

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2025**

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025

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Commercial Registration No 4030290792

Headquarters in Riyadh

**INDEPENDENT AUDITORS' REPORT
ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

To the Shareholders of
Bupa Arabia for Cooperative Insurance Company
(A Saudi Joint Stock Company)
Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bupa Arabia for Cooperative Insurance Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2025, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes (collectively referred to as the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

**For PricewaterhouseCoopers
(Public Accountants)**

Mufaddal A. Ali
License No. 447

For KPMG Professional Services Company

Ebrahim Oboud Baeshen
License No. 382



Jeddah, Kingdom of Saudi Arabia
15 Dhul Qadah 1446H
Corresponding to 13 May 2025



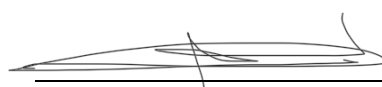
BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Assets</u>			
Cash and cash equivalents	4	598,053	925,190
Reinsurance contract assets	5.2	116,941	98,178
Prepaid expenses and other assets		639,226	422,944
Term deposits	7	5,979,694	6,040,542
Financial assets at amortized cost – net	6	932,588	935,811
Financial assets at fair value	6	6,869,980	6,586,463
Deferred tax asset	14	35,467	33,570
Fixtures, furniture and equipment – net		92,474	76,386
Right-of-use assets – net		126,193	131,528
Intangible assets – net		77,991	72,125
Statutory deposit – net	8	149,965	149,965
Accrued income on statutory deposit	8	779	4,378
Goodwill		98,000	98,000
Total assets		15,717,351	15,575,080
<u>Liabilities</u>			
Accrued and other liabilities		646,777	651,396
Insurance contract liabilities	5.1	8,619,585	9,004,813
Due to related parties	13	57,818	46,944
Lease liabilities		134,655	144,817
Provision for end-of-service benefits		199,876	191,876
Provision for zakat and income tax	14	478,222	412,859
Accrued income payable to Insurance Authority	8	779	4,378
Total liabilities		10,137,712	10,457,083
<u>Equity</u>			
Share capital	15	1,500,000	1,500,000
Statutory reserve	16	1,500,000	1,500,000
Share based payments reserve		50,151	48,634
Shares held under employees share scheme		(136,484)	(145,476)
Retained earnings		2,686,938	2,306,706
Re-measurement reserve for end-of-service benefits		(7,573)	(7,573)
Investments fair value reserve		(13,393)	(84,294)
Total equity		5,579,639	5,117,997
Total liabilities and equity		15,717,351	15,575,080


Chairman
Loay Hisham Nazer


Chief Financial Officer
Hatim Tariq Jamal


Director and Chief Executive Officer
Tal Hisham Nazer

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


BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (unaudited)


For the three-month period ended 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	Three-month period ended 31 March	
		2025	2024
Insurance revenue	5.1	4,409,764	4,374,058
Insurance service expense	5.1	(4,019,956)	(4,035,579)
Net expenses from reinsurance contracts held	5.2	(38,622)	(16,878)
Net insurance service result		351,186	321,601
Commission and income on financial assets at amortized cost		89,988	103,190
Commission and income on financial assets at fair value		96,170	55,174
Net impairment reversal / (loss) on financial assets		59	(220)
Net investment results		186,217	158,144
Net insurance and investment results		537,403	479,745
Other operating expenses		(106,420)	(75,731)
Other revenue		22,344	22,462
Other cost		(9,629)	(10,353)
Income attributed to the shareholders before zakat and income tax		443,698	416,123
Zakat charge	14	(22,502)	(19,671)
Income tax charge	14	(40,964)	(37,029)
Net income attributed to the shareholders after zakat and income tax		380,232	359,423
Basic and diluted earnings per share (expressed in SR per share)	18	2.55	2.40


Chairman
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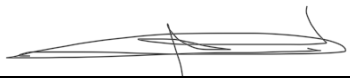
BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)


For the three-month period ended 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended 31 March	
	2025	2024
Net income attributed to the shareholders after zakat and income tax	380,232	359,423
Other comprehensive income / (loss)		
<i>A. Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods</i>		
Net changes in fair value of investments measured at FVOCI – equity instruments	(2,939)	(4,640)
<i>B. Items that are or may be reclassified to interim condensed consolidated statement of income in subsequent periods</i>		
Net changes in fair value of investments measured at FVOCI – debt instruments	73,800	(54,672)
Net changes in allowance for expected credit losses of investments measured at FVOCI – debt instruments	40	232
Total other comprehensive income / (loss)	70,901	(59,080)
Total comprehensive income for the period	451,133	300,343


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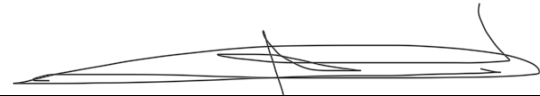
BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY


