
	<u><b>662,712,590</b></u>	<u><b>20,838,679</b></u>	<u><b>683,551,269</b></u>
	<u>31 December 2024</u>		
	<u>Up to one year</u>	<u>More than one year</u>	<u>Total</u>
Insurance contract liabilities	1,001,933,463	-	1,001,933,463
Reinsurance contract liabilities	26,956,711	-	26,956,711
Accrued income payable to Insurance Authority	11,995,562	-	11,995,562
Accrued expenses and other liabilities	46,964,013	-	46,964,013
Lease liability	3,022,673	2,788,237	5,810,910
Provision for end-of-service benefits	-	19,903,577	19,903,577
Provision for zakat and income tax	7,531,801	-	7,531,801
	<u>1,098,404,223</u>	<u>22,691,814</u>	<u>1,121,096,037</u>

**ARABIA INSURANCE COOPERATIVE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

*All amounts expressed in Saudi Riyals*

**26. RISK MANAGEMENT (continued)**

*f) Liquidity risk (continued)*

No liabilities at the balance sheet date are based on discounted cash flows and are all repayable on the above basis. Analysis of due date based on expected maturity dates.

	31 December 2025		
	Current	Non-current	Total
<b>ASSETS</b>			
Insurance contract assets	55,311,424	-	55,311,424
Reinsurance contract assets	174,242,967	17,676,484	191,919,451
Cash and cash equivalents	84,918,484	-	84,918,484
Prepaid expenses and other assets	74,108,257	-	74,108,257
Term deposits	444,465,287	-	444,465,287
Statutory deposit	53,000,000	-	53,000,000
Accrued income on statutory deposit	14,978,599	-	14,978,599
Investments	147,208,375	170,753,597	317,961,972
Right-of-use assets	-	4,405,992	4,405,992
Property and equipment, net	-	5,677,723	5,677,723
Intangible assets, net	-	7,786,560	7,786,560
<b>TOTAL ASSETS</b>	<b>1,048,233,393</b>	<b>206,300,356</b>	<b>1,254,533,749</b>

<b>LIABILITIES</b>			
Insurance contract liabilities	554,493,370	19,217,912	573,711,282
Reinsurance contract liabilities	20,571,728	-	20,571,728
Accrued income payable to Insurance Authority	14,979,239	-	14,979,239
Accrued expenses and other liabilities	43,072,877	-	43,072,877
Provision for zakat and income tax	8,071,943	-	8,071,943
Lease liability	2,305,521	1,300,794	3,606,315
Provision for end-of-service benefits	-	19,537,885	19,537,885
<b>TOTAL LIABILITIES</b>	<b>643,494,678</b>	<b>40,056,591</b>	<b>683,551,269</b>

	31 December 2024		
	Current	Non-current	Total
<b>ASSETS</b>			
Insurance contract assets	24,951,617	-	24,951,617
Reinsurance contract assets	728,543,209	60,728,903	789,272,112
Cash and cash equivalents	67,784,373	-	67,784,373
Prepaid expenses and other assets	73,840,814	-	73,840,814
Term deposits	369,850,855	-	369,850,855
Statutory deposit	53,000,000	-	53,000,000
Accrued income on statutory deposit	11,995,372	-	11,995,372
Investments	184,595,568	130,956,969	315,552,537
Right-of-use assets	-	6,469,539	6,469,539
Property and equipment, net	-	5,862,056	5,862,056
Intangible assets, net	-	7,454,722	7,454,722
<b>TOTAL ASSETS</b>	<b>1,514,561,808</b>	<b>211,472,189</b>	<b>1,726,033,997</b>

<b>LIABILITIES</b>			
Insurance contract liabilities	936,967,614	64,965,849	1,001,933,463
Reinsurance contract liabilities	26,956,711	-	26,956,711
Accrued income payable to Insurance Authority	11,995,562	-	11,995,562
Accrued expenses and other liabilities	46,964,013	-	46,964,013
Provision for zakat and income tax	7,531,801	-	7,531,801
Lease liability	3,022,673	2,788,237	5,810,910
Provision for end-of-service benefits	-	19,903,577	19,903,577
<b>TOTAL LIABILITIES</b>	<b>1,033,438,374</b>	<b>87,657,663</b>	<b>1,121,096,037</b>

**ARABIA INSURANCE COOPERATIVE COMPANY**  
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**FOR THE YEAR ENDED 31 DECEMBER 2025**

*All amounts expressed in Saudi Riyals*

**26. RISK MANAGEMENT (continued)**

*g) Foreign currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's principal transactions are denominated in Saudi Riyal. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Company does not hedge its foreign currency exposure.

