

**GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
30 JUNE 2025**

CONDENSED INTERIM STATEMENT OF FINANCIAL STATEMENTS

As at 30 June 2025

INDEX	Page
Independent auditors report on review of condensed interim financial statements	1-2
Condensed interim statement of financial position	3
Condensed interim statement income	4
Condensed interim statement of other comprehensive income	5
Condensed interim statement of changes in equity	6
Condensed interim statement of cash flows	7
Notes to the condensed interim financial statements	8 – 33

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To The Shareholders of Gulf General Cooperative Insurance Company
(A Saudi Joint Stock Company)

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Gulf general Cooperative Insurance Company (the "Company") as at June 30, 2025 and the related interim condensed statements of income, other comprehensive income for the three-month and six-month periods then ended and the interim condensed statements of changes in equity and cash flows for the six-month period ended June 30, 2025, and notes to the interim condensed financial statements, including other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that are endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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 condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at June 30, 2025 of the Company does not present fairly, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 (f) of these interim condensed financial statements, which indicates that the Company has incurred a net loss of SR 29.08 million and SR 52.86 million for the three-month and six-month period ended 30 June 2025, respectively and, as of that date, the Company's accumulated losses amounted to SR 191.18 million which represents 64% of the share capital. As at 30 June 2025, the solvency ratio of the Company stands at a lower rate than required. These conditions, along with other matters as set forth in Note 2 (f), indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

To The Shareholders of Gulf General Cooperative Insurance Company
(A Saudi Joint Stock Company)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We draw your attention to note 17 of the interim condensed financial statements which describes that the Company has not complied with the applicable requirements of maintaining the solvency ratio as per Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law. Furthermore, the Company has also not complied with the applicable requirements of Article 150 of the Regulations of Companies Law, which become applicable when accumulated losses reach 64% of share capital.

For El Sayed El Ayouty & Co.
Certified Accountants and Auditors
P.O. Box 780
Jeddah 21421,
Kingdom of Saudi Arabia



Abdullah Ahmad Balamesh
Partner
License No. 345

For AlKharashi & Co.
Certified Accountants and Auditors
P.O. Box 8306
Riyadh 11482,
Kingdom of Saudi Arabia



Abdullah S. Al-Msned
Partner
License No. 456

18 August 2025
24 Safar 1447 H



GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	9,829	6,559
Investments held at amortised cost	5	94,164	181,381
Financial assets at fair value through profit or loss ("FVTPL")	6	57,296	57,048
Financial assets at fair value through other comprehensive income ("FVOCI")	7	63,631	61,124
Prepaid expenses and other assets - Net	8	12,330	15,936
Reinsurance contract assets	10	21,362	36,847
Insurance contract asset	10	3,226	1,491
Property and equipment		9,985	11,088
Intangible assets		10,724	11,172
Right of use asset		3,629	4,221
Statutory deposit	9	44,992	44,992
Accrued income on statutory deposit		2,436	1,327
TOTAL ASSETS		333,604	433,186
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		10,952	13,235
Insurance contract liabilities	10	136,334	183,564
Employees' defined benefit obligations		4,140	4,070
Zakat provision	12	3,196	3,669
Lease liabilities		2,994	3,415
Accrued income on statutory deposit		2,436	1,327
TOTAL LIABILITIES		160,052	209,280
<u>EQUITY</u>			
Share capital	13	300,000	300,000
Statutory reserve		2,165	2,165
Accumulated losses		(191,197)	(138,336)
Fair value reserve for investment		61,708	59,201
Re-measurement reserve of defined benefit obligations		876	876
TOTAL EQUITY		173,552	223,906
TOTAL LIABILITIES AND EQUITY		333,604	433,186
COMMITMENTS AND CONTINGENCIES	22		

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



Director



Chief Financial Officer



Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

		Three-month periods ended 30 June		Six-month periods ended 30 June	
	Note	2025	2024	2025	2024
REVENUES					
Insurance revenue	14	79,344	105,127	173,453	192,895
Insurance service expenses	14	(97,932)	(99,578)	(208,606)	(188,120)
Net expenses from reinsurance contracts	14	(8,007)	(11,823)	(12,911)	(17,486)
Insurance service result from Company's directly written business		(26,595)	(6,274)	(48,064)	(12,711)
Share of surplus from insurance pools		1,375	127	2,279	1,363
Total insurance service results		(25,220)	(6,147)	(45,785)	(11,348)
Net gains / (losses) on investments measured at FVTPL		46	(1,477)	248	230
Commission income on investments measured at amortised cost		1,078	3,247	2,585	5,694
Commission income on investment measured at FVTPL		65	65	128	128
Dividend income		292	161	345	203
Investment return		1,481	1,996	3,306	6,255
Net finance expenses from insurance contracts	15	(376)	(151)	(986)	(809)
Net finance income from reinsurance contracts	15	354	309	728	512
Net insurance finance expense		(22)	158	(258)	(297)
Net insurance and investment result		(23,761)	(3,993)	(42,737)	(5,390)
Operating expense		(4,118)	(2,479)	(7,724)	(5,004)
Net loss for the period before zakat		(27,879)	(6,472)	(50,461)	(10,394)
Zakat	12	(1,200)	(1,200)	(2,400)	(3,017)
NET LOSS FOR THE PERIOD		(29,079)	(7,672)	(52,861)	(13,411)
Loss per share (expressed in SAR per share) - Restated	18	(0.97)	(0.26)	(1.76)	(0.45)

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



Director



Chief Financial Officer



Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2025	2024	2025	2024
NET LOSS FOR THE PERIOD	(29,079)	(7,672)	(52,861)	(13,411)
Other comprehensive income	--	--	2,507	--
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(29,079)</u>	<u>(7,672)</u>	<u>(50,354)</u>	<u>(13,411)</u>

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



Director



Chief Financial Officer



Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

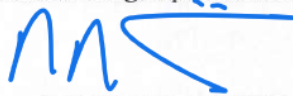
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

