

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

INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2025

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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 September 30, 2025 and the related interim condensed statements of income, other comprehensive income for the three-month and nine-month periods then ended and the interim condensed statement of changes in equity and cash flows for the nine-month period ended September 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 September 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 financial statements, which indicates that the Company has incurred a net loss of SR 31.82 million and SR 84.68 million for the three-month and nine-month periods ended 30 September 2025, respectively and, as of that date, the Company's accumulated losses amounted to SR 223.02 million which represents 74% of the share capital. As at 30 September 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**

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 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 50% of share capital.

For El Sayed El Ayouty & Co.
Certified Accountants and
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Kingdom of Saudi Arabia



Abdullah S. Al-Msned
Certified Public Accountant
License No. 456

10 November 2025
19 Jumada al-Ula 1447 H



GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

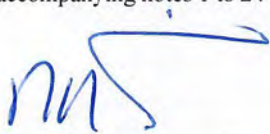
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	82,840	6,559
Investments held at amortized cost	5	80,466	181,381
Investments held at fair value through profit or loss ("FVTPL")	6	43,380	57,048
Investments held at fair value through other comprehensive income ("FVOCI")	7	63,631	61,124
Prepaid expenses and other assets	8	10,994	15,936
Reinsurance contract assets	10	13,762	36,847
Insurance contract assets	10	2,520	1,491
Property and equipment		9,434	11,088
Intangible assets		10,335	11,172
Right of use asset		3,332	4,221
Statutory deposit	9	44,992	44,992
Accrued income on statutory deposit		3,000	1,327
TOTAL ASSETS		368,686	433,186
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		13,903	13,235
Insurance contract liabilities	10	145,639	183,564
Reinsurance contract liabilities	10	2,833	-
Employees' defined benefit obligations		4,083	4,070
Zakat payable	12	4,396	3,669
Lease liabilities		3,101	3,415
Accrued income on statutory deposit		3,000	1,327
TOTAL LIABILITIES		176,955	209,280
<u>EQUITY</u>			
Share capital	13	300,000	300,000
Statutory reserve		2,165	2,165
Subordinated loan from shareholders	17	50,000	-
Accumulated losses		(223,018)	(138,336)
Fair value reserve for investment		61,708	59,201
Re-measurement reserve of defined benefit obligations		876	876
TOTAL EQUITY		191,731	223,906
TOTAL LIABILITIES AND EQUITY		368,686	433,186

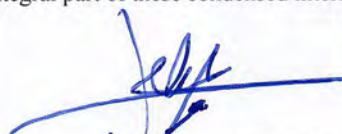
COMMITMENTS AND CONTINGENCIES

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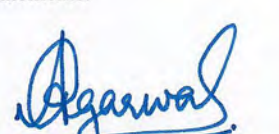
The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



 Director



 Chief Financial Officer



 Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

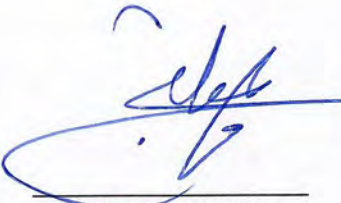
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2025	2024	2025	2024
REVENUES					
Insurance revenue	14	76,544	108,454	249,997	301,349
Insurance service expenses	14	(95,729)	(103,563)	(304,335)	(291,683)
Net expenses from reinsurance contracts	14	(11,255)	(7,873)	(24,166)	(25,359)
Insurance service result from Company's directly written business		(30,440)	(2,982)	(78,504)	(15,693)
Share of surplus from insurance pools		1,009	-	3,288	1,363
Total insurance service results		(29,431)	(2,982)	(75,216)	(14,330)
Net gains / (losses) on investments measured at FVTPL		3,084	1,778	3,332	2,008
Commission income on financial asset not measured at FVTPL and Murabaha		1,047	3,106	3,632	8,800
Commission income on investment measured at FVTPL		63	63	191	191
Dividend income		213	198	558	401
Investment return		4,407	5,145	7,713	11,400
Net finance expenses from insurance contracts	15	(357)	(58)	(1,343)	(867)
Net finance income from reinsurance contracts	15	204	505	932	1,017
Net insurance finance (expense) / income		(153)	447	(411)	150
Net insurance and investment result		(25,177)	2,610	(67,914)	(2,780)
Other operating expense		(5,444)	(3,011)	(13,168)	(8,015)
Net loss for the period before zakat		(30,621)	(401)	(81,082)	(10,795)
Zakat	12.1	(1,200)	(1,398)	(3,600)	(4,415)
Net loss for the period		(31,821)	(1,799)	(84,682)	(15,210)
Loss per share	18	(1.06)	(0.06)	(2.82)	(0.51)