*h) Commission rate risk*

Commission rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. Floating rate financial instruments expose the Company to cash flows special commission risk, whereas fixed commission rate financial instruments expose the Company to fair value interest risk.

The Company is exposed to special commission rate risk on some of its investments. The Company limits commission rate risk by monitoring changes in commission rates in the currencies in which its investments are denominated.

The sensitivity of the income is the effect of assumed changes in special commission rates, with all other variables held constant, on the Company's profit for one year, based on the floating rate financial assets held at 31 December 2025.

*i) Interest rate risk*

Interest rate risk is the potential change in the fair value of financial instruments and expected cash flows as a result of changes in interest rates. Management constantly monitors developments in global and local interest rates and accordingly allocates the durations of its term deposits and sukuk investments. Investments in term deposits and sukuk instruments have various maturities in order to maximise investment returns while ensuring that liquidity requirements are continuously met. Details of maturities of interest-bearing securities using discounted cashflows as at 31 December are as follows:

	<b>31 December 2025</b>			
	<b>3 months to 1 year</b>	<b>1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Term deposits	444,465,287	-	-	444,465,287
Debt instruments at fair value	-	-	28,767,401	28,767,401
Debt instruments at amortised cost	5,252,700	20,615,616	74,944,661	100,812,977
	<b>449,717,987</b>	<b>20,615,616</b>	<b>103,712,062</b>	<b>574,045,665</b>

	<b>31 December 2024</b>			
	<b>3 months to 1 year</b>	<b>1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Term deposits	369,850,855	-	-	369,850,855
Debt instruments at fair value	-	-	28,264,304	28,264,304
Debt instruments at amortised cost	2,798,438	11,318,325	91,374,340	105,491,103
	<b>372,649,293</b>	<b>11,318,325</b>	<b>119,638,644</b>	<b>503,606,262</b>

**ARABIA INSURANCE COOPERATIVE COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

*All amounts expressed in Saudi Riyals*

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**26. RISK MANAGEMENT (continued)**

*j) Market price risk*

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

The Company has investments in sukuk, bonds, equities and investment funds (see Note 6) which are classified as fair value through other comprehensive income "FVOCI" and fair value through Profit or Loss. The Company limits market price risk by closely monitoring market price developments for these investments. The change of 5% in the market price of these investments, with all other variables held constant, may change the "other comprehensive income" and hence the "shareholders' equity" (for shareholders' equity investments) by SAR 10,860,236 (2024 by SAR 10,505,754).

*k) Capital management*

Capital requirements are set and regulated by the IA (previously SAMA) in order to ensure sufficient solvency margins in case of bankruptcy. Further objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

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

The operations of the Company are subject to local regulatory requirements within the jurisdiction where it is incorporated. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

The Company maintains its capital as per guidelines laid out by IA (previously SAMA) in Article 66 table 3 and 4 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained. According to the said Article, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per IA Implementing Regulations:

Minimum capital requirement of SR 300 million  
Premium solvency margin  
Claims solvency margin

The Company has fully complied with the externally imposed capital requirements during the reported financial year.

*l) Operational risk*

Operational risk is the risk of direct or indirect loss resulting from a wide range of reasons related to operations, technology and infrastructure that support the Company's internal and external operations with the Company's service providers and from external factors other than credit, market risk and liquidity such as those arising from legal requirements Regulatory and generally accepted standards for the conduct of investment management. Operational risk arises from all of the Company's activities.