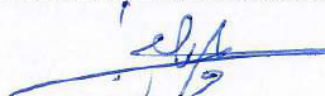
For the six-month period ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of defined benefit obligations	Total
Balance at 1 January 2024 (Audited)		500,000	2,165	(244,129)	41,539	818	300,393
<u>Total comprehensive income:</u>							
Loss for the period		--	--	(13,411)	--	--	(13,411)
Other comprehensive income for the period		--	--	--	--	--	--
Total comprehensive loss for the period		--	--	(13,411)	--	--	(13,411)
Transaction with owners of the Company							
Reduction in share capital to absorb losses	13	(200,000)	--	200,000	--	--	--
Balance at 30 June 2024 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>(57,540)</u>	<u>41,539</u>	<u>818</u>	<u>286,982</u>
Balance at 1 January 2025 (Audited)		300,000	2,165	(138,336)	59,201	876	223,906
<u>Total comprehensive income:</u>							
Loss for the period		--	--	(52,861)	--	--	(52,861)
Other comprehensive income for the period		--	--	--	2,507	--	2,507
Total comprehensive loss for the period		--	--	(52,861)	2,507	--	(50,354)
Balance at 30 June 2025 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>(191,197)</u>	<u>61,708</u>	<u>876</u>	<u>173,552</u>

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.


Director


Chief Financial Officer


Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

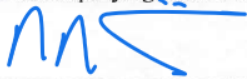
		30 June 2025	30 June 2024
	Notes		
CASHFLOWS FROM OPERATING ACTIVITIES			
Total loss for the period before zakat		(50,461)	(10,394)
<u>Adjustments for non-cash items:</u>			
Depreciation		1,099	1,139
Amortization of intangible assets		781	739
Amortization of right-of-use assets		592	594
Finance cost on lease liability		73	98
Net gain on financial assets at FVTPL		(248)	(230)
Employee defined benefit obligation		517	716
Commission income on investments		(2,713)	(5,822)
Dividend income		(345)	(203)
		(50,705)	(13,363)
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liability		(47,229)	47,735
Insurance contract asset		(1,735)	(14,069)
Reinsurance contract asset		15,485	13,589
Prepaid and other assets		3,637	17,475
Accrued expenses and other liabilities		(2,283)	(4,415)
Cash (used in) /generated from operating activities		(82,830)	46,952
Zakat paid	12	(2,873)	(4,721)
Employee defined benefit obligation paid		(447)	(457)
Net cash (used in) /generated from operating activities		(86,150)	41,774
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment and intangible asset-Net		(329)	(25)
Addition of investments		(94,196)	(841)
Commission income on investments		2,713	5,822
Dividend income		345	203
Maturity /(increase) of Murabaha deposits		181,381	(81,391)
Net cash generated from / (used in) investing activities		89,914	(76,232)
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(494)	(199)
Release of statutory deposit		-	30,000
Net cash (used in) / generated from financing activities		(494)	29,801
Net increase in cash and cash equivalents		3,270	(4,657)
Cash and cash equivalents at the beginning of the period		6,559	14,462
Cash and cash equivalents at the end of the period	4	9,829	9,805


NON-CASH TRANSACTIONS:

Decrease of capital to absorb accumulated losses	13	--	(200,000)
--	----	-----------	------------------

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.


Director


Chief Financial Officer


Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

1. General

Gulf General Cooperative Insurance Company ("GGCI" or the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce and Industry's Resolution number 12/Q dated 17 Muharram 1431H (corresponding to 3 January 2010) and registered under Commercial Registration number 4030196620 dated 9 Safar 1431H (corresponding to 25 January 2010). The registered address of the Company's head office is as follows:

Gulf General Cooperative Insurance Company
Al Gheithy Plaza, Second Floor,
Ameer Al Shoura'a Street
Jeddah, Kingdom of Saudi Arabia

The Company also has the following branches, which are operating under separate commercial registrations:

Branch	Commercial Registration No.	Date of Registration
Jeddah	4030376633	12 Jumada Al Khira 1441H (Corresponding to 6 February 2020)
Riyadh	1010316823	29 Shawwal 1432H (corresponding to 27 September 2011)
Al Khobar	2051046836	19 Dhul Qa'dah 1432H (corresponding to 17 October 2011)

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/85 dated 5 Thul Hujja 1429H (corresponding to 3 December 2008) pursuant to Council of Ministers' Resolution No. 365 dated 3 Thul Hujja 1429H (corresponding to 1 December 2008). The Company obtained a license to conduct insurance operations in the Kingdom of Saudi Arabia from the Saudi Arabian Monetary Authority ("SAMA") on 20 Rabi-al-Awwal 1431H (corresponding to 6 March 2010). The Company was listed on the Saudi Arabian Stock Exchange ("Tadawul") on 24 Safar 1431H (corresponding to 8 February 2010). From 23 November 2023 the Insurance Authority (IA) became the authorized regulator of the insurance industry in Saudi Arabia, however, laws and regulations issued previously by SAMA related to the insurance sector will remain in effect until further instructions are issued by the IA. IA, as the principal authority responsible for the application and administration of the Insurance Law and its Insurance Implementing Regulations. The objectives of the Company are to engage in providing insurance and related services, which include reinsurance, in accordance with its by-laws, and applicable regulations in the Kingdom of Saudi Arabia. Its principal lines of business include medical, motor, accident & liability, marine, property and engineering.

In accordance with the by-laws of the Company, the surplus arising from the insurance operations is distributed as follows:

Transfer to shareholders' operations	90%
Transfer to insurance operations	10%
	<u>100%</u>

In case of deficit arising from the insurance operations, the entire deficit is allocated and transferred to the shareholders' operations in full. In accordance with Article 70 of SAMA implementing regulations, the Company proposes to distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors. The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to 30 September 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to 19 January 2023) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. For certain provisions of the New Law and the amended CMA implementing regulations, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Law and will amend its By-laws with the amendments in the provisions required to align with the provisions of the New Law and the amended CMA implementing regulations, and with any other amendments that may take advantage of the New Law and the amended CMA implementing regulations. The Company has presented the amended By-laws, within the timeframe allowed, to the shareholders and got them approved in its Extraordinary General Assembly meeting held on 7 November 2024.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

2. Basis of preparation

(a) Statement of compliance

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

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

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

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

(b) Basis of measurement

The condensed interim financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method. The Company's interim condensed statement of financial position is presented in order of liquidity. Except for property and equipment, intangible assets, investments, statutory deposit and accident and liability and engineering related insurance and reinsurance contracts, all other assets and liabilities are of short-term nature, unless, stated otherwise. The current and non-current classification of the assets and liabilities have not changed since the year ended 31 December 2024.