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)


INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025


(All amounts in Saudi Riyal thousands unless otherwise stated)

	Three-month periods ended		Nine-month periods ended	
	30 September		30 September	
	2025	2024	2025	2024
Net loss for the period	(31,821)	(1,799)	(84,682)	(15,210)
Other comprehensive income	-	-	2,507	-
Total comprehensive loss for the period	(31,821)	(1,799)	(82,175)	(15,210)

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)
INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2025
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Subordinated loan from shareholders	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of defined benefit obligations	Total
Balance as at 1 January 2024 (audited)		500,000	2,165	-	(244,129)	41,539	818	300,393
Total comprehensive income								
Loss for the period		-	-	-	(15,210)	-	-	(15,210)
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(15,210)	-	-	(15,210)
Transaction with owners of the Company								
Reduction in share capital to absorb losses (note 13)		(200,000)	-	-	200,000	-	-	-
Balance as at 30 September 2024 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>-</u>	<u>(59,339)</u>	<u>41,539</u>	<u>818</u>	<u>285,183</u>
Balance at 1 January 2025 (Audited)		300,000	2,165	-	(138,336)	59,201	876	223,906
Total comprehensive income:								
Loss for the period		-	-	-	(84,682)	-	-	(84,682)
Other comprehensive income for the period		-	-	-	-	2,507	-	2,507
Total comprehensive loss for the period		-	-	-	(84,682)	2,507	-	(82,175)
Transaction with owners of the Company								
Subordinated Loan from Shareholders (note 17)		-	-	50,000	-	-	-	50,000
Balance at 30 September 2025 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>50,000</u>	<u>(223,018)</u>	<u>61,708</u>	<u>876</u>	<u>191,731</u>

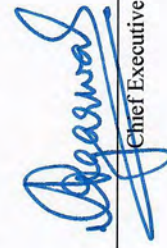
The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



Director



Chief Financial Officer

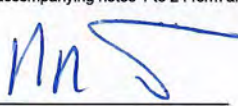


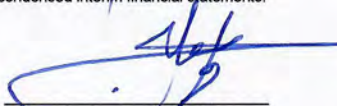
Chief Executive Officer

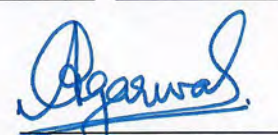
GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the nine-month periods ended 30 September 2025
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	30 September 2025	30 September 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Total loss for the period before zakat		(81,082)	(10,795)
<u>Adjustments for non-cash items:</u>			
Depreciation		1,651	1,709
Amortization of intangible assets		1,171	1,114
Amortization of right-of-use asset		889	889
Finance cost on lease liabilities		108	146
Net gains on investments measured at FVTPL		(3,332)	(2,008)
Employees' defined benefit obligations		683	1,452
Commission income on investments at FVTPL and Murabaha		(3,823)	(8,991)
Dividend income		(558)	(401)
		(84,293)	(16,885)
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liabilities		(37,925)	19,716
Insurance contract assets		(1,029)	(12,906)
Reinsurance contract assets		23,085	9,055
Reinsurance contract liabilities		2,833	-
Prepaid expenses and other assets		4,942	21,560
Accrued expenses and other liabilities		668	(4,835)
Cash (used in) / generated from operating activities		(91,719)	15,705
Zakat paid	12	(2,873)	(4,919)
Employees' defined benefit obligations paid		(670)	(1,196)
Net cash (used in) / generated from operating activities		(95,262)	9,590
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal / (addition) of property and equipment		3	(24)
Addition of intangible assets		(334)	(70)
Commission income on investments at FVTPL and Murabaha		3,823	8,991
Purchase /(disposal) of investments at FVTPL		17,000	(841)
Dividend income		558	401
Decrease /(Increase) of investments held at amortized cost		100,915	(53,747)
Net cash generated from / (used in) investing activities		121,965	(45,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(422)	(200)
Release of statutory deposit		-	30,000
Subordinated loan from shareholders		50,000	-
Net cash generated from financing activities		49,578	29,800
Net increase / (decrease) in cash and cash equivalents		76,281	(5,900)
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	82,840	8,562
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.