For the three-month period ended 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Share based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve for end-of-service benefits	Investments fair value reserve	Total equity
2025								
Balance at 31 December 2024 (audited)	1,500,000	1,500,000	48,634	(145,476)	2,306,706	(7,573)	(84,294)	5,117,997
Net income for the period attributed to the shareholders after zakat and income tax	-	-	-	-	380,232	-	-	380,232
Other comprehensive income	-	-	-	-	-	-	70,901	70,901
Total comprehensive income for the period	-	-	-	-	380,232	-	70,901	451,133
Provision for employees share scheme	-	-	10,509	-	-	-	-	10,509
<i>Transactions with owners of the Group:</i>								
Delivery of shares held under employees share scheme	-	-	(8,992)	8,992	-	-	-	-
Balance at 31 March 2025(unaudited)	1,500,000	1,500,000	50,151	(136,484)	2,686,938	(7,573)	(13,393)	5,579,639


 Chairman
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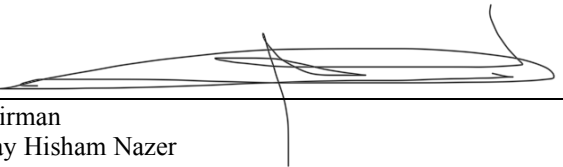
BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)


For the three-month period ended 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Share based payments reserve	Shares held under employees share scheme	Retained earnings	Re-measurement reserve for end-of-service benefits	Investments fair value reserve	Total equity
2024								
Balance at 31 December 2023 (audited)	1,500,000	1,352,757	48,477	(65,115)	1,853,721	(13,698)	(613)	4,675,529
Net income for the period attributed to the shareholders after zakat and income tax	-	-	-	-	359,423	-	-	359,423
Other comprehensive loss	-	-	-	-	-	-	(59,080)	(59,080)
Total comprehensive income for the period	-	-	-	-	359,423	-	(59,080)	300,343
Provision for employees share scheme	-	-	9,801	-	-	-	-	9,801
Transactions with owners of the Group:								
Delivery of shares held under employees share scheme	-	-	(33,801)	33,801	-	-	-	-
Balance at 31 March 2024 (unaudited)	<u>1,500,000</u>	<u>1,352,757</u>	<u>24,477</u>	<u>(31,314)</u>	<u>2,213,144</u>	<u>(13,698)</u>	<u>(59,693)</u>	<u>4,985,673</u>


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BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)


For the three-month period ended 31 March 2025


(All amounts in Saudi Riyals thousands unless otherwise stated)


	Notes	Three-month period ended 31 March	
		2025	2024
Cash flows from operating activities			
Net income attributed to shareholders before zakat and income tax		443,698	416,123
Adjustments for non-cash items:			
Depreciation of fixtures, furniture and equipment		3,865	4,093
Amortisation of right-of-use assets		5,335	5,446
Amortisation of intangible assets		5,588	4,125
Loss on disposal of fixtures, furniture and equipment		-	3,171
Gain on termination of a lease		-	(10,474)
Provision for employees share scheme		10,509	9,801
Net impairment loss on financial assets		25	218
Commission and income on financial assets at amortized cost		(89,988)	(103,190)
Commission and income on financial assets at fair value		(96,170)	(55,174)
Provision for end-of-service benefits		9,523	8,334
Finance cost on leases		1,541	1,341
Changes in operating assets and liabilities:			
Insurance contract liabilities		(378,951)	343,123
Reinsurance contract assets		(18,763)	(9,109)
Investment carried at FVTPL		(129,985)	28,750
Prepaid expenses and other assets		(216,282)	33,004
Accrued and other liabilities		(4,619)	(13,699)
Due to related parties		10,874	(29,537)
		(443,800)	636,346
End-of-service benefits paid		(1,523)	(4,329)
Surplus paid to policyholders		(6,277)	(6,191)
Net cash (used in) / generated from operating activities		(451,600)	625,826
Cash flows from investing activities			
Placement in term deposits	7	(350,000)	(1,343,220)
Proceeds from maturity of term deposits	7	486,033	1,828,901
Additions to investments carried at FVOCI	6	(143,384)	(751,100)
Additions to investments carried at FVOCI	6	-	(510,827)
Disposal of investments carried at FVOCI	6	73,725	99,658
Proceeds from commissions and dividends*		101,199	58,823
Additions to fixtures, furniture and equipment		(19,953)	(1,854)
Additions to intangible assets		(11,454)	(10,551)
Net cash generated from / (used in) investing activities		136,166	(630,170)
Cash flows from financing activities			
Lease liability paid*		(11,703)	(14,028)
Net cash used in financing activities		(11,703)	(14,028)
Net change in cash and cash equivalents		(327,137)	(18,372)
Cash and cash equivalents at beginning of the period		925,190	1,255,896
Cash and cash equivalents at end of the period		598,053	1,237,524

* This includes dividends amounting to SR 14.9 million (2024: SR 14.9 million)

** Lease liabilities paid includes finance cost of SR 1.5 million (2024: SR 1.3 million).


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The accompanying notes from 1 to 19 are an integral part of these interim condensed consolidated financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Bupa Arabia for Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce’s resolution number 138/K dated 24 Rabi Thani 1429H (corresponding to 1 May 2008). The Commercial Registration number of the Company is 4030178881 dated 5 Jumad Awwal 1429H (corresponding to 11 May 2008). The Registered Office of the Company is situated at:

Al-Khaleidiyah District,
Prince Saud Al Faisal Street,
Front of Saudi Airlines Cargo Building,
P.O. Box 23807, Jeddah 21436,
Kingdom of Saudi Arabia.