(c) Functional and presentation currency

These financial statements have been presented in Saudi Arabian Riyals ("Saudi Riyals" or "SR" or "SAR"), which is also the functional currency of the Company. All financial information presented in SR has been rounded to the nearest thousands, except where otherwise indicated.

(d) Basis of presentation

The condensed interim financial statements do not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2023. In addition, results for the interim three-month and six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

(e) Seasonality of operations

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

(f) Going concern

The Company has incurred losses of SR 52.86 million and negative cash flows from operations for the period ended 30 June 2025, and as of that date, the accumulated losses reached to SAR 191.20 million which represents 64% of its share capital, further, the Company's calculated solvency ratio following insurance authority requirements was 45% and considering the ratio at the time of applying the minimum capital requirements of SR 300 million which will be 15%, the minimum solvency ratio in both cases should be 100% based on these instructions, If the Company fails to maintain this ratio, the Insurance Authority may require it to take appropriate corrective actions. These matters may raise substantial doubt on the Company's ability to continue as going concern.

In light of recent financial challenges and the stop of pool revenue that contributed directly to the profitability, management has prioritized a strategic initiative aimed at attracting and retaining profitable customer segments to fortify the Company's financial stability and long-term viability. As part of this initiative, a comprehensive review of pricing strategies has been undertaken to ensure that underwriting practices align with the Company's profitability objectives.

Regardless the above indicators, 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 (12 months from the reporting date). By concentrating on customer segments that positively impact the bottom line, the Company seeks to enhance revenue quality and overall financial performance. This strategic shift includes the implementation of a dynamic pricing model, allowing for adjustments based on prevailing market conditions, competitive dynamics, and individual risk assessments.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

2. Basis of preparation (continued)

(f) Going Concern (continued)

Furthermore, the Company has developed targeted underwriting criteria tailored to distinct customer segments and risk profiles. This approach ensures that premium levels are not only appropriate but also sustainable, thereby reinforcing our commitment to profitability and the long-term success of the organization.

Further the steps being taken by the management to improve performance included operational measures to enhance claims management; manage cost rationalization through expense control and reducing discretionary spending, and work toward improve the portfolio mix by focusing on more profitable lines of business and products. The Company has also put in place measures such as actuarial pricing tools and periodic business reviews to support better business decisions.

Additionally, To further bolster its financial stability and support future growth, the Board of Directors is actively considering various capital structure options, with a potential increase in capital being a key consideration.

Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Based on the above measures taken by the management, along with existing cash and cash equivalents and other liquid assets, the management and those charged with governance remain confident that going concern assumption is valid. Based on the above these condensed interim financial statements have been prepared on a going concern basis.

(g) Critical accounting judgments, estimates and assumptions.

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

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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statement as at and for the year ended 31 December 2024, except for the adoption of new and revised standards disclosed below (note 3.1) which become effective as of 1 January 2025, the Company has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 Standards, interpretations and amendments that became effective during the period

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2025, but they did not have a material effect on the Company's condensed interim financial statements:

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

3.2 Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's condensed interim financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the condensed interim financial statements on adopting the standards, interpretations and amendments if applicable.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
	Contracts Referencing Nature-dependent Electricity	
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

4. Cash and cash equivalents

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Insurance operations		
Cash in hand	14	14
Cash at bank	9,816	6,546
Expected credit loss ("ECL")	(1)	(1)
	<u>9,829</u>	<u>6,559</u>

The bank balances and deposits are with banks, registered in Saudi Arabia and are denominated in Saudi Riyals.

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Global ratings' of AAA to BBB, whereas non-investment grade represents un-rated exposures. The Company's exposures to credit risk are not collateralized.

5. Investments held at amortized cost

Murabaha deposits comprises the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Murabaha deposits	93,973	174,000
Accrued income	223	7,414
Expected credit loss ("ECL")	(32)	(33)
	<u>94,164</u>	<u>181,381</u>

Murabaha deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 5.4% to 6.1% per annum for the year ended 31 December 2024. The gross carrying amount of Murabaha deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorized under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Global ratings of A to BBB. The Company's exposures to credit risk are not collateralized.

6. Financial assets at fair value through profit or loss ("FVTPL")

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Equity securities	18,203	18,423
Mutual funds	34,094	33,625
Sukuks (6.1)	5,000	5,000
	<u>57,297</u>	<u>57,048</u>

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

6. Financial assets at fair value through profit or loss ("FVTPL") (continued)**6.1 Investment in Tier-1 sukuks:**

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Fransi Bank Sukuks	2,000	2,000
Al Rajhi Bank – Sukuks	3,000	3,000
	5,000	5,000

These represents the Company's investment in Banque Saudi Fransi and AlRajhi Tier 1 Sukuks. These represent 2 Sukuks at a face value of SR 5 million with a coupon rate of 4.50% and 5.5% per annum. The Company has earned commission income of SR 0.12 million during the period (30 June 2024: SR 0.12 million). The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks classified as FVTPL.

The investments are denominated in Saudi Arabian Riyals and US Dollars. All investments held at fair value through profit or loss are quoted. The portfolio is invested in securities, mutual funds and Sukuks issued by corporates and financial institutions in the Kingdom of Saudi Arabia.