Director


Chief Financial Officer


Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 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 has completed its assessment of the impact of the New Law and has amended the Company's By-laws to align with the provisions of the New Law and the amended CMA Implementing Regulations. The amended By-laws were presented to the shareholders and approved at the Company's Extraordinary General Assembly meeting held on 7 November 2024, within the timeframe prescribed by the relevant authorities.

The Company completed the legal procedures and the commercial register and the amended By-laws were issued on 27 August 2025, (corresponding to 4 Rabi Al Awwal 1447H) and 7 November 2024 (corresponding to 5 Jumada Al Awwal 1446H) respectively.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 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 recognized 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 2024. In addition, results for the interim three-month and nine-month period ended 30 September 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 84.68 million and negative cash flows from operations for the period ended 30 September 2025, and as of that date, the accumulated losses reached to SAR 223.02 million which represents 74% of its share capital. Further, the Company's calculated solvency ratio following insurance authority requirements was 83% and considering the ratio at the time of applying the minimum capital requirements of SR 300 million which will be 28%, 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. In combination with the insufficient solvency ratio, the company is facing continued losses, negative operating cash flows and accumulated losses exceeding 70% of the share capital. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

2 Basis of preparation (continued)

(f) Going concern (continued)

The Company's management has performed an assessment of its ability to continue as a going concern assumption and believes that it has the resources to continue in business for the foreseeable future (12 months from the reporting date).

In response, management has undertaken several strategic and operational measures to strengthen financial stability and support the Company's long-term viability. These measures include:

- Focusing on profitable customer segments and optimizing the portfolio mix;
- Implementing dynamic pricing models and targeted underwriting criteria;
- Enhancing claims management and controlling discretionary expenses;
- Using actuarial pricing tools and conducting periodic business reviews;
- Considering capital structure options, including potential capital injections; and
- Obtaining a subordinated loan of SAR 50 million from shareholders.

The Board of Directors and management believe that these measures, together with existing cash and liquid assets, provide adequate resources to support operations for at least the next 12 months. While the solvency ratio remains below the regulatory minimum, the management is actively taking steps to improve it and comply with all relevant statutory requirements, including Article 150 of the Regulations for Companies.

Based on these actions and available resources, management and those charged with governance remain confident that the Company can continue as a going concern.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 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 does 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 Contracts Referencing Nature-dependent Electricity	1 January 2026
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

3.3 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 at and for the year ended 31 December 2024.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

4 Cash and cash equivalents

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Insurance operations		
Cash in hand	13	14
Cash at bank	82,838	6,546
Expected credit loss ("ECL")	(11)	(1)
	<u>82,840</u>	<u>6,559</u>

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

The gross carrying amount of cash and cash equivalents 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 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

Investments held at amortized cost comprise the following:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Murabaha deposits	80,000	174,000
Accrued income	499	7,414
Expected credit loss ("ECL")	(33)	(33)
	<u>80,466</u>	<u>181,381</u>

5.1 Murabaha deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 5.52% to 6.10% per annum (31 December 2024: 5.4% to 6.1% per annum). 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 Investments held at fair value through profit or loss ("FVTPL")

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Equity securities	20,322	18,423
Mutual funds	18,058	33,625
Sukuks (6.1.1)	5,000	5,000
	<u>43,380</u>	<u>57,048</u>

6.1 Investment in Tier-1 sukuks:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Fransi Bank Sukuks	2,000	2,000
Al Rajhi Bank – Sukuks	3,000	3,000
	<u>5,000</u>	<u>5,000</u>

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 0.19 million during the period (30 September 2024: 0.19 million). The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks classified as FVTPL.

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6 Investments held at fair value through profit or loss ("FVTPL") (continued)**6.1 Investment in Tier-1 sukuku (continued):**

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 Sukuku issued by corporates and financial institutions in the Kingdom of Saudi Arabia.

6.2 Movement of investments held at through profit or loss

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period	57,048	53,572
Addition during the period	-	841
Disposal during the period	(17,000)	-
Unrealized gain during the period	3,332	2,635
Balance at end of the period	<u>43,380</u>	<u>57,048</u>

7 Investments held at FVOCI

	30 September 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	<u>63,631</u>	<u>61,124</u>

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.