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/74 dated 29 Shabaan 1428H (corresponding to 11 September 2007) pursuant to the Council of Ministers’ Resolution No 279 dated 28 Shabaan 1428H (corresponding to 10 September 2007).

The objective of the Company is to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia in accordance with its bylaws, and applicable regulations in the Kingdom of Saudi Arabia. The Company underwrites medical insurance only.

The Board of Directors approves the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by the Saudi Central Bank (“SAMA”), whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders’ operations in full. During the year ended 31 December 2023, the Insurance Authority has been established by a royal decree as the insurance regulator. Previously issued regulations by SAMA will be upheld until the Insurance Authority issues updated regulations. Therefore, the accrued income liability is payable to the Insurance Authority.

The Company has the following subsidiaries:

Name of the subsidiary	Registration number	Country of incorporation	Ownership	Principal business activity
Bupa Arabia For Third Party Administration	4030605585	Kingdom of Saudi Arabia	100%	Claims management services
Health Horizon Medical Care Company	4030512306	Kingdom of Saudi Arabia	100%	Healthcare services

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial statements of the Group have been prepared in accordance with ‘International Accounting Standard 34 - Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) and liabilities for defined benefit obligations [Employees’ end of service benefits (“EOSBs”)] recorded at the present value using the projected unit credit method. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cashflows that are expected to arise as the Group fulfils its contractual obligations in accordance with IFRS 17. The details relating to gross written premium under note 12 of these interim condensed consolidated financial statements are disclosed to comply with the requirements of Insurance Authority. The classification of gross written premium (amount of policy premium) is based on the number of lives covered in the policy as prescribed by regulation.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

2. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

The Group's interim condensed consolidated statement of financial position is not presented using a current/non-current classification and is presented in order of liquidity. Except for fixtures, furniture and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, deferred tax, accrued income on statutory deposit and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature. Moreover, the balances which are mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, lease liabilities, term deposits, financial assets at fair value, financial assets at amortized cost, reinsurance contract assets / liabilities and provision for end of service benefits.

The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2024. The risk management policies are consistent with those as disclosed in the annual consolidated financial statements for the year ended 31 December 2024 and there has been no material change in risk grading and credit quality of financial assets from 31 December 2024.

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

These condensed consolidated interim financial statements are presented in Saudi Riyal (SR) which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(b) Critical accounting judgments, estimates and assumptions

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the accompanying notes disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

During the period ended 31 March 2025, the management has further disaggregated its unit of account for corporate group into a more granular profile and updated the cohort composition from annual to quarterly cohorts.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2024.

(c) Seasonality of operations

Due to the seasonality of operations, operating profits are expected to fluctuate from one period to another.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

a) New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Group

Standards, amendments, interpretations

Description

Effective date

Amendments to IAS 21

Lack of exchangeability – Amendments to IAS 21

01 January 2025

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (continued)

b) Accounting standards issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026 or after, but do not have a material impact on the interim consolidated financial statements of the Group.

<u>Standards, amendments, interpretations</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	01 January 2026
New standard “IFRS 18”	IFRS 18, ‘Presentation and Disclosure in Financial Statements’	01 January 2027
New standard “IFRS 19”	IFRS 19, ‘Reducing subsidiaries disclosures’	01 January 2027

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>31 March 2025 (unaudited)</u>	<u>31 December 2024 (audited)</u>
Bank balances	598,173	925,394
Less: Impairment allowance	(120)	(204)
	<u>598,053</u>	<u>925,190</u>

5. INSURANCE AND REINSURANCE CONTRACTS

	<u>Note</u>	<u>31 March 2025 (unaudited)</u>	<u>31 December 2024 (audited)</u>
<u>Insurance contract liabilities</u>			
Corporate	5.1 a	7,358,066	7,605,514
SMEs and others	5.1 b	1,261,519	1,399,299
		<u>8,619,585</u>	<u>9,004,813</u>
<u>Reinsurance contract assets</u>	5.2	<u>116,941</u>	<u>98,178</u>