6.2 Movement of investments held at fair value through profit or loss

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	57,048	53,572
Addition during the period / year	--	841
Unrealised gain during the period / year	248	2,635
Balance at end of the period / year	57,296	57,048

7. Financial assets at fair value through other comprehensive income (FVOCI)

This represents the Company's 3.45% (31 December 2024: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	61,124	43,462
Fair value gain	2,507	17,662
Balance at the end of the period / year	63,631	61,124

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

8. Prepaid expenses and other assets - Net

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Prepayment	5,984	10,494
Due from employer's delinquency insurance pool	1,907	--
Due from travel and covid-19 products	472	472
Bank guarantee	300	300
Staff receivables	283	458
Due from Tawuniya for pool deals	--	1,451
Other	3,418	2,826
	12,364	16,001
Expected credit loss ("ECL")	(34)	(65)
	12,330	15,936

9. Statutory deposit

The statutory deposit as at 30 June 2025 amounted to SR 45 million which is equivalent to 15% of the share capital of the Company which is in compliance with Article 58 of the "Executive Regulations of the Cooperative Insurance Companies Control Law".

10. Insurance and reinsurance contracts

10.1 Composition of statement of financial position

An analysis of the amounts presented on the balance sheet for insurance contracts and reinsurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

	Medical	Motor-TPL	Motor-Comp	Property	Engineering	Marine	Accident & liability	Total
As at 30 June 2025 (Unaudited)								
Insurance Contracts								
Insurance contract assets	-	-	-	(3,226)	-	-	-	(3,226)
Insurance contract liabilities	13,683	63,108	46,611	-	2,198	1,932	8,802	136,334
	13,683	63,108	46,611	(3,226)	2,198	1,932	8,802	133,108
Reinsurance contracts								
Reinsurance contract assets	813	6,704	3,406	1,407	2,143	821	6,068	21,362
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
	813	6,704	3,406	1,407	2,143	821	6,068	21,362
As at December 31, 2024 (Unaudited)								
Insurance Contracts								
Insurance contract assets	--	--	--	(1,491)	--	--	--	(1,491)
Insurance contract liabilities	17,212	121,441	29,379	--	3,191	2,181	10,160	183,564
	17,212	121,441	29,379	(1,491)	3,191	2,181	10,160	182,073
Reinsurance contracts								
Reinsurance contract assets	785	13,070	4,431	7,210	3,016	1,134	7,201	36,847
Reinsurance contract liabilities	--	--	--	--	--	--	--	--
	785	13,070	4,431	7,210	3,016	1,134	7,201	36,847

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

10. Insurance and reinsurance contracts (continued)
10.2 Analysis by remaining coverage and incurred claims
10.2.1 Insurance contracts:

As at 30 June 2025 (Unaudited)					
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities - opening	107,088	7,540	67,089	1,847	183,564
Insurance contract assets – opening	(3,110)	-	1,522	97	(1,491)
Opening balance – net (audited)	103,978	7,540	68,611	1,944	182,073
Insurance revenue	(173,453)	-	-	-	(173,453)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	504	77,888	388	78,780
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	99,032	(837)	98,195
Reversal of losses on onerous contracts	-	-	-	-	-
Insurance acquisition cashflows amortisation	31,631	-	-	-	31,631
Insurance service expenses	31,631	504	176,920	(449)	208,606
Finance expense from insurance contracts	-	-	987	-	987
Total changes in the statement of income	(141,822)	504	177,907	(449)	36,140
Cashflows					
Premiums received	136,063	-	-	-	136,063
Other charges	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	(189,649)	-	(189,649)
Insurance acquisition cashflows paid	(31,519)	-	-	-	(31,519)
Total cash inflows / (outflows)	104,544	-	(189,649)	-	(85,105)
Insurance contracts					
Insurance contract liabilities – closing	71,379	8,044	55,516	1,396	136,334
Insurance contract assets – closing	(4,679)	-	1,353	100	(3,226)
Closing balance – net (Unaudited)	66,700	8,044	56,869	1,496	133,108

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

10. Insurance and reinsurance contracts (continued)**10.2 Analysis by remaining coverage and incurred claims (continued)****10.2.1 Insurance contracts (continued):**

	As at 31 December 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	109,546	6,981	41,709	2,527	160,763
Insurance contract assets – opening	--	--	--	--	--
Opening balance – net	109,546	6,981	41,709	2,527	160,763
Insurance revenue	(414,352)	--	--	--	(414,352)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	267,141	1,167	268,308
Onerous contracts recognized	--	559	--	--	559
Changes that relate to past service - adjustments to the LIC	--	--	105,599	(1,750)	103,849
Reversal of losses on onerous contracts	--	--	--	--	--
Insurance acquisition cashflows amortisation	67,822	--	--	--	67,822
Insurance service expenses	67,822	559	372,740	(583)	440,538
Finance expense from insurance contracts	--	--	873	--	873
Total changes in the statement of income	(346,530)	559	373,613	(583)	27,059
Cashflows					
Premiums received	409,988	--	--	--	409,988
Claims and other directly attributable expenses paid	--	--	(346,711)	--	(346,711)
Insurance acquisition cashflows paid	(69,026)	--	--	--	(69,026)
Total cash inflows / (outflows)	340,962	--	(346,711)	--	(5,749)
Insurance contracts					
Insurance contract liabilities – closing	107,088	7,540	67,089	1,847	183,564
Insurance contract assets – closing	(3,110)	--	1,522	97	(1,491)
Closing balance – net	103,978	7,540	68,611	1,944	182,073

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

10. Insurance and reinsurance contracts (continued)
10.2 Analysis by remaining coverage and incurred claims (continued)
10.2.2 Reinsurance contracts held:

	As at 30 June 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding recovery component	Recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	5,070	248	30,941	588	36,847
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	5,070	248	30,941	588	36,847
Reinsurance premium earned	(15,891)	-	-	-	(15,891)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	-	36	3,216	53	3,305
Changes that relate to past service - adjustments to the LIC	-	-	(74)	(252)	(326)
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-
Reversal of loss component	-	-	-	-	-
Reinsurance acquisition cashflows amortisation	-	-	-	-	-
Reinsurance service expenses - net	-	36	3,142	(199)	2,979
Finance income from reinsurance contracts	-	-	728	-	728
Total changes in the statement of income	(15,891)	36	3,870	(199)	(12,184)
Cashflows					
Premiums ceded and acquisition cashflows paid	14,711	-	-	-	14,711
Recoveries from reinsurance	-	-	(14,732)	-	(14,732)
Commission from reinsurance	(3,280)	-	-	-	(3,280)
Total cash (outflows) / inflows	11,431	-	(14,732)	-	(3,301)
Reinsurance contracts					
Reinsurance contract assets – closing	610	284	20,079	389	21,362
Reinsurance contract liabilities - closing	-	-	-	-	-
Closing balance – net (Unaudited)	610	284	20,079	389	21,362