8 Prepaid expenses and other assets

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Prepayments	6,361	10,494
Due from employer's delinquency insurance pool	2,916	-
Due from Tawuniya for pool deals	-	1,451
Due from travel and covid-19 products	472	472
Staff receivables	368	458
Bank guarantee	300	300
Other	632	2,826
	<u>11,049</u>	<u>16,001</u>
Expected credit loss ("ECL")	(55)	(65)
	<u>10,994</u>	<u>15,936</u>

9 Statutory Deposit

The statutory deposit as at 30 September 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".

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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 of balances:

	Medical	Motor- TPL	Motor-Comp	Property	Engineering	1
As at 30 September 2025						
(Unaudited)						
Insurance Contracts						
Insurance contract assets	-	-	-	(2,520)	-	
Insurance contract liabilities	12,195	60,904	60,166	-	1,892	
	<u>12,195</u>	<u>60,904</u>	<u>60,166</u>	<u>(2,520)</u>	<u>1,892</u>	
Reinsurance contracts						
Reinsurance contract assets	1,278	4,197	976	-	1,700	
Reinsurance contract liabilities	-	-	-	(2,402)	-	
	<u>1,278</u>	<u>4,197</u>	<u>976</u>	<u>(2,402)</u>	<u>1,700</u>	
As at December 31, 2024						
(Audited)						
Insurance Contracts						
Insurance contract assets	-	-	-	(1,491)	-	
Insurance contract liabilities	17,212	121,441	29,379	-	3,191	
	<u>17,212</u>	<u>121,441</u>	<u>29,379</u>	<u>(1,491)</u>	<u>3,191</u>	
Reinsurance contracts						
Reinsurance contract assets	785	13,070	4,431	7,210	3,016	
Reinsurance contract liabilities	-	-	-	-	-	
	<u>785</u>	<u>13,070</u>	<u>4,431</u>	<u>7,210</u>	<u>3,016</u>	

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

	As at 30 September 2025 (Unaudited)		
	Liability for remaining coverage		Liability for incurred claims
	Excluding loss component	Loss component	Estimates of present value of FCF
Insurance contracts			
Insurance contract liabilities - opening	107,088	7,540	67,089
Insurance contract assets – opening	(3,110)	-	1,522
Opening balance – net (audited)	103,978	7,540	68,611
Insurance revenue	(249,997)	-	-
Insurance service expenses			
Incurred claims and other directly attributable expenses	-	-	124,918
Onerous contracts recognized	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	133,360
Reversal of losses on onerous contracts	-	79	-
Insurance acquisition cash flows amortisation	46,038	-	-
Insurance service expenses	46,038	79	258,278
Finance expense from insurance contracts	-	-	1,343
Total changes in the statement of income	(203,959)	79	259,621
Cash flows			
Premiums received	209,695	-	-
Other charges	-	-	-
Claims and other directly attributable expenses paid	-	-	(259,226)
Insurance acquisition cash flows paid	(45,104)	-	-
Total cash inflows / (outflows)	164,591	-	(259,226)
Insurance contracts			
Insurance contract liabilities – closing	67,944	7,619	68,247
Insurance contract assets – closing	(3,334)	-	759
Closing balance – net (Unaudited)	64,610	7,619	69,006

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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
	Excluding loss component	Loss component	Estimates of present value of FCF
Insurance contracts			
Insurance contract liabilities – opening	109,546	6,981	41,709
Insurance contract assets – opening	-	-	-
Opening balance – net	109,546	6,981	41,709
Insurance revenue	(414,352)	-	-
Insurance service expenses			
Incurred claims and other directly attributable expenses	-	-	267,141
Onerous contracts recognized	-	559	-
Changes that relate to past service - adjustments to the LIC	-	-	105,599
Reversal of losses on onerous contracts	-	-	-
Insurance acquisition cashflows amortisation	67,822	-	-
Insurance service expenses	67,822	559	372,740
Finance expense from insurance contracts	-	-	873
Total changes in the statement of income	(346,530)	559	373,613
Cashflows			
Premiums received	409,988	-	-
Other charges	-	-	-
Claims and other directly attributable expenses paid	-	-	(346,711)
Insurance acquisition cashflows paid	(69,026)	-	-
Total cash inflows / (outflows)	340,962	-	(346,711)
Insurance contracts			
Insurance contract liabilities – closing	107,088	7,540	67,089
Insurance contract assets – closing	(3,110)	-	1,522
Closing balance – net	103,978	7,540	68,611