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts

a. Corporate

Corporate

	Period ended 31 March 2025 (unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	Total
Insurance contracts issued:					
Opening insurance contract liabilities	3,612,356	-	3,847,664	145,494	7,605,514
Insurance revenue	(3,827,014)	-	-	-	(3,827,014)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	3,644,337	79,511	3,723,848
Losses / (reversals) on onerous contracts, net	-	101,788	-	-	101,788
Changes that relate to past service - adjustments to the LIC	-	-	(375,082)	(90,389)	(465,471)
Insurance acquisition cash flows amortization	179,182	-	-	-	179,182
Insurance service expenses	179,182	101,788	3,269,255	(10,878)	3,539,347
Insurance service result	(3,647,832)	101,788	3,269,255	(10,878)	(287,667)
Cash flows					
Premiums received	4,013,837	-	-	-	4,013,837
Claims and other directly attributable expenses paid	-	-	(3,797,235)	-	(3,797,235)
Insurance acquisition cash flows paid	(176,383)	-	-	-	(176,383)
Total cash flows	3,837,454	-	(3,797,235)	-	40,219
Closing insurance contract liabilities	3,801,978	101,788	3,319,684	134,616	7,358,066

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

b. SMEs and others

	Period ended 31 March 2025 (unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	843,142	-	539,158	16,999	1,399,299
Insurance revenue	(582,750)	-	-	-	(582,750)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	498,593	10,612	509,205
Losses / (reversals) on onerous contracts, net	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(51,862)	(10,730)	(62,592)
Insurance acquisition cash flows amortization	33,996	-	-	-	33,996
Insurance service expenses	33,996	-	446,731	(118)	480,609
Insurance service result	(548,754)	-	446,731	(118)	(102,141)
Cash flows					
Premiums received	501,892	-	-	-	501,892
Claims and other directly attributable expenses paid	-	-	(510,290)	-	(510,290)
Insurance acquisition cash flows paid	(27,241)	-	-	-	(27,241)
Total cash flows	474,651	-	(510,290)	-	(35,639)
Closing insurance contract liabilities	769,039	-	475,599	16,881	1,261,519

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

a. Corporate

	Year ended 31 December 2024 (audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	3,793,448	-	3,182,948	120,624	7,097,020
Insurance revenue	(15,943,690)	-	-	-	(15,943,690)
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	-	14,773,295	132,939	14,906,234
Losses / (reversals) on onerous contracts, net	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(378,898)	(108,069)	(486,967)
Insurance acquisition cash flows amortization	779,745	-	-	-	779,745
Insurance service expenses	779,745	-	14,394,397	24,870	15,199,012
Insurance service result	(15,163,945)	-	14,394,397	24,870	(744,678)
Cash flows					
Premiums received	15,673,496	-	-	-	15,673,496
Claims and other directly attributable expenses paid	-	-	(13,729,681)	-	(13,729,681)
Insurance acquisition cash flows paid	(690,643)	-	-	-	(690,643)
Total cash flows	14,982,853	-	(13,729,681)	-	1,253,172
Closing insurance contract liabilities	3,612,356	-	3,847,664	145,494	7,605,514

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.1 Analysis by remaining coverage and incurred claims for insurance contracts (continued)

b. SMEs and others

	Year ended 31 December 2024 (audited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Estimate of present value of cash flows	RA for non-financial risk	
Insurance contracts issued:					
Opening insurance contract liabilities	718,782	-	437,251	14,143	1,170,176
Insurance revenue	(2,157,827)	-	-	-	(2,157,827)
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	-	1,752,445	15,566	1,768,011
Losses / (reversals) on onerous contracts, net	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	(52,562)	(12,710)	(65,272)
Insurance acquisition cash flows amortization	131,709	-	-	-	131,709
Insurance service expenses	131,709	-	1,699,883	2,856	1,834,448
Insurance service result	(2,026,118)	-	1,699,883	2,856	(323,379)
Cash flows					
Premiums received	2,253,851	-	-	-	2,253,851
Claims and other directly attributable expenses paid	-	-	(1,597,976)	-	(1,597,976)
Insurance acquisition cash flows paid	(103,373)	-	-	-	(103,373)
Total cash flows	2,150,478	-	(1,597,976)	-	552,502
Closing insurance contract liabilities	843,142	-	539,158	16,999	1,399,299

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5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.2 Analysis by remaining coverage and incurred claims for reinsurance contracts