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

10. Insurance and reinsurance contracts (continued)**10.2 Analysis by remaining coverage and incurred claims (continued)****10.2.2 Reinsurance contracts held (continued):**

	As at 31 December 2024 (Audited)				
	Asset for remaining. coverage		Asset for incurred. Claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
Reinsurance contracts					
Reinsurance contract assets - opening	18,334	1,187	23,979	1,083	44,583
Reinsurance contract liabilities - opening	-	-	-	-	-
Opening balance – net	18,334	1,187	23,979	1,083	44,583
Allocation of reinsurance premium paid	(46,260)	--	--	--	(46,260)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	--	-	8,992	244	9,236
Loss (reversal) of recovery component	--	(939)	--	--	(939)
Changes that relate to past service – adjustments to the LIC	--	--	6,273	(739)	5,534
Amounts recoverable from reinsurers – net	--	(939)	15,265	(495)	13,831
Finance income from reinsurance contracts	--	-	1,195	-	1,195
Total changes in the statement of profit or loss	(46,260)	(939)	16,460	(495)	(31,234)
Cashflows					
Premiums ceded and acquisition cashflows paid	37,467	--	--	--	37,467
Recoveries from reinsurance	--	--	(9,498)	--	(9,498)
Commission from reinsurance	(4,471)	--	--	--	(4,471)
	32,996	--	(9,498)	--	23,498
Reinsurance contracts					
Reinsurance contract assets – closing	5,070	248	30,941	588	36,847
Reinsurance contract liabilities - closing	--	--	--	--	--
Closing balance – net	5,070	248	30,941	588	36,847

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

11.Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Company, and Companies of which they are principal owners, and any other entities controlled, jointly controlled, or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the year and the related balances which offset from liabilities for remining claims as part of the IFRS 17 requirements:

The significant transactions with related parties and the related amounts are as follows:

			Transaction for the three - months period ended		Transaction for the six- months period ended		Balance receivable / (payable) as at 31	
			30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	December 2024 (Unaudited)
Related party	Relationship	Nature of transactions						
Insurance operations								
Saudi General Insurance Company Ltd. E.C.	Shareholder	Expenses paid	-	-	-	-	(309)	(309)
Rolaco Group*	Related to Shareholders	Premiums underwritten. Claims paid	511 -	495 -	572 (12)	521 -	5 (4)	10 (20)
Dabbagh Group*	Related to Shareholders	Premiums underwritten Claims paid	5,651 (263)	520 (221)	5,660 (1,004)	1,162 (462)	7,377 (1,077)	1,112 (1,633)
Raghaf Establishment*	Related to Shareholders	Premiums underwritten. Claims paid	- -	(1) (30)	- (6)	74 (45)	- -	- (3)
Key Management Personnel		Short-term benefits Long-term benefits	1,571 62	1,556 65	3,141 124	3,112 130	- (574)-	- (526)
Shareholders' operations								
Board of Directors		Board of Directors remuneration and related expenses	450	450	900	900	2700	1,800

* The above table includes balances for due from and due to related parties pertaining to shareholder and entities having common directorships or common key management personnel in accordance with local laws and regulations.

12.Zakat Provision

Movements in the Zakat provision during the period ended 30 June 2025 and year ended 31 December 2024 are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance as at beginning of the period / year	3,669	2,973
Provided during the period / year	2,400	5,615
Paid during the period / year	(2873)	(4,919)
Balance as at end of the period / year	3,196	3,669

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

12. Zakat Provision (continued)**12.1 Status of assessments**

The Company has filled its Zakat assessment returns for the years ended till 31 December 2023 and has obtained the related zakat certificates.

Year ended 31 December 2010 to 2020

The Company has finalized its Zakat and WHT status for the period/years from 31 December 2010 to 2020.

Year ended 31 December 2021 to 2022

ZATCA issued the Zakat and WHT assessment for the years ended 31 December 2021 to 2022 and claimed additional Zakat liability of SR 0.58 million to SR0.91 million respectively. The Company is under an objection process at ZATCA level. The Company object against the said assessment. ZATCA rejected the objection for the year 2021 and issued the revised assessment for the year 2022 which reduce the Zakat differences to SR 0.89 million. Total provision for the year 2021 and 2022 amounts to SR 1.47 million. The Company has escalated its objection for the year 2021 and 2022 to CRTVD and is waiting for the Committee to set up a hearing date.

Year ended 31 December 2023

ZATCA issued the Zakat assessment for the years ended 31 December 2023 and claimed additional Zakat liability of 0.90 million. The Company is under an objection process at ZATCA level.

Year ended 31 December 2024

The Company filed the Zakat return for the years ended 31 December 2024 and obtained the necessary Zakat Certificate. ZATCA did not finalize the study of the said year.

13. Share capital

The share capital of the Company is SR 300 million divided into 30 million shares of SR 10 each (31 December 2024: 30 million shares of SR 10 each). The shareholding structure of the Company is as below.

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Percentage of Holding	Amount SR '000	Percentage of Holding	Percentage of holding
Founding shareholders	12%	36,000	12%	36,000
General public	88%	264,000	88%	264,000
	100%	300,000	100%	300,000

During 2024, the Company has announced the results of the Extraordinary General meeting held on 19 March 2024 corresponding to 9 Ramadan 1445H which approved the Board recommendation for decrease in the share capital of the Company by SR 200 million. The reduction in the share capital set off against the accumulated losses of the Company.