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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 September 2025		
	Asset for remaining coverage		Asset for incurred claims
	Excluding recovery component	Recovery component	Estimates of present value of future cash flows
Reinsurance contracts			
Reinsurance contract assets – opening	5,070	248	-
Reinsurance contract liabilities – opening	-	-	-
Opening balance – net	5,070	248	
Reinsurance premium earned	(23,013)	-	
Reinsurance service expenses			
Claims recovered and other directly attributable expenses	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-
Reversal of loss component	-	(41)	-
Reinsurance acquisition cash flows amortisation	-	-	-
Reinsurance service expenses - net	-	(41)	
Finance income from reinsurance contracts	-	-	-
Total changes in the statement of income	(23,013)	(41)	
Cash flows			
Premiums ceded and acquisition cash flows paid	19,184	-	-
Recoveries from reinsurance	-	-	(-)
Commission from reinsurance	(6,121)	-	-
Total cash (outflows) / inflows	13,063	-	(-)
Reinsurance contracts			
Reinsurance contract assets – closing	4,234	207	-
Reinsurance contract liabilities - closing	(9,114)	-	-
Closing balance – net (Unaudited)	(4,880)	207	

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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
	Excluding recovery component	Recovery component	Estimates of present value of FCF
Reinsurance contracts			
Reinsurance contract assets – opening	18,334	1,187	23,979
Reinsurance contract liabilities – opening	-	-	-
Opening balance – net	18,334	1,187	23,979
Reinsurance premium earned	(46,260)	-	-
Reinsurance service expenses			
Claims recovered and other directly attributable expenses	-	-	8,992
Changes that relate to past service - adjustments to the LIC	-	-	6,272
Reversal of loss (recovery) component	-	(939)	-
Reinsurance service expenses - net	-	(939)	15,265
Finance income from reinsurance contracts	-	-	1,192
Total changes in the statement of income	(46,260)	(939)	16,460
Cash flows			
Premiums ceded and acquisition cash flows paid	37,467	-	-
Recoveries from reinsurance	-	-	(9,498)
Commission from reinsurance	(4,471)	-	-
Total cash (outflows) / inflows	32,996	-	(9,498)
Reinsurance contracts			
Reinsurance contract assets – closing	5,070	248	30,94
Reinsurance contract liabilities - closing	-	-	-
Closing balance – net (Unaudited)	5,070	248	30,94

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11 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, shareholder, directors, and key management personnels. Pricing policies and terms of these transactions are approved by the Company's management. All the related party transactions during the year and the related balances which offset from liabilities for remaining claims as part of the IFRS 1

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

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Transaction for the three - months period ended</u>		<u>Transaction for the nine months period ended</u>	
			<u>30 September 2025</u>	<u>30 September 2024</u>	<u>30 September 2025</u>	<u>30 September 2024</u>
			<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Insurance operations						
Saudi General Insurance Company Ltd. E.C.	Shareholder	Expenses paid	-	-	-	-
Saudi General Investments Trading and Services Company	Shareholder	Shareholder Loan	-	-	-	-
Marketing and Commercial Agencies Company Ltd.	Shareholder	Shareholder Loan	-	-	-	-
Rolaco Group	Related to Shareholders	Premiums underwritten.	18	25	590	
		Claims paid	-	-	(12)	
Dabbagh Group	Related to Shareholders	Premiums underwritten	1,135	(135)	6,795	
		Claims paid	(101)	(317)	(1,105)	
Raghaf Establishment	Related to Shareholders	Premiums underwritten.	-	(2)	-	
		Claims paid	-	(22)	(6)	
Key Management Personnel		Short-term benefits	1,333	1,556	4,474	
		Long-term benefits	48	65	172	
Shareholders' operations						
Board of Directors		Board of Directors remuneration and related expenses	450	450	1,350	

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12 Zakat**12.1 Zakat Provision**

Movements in the Zakat provision during the period ended 30 September 2024 and year ended 31 December 2023 are as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance as at beginning of the period / year	3,669	2,973
Provided during the period / year	3,600	5,615
Paid during the period / year	(2,873)	(4,919)
Balance as at end of the period / year	<u>4,396</u>	<u>3,669</u>

12.2 Status of assessments

The Company has filled its Zakat 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 September 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
	<u>100%</u>	<u>300,000</u>	<u>100%</u>	<u>300,000</u>

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.