	Period ended 31 March 2025 (unaudited)				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss component recovery	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	(41,276)	-	(54,504)	(2,398)	(98,178)
Reinsurance expense	71,553	-	-	-	71,553
Claims recovered and other directly attributable expenses	-	-	(63,762)	(1,404)	(65,166)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	30,950	1,285	32,235
Net expense from reinsurance contracts held	71,553	-	(32,812)	(119)	38,622
Cash flows					
Premiums ceded	(91,431)	-	-	-	(91,431)
Recoveries from reinsurance	-	-	34,046	-	34,046
Total cash flows	(91,431)	-	34,046	-	(57,385)
Closing reinsurance contract assets	(61,154)	-	(53,270)	(2,517)	(116,941)
Year ended 31 December 2024 (audited)					
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss component recovery	Estimate of present value of cash flows	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening reinsurance contract assets	(21,385)	-	(50,484)	(2,221)	(74,090)
Reinsurance expense	234,981	-	-	-	234,981
Claims recovered and other directly attributable expenses	-	-	(212,703)	(2,282)	(214,985)
Changes that relate to past service - adjustments to the asset for incurred claims	-	-	47,860	2,105	49,965
Net expense from reinsurance contracts held	234,981	-	(164,843)	(177)	69,961
Cash flows					
Premiums ceded	(254,872)	-	-	-	(254,872)
Recoveries from reinsurance	-	-	160,823	-	160,823
Total cash flows	(254,872)	-	160,823	-	(94,049)
Closing reinsurance contract assets	(41,276)	-	(54,504)	(2,398)	(98,178)

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6. INVESTMENTS

	31 March 2025 (unaudited)	31 December 2024 (audited)
Financial assets at amortized cost - net	932,588	935,811
Financial assets at fair value	6,869,980	6,586,463
	7,802,568	7,522,274

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

	31 March 2025 (unaudited)	31 December 2024 (audited)
Investments at FVTPL	588,351	449,181
Investments at FVOCI – Debt	4,689,251	4,562,442
Investments at FVOCI – Equity	1,592,378	1,574,840
	6,869,980	6,586,463

(i) Investments measured at amortized cost – net comprise of the following:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Sukuks	932,808	936,031
Less: Impairment allowance on investments at amortized cost	(220)	(220)
	932,588	935,811

(ii) Investments measured at FVTPL comprise of the following:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Funds	579,123	439,953
Equity	9,228	9,228
	588,351	449,181

(iii) Investments measured at FVOCI – Debt comprise of the following:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Sukuks	4,689,251	4,562,442

(iv) Investments measured at FVOCI – Equity comprise of the following:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Equity	61,052	59,498
Sukuks	1,420,382	1,402,981
Investments in discretionary portfolios	110,944	112,361
	1,592,378	1,574,840

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6. INVESTMENTS (continued)

The movements in the investments balance, excluding loss allowance, are as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	7,522,494	4,834,278
Purchased during the period / year	588,749	3,554,799
Disposed during the period / year	(401,414)	(790,207)
Unrealized gains during the period / year, net	84,303	(88,686)
Accrued interest	8,656	12,310
	7,802,788	7,522,494

Movement in loss allowance for investments at amortized cost for the period is as follows:

	31 March 2025 (unaudited)			
	Stage 1 12-month ECL	Stage 2 ECL not Credit impaired	Stage 3 Lifetime ECL credit impaired	Total
Balance at the beginning of the period	(220)	-	-	(220)
Charge for the period	-	-	-	-
Balance at the ending of the period	(220)	-	-	(220)

	31 December 2024 (audited)			
	Stage 1 12-month ECL	Stage 2 ECL not Credit impaired	Stage 3 Lifetime ECL credit impaired	Total
Balance at the beginning of the year	(161)	-	-	(161)
Charge for the year	(59)	-	-	(59)
Balance at the ending of the year	(220)	-	-	(220)

7. TERM DEPOSITS

The term deposits are held with reputable commercial banks and financial institutions. These deposits are predominately in Murabaha structure with a small allocation in Mudaraba structure. They are mostly denominated in Saudi Arabian Riyals and have an original maturity from more than three-months to more than one year and yield financial income at rates ranging from 2.20% to 6.20% per annum (2024: 2.20% to 6.40% per annum). The movements in term deposits during the period ended 31 March 2025 as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period before loss allowance	6,041,965	7,224,972
Placed during the period / year	350,000	2,794,848
Matured during the period / year	(486,033)	(4,317,551)
Commission income earned during the period / year	75,171	339,696
Loss allowance	(1,409)	(1,423)
	5,979,694	6,040,542

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7. TERM DEPOSITS (continued)

Movement in loss allowance for term deposits for the period is as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	(1,423)	(1,961)
Reversal made during the period / year	14	538
Balance at end of the period / year	<u>(1,409)</u>	<u>(1,423)</u>

8. STATUTORY DEPOSIT

As required by Insurance Regulations, the Group deposited an amount equivalent to 10% of its paid-up share capital, amounting to SR 150 million, in a bank designated by regulator. Accrued income on this deposit is payable to Insurance Authority amounting to SR 0.79 million (31 December 2024: SR 4.38 million) and this deposit cannot be withdrawn without approval from Insurance Authority. The statutory deposit is shown on the statement of financial position net of impairment allowance.

9. FIDUCIARY ASSETS

During the year ended 31 December 2018, after obtaining SAMA's approvals, the Group entered into a Third-Party Administration agreement (TPA) with a customer under which the Group facilitates healthcare services to Customer's employees with specific terms and conditions. The agreement is effective from 1 March 2018. The services are remunerated against administration fees.