The objective of the company is to manage operational risk in order to balance the reduction of financial losses and damage to its reputation in achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of operational risk controls rests with the Board of Directors. This responsibility includes controls and control in the following areas:

- Requirements for the appropriate separation of duties between different functions, roles and responsibilities;
- Settlement and monitoring requirements; - Compliance with regulatory requirements and other legal requirements;
  
- Documentation of controls and procedures; - Requirements for periodic assessment of operational risks facing, and adequacy of controls and procedures to address identified risks; Ethical standards and business standards; and risk mitigation policies and procedures.

**ARABIA INSURANCE COOPERATIVE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

*All amounts expressed in Saudi Riyals*

**27. PREMIUMS WRITTEN BY TYPE OF CUSTOMERS**

For the year ended 31 December 2025					
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	36,452,323	347,056,365	1,034,550	-	384,543,238
Very small size entities	258,631,435	4,337,390	1,690,995	-	264,659,820
Small size entities	32,363,823	4,084,958	8,222,382	39,162	44,710,325
Medium size entities	14,952,933	59,989,332	34,078,971	1,054,212	110,075,448
Large size entities	60,383,277	25,865,949	100,417,384	-	186,666,610
<b>Total</b>	<b>402,783,791</b>	<b>441,333,994</b>	<b>145,444,282</b>	<b>1,093,374</b>	<b>990,655,441</b>

For the year ended 31 December 2024					
	Medical	Motor	Property and accidents	Protection and savings	Total
Individual clients	33,510,850	52,639,908	948,989	-	87,099,747
Very small size entities	194,004,215	2,582,198	1,073,525	-	197,659,938
Small size entities	42,171,086	5,084,848	24,182,144	-	71,438,078
Medium size entities	13,199,436	16,894,249	48,054,281	931,651	79,079,617
Large size entities	56,329,393	23,399,216	102,275,764	-	182,004,373
<b>Total</b>	<b>339,214,980</b>	<b>100,600,419</b>	<b>176,534,703</b>	<b>931,651</b>	<b>617,281,753</b>

**28. COMPARATIVE FIGURES**

Certain prior year amounts have been reclassified to conform with the presentation adopted in the current year.

In addition, certain balances previously classified under accrued expenses and other liabilities were reclassified to insurance contract liabilities to comply with the presentation requirements of IFRS 17. This reclassification has no impact on net income or equity. The following presents the reclassification for the year ended 31 December 2024.

	Before Reclassification	Reclassification	After Reclassification
Insurance contract liabilities	993,085,264	8,848,199	1,001,933,463
Accrued expenses and other liabilities	55,812,212	(8,848,199)	46,964,013
	<b>1,048,897,476</b>	<b>-</b>	<b>1,048,897,476</b>

**29. 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.

**30. EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the reporting date, on 15 Rabi’ al-Awwal 1447H (corresponding to 4 March 2026), the Company and United Cooperative Assurance Company (UCA) mutually agreed to terminate the non-binding Memorandum of Understanding previously signed on 23 Dhu al-Hijjah 1446H (corresponding to 19 June 2025) in relation to the evaluation of a potential merger between the two companies. Accordingly, all negotiations related to the proposed merger have been discontinued and the proposed transaction will not proceed.

Except for the matter described above, management believes that there are no other significant subsequent events occurring after 31 December 2025 and up to the date of approval of these financial statements that may have a material impact on the Company’s financial position.

**31. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements have been approved by the Board of Directors on 9 March 2026 corresponding to 20 Ramadan 1447 H.

Date: 02/04/2026

To: The Shareholders of Arabia Insurance Cooperative Company (AICC)

To: The Members of the Board of Directors

Greetings,

**Subject: Annual Audit Committee Report for the Fiscal Year 2025**

The Audit Committee of Arabia Insurance Cooperative Company (the "Company") is pleased to present to its esteemed shareholders its annual report for the fiscal year 2025. This report outlines the committee's key activities and functions, as well as the status and effectiveness of the Company's internal control systems.

Within its governance framework, the Company relies on a comprehensive set of oversight procedures. These include the Risk Committee, the Audit Committee, the Internal Audit Department, the Compliance Department, and the Risk Management Department. This is further supported by regulations, policies, and operational manuals developed to cover various departments. The Company continuously evaluates the effectiveness of these procedures and reviews primary risks in accordance with the approved regulations and policies.