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14 Insurance revenue and expenses

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

for the nine-months period ended	Medical	Motor-Comp	Motor-TPL	Property	Engineering
30 September 2025 (Unaudited)					
Insurance revenue from contracts measured under PAA	10,931	87,098	123,873	13,941	3,338
Insurance revenue – total	10,931	87,098	123,873	13,941	3,338
Incurred claims and other directly attributable expenses	(12,782)	(42,173)	(62,577)	(2,671)	(1,136)
Changes that relate to past service - adjustments to the LIC	286	(60,495)	(73,948)	801	201
(Losses) on onerous contracts and reversal of the losses	1,051	(3,531)	2,401	-	-
Insurance acquisition cash flows amortisation	(730)	(18,021)	(23,202)	(2,134)	(505)
Insurance service expenses – total	(12,175)	(124,220)	(157,326)	(4,004)	(1,440)
Reinsurance income (expenses) - contracts measured under the PAA					
Claims recovered	1,151	595	310	437	-
Reinsurance acquisition cash flows amortisation					
Reinsurance premium ceded	(1,178)	(3,839)	(3,843)	(9,037)	(1,917)
Movement in Loss Recovery Component adjustment to reinsurance	(79)	51	(13)	-	-
Changes that relate to past service - adjustments to incurred claims	146	(454)	(2,329)	(988)	(258)
Net income / (expenses) from reinsurance contracts held - total	40	(3,647)	(5,875)	(9,588)	(2,175)
Insurance service result – total	(1,204)	(40,769)	(39,328)	349	(277)

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14 Insurance revenue and expenses (continued)

for the nine-months period ended

30 September 2024 (Unaudited)

	Medical	Motor-Comp	Motor-TPL	Property	Engineering
Insurance revenue from contracts measured under PAA	27,960	79,399	161,070	16,895	2,407
Insurance revenue – total	27,960	79,399	161,070	16,895	2,407
Incurred claims and other directly attributable expenses	(28,995)	(30,652)	(110,465)	(2,971)	(1,317)
Changes that relate to past service - adjustments to the LIC	(7,213)	(34,693)	(31,579)	3,005	390
(Losses) on onerous contracts and reversal of the losses	5,217	-	-	-	-
Insurance acquisition cash flows amortisation	(2,617)	(15,034)	(25,316)	(2,718)	(479)
Insurance service expenses – total	(33,608)	(80,379)	(167,360)	(2,684)	(1,406)
Reinsurance income (expenses) - contracts measured under the PAA					
Claims recovered	649	2,083	371	3,072	251
Reinsurance acquisition cash flows amortisation	-	-	-	-	-
Reinsurance premium ceded	(2,801)	(5,376)	(7,964)	(11,193)	(2,300)
Movement in Loss Recovery Component adjustment to reinsurance	(1,055)	-	-	-	-
Changes that relate to past service - adjustments to incurred claims	87	4,248	6,007	(5,024)	(351)
Net income / (expenses) from reinsurance contracts held - total	(3,120)	955	(1,586)	(13,145)	(2,400)
Insurance service result – total	(8,768)	(25)	(7,876)	1,066	(1,399)

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14 Insurance revenue and expenses (continued)

for the three-months period ended	Medical	Motor-Comp	Motor-TPL	Property	Engineering
30 September 2025 (Unaudited)					
Insurance revenue from contracts measured under PAA	3,407	28,083	35,286	4,920	932
Insurance revenue – total	3,407	28,083	35,286	4,920	932
Incurring claims and other directly attributable expenses	(3,033)	(22,398)	(19,025)	(1,073)	(417)
Changes that relate to past service - adjustments to the LIC	(16)	(14,212)	(21,086)	673	213
(Losses) on onerous contracts and reversal of the losses	1,157	(1,328)	596	-	-
Insurance acquisition cash flows amortisation	(196)	(6,093)	(6,793)	(718)	(135)
Insurance service expenses – total	(2,088)	(44,031)	(46,308)	(1,118)	(339)
Reinsurance income (expenses) - contracts measured under the PAA					
Claims recovered	1	(2)	-	(380)	-
Reinsurance acquisition cash flows amortisation	-	-	-	-	-
Reinsurance premium ceded	457	(3,074)	(3,074)	(2,448)	62
Movement in Loss Recovery Component adjustment to reinsurance	(87)	19	(9)	-	-
Changes that relate to past service - adjustments to incurred claims	(3)	(1,314)	(1,910)	(27)	(261)
Net income / (expenses) from reinsurance contracts held - total	368	(4,371)	(4,993)	(2,855)	(199)
Insurance service result – total	1,687	(20,319)	(16,015)	947	394