In order to fulfil the commitment relating to this agreement, the Group receives funds in advance from the customer to settle anticipated claims from medical service providers. As the Group acts as an agent, the relevant bank balance and related payables at the reporting date, are excluded from the condensed interim consolidated statement of financial position. The assets and liabilities held in fiduciary capacity amounted to SR 180 million as of 31 March 2025 (31 December 2024: SR 224 million).

10. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

- There was no material change in the status of legal proceedings as of 31 March 2025 since the last annual consolidated audited financial statements.
- As of 31 March 2025, total letters of guarantee issued by banks amounted to SR 303 million (31 December 2024: SR 261 million).
- Refer to Note 14 for zakat and income tax related matters.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 advantageous accessible market for the asset or liability.

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11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

a) Determination of fair value and fair value hierarchy

The Group 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.

b) Carrying amounts and fair value

The following table shows the carrying amount and fair value 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 (financial assets and liabilities at amortized cost) as the carrying amount is a reasonable approximation to fair value except for certain term deposits and sukuks at amortized cost for which the difference between carrying amount and the fair value is not material to the interim condensed consolidated financial statements, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates

	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
31 March 2025 (unaudited)					
Financial assets measured at fair value:					
- Investment at FVTPL	12,389	512,155	63,807	588,351	588,351
- Investment at FVOCI – Debt	4,539,251	150,000	-	4,689,251	4,689,251
- Investment at FVOCI – Equity*	894,513	697,865	-	1,592,378	1,592,378
	<u>5,446,153</u>	<u>1,360,020</u>	<u>63,807</u>	<u>6,869,980</u>	<u>6,869,980</u>
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
31 December 2024 (audited)					
Financial assets measured at fair value:					
- Investment at FVTPL	12,365	372,446	64,370	449,181	449,181
- Investment at FVOCI – Debt	4,412,442	150,000	-	4,562,442	4,562,442
- Investment at FVOCI – Equity*	926,822	648,018	-	1,574,840	1,574,840
	<u>5,351,629</u>	<u>1,170,464</u>	<u>64,370</u>	<u>6,586,463</u>	<u>6,586,463</u>

*These include Tier-1 sukuks classified under equity due to the perpetual nature of the assets and discretion of profit distribution with the issuer.

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11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

c) Measurement of fair value

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair value at 31 March 2025 and 31 December 2024, as well as the significant unobservable inputs used. The fair value used for valuation of Level 2 Sukuks and mutual funds are based on prices quoted on reliable third-party sources.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual funds	Mutual funds classified as Level 3 are fair valued based on the latest available NAV communicated by the fund manager.	Fair value of underlying assets	The estimated fair value will increase / decrease directly in line with the change in fair value of underlying assets.

Sensitivity analysis:

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

	31 March 2025 (unaudited)	31 December 2024 (audited)
+/- 5% change in net assets value	+/- 3,190	+/- 3,219

12. OPERATING SEGMENTS

The Group only issues short-term insurance contracts for providing health care services ('medical insurance'). The Group operates as a mono-line insurer, operating in the Private Medical Insurance (PMI) business. All the insurance operations of the Group are carried out in the Kingdom of Saudi Arabia. For management reporting purposes, the operations are monitored in two groups that are Corporate, Small and Medium Enterprises & Others (SMEs & Others). Corporate segment/customer represents members of large corporations, and all others are considered as SMEs & Others. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments in line with the strategic decisions.

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12. OPERATING SEGMENTS (continued)

Operating segments do not include shareholders' operations of the Group. Segment results do not include investment, other operating expenses, other revenues and other costs. Segment assets and liabilities only include the insurance and reinsurance contract liabilities and assets while the other accounts are not allocated. Consistent with the Group's internal reporting, operating segments have been approved by the management in respect of the Group's activities, assets and liabilities as stated below:

	31 March 2025 (unaudited)		
	Corporate	SMEs & Others	Total
Operating segments			
<u>Assets</u>			
Asset of incurred claims	55,787	-	55,787
Asset of remaining coverage	61,154	-	61,154
Reinsurance contract assets	116,941		116,941
Unallocated assets			15,600,410
Total assets			15,717,351
<u>Liabilities</u>			
Liability of incurred claims	3,454,300	492,480	3,946,780
Liability of remaining coverage	3,903,766	769,039	4,672,805
Insurance contract liabilities	7,358,066	1,261,519	8,619,585
Unallocated liabilities			1,518,127
Total liabilities			10,137,712
	31 December 2024 (audited)		
	Corporate	SMEs & Others	Total
Operating segments			
<u>Assets</u>			
Asset of incurred claims	56,902	-	56,902
Asset of remaining coverage	41,276	-	41,276
Reinsurance contract assets	98,178		98,178
Unallocated assets			15,476,902
Total assets			15,575,080
<u>Liabilities</u>			
Liability of incurred claims	3,993,158	556,157	4,549,315
Liability of remaining coverage	3,612,356	843,142	4,455,498
Insurance contract liabilities	7,605,514	1,399,299	9,004,813
Unallocated liabilities			1,452,270
Total liabilities			10,457,083