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

14. Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for 30 June 2025 and 30 June 2024 is included in following tables. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

For the six-months period ended	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
30 June 2025								
(Unaudited)								
Insurance revenue from contracts measured under PAA	7,524	59,015	88,587	9,021	2,406	3,179	3,721	173,453
Insurance revenue – total	7,524	59,015	88,587	9,021	2,406	3,179	3,721	173,453
Incurring claims and other directly attributable expenses	(9,749)	(19,775)	(43,552)	(1,598)	(719)	(1,540)	(1,342)	(78,275)
Changes that relate to past service - adjustments to the LIC	302	(46,283)	(52,862)	128	(12)	(97)	628	(98,196)
(Losses) reversal on onerous contracts and reversal of the losses	(106)	(2,203)	1,805	--	--	--	--	(504)
Insurance acquisition cash flows amortisation	(534)	(11,928)	(16,409)	(1,416)	(370)	(370)	(604)	(31,631)
Insurance service expenses – total	(10,087)	(80,189)	(111,018)	(2,886)	(1,101)	(2,007)	(1,318)	(208,606)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	1,150	597	310	817	--	391	4	3,269
Reinsurance acquisition cash flows amortisation	(1,635)	(765)	(769)	(6,589)	(1,979)	(2,688)	(1,465)	(15,890)
Reinsurance premium ceded	--	--	--	--	--	--	--	--
Movement in Loss Recovery Component adjustment to reinsurance	8	32	(4)	--	--	--	--	36
Changes that relate to past service - adjustments to incurred claims	149	860	(419)	(961)	3	191	(149)	(326)
Net (expenses) / income from reinsurance contracts held - total	(328)	724	(882)	(6,733)	(1,976)	(2,106)	(1,610)	(12,911)
Insurance service result – total	(2,891)	(20,450)	(23,313)	(598)	(671)	(934)	793	(48,064)

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

14. Insurance revenue and expenses (continued)

For the six-months period ended 30 June 2024 (Unaudited):

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Insurance revenue from contracts measured under PAA	21,324	52,114	97,277	11,518	1,397	4,656	4,609	192,895
Insurance revenue – total	21,324	52,114	97,277	11,518	1,397	4,656	4,609	192,895
Incurred claims and other directly attributable expenses	(22,873)	(10,216)	(68,760)	(1,966)	(806)	(2,021)	(1,395)	(108,037)
Changes that relate to past service - adjustments to the LIC	(2,760)	(34,654)	(16,717)	3,032	298	237	(244)	(50,808)
Losses on onerous contracts and reversal of the losses	2,278	--	--	--	--	--	--	2,278
Insurance acquisition cash flows amortisation	(1,995)	(9,877)	(16,090)	(1,874)	(302)	(615)	(800)	(31,553)
Insurance service expenses – total	(25,350)	(54,747)	(101,567)	(808)	(810)	(2,399)	(2,439)	(188,120)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	496	176	(167)	--	12	608	--	1,125
Reinsurance acquisition cash flows amortisation	--	--	--	--	--	--	--	--
Reinsurance premium ceded	(2,337)	(4,223)	(5,487)	(6,953)	(1,407)	(3,468)	306	(23,569)
Movement in Loss Recovery Component adjustment to reinsurance	(834)	--	--	--	--	--	--	(834)
Changes that relate to past service - adjustments to incurred claims	531	3,189	4,111	(1,932)	(99)	254	(262)	5,792
Net income / (expenses) from reinsurance contracts held - total	(2,144)	(858)	(1,543)	(8,885)	(1,494)	(2,606)	44	(17,486)
Insurance service result – total	(6,170)	(3,491)	(5,833)	1,825	(907)	(349)	2,214	(12,711)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

14. Insurance revenue and expenses (continued)

For the three-months period ended 30 June 2025 (Unaudited):

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Insurance revenue from contracts measured under PAA	3,193	29,677	36,484	4,686	1,357	1,974	1,973	79,344
Insurance revenue – total	3,193	29,677	36,484	4,686	1,357	1,974	1,973	79,344
Incurred claims and other directly attributable expenses	(6,287)	(8,924)	(22,616)	(813)	(364)	(956)	(744)	(40,704)
Changes that relate to past service - adjustments to the LIC	3,552	(24,412)	(22,273)	95	(41)	106	661	(42,312)
Losses on onerous contracts and reversal of the losses	(1,232)	(1,218)	1,637	--	--	--	--	(813)
Insurance acquisition cash flows amortisation	(232)	(5,691)	(6,716)	(720)	(199)	(224)	(321)	(14,103)
Insurance service expenses – total	(4,199)	(40,245)	(49,968)	(1,438)	(604)	(1,074)	(404)	(97,932)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	1,020	415	9	817	--	363	3	2,627
Reinsurance acquisition cash flows amortisation								
Reinsurance premium ceded	(492)	(385)	(385)	(3,531)	(1,103)	(1,575)	(622)	(8,093)
Movement in Loss Recovery Component adjustment to reinsurance	92	22	(2)	--	--	--	--	112
Changes that relate to past service - adjustments to incurred claims	(974)	234	(869)	(914)	37	3	(170)	(2,653)
Net income / (expenses) from reinsurance contracts held - total	(354)	286	(1,247)	(3,628)	(1,066)	(1,209)	(789)	(8,007)
Insurance service result – total	(1,360)	(10,282)	(14,731)	(380)	(313)	(309)	780	(26,595)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