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14 Insurance revenue and expenses (continued)

for the three-months period ended	Medical	Motor-Comp	Motor-TPL	Property	Engineering
30 September 2024 (Unaudited)					
Insurance revenue from contracts measured under PAA	6,636	27,285	63,793	5,377	1,010
Insurance revenue – total	6,636	27,285	63,793	5,377	1,010
Incurred claims and other directly attributable expenses	(6,122)	(20,436)	(41,705)	(1,005)	(511)
Changes that relate to past service - adjustments to the LIC	(4,453)	(39)	(14,862)	(27)	92
(Losses) on onerous contracts and reversal of the losses	2,939	-	-	-	-
Insurance acquisition cash flows amortisation	(622)	(5,157)	(9,226)	(844)	(177)
Insurance service expenses – total	(8,258)	(25,632)	(65,793)	(1,876)	(596)
Reinsurance income (expenses) - contracts measured under the PAA					
Claims recovered	153	1,907	538	3,072	239
Reinsurance acquisition cash flows amortisation	-	-	-	-	-
Reinsurance premium ceded	(464)	(1,153)	(2,477)	(4,240)	(893)
Movement in Loss Recovery Component adjustment to reinsurance	(221)	-	-	-	-
Changes that relate to past service - adjustments to incurred claims	(444)	1,059	1,896	(3,092)	(252)
Net income / (expenses) from reinsurance contracts held - total	(976)	1,813	(43)	(4,260)	(906)
Insurance service result – total	(2,598)	3,466	(2,043)	(759)	(492)

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15 Insurance finance expense - net

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

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	M
For the nine-month period ended 30 September 2025 (Unaudited)						
Finance income / (expense) from insurance contracts issued						
Interest accreted	(158)	70	(1,037)	(43)	(25)	
Finance expense from insurance contracts issued	(158)	70	(1,037)	(43)	(25)	
Finance income from reinsurance contracts held						
Interest accreted	33	252	268	195	30	
Finance income from reinsurance contracts held	33	252	268	195	30	
Insurance finance expense – net	(125)	322	(769)	152	5	

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	M
For the nine-month period ended 30 September 2024 (Unaudited)						
Finance income / (expense) from insurance contracts issued						
Interest accreted	(11)	272	(618)	(172)	(41)	
Finance expense from insurance contracts issued	(11)	272	(618)	(172)	(41)	
Finance income from reinsurance contracts held						
Interest accreted	50	246	168	282	42	
Finance income from reinsurance contracts held	50	246	168	282	42	
Insurance finance expense – net	39	518	(450)	110	1	

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15 Insurance finance expense – net (continued)

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	M
For the three-months period ended 30 September 2025						
Finance income / (expense) from insurance contracts issued						
Interest accreted	(15)	(27)	(256)	(12)	(8)	
Finance income / (expense) from insurance contracts issued	(15)	(27)	(256)	(12)	(8)	
Finance income / (expense) from reinsurance contracts held						
Interest accreted	5	65	39	49	8	
Finance income / (expense) from reinsurance contracts held	5	65	39	49	8	
Insurance finance expense - net	(10)	38	(217)	37	-	

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	M
For the three-months period ended 30 September 2024						
Finance income / (expense) from insurance contracts issued						
Interest accreted	(68)	236	(48)	(32)	(14)	
Finance income / (expense) from insurance contracts issued	(68)	236	(48)	(32)	(14)	
Finance income / (expense) from reinsurance contracts held						
Interest accreted	22	149	114	105	17	
Finance income / (expense) from reinsurance contracts held	22	149	114	105	17	
Insurance finance expense - net	(46)	385	66	73	3	

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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 September 2024 and 31 December 2023:

			Fair value		
	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Level 1	Level 2	Level 3
30 September 2025 (Unaudited)					
Financial assets measured at fair value					
Equity	20,322	63,631	20,322	-	63,631
Mutual funds	18,058	-	-	18,058	-
Sukuks	5,000	-	-	5,000	-
	43,380	63,631	20,322	23,058	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

The fair value of investments in mutual funds and sukuks at level 2 is based on the net asset values and value of similar quoted sukuks 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.

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16 Financial Risk Management (continued)
Fair values of financial instruments (continued)
Determination of fair value and fair value hierarchy (continued)

There were no transfers between levels during the three months and nine-months period ended 30 September 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 September 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

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy (continued)

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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 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.