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12. OPERATING SEGMENTS (continued)

	Three-month period ended 31 March 2025 (unaudited)			Three-month period ended 31 March 2024 (unaudited)		
	Corporate	SMEs & Others	Total	Corporate	SMEs & Others	Total
Insurance revenue	3,827,014	582,750	4,409,764	3,858,576	515,482	4,374,058
Insurance service expense	(3,539,347)	(480,609)	(4,019,956)	(3,607,457)	(428,122)	(4,035,579)
Net expenses from reinsurance contracts held	(38,622)	-	(38,622)	(16,878)	-	(16,878)
Net insurance service result	249,045	102,141	351,186	234,241	87,360	321,601
Commission and income on financial assets at amortized cost		89,988				103,190
Commission and income on financial assets at fair value		96,170				55,174
Net impairment loss on financial assets		59				(220)
Net investment return		186,217				158,144
Net insurance and investment results		537,403				479,745
Other operating expenses		(106,420)				(75,731)
Other revenue		22,344				22,462
Other cost		(9,629)				(10,353)
Income attributed to the shareholders before zakat and income tax		443,698				416,123
Zakat charge		(22,502)				(19,671)
Income tax charge		(40,964)				(37,029)
Net income attributed to the shareholders after zakat and income tax		380,232				359,423

The details of gross written premium are as follows:

	Three-month period ended 31 March 2025 (unaudited)	Three-month period ended 31 March 2024 (unaudited)
Corporates	4,793,615	5,842,466
Medium enterprises	1,212,013	1,027,152
Small enterprises	383,977	326,556
Micro enterprises	41,900	41,071
Individuals	9,453	12,197
	6,440,958	7,249,442

Insurance revenue of SR 4.4 billion (2024: SR 4.3 billion) from corporate and SME & others is calculated through adjustment of SR 2.0 billion (2024: SR 2.9 billion) to corporate and SME & others accounting for the remaining coverage period and the expected premium receipts which reconcile to the gross written premium of SR 6.4 billion (2024: SR 7.2 billion). Refer to note 2(a) for more details.

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13. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board members and key management personnel of the Group, and companies of which they are principal owners, and any other entities controlled, jointly controlled or significantly influenced by them. Contract pricing policies and terms are approved by the Group's management or where required and applicable, by the Group's Board of Directors. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The following are the details of the major related party transactions during the period and their related balances:

<u>Related party</u>	<u>Nature of transaction</u>	<u>Amount of transactions during the period ended income / (expense)</u>		<u>Receivable/(payable) balance as at</u>	
		<u>31 March</u>	<u>31 March</u>	<u>31 March</u>	<u>31 December</u>
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
<u>Balances included in insurance contract liabilities</u>					
Shareholders and entities with common directorship*	Premium issued	308,091	349,226	5,121	806
Shareholders and entities with common directorship*	Claims incurred	(113,926)	(135,193)	(17,089)	(69,755)
Shareholder*	Medical costs charged by providers	(59,995)	(60,333)	(10,019)	(42,189)
				(21,987)	(111,138)
<u>Balances included in reinsurance contract assets</u>					
Shareholders	Reinsurance Premium ceded	(125,295)	(113,245)	(110,238)	(76,375)
<u>Balances included in due (to)/from Related Parties</u>					
Shareholders	Expenses recharged (to) / from a related party-net	(912)	(1,017)	(1,984)	(1,066)
Shareholders	Board and committee members fees	(478)	(225)	(478)	(1,365)
Bupa Middle East Holdings Two W.L.L. (Common directorship)*	Trademark fee	(10,843)	(10,806)	(55,356)	(44,513)
				(57,818)	(46,944)

*The transactions and balances against the entities with common directorship, common key management personnel and major shareholder have been presented in accordance with the local laws and regulations.

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

The remuneration of the key management personnel during the period ended 31 March is as follows:

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Short-term benefits	6,363	6,267
Long-term benefits	583	584
Share based payment transactions	8,293	7,606
	<u>15,239</u>	<u>14,457</u>

Short-term benefits include salaries, allowances, annual bonuses and incentives whilst long-term benefits include employees' end of service benefits.

