Mansour Shams Al Khoori
Chairman

Dear Shareholders,

The Directors of Arab Insurance Group (B.S.C.) (Arig or Group) present the Company's 45th Annual Report along with the audited Consolidated Financial Statements for the year ended 31 December 2025.

As you are aware, at the Extraordinary General Meeting (EGM) on 13 August 2020, it was decided to cease writing business, and this decision had a significant impact on the strategic direction and future of the Company. The annual report needs to be read in light of this decision of the EGM.

The significant developments during the year can be summarised as below:

The Board is continued to pursue sale of insurance portfolio.

Based on the following principles an offer was selected from the offers received to ensure:

- Maximising the returns to the shareholders
- Compliance with the rules of Central Bank of Bahrain subject to the regulatory approvals.

The Board is continuing to work with the selected offeror to finalize the transaction, subject to the regulatory approvals.

The Board has conducted a study on the capital requirements of the Company and has recommended a return of capital. The recommendation of the Board has been submitted for regulatory review and approval.

The subsidiary Arig Capital Limited has been transferred at a nominal value in July 2025 as the company had extinguished all its liabilities.

Group Performance

Arig achieved positive financial results for 2025 by managing its reserves, favourable investment returns and reduction in operating costs with net profit amounting to US$ 3.9 million attributable to shareholders (2024: Net profit US$ 26.4 million). The earnings represent a return of 1.42% on average shareholders' equity. Consequently, the Board has recommended a cash dividend of 3.25% or US cents 3.25 per share on the company's paid-up capital net of treasury shares, which remains subject to approval of the Central Bank of Bahrain and the company's shareholders during the upcoming Annual General Meeting.

The staff count at Arig parent stood at 36 (2024: 45).

Arig's Reinsurance Position

The total insurance contract liabilities stood at US$ 74.2 million (2024: US$ 77.8 million) primarily due to reduction of liability for incurred claims and payment of claims.

The overall insurance service result was a loss of US$ 4.7 million (2024: profit of US$ 7.0 million) primarily due to adverse portfolio experience as compared to 2024.

Arig's Investment position

The Group reported total investment income of US$ 12.3 million (2024: US$ 14.7 million).

Arig Investment policy is a conservative one, so as not to risk the shareholders equity as well as the interests of policy holders. Group Investment Assets stood at US$ 341.1 million in December 2025 (2024: US$ 362.6 million) as follows:

(US$ million)

	2025	2024
Cash	41.3	53.4
Fixed maturities	293.2	300.6
Alternative investment	6.0	8.1
Investment in associates	0.6	0.5

Remuneration of members of the Board of Directors and the Executive Management:

In 2025 the following amounts were paid / accrued to the Board members and the Executive management.

First: Board of directors' remuneration details:

(US$'000)

Name	Fixed remunerations					Variable remunerations					End-of- service award	Aggregate Amount (Does not include expense allowance)	Expenses Allowance
	Remuneration of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remuneration of the chairman and BOD*	Bouns	Incentive Plan	Others**	Total			
First: Independent Directors & Non - Executive Directors													
1) Mansour Shams Alkhoori***	-	-	-	-	-	-	-	-	21.0	21.0	-	21.0	16.7
2) Abdulla Nooruddin Abdulla***	-	-	-	-	-	-	-	-	30.0	30.0	-	30.0	-
3) Futooh Abdulaziz Alzayani***	-	-	-	-	-	-	-	-	24.0	24.0	-	24.0	-
4) Younis Jamal Alsayed***	-	-	-	-	-	-	-	-	27.0	27.0	-	27.0	-
Second: Non - Independent and Non - Executive Directors:													
1) Saeed Mohammed AlBahhar	-	-	-	-	-	-	-	-	55.5	55.5	-	55.5	32.6
2) Ashraf Mukhtar Musbah***	-	-	-	-	-	-	-	-	24.0	24.0	-	24.0	8.3
3) Abdulla Saeed Alghfeli	-	-	-	-	-	-	-	-	42.0	42.0	-	42.0	12.5
4) Ahmed Omar Alkarbi	-	-	-	-	-	-	-	-	30.0	30.0	-	30.0	33.4
5) Mohamed Ahmed Alkarbi	-	-	-	-	-	-	-	-	45.0	45.0	-	45.0	37.5
6) Abdulrahman AlBaker****	-	-	-	-	-	-	-	-	12.0	12.0	-	12.0	-
7) Wael Ibrahem Abu Khzam****	-	-	-	-	-	-	-	-	21.0	21.0	-	21.0	5.9
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**331.5**	**331.5**	**-**	**331.5**	**146.9**

* proposed remuneration.
** total allowance for attending Board and committee meetings.
*** board member since 27 March 2025.
**** board member up to 26 March 2025.

Second: Executive management remuneration details:

(US$'000)

Executive Management	**Total paid Salaries and Allowances**	**Total paid Remuneration (Bonus)**	**Any other cash / in kind remuneration for 2025***	**Aggregate Amount**
Top 6 remuneration for executives, including CEO and Senior Financial Officer	977	64	182	1,223

*includes end of service benefit.

Acknowledgements

The Board takes this opportunity to express its gratitude to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander of the Armed Forces and Prime Minister, for their wise leadership of the Kingdom of Bahrain. The Directors further extend their thanks to our business partners, clients, staff and shareholders for their support and cooperation throughout the year.

On behalf of the Board of Directors

Mr. Mansour Shams Alkhoori
Chairman

Mr. Abdulla Nooruddin Abdulla
Board Member

12 February 2026