14. Insurance revenue and expenses (continued)

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

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Insurance revenue from contracts measured under PAA	11,551	24,347	57,699	5,635	727	3,066	2,102	105,127
Insurance revenue – total	11,551	24,347	57,699	5,635	727	3,066	2,102	105,127
Incurred claims and other directly attributable expenses	(19,078)	(3,658)	(53,569)	(931)	(329)	(1,172)	(674)	(79,411)
Changes that relate to past service - adjustments to the LIC	6,221	(16,335)	4,162	2,363	(147)	117	340	(3,279)
Losses on onerous contracts and reversal of the losses	1,449	--	--	--	--	--	--	1,449
Insurance acquisition cash flows amortisation	(1,007)	(5,950)	(9,666)	(898)	(156)	(304)	(356)	(18,337)
Insurance service expenses – total	(12,415)	(25,943)	(59,073)	534	(632)	(1,359)	(690)	(99,578)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	304	142	(211)	--	(50)	475	--	660
Reinsurance acquisition cash flows amortisation	--	--	--	--	--	--	--	--
Reinsurance premium ceded	(1,243)	(1,602)	(2,658)	(3,768)	(723)	(2,214)	(758)	(12,966)
Movement in Loss Recovery Component adjustment to reinsurance	(139)	--	--	--	--	--	--	(139)
Changes that relate to past service - adjustments to incurred claims	(145)	1,034	1,590	(1,863)	120	170	(284)	622
Net expenses from reinsurance contracts held - total	(1,223)	(426)	(1,279)	(5,631)	(653)	(1,569)	(1,042)	(11,823)
Insurance service result – total	(2,087)	(2,022)	(2,653)	538	(558)	138	370	(6,274)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

15. Insurance finance expense - net

An analysis of the net insurance finance expenses by product line is presented below:

For the six-month period ended 30 June 2025 (Unaudited):

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Finance (expense) / income from insurance contracts issued								
Interest accreted	(143)	97	(781)	(31)	(17)	(27)	(84)	(986)
Finance expense from insurance contracts issued	(143)	97	(781)	(31)	(17)	(27)	(84)	(986)
Finance income from reinsurance contracts held								
Interest accreted	28	187	229	146	22	45	71	728
Finance income from reinsurance contracts held	28	187	229	146	22	45	71	728
Insurance finance expense – net	(115)	284	(552)	115	5	18	(13)	(258)

For the six-month period ended 30 June 2024 (Unaudited):

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Finance income / (expense) from insurance contracts issued								
Interest accreted	57	36	(570)	(140)	(27)	(43)	(122)	(809)
Finance expense from insurance contracts issued	57	36	(570)	(140)	(27)	(43)	(122)	(809)
Finance income from reinsurance contracts held	-	-	-	-	-	-	-	-
Finance income from reinsurance contracts held	28	97	54	177	25	41	90	512
Insurance finance expense – net	85	133	(516)	37	(2)	(2)	(32)	(297)

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

15. Insurance finance expense – net (continued)

For the three-months period ended 30 June 2025 (Unaudited):

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Finance (expense) / income from insurance contracts issued	(57)	51	(301)	(15)	(7)	(12)	(35)	(376)
Interest accreted								
Finance (expense) / income from insurance contracts issued	(57)	51	(301)	(15)	(7)	(12)	(35)	(376)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	16	129	74	71	10	21	33	354
Finance income / (expense) from reinsurance contracts held	16	129	74	71	10	21	33	354
Insurance finance expense - net	(41)	180	(227)	56	3	9	(2)	(22)

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

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
Finance income / (expense) from insurance contracts issued								
Interest accreted	156	187	(356)	(42)	(10)	(17)	(69)	(151)
Finance income / (expense) from insurance contracts issued	156	187	(356)	(42)	(10)	(17)	(69)	(151)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	19	63	38	103	11	22	53	309
Finance income / (expense) from reinsurance contracts held	19	63	38	103	11	22	53	309
Insurance finance expense - net	175	250	(318)	61	1	5	(16)	158

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

16. Financial risk management

The Company generally has exposure to the financial risks, credit risk, liquidity risk, market risk and capital management. Generally, the Company's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements for the year ended 31 December 2024.

Fair values 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 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 these financial statements.

Determination of fair value and fair value hierarchy

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

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

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

Level 3: valuation techniques for which any significant input is not based on observable market data. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the year end. There are no transfers between Level 1, Level 2 and Level 3 during the year.

The following table shows the carrying value and fair value of financial assets measured at fair value at 30 June 2025 and 31 December 2024:

			Fair value		
	Fair value through profit or loss (FVTPL)	Fair value through other comprehensiv e income (FVOCI)	Level 1	Level 2	Level 3
30 June 2025 (Unaudited)					
Financial assets measured at fair value					
Equity	18,203	63,631	18,203	-	63,631
Mutual funds	34,094	-	-	34,094	-
Sukuks	5,000	-	-	5,000	-
	57,297	63,631	18,203	39,094	63,631
			Fair value		
	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Level 1	Level 2	Level 3
31 December 2024 (Audited)					
Financial assets measured at fair value					
Equity	18,423	61,124	18,423	--	61,124
Mutual funds	33,625	--	--	33,625	--
Sukuks	5,000	--	--	5,000	--
	57,048	61,124	18,423	38,625	61,124

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

16. Financial risk management (continued)**Determination of fair value and fair value hierarchy (continued)**

The fair value of investments in mutual funds and sukuk at level 2 is based on the net asset values and value of similar quoted sukuk communicated by the fund manager. The fair value of investments in equity securities at level 1 is based on quoted prices that are available on Tadawul.

There were no transfers between levels during the three-months and six months period ended 30 June 2025 and the year ended 31 December 2024. Further, there were no changes in the valuation techniques during the period from previous periods.

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the year	61,124	43,462
Fair value gain	2,507	17,662
Balance at the end of the year	63,631	61,124

The below table shows significant unobservable inputs used in the valuation of level 3 investments and their respective sensitivities.

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	
Unquoted equity investment in Najm	63,631	61,124	Earnings growth factor	Earnings growth factor	13.2%	13.2%	Reducing the Earnings growth factor to 5%, would decrease the fair value by SR 0.8 million. (2024: Reducing the Earnings growth factor to 10%, would decrease the fair value by SR 0.8 million)
			WACC	WACC	16.5%	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by SR 1.2 million. (2024: SR 1.2 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by SR 0.7 million. (2024: SR 0.7 million)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

17. Capital management

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 shares.

The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

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

- Minimum Capital Requirement
- Premium Solvency Margin
- Claims Solvency Margin

As at 30 June 2025 consists of paid-up share capital of SR 300 million, statutory reserve of SR 2.2 million, accumulated loss of SR 191.20 million and fair value reserve for investments of SR 61.7 million (December 31, 2024: paid-up share capital of SR 300 million, statutory reserve of SR 2.2 million, accumulated losses of SR 138 million and fair value reserve for investments of SR 59.2 million), in the condensed statement of financial position.