**Committee Activities and Responsibilities:**

The Audit Committee plays a pivotal role in ensuring the integrity of financial reporting, compliance with regulatory requirements, and the effectiveness of internal controls. The following are the Committee's key functions and responsibilities:

- Reviewing and monitoring the integrity of the Company's financial statements, including interim and annual reports, and ensuring their accuracy and compliance with accounting standards.
- Recommending the appointment of external auditors, verifying their independence, and discussing all matters related to the audit process, financial statements, and related observations.
- Monitoring the performance of the Internal Audit Department in accordance with the approved plan and ensuring the provision of necessary resources to perform its assigned duties, as well as reviewing reports issued by the department and recommending the follow-up of identified observations and taking measures therein.
- Overseeing the Compliance Department's activities, whereby the Committee reviewed reports issued by the Compliance Department and provided recommendations for their settlement and rectification to ensure the soundness of the Company's supervisory and regulatory status.
- Reviewing and making recommendations on management procedures regarding internal control systems by discussing with the Executive Management any risks with a material impact on the Company, discussing any observations received from regulatory authorities, and following up on corrective action plans through the Compliance Department.

### Committee Members:

Member Name	Position	Membership Classification
Abdullah bin Saeed	Chairman of the committee	Independent.
Mishari Al-Suhaim	Committee member	Other than Board Members
Abdel Ilah bin Muammar	Committee member	Other than Board Members
Saleh Al-Quraisha	Committee member	Other than Board Members

### The Committee's Opinion on the Adequacy of the Company's Internal Control Systems:

During the year 2025, the Audit Committee held six meetings, during which it discussed the reports of the Internal Audit Department and the Compliance Department. It reviewed the financial statements with the external auditor and the Executive Management, in addition to discussing several topics related to regulatory requirements, including the follow-up of observations received from regulatory authorities.

Based on the reports of the oversight departments reviewed and the discussions held during the meetings, no material violations or observations were identified that might affect the Company's business operations or require disclosure, nor was any material weakness detected in the internal control system. It should be noted that any internal control system, regardless of the efficiency of its design and the effectiveness of its implementation, cannot provide absolute assurance.

Accordingly, the Committee recommends continued support and enhancement of the internal control system through periodic follow-up and continuous development to keep pace with updates and developments in regulatory requirements.

**Abdullah bin Saeed bin Saad bin Saeed**

**Chairman of the Audit Committee**

Date: 23/04/2026

**To: Shareholders of Arabia Insurance Cooperative Company**

**To: Members of the Board of Directors**

Greetings,

**Subject: Recommendation of the Audit Committee for the Appointment of the Company's External Auditors**

With reference to the above subject and in accordance with the relevant laws, regulations, and guidelines governing the appointment of external auditors, we would like to inform you that several number of licensed audit firms operating in the Kingdom of Saudi Arabia were invited to submit proposals. Four (4) proposals have been received, summarized as follows:

1. Professional Consultants Company – SAR 700,000 (excluding VAT).
2. PKF Al Bassam Chartered Accountants – SAR 592,500 (excluding VAT).
3. El Sayed El Ayouti & Co. – Certified Public Accountants – SAR 544,500 (including travel expenses, excluding VAT).
4. RSM Allied Accountants for Professional Services – SAR 850,000 (excluding VAT).

After reviewing and evaluating the submitted proposals based on several factors primarily insurance sector experience, professional qualifications, firm size, fees, and compliance with applicable regulatory requirements, the Audit Committee has resolved to recommend to the General Assembly the appointment of the following firms:

1. El Sayed El Ayouti & Co. – Certified Public Accountants, for a fee of SAR 544,500 (including travel expenses, excluding VAT).
2. PKF Al Bassam Chartered Accountants, for a fee of SAR 592,500 (excluding VAT).

To examine, review, and audit the financial statements for the second quarter, third quarter, and annual periods of the fiscal year 2026, as well as the first quarter of the fiscal year 2027, and to determine their fees.

**Abdullah Saeed bin Saeed**

**Chairman of the Committee**