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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

During the period ended September 30, 2025, the Company obtained a subordinated loan of SAR 50 million from its shareholders:

- The Commercial Company for Marketing Services & Agencies Ltd and;
- The Saudi General Company for Commercial and Investment Services.

with the approval of the Saudi Central Bank (SAMA) under Articles (64) and (68) of the Implementing Regulations of the Cooperative Insurance Companies Control Law.

Repayment of the loan is at the Company's discretion and subject to regulatory approvals. In accordance with IAS 32, the loan has been classified as an equity component in the statement of financial position.

As at 30 September 2025 consists of paid-up share capital of SR 300 million, statutory reserve of SR 2.17 million, accumulated loss of SR 223.02 million and fair value reserve for investments of SR 61.71 million (December 31, 2024: paid-up share capital of SR 300 million, statutory reserve of SR 2.17 million, accumulated losses of SR 138.34 million and fair value reserve for investments of SR 59.20 million), in the condensed statement of financial position.

The solvency ratio as of 30 September 2025 calculated using the requirement as per article 40 equivalent to 83% 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 September 2025 using the new capital requirement will result to 28% 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 September 2025 and 31 December 2024.

As at 30 September 2025, the accumulated losses of the Company exceeded 70% 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.

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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 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(31,821)	(1,799)	(84,682)	(15,210)
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	(1.06)	(0.06)	(2.82)	(0.51)

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.

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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.

Breakdown of GWP	For the nine-month period ended 30 September 2025 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Retail	1,002	86,511	579	88,092
Small	198	4,315	1,777	6,290
Medium	1,158	17,498	6,309	24,965
Corporate	8,903	54,184	20,757	83,844
Total	11,261	162,508	29,422	203,191

Breakdown of GWP	For the nine-month period ended 30 September 2024 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Retail	228	212,800	536	213,564
Small	469	5,555	2,534	8,558
Medium	1,081	10,462	10,105	21,648
Corporate	18,041	52,826	24,925	95,792
Total	19,819	281,643	38,100	339,562

20 Gross Written Premium (continued)

Breakdown of GWP	For the three-month period ended 30 September 2025 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Retail	297	37,079	55	37,431
Small	27	1,720	1,328	3,075
Medium	99	2,916	1,623	4,638
Corporate	854	25,369	3,532	29,755
Total	1,277	67,084	6,538	74,899

Breakdown of GWP	For the three-month period ended 30 September 2024 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Retail	210	46,138	5	46,353
Small	-	1,518	601	2,119
Medium	2	2,270	2,144	4,416
Corporate	200	23,052	2,676	25,928
Total	412	72,978	5,426	78,816

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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.

Item	For the nine-month period ended 30 September 2025 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	11,261	162,508	29,422	203,191
Reinsurance premium ceded – globally (including excess of loss)	(857)	(2,337)	(17,468)	(20,662)
Reinsurance premium ceded – locally (including excess of loss)	(321)	(1,051)	(6,901)	(8,273)
Net written premium – total	10,083	159,120	5,053	174,256

Item	For the nine-month period ended 30 September 2024 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	19,819	281,643	38,100	339,562
Reinsurance premium ceded – globally (including excess of loss)	(2,339)	(1,604)	(23,570)	(27,513)
Reinsurance premium ceded – locally (including excess of loss)	(462)	(523)	(5,042)	(6,027)
Net written premium – total	17,018	279,516	9,488	306,022

Item	For the three-month period ended 30 September 2025 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	1,277	67,084	6,538	74,899
Reinsurance premium ceded – globally (including excess of loss)	445	(1,153)	(4,169)	(4,877)
Reinsurance premium ceded – locally (including excess of loss)	12	(703)	(2,173)	(2,864)
Net written premium – total	1,734	65,228	196	67,158

Item	For the three-month period ended 30 September 2024 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	412	72,978	5,426	78,816
Reinsurance premium ceded – globally (including excess of loss)	(379)	(588)	(3,827)	(4,794)
Reinsurance premium ceded – locally (including excess of loss)	(85)	(175)	(1,152)	(1,412)
Net written premium – total	(52)	72,215	447	72,610

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22 COMMITMENT AND CONTINGENCIES

- 22.1 The Company's bankers have issued payment guarantees of SR 0.3 million as at 30 September 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 which was amounted by SR 11.3 million. 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 by SR 2.8 million 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 -----