The solvency ratio as of 30 June 2025 calculated using the requirement as per article 40 equivalent to 45% which is below the required 100% margin (31 December 2024: 76%).

The amendment made to the Co-operative Insurance Companies Law in accordance with the Royal Decree (M/12) dated 23/1/1443H (corresponding to 01/09/2021) requires the minimum capital of insurance companies to be SR 300 million by December 15, 2024. Calculating the solvency ratio as of 30 June 2025 using the new capital requirement will result to 15% which is below the minimum ratio requirement.

In the opinion of the Board of Directors, except of the shortage in the solvency ratio, the Company has fully complied with other externally imposed capital requirements as at 30 June 2025 and 31 December 2024.

As at 30 June 2025, the accumulated losses of the Company exceeded 50% of the Company's share capital due to which the requirements of Article 150 of the Regulations for Companies became applicable, the management and the board of directors are aware of the current situation and taking the necessary actions to comply with such requirements.

.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

18. Loss per share

The calculation of basic and diluted earnings per share has been based on the distributable earnings attributable to shareholder of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the interim condensed financial statements, after adjustment for the effects of all dilutive potential ordinary shares, if any.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(29,079)	(7,672)	(52,861)	(13,411)
Weighted average number of ordinary shares for basic and diluted EPS	30,000	30,000	30,000	30,000
Earnings per share - basic and diluted	(0.97)	(0.26)	(1.76)	(0.45)

During the period, there are no other transactions that might impact the diluted earnings per share and therefore, the earnings per diluted share are not different from the basic earnings per share.

19. Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the condensed financial statements.

The Board of Directors of the Company monitors the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors for the Company as a whole. Furthermore, the Company operates in one geographical area i.e. Kingdom of Saudi Arabia.

Accordingly, segmental analysis of the condensed statement of income, condensed statement of other comprehensive income and condensed statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

20. Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

For the six-month period ended 30 June 2025 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	705	49,432	524	50,661
Small	171	2,595	449	3,215
Medium	1,059	14,582	4,686	20,327
Corporate	8,049	28,815	17,225	54,089
Total	9,984	95,424	22,884	128,292

For the six-month period ended 30 June 2024 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	18	166,662	531	167,211
Small	469	4,037	1,933	6,439
Medium	1,079	8,192	7,961	17,232
Corporate	17,841	29,774	22,251	69,866
Total	19,407	208,665	32,676	260,748

For the three-month period ended 30 June 2025 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	195	23,356	496	24,047
Small	87	765	428	1,280
Medium	908	8,342	677	9,927
Corporate	1,059	14,853	6,356	22,268
Total	2,249	47,316	7,957	57,522

For the three-month period ended 30 June 2024 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	18	53,110	501	53,629
Small	443	2,630	363	3,436
Medium	669	4,013	3,066	7,748
Corporate	8,088	4,608	8,260	20,956
Total	9,218	64,361	12,190	85,769

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

21.Net written premium

Details relating to net written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

**For the six-month period ended
30 June 2025 (Unaudited)**

Item	Medical	Motor	Property & casualty	Total
Gross written premium	9,984	95,424	22,884	128,292
Reinsurance premium ceded – globally (including excess of loss)	(1,302)	(1,184)	(13,299)	(15,785)
Reinsurance premium ceded – locally (including excess of loss)	(333)	(348)	(4,728)	(5,409)
Net written premium – total	8,349	93,892	4,857	107,098

**For the six-month period ended
30 June 2024 (Unaudited)**

Item	Medical	Motor	Property & casualty	Total
Gross written premium	19,407	208,666	32,675	260,748
Reinsurance premium ceded – globally (including excess of loss)	(1,960)	(1,016)	(19,743)	(22,719)
Reinsurance premium ceded – locally (including excess of loss)	(377)	(348)	(3,890)	(4,615)
Net written premium – total	17,070	207,302	9,042	233,414

**For the three-month period ended
30 June 2025 (Unaudited)**

Item	Medical	Motor	Property & casualty	Total
Gross written premium	2,249	47,316	7,957	57,522
Reinsurance premium ceded – globally (including excess of loss)	(389)	(594)	(4,857)	(5,840)
Reinsurance premium ceded – locally (including excess of loss)	(104)	(174)	(1,675)	(1,953)
Net written premium – total	1,756	46,548	1,425	49,729

**For the three-month period ended
30 June 2024 (Unaudited)**

Item	Medical	Motor	Property & casualty	Total
Gross written premium	9,218	64,361	12,190	85,769
Reinsurance premium ceded – globally (including excess of loss)	(1,042)	(555)	(7,503)	(9,100)
Reinsurance premium ceded – locally (including excess of loss)	(201)	(174)	(1,878)	(2,253)
Net written premium – total	7,975	63,632	2,809	74,416

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

22.Commitment and contingencies

- 22.1 The Company's bankers have issued payment guarantees of SR 0.3 million as at 30 June 2025 (December 31, 2024: SR 0.3 million) to its suppliers on behalf of the Company.
- 22.2 The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.
- 22.3 Please refer to note 12 with respect to Zakat contingencies.
- 22.4 Saudi General Insurance Company E.C. ("SGI") has raised a lawsuit against the Company requesting the Company to settle the Zakat and taxes on financial years 2005 to 2010. The Primary Committee ruled/decided to decline the case and obligate SGI to pay the Zakat and Tax amounts for 2005 to 2008, moreover, they ruled/decided to obligate GGI to pay the Zakat and tax amounts for 2009 and 2010. GGI will object and reject the decision before the GSTC Appealing Committee based on the decision of GSTC in 2018, and they believe that the Company does not have any financial impact as a result of this case.

23.Subsequent events

No subsequent events have been identified since the period-end, that would require disclosures or adjustments in these condensed interim financial statements.

24.Approval of condensed interim financial statements

These financial statements have been approved by the Board of Directors on August 7, 2025 corresponding to 13 Safar 1447H.