14. ZAKAT AND INCOME TAX

Breakup of zakat and income tax charge for the three-month period ended 31 March 2025 and 2024 are as follows:

	Three-month period ended 31 March 2025 (unaudited)	Three-month period ended 31 March 2024 (unaudited)
Current zakat charge	22,502	19,671
Current tax charge	42,861	37,644
Deferred tax charge (note 14.a)	(1,897)	(615)
	<u>40,964</u>	<u>37,029</u>
	<u>63,466</u>	<u>56,700</u>

a) The reconciliation of deferred tax assets is as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Opening deferred tax asset	33,570	38,609
Deferred tax income / (charge)	1,897	(5,039)
	<u>35,467</u>	<u>33,570</u>

b) Movements in the Zakat and income tax accrued during the period ended 31 March 2025 and year ended 31 December 2024 respectively are as follows:

	Zakat payable	Income tax Payable	Total 31 March 2025 (unaudited)	Total 31 December 2024 (audited)
Balance at beginning of the period/year	356,249	56,610	412,859	358,589
Provided during the period/year	22,502	42,861	65,363	207,088
Adjustment for prior years	-	-	-	(5,503)
Payments during the period/year	-	-	-	(147,315)
Balance at end of the period/year	<u>378,751</u>	<u>99,471</u>	<u>478,222</u>	<u>412,859</u>

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

14. ZAKAT AND INCOME TAX (continued)

c) Status of assessments

Bupa Arabia For Cooperative Insurance Company

The Company has filed its zakat and income tax returns with the ZATCA for the financial years up to and including 2024.

The Company has finalized its zakat and income tax returns with ZATCA for the fiscal years 2008 through 2018.

For the year 2017, the Company settled the assessment during the year ended 31 December 2024 resulting in a reversal of excess provision amounting to SR 5.5 million.

The Company received the final assessments for the years 2019 and 2020, amounting to SR 36.7 million and SR 41 million, respectively. The Company has filed an appeal to the GSTC with the Appeal Committee for Tax Violations and Disputes which is currently under review. The management believes that these assessments have been appropriately provisioned.

The Company has yet to receive the final assessments for the years ended December 31, 2021, 2022, 2023 and 2024.

Bupa Arabia For Third Party Administration

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2024 with ZATCA. The return for the years are still under ZATCA's review.

Horizon Medical Services Company

The Company has filed its zakat and income tax returns for the financial years up to and including the year 2024 with ZATCA. The return for the years are still under ZATCA's review.

15. SHARE CAPITAL

The authorised, issued and paid-up capital of the Group is SR 1,500 million At 31 March 2025 (31 December 2024: SR 1,500 million) consisting of 150 million shares (31 December 2024: 150 million shares) of SR 10 each. Shareholding structure of the Group is as below:

	31 March 2025 (unaudited)		31 December 2024 (audited)	
	Holding percentage	Amount	Holding percentage	Amount
Major shareholders	48.3%	723,825	48.3%	723,825
General Public	51.7%	776,175	51.7%	776,175
	100%	1,500,000	100%	1,500,000

The total shareholders' equity as of 31 March 2025 for Saudi shareholders is SR 3,174 million (31 December 2024: SR 2,964 million) and foreign shareholder is SR 2,395 million (31 December 2024: SR 2,188 million) after incorporating their respective shareholding percentage and impact of zakat, income tax, reimbursement and other adjustments.

16. STATUTORY RESERVE

As required by the Insurance Regulations, 20% of the shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of the paid-up share capital. The Group carries out this transfer on an annual basis of 31 December. As at 31 March 2025, 1500 million (31 December 2024: SR 1,500 million) had been set aside as a statutory reserve, representing 100% (31 December 2024: 100%) of the paid-up share capital.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

17. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk is inherent in the Group's activities but is managed through a process of on-going identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability, and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group's policy is to monitor business risk through strategic planning process. The strategy considers the impact of market conditions and available expertise on inherent risks to which the Group is exposed. The Group is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk. The risk is managed through a comprehensive risk management structure comprising of the Board, senior management, audit committee, risk committee and internal audit.

Capital management

Objectives are set by the Board of Directors of the Group to maintain healthy capital ratios to support its business objectives and maximise shareholders' value.

The Group's regulatory capital is financed solely by share capital provided by shareholders amounting to SR 1,500 million.

The Group 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 the risk characteristics of the Group's activities. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue shares.

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

- a) Minimum Capital Requirement.
- b) Premium Solvency Margin.
- c) Claims Solvency Margin

The Group has complied with above requirement at each reporting date presented.

18. EARNINGS PER SHARE

The basic earnings per share have been calculated by dividing 'net income attributed to the shareholders after zakat and income tax' amounting to SR 380,232 thousand (31 March 2024: SR 359,423 thousand) for the period by the weighted average number of ordinary shares issued and outstanding amounting to 150 million shares (31 March 2024: 150 million shares) adjusted for treasury shares amounting to 640 thousand (2023: 207 thousand shares) at period end.

The diluted earnings per share have been calculated by dividing 'net income attributed to the shareholders after zakat and income tax' amounting to SR 380,232 thousand (31 March 2024: SR 359,423 thousand) for the period by the weighted average number of ordinary shares issued and outstanding amounting to 150 million shares (31 March 2024: 150 million shares) adjusted for the effects of employee shares scheme.

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors, on 7 May 2025.